

2021 Management Actions

Corporate

Internal Audit Final Report

Feb. 14, 2022

To: The Board of Directors of Sierra Portugal S.A.
Date: Feb. 14, 2022
Subject: Internal Audit Report – 2021 Management Actions

I. Introduction

This report presents an overview of the achievement rates of the Management Actions for 2021; the report is divided in two parts:

(i) Performance overview.

Overall summary of the achievement rates for all 2021 Management Actions, including analysis by different areas.

(ii) Actions by achievement rates.

II. Performance overview

Management Actions

Table 1: Status of 2021 Management Actions (30):

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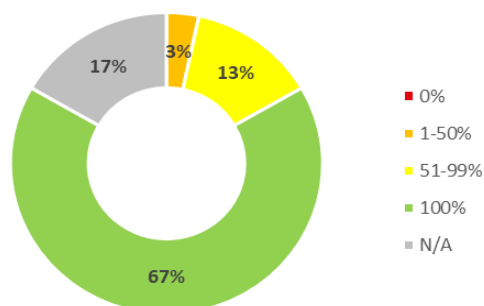


Table 2: Management Actions by area and score range:

Area	Number	Achievement Score				
		0%	1%-50%	51%-99%	100%	N/A
Circular Economy	4				2	2
Climate Change Resilience	8		1	1	6	
Human Capital Management	3				3	
Impact on Local Communities	2				2	
Risk Management	3				3	
Sustainable Buildings	10			3	4	3
Total	30	0	1	4	20	5

II. List of Management Actions by achievement rate

#	2021 Management Action/area	%	Comments
Circular Economy			
1	STF.P2.3 - Implement in 100% of our core asset's administration offices, projects to replace single use plastic items.	100%	Projects to replace single use plastic items were implemented in 100% of Sonae Sierra's core assets administration offices.
2	STF.P6.1 - Develop a campaign to employees in 100% of Sonae Sierra main offices to improve performance and increase awareness regarding the problematic of plastic waste.	100%	A campaign to improve performance and increase awareness regarding the problematic of plastic waste to employees was developed in 100% of Sonae Sierra's main offices.
3	STF.P1.2 - For 100% of Expansion/ Refurbishment in Core Assets monitor and report in SHE Portal the plastic produced and the corresponding disposal method(s).	N/A	No Expansion/ Refurbishment project occurred in 2021.
4	STF.P2.1 - Engage with the project' service suppliers to increase the percentage of plastic sent to recycling in 100% of refurbishments or Expansions from Core Assets.	N/A	No Expansion/ Refurbishment project occurred in 2021.
Climate Change Resilience			
5	E10.5 - Maintain the zero emission electricity contracts, where existing.	100%	All shopping centres 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%).
6	E10.6 - Strive to negotiate zero emissions electricity contracts.	100%	A zero emissions electricity contract was negotiated for Portimão Retail Center.
7	STF.CC.1.1 - Assess 100% of the risks of the core owned assets related to the Climate Change impacts.	100%	100% of the risks of the core owned assets related to the Climate Change impacts were assessed.
8	STF.CC.3.1 - Define an action plan for carbon compensation for all assets.	100%	An action plan for carbon compensation for all assets was defined.
9	STF.CC.4.2 - Define the list of materials which impact on the total carbon footprint is significant, and the methodology to track the embodied carbon in development projects (for new, refurbishment and expansions).	100%	The list of materials which impact significantly on the total carbon footprint and the methodology to track the embodied carbon in development projects was defined.
10	STF.CC.4.3 - Use the Sonae Forest to compensate fleet carbon emissions.	100%	Sonae Sierra Carbon Footprint is compensated through the participation in the Sonae Forest Project.
11	STF.CC.3.3 - For all central offices obtain green energy certificates for the electricity purchased.	86%	Part of the central offices obtained green energy certificates for the electricity purchased.
12	E10.7 - Study the possibility to renew the contract of electricity supplier to enable green energy (RECs/Garantees of origin) enforcement (ParkLake).	30%	The discussion of this possibility took place, but it was not possible to implement green energy at ParkLake.
Human Capital Management			
13	SHEW 1.2 - Include in each edition of Sierra Horizons an article about diversity.	100%	Two editions of Sierra Horizons included an article about diversity.
14	SHEW 2.2 - Provide 2 classes of the Leader Coach training program (focused on our leaders and their roles as team coaches).	100%	Two classes of the Leader Coach training program (focused on our leaders and their roles as team coaches) were provided.

