

2024 Performance Targets

Corporate

Internal Audit Final Report

Feb. 21, 2025

To: The Board of Directors of Sierra Portugal S.A.
Date: Feb. 21, 2025
Subject: Internal Audit Report – **2024 Performance Targets**

I. Introduction

This report presents an overview of the achievement rates of the Performance Targets for 2024; the report is divided in two parts:

(i) Performance overview.

Overall summary of the achievement rates for all 2024 Performance Targets, including analysis by different areas.

(ii) Performance targets by achievement rates.

II. Performance overview

Performance Targets

Table 1: Status of Performance Targets (29):

Status of 2024 Performance Targets (29)

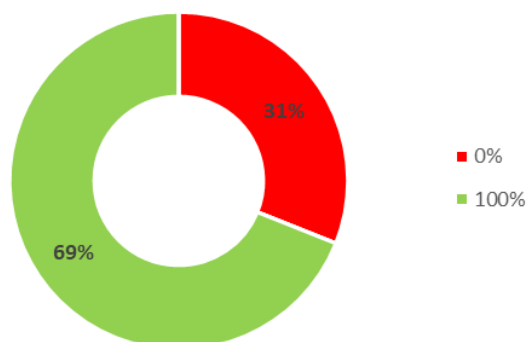


Table 2: Performance Targets by area and score range:

Area	Number	Achievement Score				N/A
		0%	1%-50%	51%-99%	100%	
Sustainable Buildings	9	3			6	
Climate Change Resilience	5				5	
Circular Economy	6	2			4	
Impact on Local Communities	1				1	
Responsible Procurement						
Man. of Tenant/Occupier Sustainability	1				1	
Man. of Service Client Sustain. Profile	1	1				
Human Capital Management	3	1			2	
Employee, Health and Safety Well-being	3	2			1	
Risk Management						
Total	29	9	0	0	20	0

II. List of Performance Targets by achievement rate

#	2024 Performance Target/area	%	Comments
Circular Economy			
1	F.CE.WS.1.1 - Attain a minimum average recycling rate of 67.6% across our owned shopping centres.	100%	Result: 70.9%, i.e., above the minimum target.
2	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 14.3%.	100%	Result: 12.5%, i.e., below the maximum target.
3	F.CE.WS.3.1 - Attain a minimum average recycling rate of 90.5% in our offices.	100%	Result: 93.3%, i.e., above the minimum target.
4	F.CE.WS.4.1 - Achieve an overall recycling rate of 85% on all construction projects completed and on-going in 2024.	100%	Result: 98%, i.e., above the minimum target.
5	F.CE.WS.0.1 - Sustainability-Linked bond – CGD/CaixaBI (2022): Increase Waste Recycling Rate to a minimum of 76%.	0%	Result: 71%, i.e., below the minimum target.
6	F.CE.WS.3.2 - Attain a maximum average landfill rate of 0% in our offices.	0%	Result: 0.3%, i.e., above the maximum target.
Climate Change Resilience			
7	F.CC.GE.1 - Reduce Scope 1 and 2 GHG emissions to 19.6 kg CO ₂ e/m ² GLA EQS.	100%	Result: 17 kg CO ₂ e/m ² GLA EQS, i.e., below the maximum target.
8	F.CC.GE.1.1 - Reduce Scope 1 and 2 GHG emissions to 20 kg CO ₂ e/m ² GLA.	100%	Result: 15.8 kg CO ₂ e/m ² GLA, i.e., below the maximum target.
9	F.CC.GE.7.1 - Reduce all other absolute scope 3 GHG emissions to 78.967-ton CO ₂ e (EQS).	100%	Result: 40.622-ton CO ₂ e (EQS), i.e., below the maximum target.
10	F.CC.GE.X.1 - Reduce Scope 3 GHG emissions to 425 kgCO ₂ e/m ² GLA.	100%	Result: 70 kgCO ₂ e/m ² GLA, i.e., below the maximum target.
11	F.CC.W.1.1 - Achieve a water reuse of at least 4.0% at Sonae Sierra owned operating assets.	100%	Result: 5.5%, i.e., above the minimum target.
Employee, Health and Safety Well-being			
12	SHEW.EHSW.1.3 - Achieve zero fatalities due to accidents within Sonae Sierra's workforce.	100%	Result: zero fatalities.
13	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: 3.12, i.e., above the maximum target.
14	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: 51.5, i.e., above the maximum target.

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Human Capital Management			
15	SHEW.HC.2.1 - Top Talent Retention Rate \geq 94%.	100%	The achievement % rate is higher than the target.
16	SHEW.HC.3.1 - eNPS \geq 7.	100%	The achievement % rate is higher than the target.
17	SHEW.HC.1.1 - Women in leadership positions \geq 42%.	0%	The achievement % rate is lower than the target.
Impact on Local Communities			
18	F.LC.1.1 - To invest 2% of MKT budget in community related initiatives evaluating the respective results.	100%	Result: All countries invested more than 2% of budget in community related initiatives.
Management of Service Client Sustain. Profile			
19	F.SC.1.1 - Increase 90% the income from sustainability services to clients, comparing to 2021.	0%	The % achievement is lower than the target.
Management of Tenant/Occupier Sustainability			
20	F.TS.1.1 - 100% of new contracts signed with tenants will include ESG clauses.	100%	Result: All new contracts signed with tenants include ESG clauses.
Sustainable Buildings			
21	F.SB.W.1.1 - Attain a level of water consumption at or below 2.45 l/vis (aggregated across all Sierra owned shopping centres).	100%	Result: 2.41 l/vis., i.e., below the maximum target.
22	F.SB.E.1.1 - Attain a maximum value of electricity consumption of 254 kWh/m ² (mall + toilet area) across Sierra owned shopping centres.	100%	Result: 233 kWh/m ² (mall + toilet area), i.e., below the maximum target.
23	F.SB.E.2 - Attain a maximum value of electricity consumption of 38 kWh/m ² (office area) in corporate offices.	100%	Result: 35 kWh/m ² (office area) in corporate offices, i.e., below the maximum target.
24	F.SB.SH.1.2 - Attain a maximum of 7.1 Lost Workday Case Accidents Frequency Rate (LWCAFR) for all construction projects completed in 2024 (over the entire project duration).	100%	Result: zero LWCAFR for all construction projects completed in 2024, i.e., below the maximum target.
25	F.SB.SH.1.3 - Achieve zero fatalities due to accidents in Sonae Sierra construction works.	100%	Result: zero fatalities.
26	F.SB.SH.2.2 - Achieve zero fatalities due to accidents in operating assets.	100%	Result: zero fatalities.
27	F.SB.SH.1.1 - Ensure that all construction projects on going in 2024 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: 15.68 LWCAFR, i.e., above the maximum target.

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28	F.SB.SH.2.1 - Reduce the LWCAFR of shopping centres' service suppliers to 3.75 acc/M h.	0%	Result: 3.87 accidents/Million hours worked, i.e., above the maximum target.
29	F.SB.SH.2.3 - Attain a maximum number of 1.10 severity 3, 4 and 5 accidents per million visits.	0%	Result: 1.19 for severity 3, 4 and 5 accidents per million visits, i.e., above the maximum target.