

SONAE FINANCIAL REPORT '15

SUSTAINABILITY
REPORT



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OUR REPORT

At Sonae, we continually invest in the promotion of sustainable development, focusing on an integrated vision concerning the three axes of sustainability – Environmental, Economic and Social.

The aim of the Sustainability Report is to disclose our economic, social and environmental performance to all of Sonae's stakeholders during the year 2015. This information is presented according to the G4 Guidelines from the Global Reporting Initiative (GRI) for the Core Level. The scope of the report includes all of Sonae's different business areas, particularly focusing on the Retail Sector (Sonae MC and Sonae SR).

2015 represents the closure of the cycle of our Sustainability Strategy for the period 2013-2015, entitled Our Way to a Sustainable Life. Thus, we hope that this report reflects the results achieved following the dedication and effort given to the fulfilment of these commitments.

This Report is divided into four main sections:

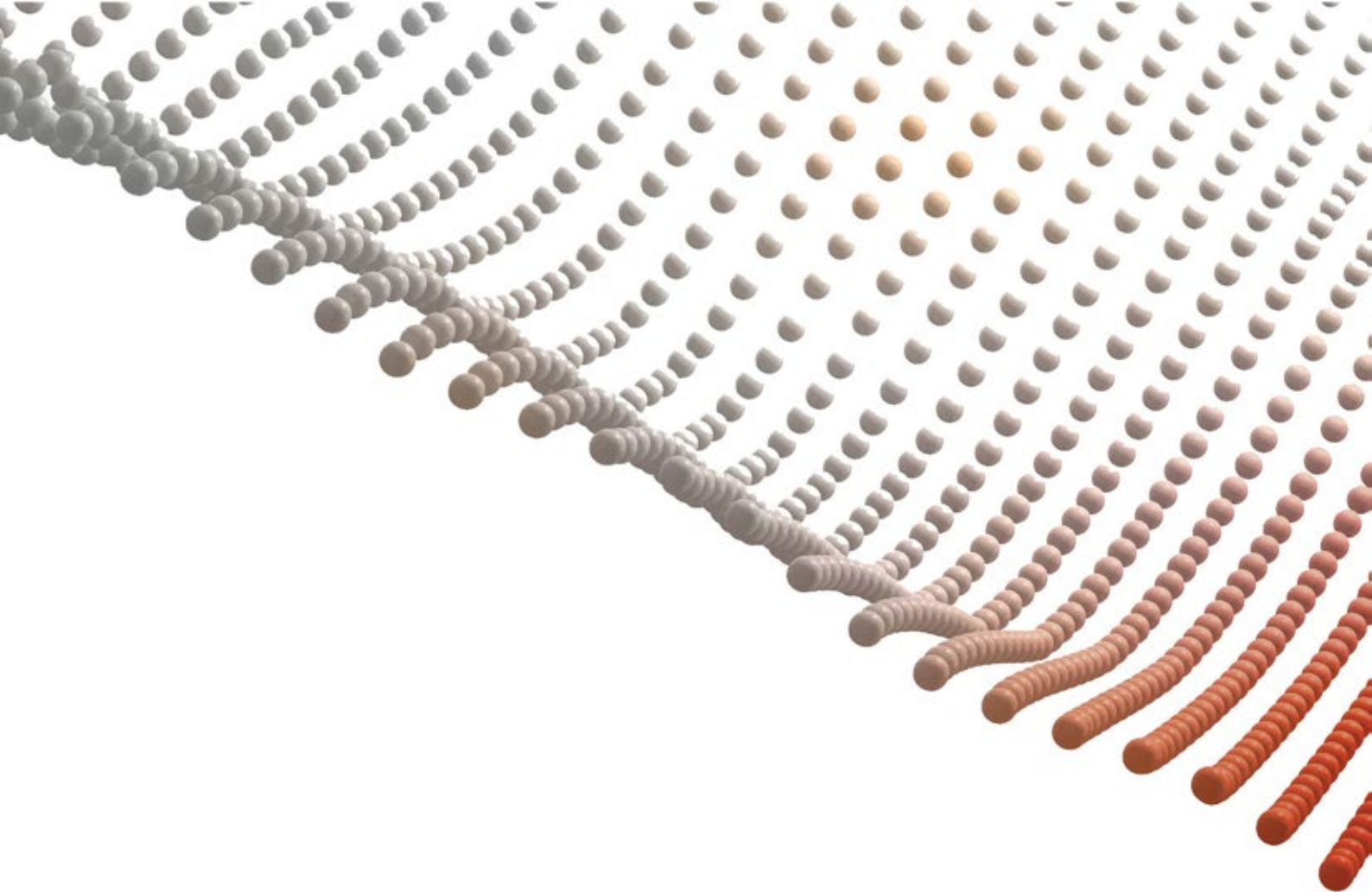
- 1. Sustainability at Sonae** – includes a description of the company, corporate strategy, commitments, sustainability management and awards and external recognition received;
- 2. Sustainability in Retail** – presents the main trends of the retail industry, the way in which we manage the supply chain, the innovation initiatives developed, the Sustainability Strategy, presentation of the main results achieved at the end of the three year period 2013-2015 and details of the three axes of our sustainability strategy – Better Purpose, Better Planet and Better People;
- 3. Sustainability in Sonae Sierra** – explanation of Sonae Sierra's activity, including a description of the strategy and performance of each strategic axis. Sonae Sierra has an independent and comprehensive Sustainability Report, available on the Sustainability menu of its website – www.sonaesierra.com;
- 4. Appendices** – Adherence to Principles, Associations and Partnerships with Organisations and a link to access detailed information regarding the GRI indicators.

