

2021 Performance Targets

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 Performance Targets

I. Introduction

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

(i) Performance overview.

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

(ii) Performance targets by achievement rates.

II. Performance overview

Performance Targets

Table 1: Status of Performance Targets (23):

Status of 2021 Performance Targets (23)

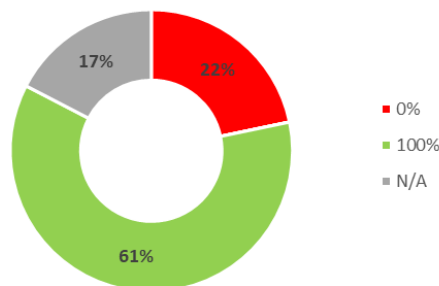


Table 2: Performance Targets by area and score range:

Area	Number	Achievement Score				
		0%	1%-50%	51%-99%	100%	N/A
Circular Economy	6	2			3	1
Climate Change Resilience	3	1			2	
Employee, Health and Safety Well-being	3	2			1	
Human Capital Management	2				2	
Impact on Local Communities	1				1	
Sustainable Buildings	8				5	3
Total	23	5	0	0	14	4

II. List of Performance Targets by achievement rate

#	2021 Performance Target/area	%	Comments
Circular Economy			
1	E4.1 - Attain a minimum average recycling rate of 62.8% across our owned shopping centres.	100%	Result: 64.36%, i.e., above minimum target.
2	E6.1 - Attain a minimum average recycling rate of 96.9% in our Lisbon, Maia offices: Lisbon - 97.3% Maia - 96.1%	100%	Result: 99.16%, i.e., above minimum target.
3	E6.2 - Attain a maximum average landfill rate of 3.8% in our Lisbon, Maia offices: Lisbon - 5.0% Maia - 0.0%	100%	Result: 0%, i.e., below maximum target.
4	E5.1 - Guarantee that the proportion of waste (by weight) sent to landfill, across Sonae Sierra owned shopping centres does not exceed 11.1%.	0%	Result: 13.76%, i.e., above maximum target.
5	E8.1 - Achieve an overall waste valorisation rate of 74.85% in owned operating assets.	0%	Result: 64.36%, i.e., below minimum target.
6	E7.1 - Achieve an overall recycling rate of 85% on all construction projects completed in 2021 (including refurbishments and expansions).	N/A	No construction project occurred in 2021.
Climate Change Resilience			
7	E10.1 - Reduce Scope 1 and 2 GHG emissions to 18.2 kg CO ₂ e / m ² GLA in 2021 (Corporate)	100%	Result: 13 kg CO ₂ e / m ² GLA, i.e., below maximum target.
8	E10.4 - Reduce Scope 1 and 2 GHG emissions to 39 kg CO ₂ e / m ² GLA in 2021 (Core Assets).	100%	Result: 20.6 kg CO ₂ e / m ² GLA, i.e., below maximum target.
9	E3.1 - Achieve a water reuse of at least 7.1% at Sonae Sierra owned operating assets.	0%	Result: 6%, i.e., below minimum target.
Employee, Health and Safety Well-being			
10	S1.3 - Achieve zero fatalities due to accidents within Sonae Sierra's workforce.	100%	Result: zero fatalities.
11	S1.1 - Reduce the number of work accidents (per million hours worked) which result in workforce absence to not more than 1.65.	0%	Result: 1.79%, i.e., above maximum target.
12	S1.2 - Reduce the severity of work accidents and occupational diseases which result in workforce absence to not more than 10.4.	0%	Result: 64.67, i.e., above maximum target.
Human Capital Management			
13	SHEW 1.1 - Attain 39% of leadership position occupied by women.	100%	Result: 39% of leadership position occupied by women.
14	SHEW 2.1 - Attain 92% of Top Talent Retention Rate (Top talent: High Flyers, Fast Movers e Movers).	100%	Result: 92.4%, i.e., in line with the target.
Impact on Local Communities			
15	ILC3 - To invest 2% of marketing budget in community related initiatives evaluating the respective results.	100%	3.9% of the marketing budget of owned shopping centres (Europe) was invested in community related initiatives.

#	2021 Performance Target/area	%	Comments
Sustainable Buildings			
16	E1.1 - Attain a level of water consumption at or below 2.83 litres/visit (aggregated across all Sierra owned shopping centres).	100%	Result: 2.51 litres/visit, i.e., below maximum target.
17	E1.1.1 - Attain a maximum value of electricity consumption of 308 kWh/m ² (mall + toilet area) across Sierra owned shopping centres.	100%	Result: 249,94 kWh/m ² (mall + toilet area), i.e., below minimum target.
18	S3.1 - Reduce the LWCAFR of shopping centres' service suppliers to 12.89 accidents/Million workable hours.	100%	Result: 2.55 accidents/Million workable hours, i.e., below the maximum target.
19	S3.2 - Achieve zero fatalities due to accidents in operating assets	100%	Result: zero fatalities.
20	S3.3 - Attain a maximum number of 1.36 severity 3, 4 and 5 accidents in owned operating assets, per million visits.	100%	Result: 1.11 accidents/Million visits, i.e., below the maximum target.
21	S2.1 - Ensure that all construction projects on going in 2021 do not have a Lost Workday Case Accidents Frequency Rate (LWCAFR) higher than 11 for New Projects and 9.5 for Refurbishments/Expansions.	N/A	No construction, refurbishments or expansions projects occurred in 2021.
22	S2.2 - Attain a maximum of 7.1 Lost Workday Case Accidents Frequency Rate (LWCAFR) for all construction projects completed in 2021 (over the entire project duration).	N/A	No construction project occurred in 2021.
23	S2.3 - Achieve zero fatalities due to accidents on Sonae Sierra construction works	N/A	No construction project occurred in 2021.