#	2021 Management Action/area	%	Comments
15	SHEW 3.1 - eNPS Semiannual surveys and propose an action plan according to results.	100%	eNPS Semiannual surveys were implemented and an action plan was proposed.
Impact on Local Communities			
16	ILC1 - To do a partnership (Tenants, Authorities, Institutions, etc.) per shopping centre (SC)/set of SCs/country portfolio to develop a joint project with real and measurable benefits for the local community and the Shopping Centre.	100%	Partnerships were carried out, to develop a joint project with real and measurable benefits for the local community and the Shopping Centres.
17	ILC2 - Implement one campaign or initiative in 100% of core assets to raise awareness among stakeholders for the problematic of Plastic Waste.	100%	One campaign was implemented in 100% of core assets to raise awareness among stakeholders for the problematic of Plastic Waste.
Risk Management			
18	RM 1 - Management Action not to be disclosed, for business reasons.	100%	Management Action achieved.
19	RM 2 - Assess the risk of E-commerce in a post-Covid context.	100%	The risk of E-commerce in a post-Covid context was assessed.
20	RM 3 - Develop and implement a framework for managing the risk of Cybersecurity.	100%	A framework for managing the risk of Cybersecurity was developed and implemented.
Sustainable Buildings			
21	E1.2 - Implement water efficiency improvement measures (NorteShopping, Gli Orsi and ParkLake).	100%	Water efficiency improvement measures were implemented at the three Shopping Centres.
22	E11.2 - Implementing Energy Efficiency measures at five Shopping centres (GaiaShopping, ViaCatarina, Max Center Plaza Mayor and Valle Real).	100%	Energy Efficiency measures were implemented at the five SC's.
23	S3.3.1 - Implement Safety&Health Actions at Shopping Centres Gli Orsi and ParkLake.	100%	S&H Actions were implemented at both shopping centres.
24	SHE2.1 - Maintain ISO 14001 & 45001 SHEMS certifications for 8 certified owned operating assets.	100%	All maintained SHEMS certifications.
25	SHE4.2 - Achieve at least an average of 97% in Safety, Health and Environment (SHE)/Safety & Health (SH) Data Audits performed in owned operating assets, third party assets and offices.	94%	Except for three sites, all other achieved at least 97% in SHE/SH Data Audits performed.
26	SHE3.1 - Maintain/Achieve Green Building certifications (BREEAM In-Use Good) for 9 owned operating assets.	89%	Green Building certifications (BREEAM In-Use Good) were achieved/maintained for 9 owned operating assets.
27	SHE1.1 - Ensure all owned non-certified operating assets and third-party assets have their SHE Legal Compliance assessed at least every two years.	58%	A part of owned non-certified operating assets and third-party assets had their SHE Legal Compliance assessed.
28	SHE2.2 - Achieve ISO 14001 & 45001 SHEMS certifications for major construction projects finishing in 2021.	N/A	No construction project occurred in 2021.
29	SHE3.2 - Achieve Green Building certifications (BREEAM NC Good or LEED BD+C Silver or DGNB Bronze) for major construction project, major refurbishments and major renovations.	N/A	No construction, refurbishments or renovation projects occurred in 2021.
30	SHE4.1 - For all projects completed in 2021 ensure that SHE data is correctly reported to guarantee that at least of 85% are validated in final data audit.	N/A	No construction project occurred in 2021.