The information reported here can be complemented by consulting the 2015 Table of GRI Indicators, the 2015 Management Report and the 2015 Corporate Governance Report, available at www.sonae.pt.

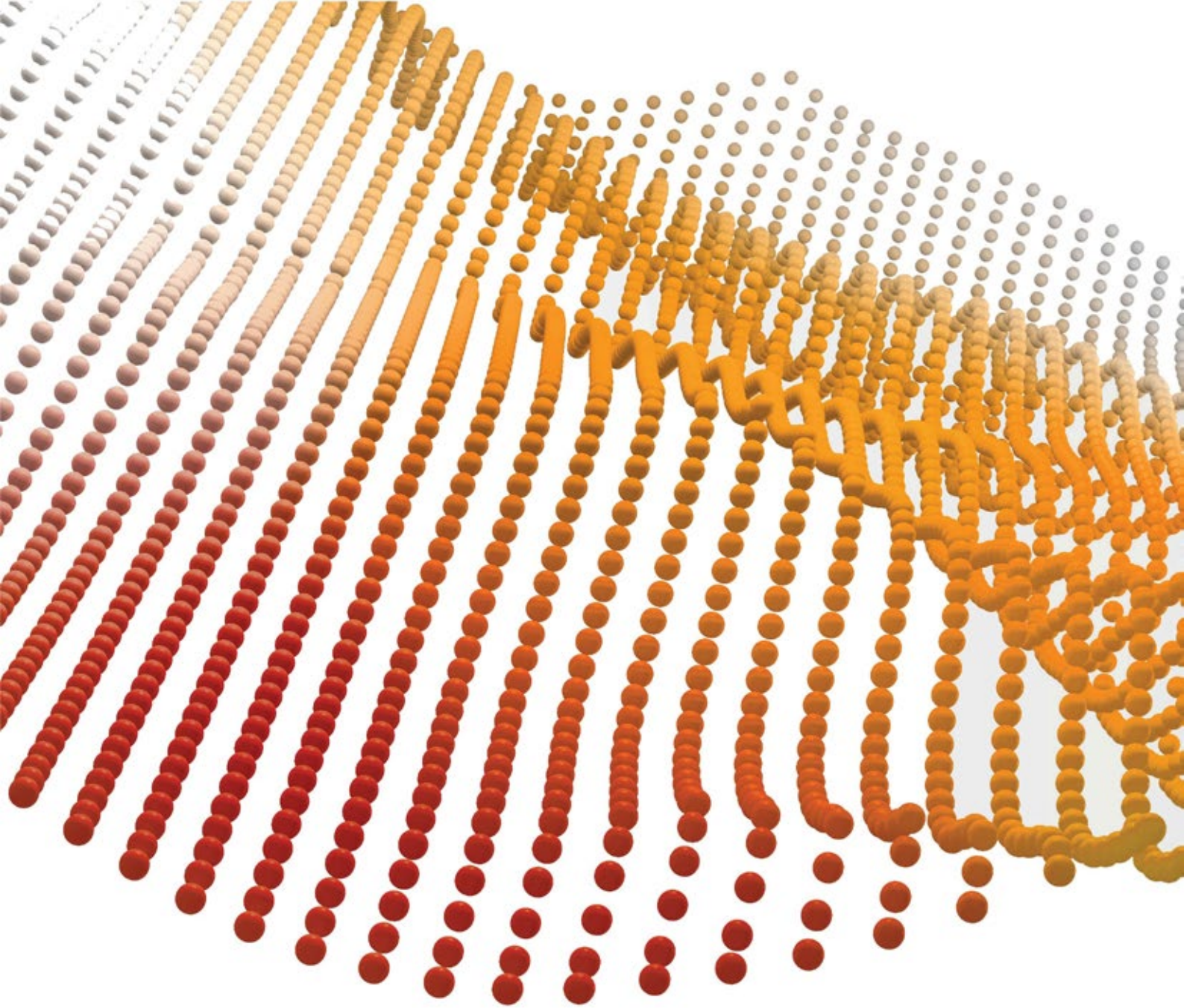
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.....● SUSTAINABILITY
AT SONAE



