

# **2023 Performance Targets**

Corporate

## **Internal Audit Final Report**

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Feb. 28, 2024

**To:** The Board of Directors of Sierra Portugal S.A.

**Date:** Feb. 28, 2024

**Subject:** Internal Audit Report – 2023 Performance Targets

## I. Introduction

This report presents an overview of the achievement rates of the Performance Targets for 2023; the report is divided in two parts:

(i) Performance overview.

Overall summary of the achievement rates for all 2023 Performance Targets, including analysis by different areas.

(ii) Performance targets by achievement rates.

## II. Performance overview

### Performance Targets

Table 1: Status of Performance Targets (26):

Status of 2023 Performance Targets (26)

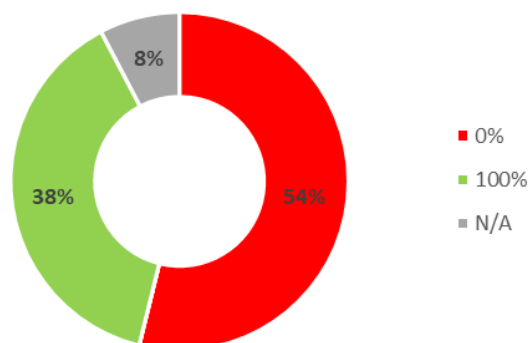


Table 2: Performance Targets by area and score range:

Area	Number	Achievement Score				
		0%	1%-50%	51%-99%	100%	N/A
Sustainable Buildings	9	4			4	1
Climate Change Resilience	3	1			2	
Circular Economy	5	4				1
Impact on Local Communities	1				1	
Responsible Procurement	0					
Man. of Tenant/Occupier Sustainability	1				1	
Man. of Service Client Sustain. Profile	1				1	
Human Capital Management	3	3				
Employee, Health and Safety Well-being	3	2			1	
Risk Management	0					
<b>Total</b>	<b>26</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>2</b>

## II. List of Performance Targets by achievement rate

#	2023 Performance Target/area	%	Comments
<b>Circular Economy</b>			
1	F.CE.WS.4.1 - Achieve an overall recycling rate of 85% on all construction projects completed in 2023.	N/A	No construction project was concluded in 2023.
2	F.CE.WS.1.1 - Attain a minimum average recycling rate of 69% across our owned shopping centres.	0%	Result: 67.4%, i.e., below minimum target.
3	F.CE.WS.2.1 - Guarantee that the proportion of waste (by weight) sent to landfill, across Sonae Sierra owned shopping centres does not exceed 10.0%.	0%	Result: 13.9%, i.e., above maximum target.
4	F.CE.WS.3.1 - Attain a minimum average recycling rate of 98% in our offices.	0%	Result: 77%, i.e., below minimum target.
5	F.CE.WS.3.2 - Attain a maximum average landfill rate of 0% in our offices.	0%	Result: 20%, i.e., above maximum target.
<b>Climate Change Resilience</b>			
6	F.CC.GE.1 - Reduce Scope 1 and 2 GHG emissions to 21.6 kg CO <sub>2</sub> e/m <sup>2</sup> GLA.	100%	Result: 20kg CO <sub>2</sub> e/m <sup>2</sup> GLA, i.e., below maximum target.
7	F.CC.GE.7.1 - Reduce all other absolute scope 3 GHG emissions to 83,165 tonne CO <sub>2</sub> e.	100%	Result: 77,088 tonne CO <sub>2</sub> e, i.e. below maximum target.
8	F.CC.W.1.1 - Achieve a water reuse of at least 5.1% at Sonae Sierra owned operating assets.	0%	Result: 4.5%, i.e., below minimum target.
<b>Employee, Health and Safety Well-being</b>			
9	SHEW.EHSW.1.3 - Achieve zero fatalities due to accidents within Sonae Sierra's workforce.	100%	Result: zero fatalities.
10	SHEW.EHSW.1.1 - Reduce the number of work accidents (per million hours worked) which result in workforce absence to not more than 1.65.	0%	Result 4.90, i.e., above maximum target.
11	SHEW.EHSW.1.2 - Reduce the severity of work accidents and occupational diseases which result in workforce absence to not more than 10.4.	0%	Result: 79.99, i.e., above maximum target.
<b>Human Capital Management</b>			
12	SHEW.HC.1.1 - Women in leadership positions ≥ 40.9%.	0%	The achievement % rate is lower than the target.
13	SHEW.HC.2.1 - Top Talent Retention Rate ≥ 93.7% -	0%	The achievement % rate is lower than the target.
14	SHEW.HC.3.1 - eNPS ≥ 0 (% promoters - % detractors)	0%	The value is lower than the target.

#	2023 Performance Target/area	%	Comments
<b>Impact on Local Communities</b>			
15	F.LC.1.1 - To invest 2% of MKT budget in community related initiatives evaluating the respective results.	100%	Result: 5%, i.e., above minimum target.
<b>Management of Service Client Sustain. Profile</b>			
16	F.SC.1.1 - Increase 17% the income from sustainability services to clients, comparing to 2021.	100%	Result: 72%, i.e., above minimum target.
<b>Management of Tenant/Occupier Sustainability</b>			
17	F.TS.1.1 - 100% of renewed tenant/occupier leasing contracts have ESG clauses.	100%	Result: 100%.
<b>Sustainable Buildings</b>			
18	F.SB.SH.1.2 - Attain a maximum of 7.1 Lost Workday Case Accidents Frequency Rate (LWCAFR) for all construction projects completed in 2023 (over the entire project duration).	N/A	No construction project was concluded in 2023.
19	F.SB.E.1.1 - Attain a maximum value of electricity consumption of 264 kWh/m <sup>2</sup> (mall + toilet area) across Sierra owned shopping centres.	100%	Result: 237 kWh/m <sup>2</sup> (mall + toilet area), i.e., below maximum target.
20	F.SB.E.2 - Attain a maximum value of electricity consumption of 38 kWh/m <sup>2</sup> (office area) in corporate offices.	100%	Result: 36 kWh/m <sup>2</sup> (office area) in corporate offices, i.e., below maximum target.
21	F.SB.SH.1.3 - Achieve zero fatalities due to accidents on Sonae Sierra construction works.	100%	Result: zero fatalities.
22	F.SB.SH.2.2 - Achieve zero fatalities due to accidents in operating assets.	100%	Result: zero fatalities.
23	F.SB.W.1.1 - Attain a level of water consumption at or below 2.49 l/vis. (aggregated across all Sierra owned shopping centres).	0%	Result: 2.50l/visit, i.e., above maximum target.
24	F.SB.SH.1.1 - Ensure that all construction projects on going in 2023 do not have a Lost Workday Case Accidents Frequency Rate (LWCAFR) higher than 11 for New Projects and 9.5 for Refurbishments/Expansions.	0%	Result: 18 Lost Workday Case Accidents Frequency Rate (LWCAFR) for New Projects, i.e., above maximum target. No LWCAFR occurred in Refurbishments / Expansions.
25	F.SB.SH.2.1 - Reduce the LWCAFR of shopping centres' service suppliers to 2.41 accidents/Million hours worked.	0%	Result: 5.76 accidents/Million hours worked, i.e., above maximum target.
26	F.SB.SH.2.3 - Attain a maximum number of 1.02 severity 3, 4 and 5 accidents per million visits.	0%	Result: 1.21 severity 3, 4 and 5 accidents per million visits, i.e. above maximum target.