

# **2019 Management Actions**

**Audit Report**

**Internal Audit**

Mar. 17, 2020

To:  
The Board of Directors of  
SIERRA PORTUGAL S.A.

**Date:** Mar. 17, 2020

**Subject:** Internal Audit Report – **2019 Management Actions**

## I. Introduction:

This report presents an overview of the achievement rates of the Management Actions for 2019; the report is divided in two parts:

### (i) Performance overview.

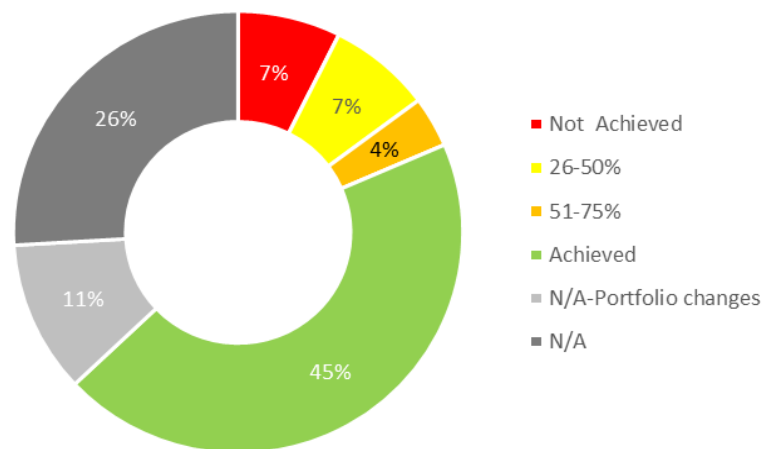
Overall summary of the achievement rates for all 2019 Actions, including analysis by different areas.

### (ii) Management Actions by achievement rates.

Details per each Action include description, status and respective achievement rates.

## II. 2019 Management Actions

Status of 2019 Management Actions (27)



2019 Management Actions by area, and score range:

Area	Number	Score range (%)						
		0	1-25	26-50	51-75	76-99	100	N/A
<b>Environment</b>	18	2		1	1		5	9
Water	2							2
Waste	4	2					1	1
Energy & Climate	12			1	1		4	6
<b>Safety &amp; Health</b>	0							
<b>SHEMS</b>	6			1			4	1
<b>Risk Management</b>	3						3	
<b>Future Fit Retail</b>	0							
<b>Leveraging Knowledge</b>	0							
<b>Total number</b>	<b>27</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>10</b>

**Management Actions by achievement rates (27):**

#	2019 Management Action/area	%	Comments
	<b>Environment</b>		
	<b>Water</b>		
1	E1.2 - Improve rainwater and fountain tanks (Hofgarten Solingen).	N/A	Solingen is no longer part of Sierra's portfolio.
2	E3.2 - Arrabidashopping - Rain and ground water recover and reutilisation - Phase 2 and 3/3. Cascaishopping - Rain or grey water recover and reutilization.	N/A	Investments not approved by partners.
	<b>Waste</b>		
3	E4.2 - Investigate offers for better recycling schemes.	N/A	Alexa and Solingen are no longer part of Sierra's portfolio.
4	E5.2 - Strive to change waste treatment destination to a less impacting method (...).	100%	All SC's implemented measures to change waste treatment destination to a less impacting method.
5	E9.1 - Improve the specifications for SHE requirements for the tenant fit-out manual, related to waste management.	0%	Improvement of the specifications for SHE requirements for the tenant fit-out manual was not performed.
6	E9.2 - Create a SHE Development Standard (SHEDS) specifying the need to implement the revised SHE requirements for the tenant fit-out manual.	0%	SHE Development Standard (SHEDS) was not created.
	<b>Energy and Climate</b>		
7	E10.2 - Continue to monitor natural gas consumption (excluding tenants) (m3/m2).	71%	Except for one SC, all other presented monitoring evidence of natural gas consumption.
8	E10.3 - Continue to monitor chilled water purchased and consumed (kWh / m2 GLA).	100%	The SC's presented monitoring evidence of chilled water purchased and consumed.
9	E10.4 - Continue to monitor high temperature hot water purchased and consumed (kWh / m2 GLA).	100%	The SC presented monitoring evidence of high temperature hot water purchased and consumed.
10	E10.5 - Maintain the zero emission electricity contracts, where existing.	100%	All SC's presented evidence of (i) zero emission electricity contracts or (ii) certificates issued by external entity stating that the amount of energy entered into the distribution or transmission network, has been produced from renewable sources (100%).
11	E10.6 - Strive to negotiate zero emissions electricity contracts.	50%	Half of SC's did not achieve the target.
12	E11.2 - Place solar filter 3M in all the curtain wall (Energy Certification Recommendation). (3rd of 3 years).	N/A	Dos Mares is no longer part of Sierra's portfolio.
13	E11.3 - Installation of electronic starters in air conditioner fans (Luz del Tajo).	N/A	Investment not approved by partner.
14	E11.4 - Installation of electronic starters for air conditioning pumps. (...). (Luz del Tajo).	N/A	Investment not approved by partner.
15	E11.5 - Replacement of 3-way valves by 2 ways in air conditioners by replacing secondary pumps of air conditioners with pumps with pressure variation and control (Luz Del Tajo).	N/A	Investment not approved by partner.
16	E11.6 - Reorganization of electrical consumption sectorization in main electrical boards (Luz del Tajo).	N/A	Investment not approved by partner.
17	E12.1 - Participate in Sonae's "Paris Pledge for Action" and the "Task Force on Climate-related Financial Disclosures" workgroup.	100%	Participated in Sonae's "Paris Pledge for Action" and "Task Force on Climate-related Financial Disclosures" workgroup.
18	E13.1 - Implement photovoltaic power plant in one shopping centre (MaiaShopping).	N/A	Investment not approved by partner.
	<b>SHEMS</b>		
19	SHE1.1 - Ensure all owned ISO/OHSAS non-certified operating assets have their operational risk assessment up-to-date and their SHE Legal Compliance assessed.	100%	All SC's have their operational risk assessment up-to-date and their SHE Legal Compliance assessed.

#	2019 Management Action/area	%	Comments
20	SHE1.2 - Ensure all third-party operating assets have their SHE Legal Compliance audit.	100%	All third-party operating assets have performed their SHE Legal Compliance audits.
21	SHE2.1 - Maintain ISO 14001&45001 SHEMS certifications for 7 certified owned operating assets.	100%	All SC's maintained SHEMS certifications.
22	SHE2.2 - Achieve ISO 14001&45001 SHEMS certifications for 2 major construction projects.	100%	Cucuta achieved the ISO 14001&45001 SHEMS certification. NorteShopping: certification can only be achieved when construction works are completed, in 2020.
23	SHE3.1 - Achieve Green Building certifications (BREEAM In-Use Good) for 4 owned operating assets.	50%	Half of operating assets did not obtain Green Building certifications.
24	SHE3.2 - Achieve 1 Green Building certifications (BREEAM NC Good or LEED BD+C Silver or DGNB Bronze) for major construction project.	N/A	NorteShopping: certification can only be achieved when construction works are completed, in 2020.
<b>Risk Management</b>			
25	RM 1 - Management Action not to be disclosed, for business reasons.	100%	Management Action achieved.
26	RM 2 - Develop the annual RM report (identify main risk events, causes, consequences, quantification, etc.).	100%	The annual RM report was developed.
27	RM 3 - Analyze the potential risks based on the experience of executed service contracts.	100%	Potential risks based on the experience of executed service contracts was done.