1. SUSTAINABILITY AT SONAE

EXECUTIVE COMMITTEE'S STATEMENT

2015 marks the closure of our Sustainability Strategy cycle. Under the theme "Our Way to a Sustainable Life", with the ultimate goal of creating value for both the company and society in the short, medium and long-term.

During this period, we were able to create the necessary conditions for the prosperous and sustainable growth of all our stakeholders, supported by initiatives that aimed at strengthening our commitment towards the preservation of the environment, the development of our colleagues, the creation and sharing of knowledge, the promotion of innovation, and of course, the involvement of the community.

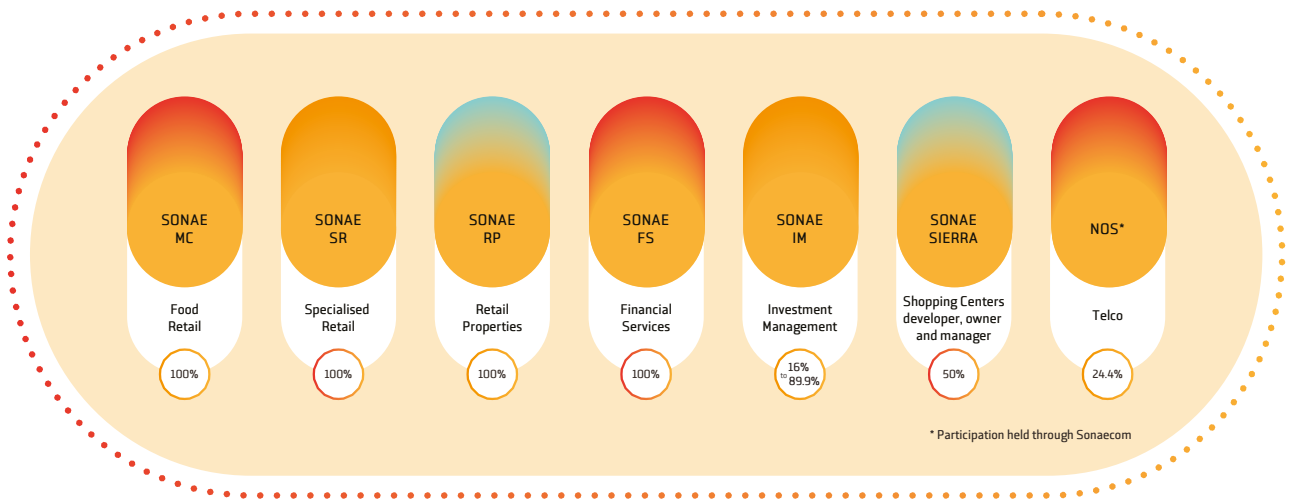
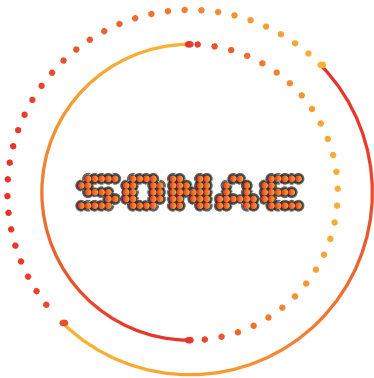
The ambition that drives us and makes us unwilling to settle for anything but the best, preventing us from stagnating on past successes, has led us, at the end of 2015, to join the list as one of the first subscribers to the "Paris Pledge for Action", an initiative under the Paris Climate Conference (COP21). As signatories, we commit to supporting this initiative, aiming to ensure that the level of ambition set will be reached or even exceeded, which undoubtedly will represent a new stimulus to our business activity in the coming years.

As such, the challenges inherent to this commitment will certainly be a central theme in our Sustainability Roadmap for the next three years and will be a unique opportunity to demonstrate our capacity to always overcome targets that test the limits and stimulate the vitality of our business.

We believe that, after a first cycle in which we built solid and structured foundations for the sustainable development of Sonae, we are now better prepared to take on new and more difficult challenges, but at the same time more exciting, which will allow us to renew our commitment to improve the everyday life of our stakeholders and the communities where we operate.

Paulo Azevedo, Chairman and Co-CEO
Ângelo Paupério, Co-CEO

1. Organisation



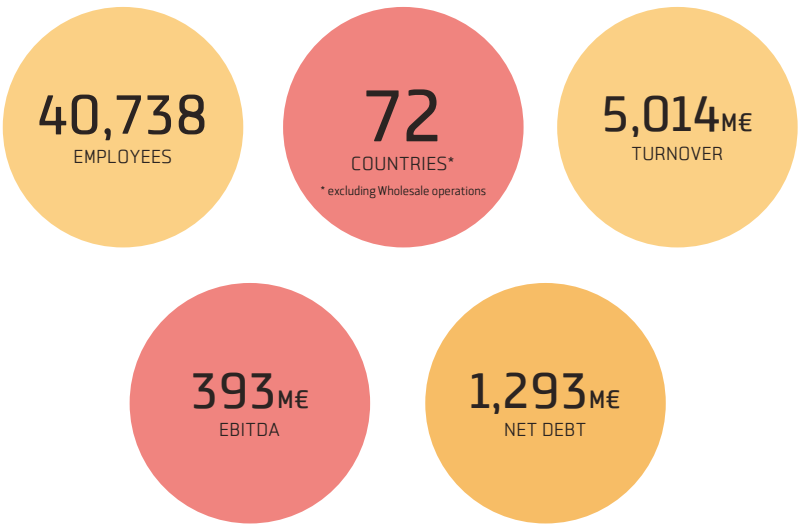


OUR MISSION

To create long-term economic and social value, taking the benefits of progress and innovation to an ever growing number of people.

CORPORATE STRATEGIC PILLARS

- International Expansion
- Diversifying our Investment Style
- Leverage and Reinforce our Exceptional Asset Base in Portugal





SONAE MC

100%
FOOD RETAIL

27,073 Employees
2 Countries
Turnover: 3,490 M€
Underlying EBITDA: 215 M€



SONAE SR

100%
SPECIALISED RETAIL

9,289 Employees
42 Countries
Turnover: 1,294 M€
Underlying EBITDA: 5 M€



SONAE RP

100%
RETAIL PROPERTIES

39 Employees
2 Countries
Turnover: 121 M€
Underlying EBITDA: 109 M€



SONAE FS

100%
FINANCIAL SERVICES

31 Employees



SONAE IM

16% to 89.9%
INVESTMENT MANAGEMENT

1,650 Employees
53 Countries
Turnover: 249 M€
Underlying EBITDA: 16 M€



SONAE SIERRA

SHOPPING CENTERS DEVELOPER,
OWNER AND MANAGE

1,085 Employees
17 Countries
Turnover: 226 M€
EBIT: 106 M€



NOS

24,4%
TELECOMMUNICATIONS

2,523 Employees
5 Countries
Turnover: 1,444 M€
Underlying EBITDA: 533 M€

AT THE END OF 2015, WE WERE ACTIVE IN 72 COUNTRIES*.

Worldwide Presence



* Including operations, services to third parties, representative offices, franchising agreements and partnerships



2. Corporate Strategy

Grounded in a culture of innovation and the creation of shared value, we are committed to fulfilling our mission, remaining true to our values as we pave the path to achieve the strategic and growth goals that we have defined at a corporate level.

Our corporate strategy is focused on three key pillars to support our activity: internationalise, diversify our investment style and leverage our exceptional asset base in Portugal. The focus on these three pillars, allows us to maximise our capacity for growth and value creation through our financial and human resources.

INTERNATIONAL EXPANSION

The internationalisation of the different business areas represents one of the main strategic priorities for the future. The focus on the allocation of resources within this goal aims to further increase the Group's presence abroad and the internationalisation of activities, acting as Soane's main engine of growth.

DIVERSIFYING OUR INVESTMENT STYLE

By adopting the most appropriate investment style for each business, whether it ranges from full ownership, majority or minority interests, with or without special rights, it is crucial to leverage Sonae's resources and maximise the effectiveness of the implementation strategy.

Thus, it may be strategically advantageous to be involved in the capital of companies which we do not control, in situations where we do not possess the necessary resources or in cases when the input of third parties is valued as a factor for the creation of greater economic value.

LEVERAGE THE EXCEPTIONAL ASSETS BASE IN PORTUGAL

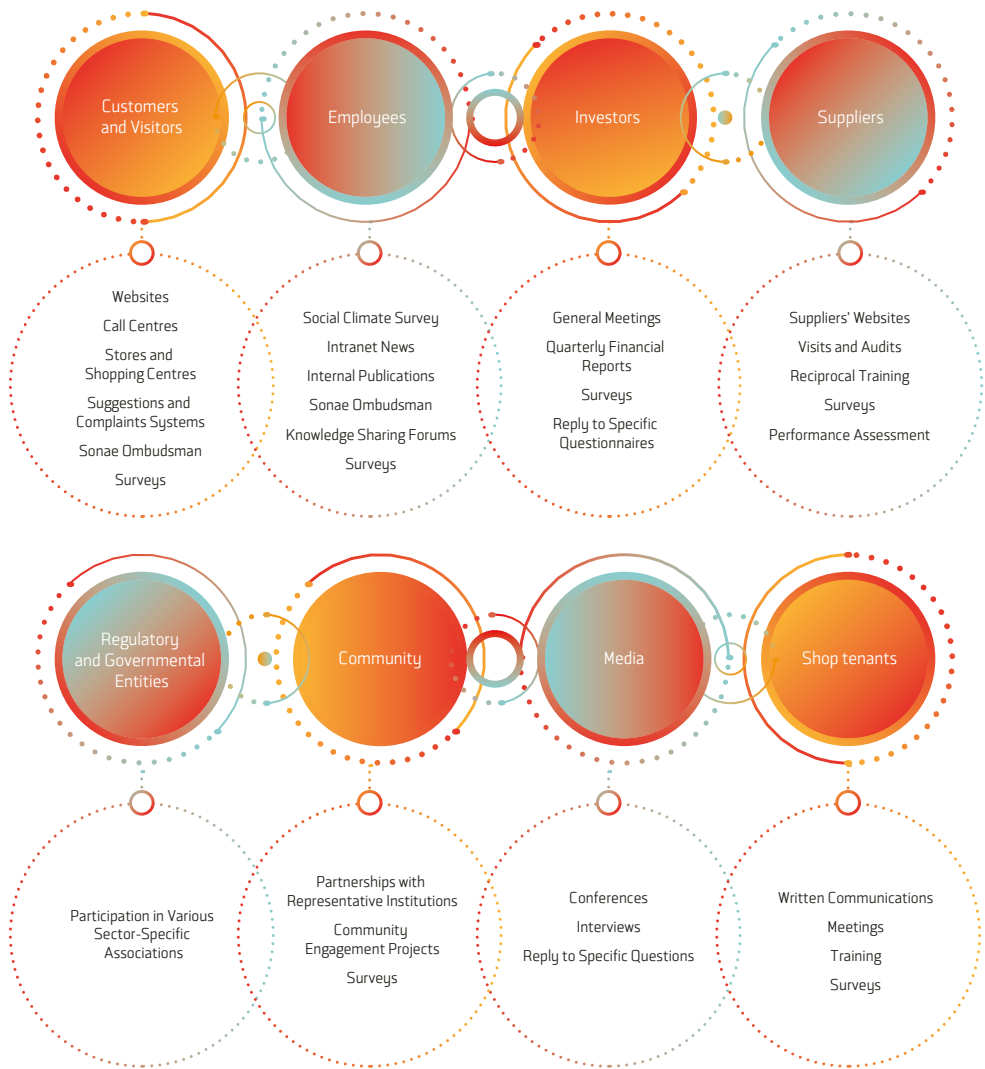
The ongoing exploration and development of new business opportunities, supported by our exceptional asset base held in Portugal, enables the strengthening of future growth and development options. A significant portion of the capital is then distributed between new projects, according to their capacity to generate growth and economic value.

3. Our Commitments

3.1. OUR STAKEHOLDERS

Cooperating and closely interacting with each one of our stakeholders is part of the day-to-day life through Sonae. For this purpose, we have created and maintain a diversified base of specific communication channels for each group of stakeholders, which allows us to answer and address their concerns and expectations, in the best possible way.

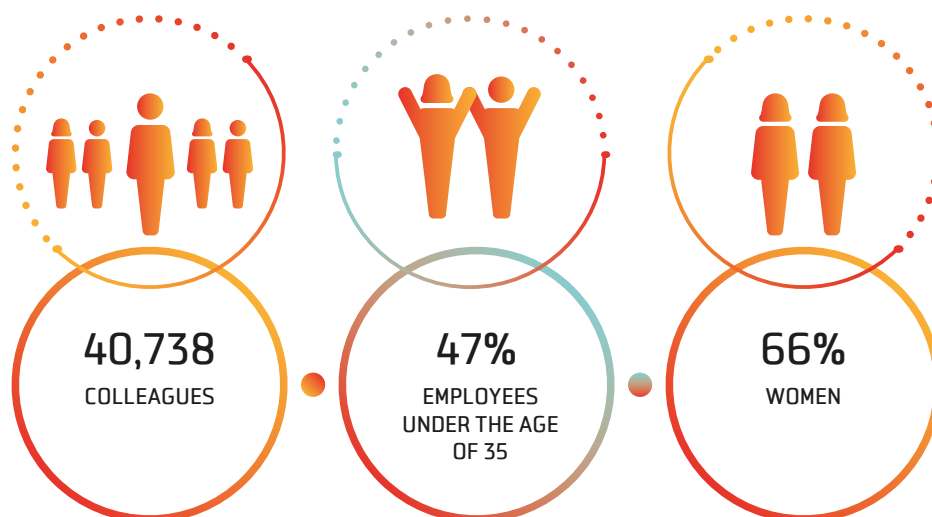
Communication with Stakeholders



3.2. OUR PEOPLE

Promote a culture designed to attract the best talent, continuously develop the skills of our people and teams, recognise and reward their performance, these are the axes that guide the integrated talent management that we advocate.

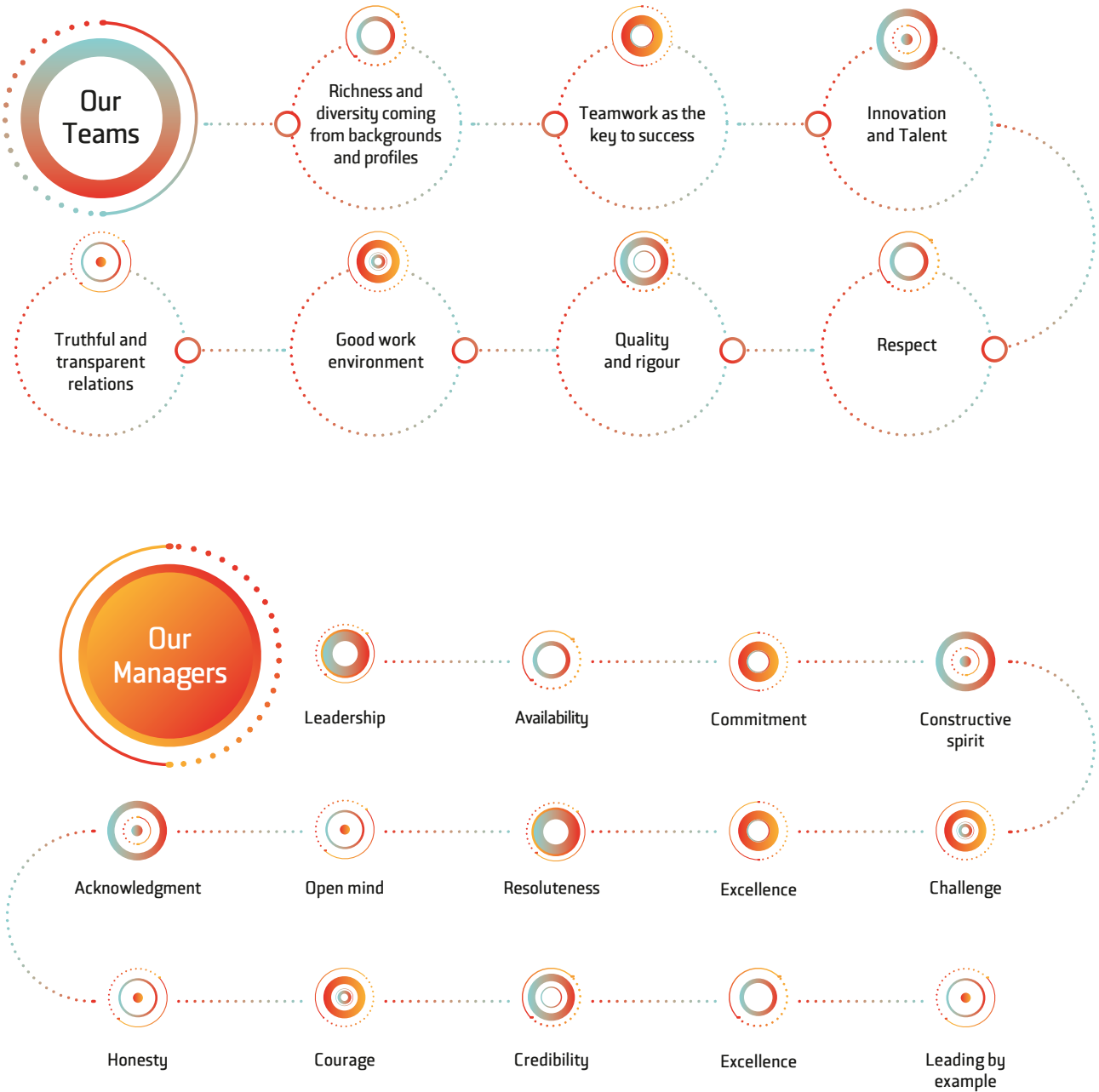
Sonae is a diversified group, composed of young and highly qualified people, who work at their best every day.

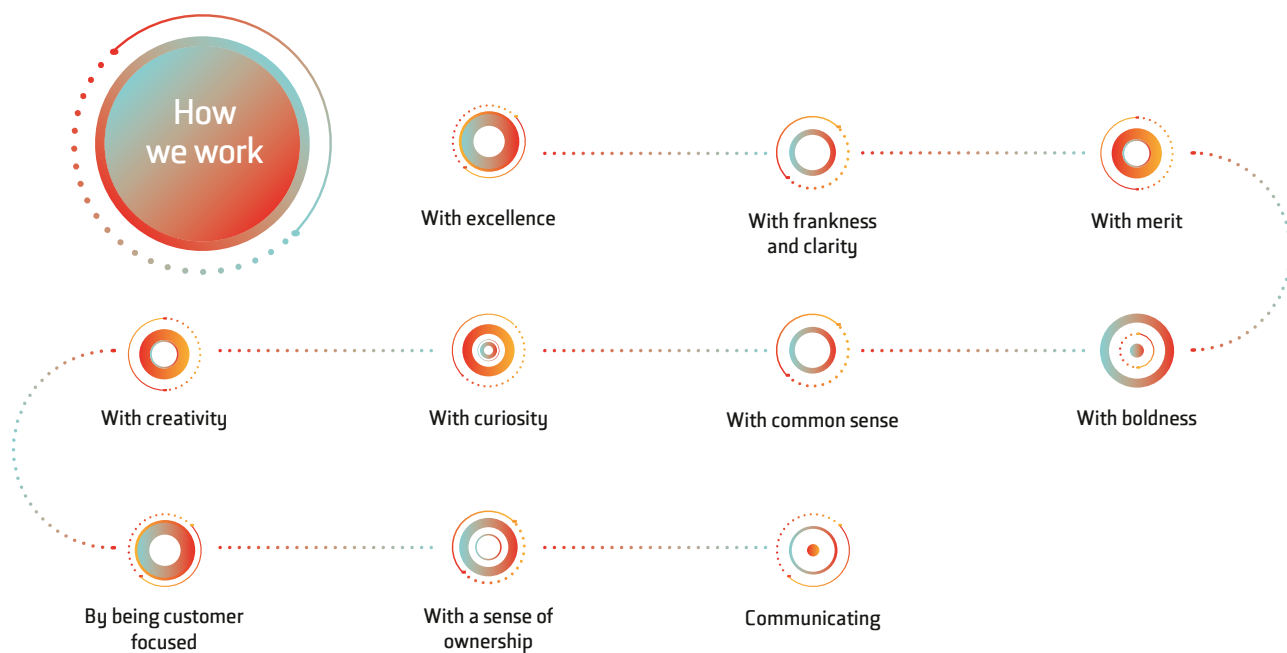


3.2.1. Our Way

We aim to ensure that all companies of Sonae Group share a common culture and that in this way we are governed by the same values, ethical and behavioural principles. With this in mind, we have developed "Our Way", a document that summarises the values that make up our culture, what we expect from our teams and leaders, as well as the pillars that define the way we work. Aware of the importance of these aspects, we strive to apply the principles of "Our Way" so that we can translate our values into effective behaviours and disseminate our culture throughout the Sonae Group, reflecting with determination Sonae's identity in the various countries where we operate.

How we work

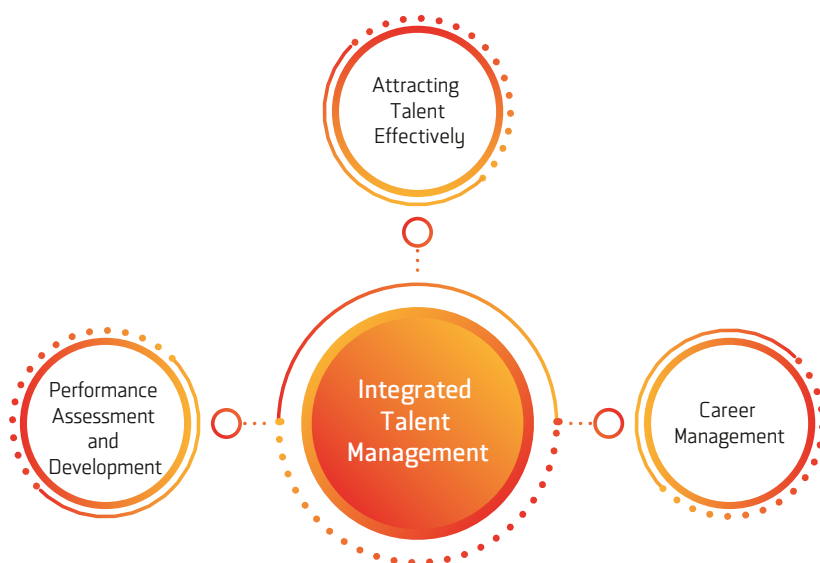




3.2.2. Integrated Talent Management

Recognising the challenge of being one of the largest private employers in Portugal and with the desire to be able to understand the individuality of each employee, we promote an integrated approach to talent management, based on three distinct pillars: (i) attracting talent effectively; (li) evaluation and development; (lii) career management.

Integrated Talent Management



3.2.2.1. Attracting Talent Effectively

Sonae welcomes heterogeneity and diversity profiles so therefore, and due to our diverse and international business portfolio, we look for different academic backgrounds and we value comprehensive professional and personal paths. Thus, we strive to identify potential talent and maximise their personal and professional development and in 2015 we streamlined various initiatives, including:

Bridging the gap between young people and the labour market

- Participation in **Job Fairs** at schools and universities, as well as other initiatives promoted by students and student associations;
- Promotion of **classes/workshops** on relevant topics in the training and development of young people, as well as supporting academic and research work;
- Promotion of study visits by students to Sonae (Central Structures and Operations) in order to provide them with the experience of coming into contact with the real world of business for the first-time;
- Undergraduate, Masters and MBA students can participate in **Mentoring programmes**;
- Partnership in the **project "Bué d'Escolhas"**, part of the Choices Programme, promoting initiatives focusing on providing skills and development of children and youngsters at-risk;
- We have continued the **initiative "Alliance for Youth"**, together with other partners, with the aim of promoting the development of professional skills, preparing young people for employment and contributing to combating the scourge of youth unemployment in the Portuguese and European context.

Contacto Programme

Created in 1986, Contacto Programme is aimed at final year undergraduate/masters degree students and recent graduates of the top Portuguese universities, offering them the opportunity to carry out an internship at Sonae and, depending on their performance and potential, to join our workforce.

This talent acquisition is carried out through 'Contacto Moments' – a presentation on campus, to present Sonae and its different business units and opportunities – and also through 'Rede Contacto' (www.contactosonae.com). Through this platform, we promote a close relationship with young people and enhance their engagement with the company and their interest in participating in the programme. Only students who have a profile created at 'Rede Contacto' are eligible to participate.

The 2015 edition was launched with Sonae Future Quest, an innovation competition developed through 'Rede Contacto', which challenged the candidates to imagine the future of Sonae. The goal was to explore their full potential, and not just the academic performance of the candidates, therefore the selection was made based on the analysis of talent avatars and their imagination.

The Assessment Day, an event with challenges and teamwork dynamics, was the last test candidates underwent. At the end of the day, 50 talented young people were chosen to join the different businesses of Sonae and were welcomed on Contacto Day. Contacto Day consisted of a moment to celebrate and acknowledge the investment and performance of the young talent seen during Sonae Future Quest. This event gave our trainees the opportunity to present themselves to our management team, extend contact with their mentors and increase their knowledge about the different Sonae companies.

In 2015, the Contacto Programme had more than 1,000 applications from national and international finalists and recent graduates, coming from countries like Portugal, Brazil, Italy, Poland, Spain, Ukraine and Vietnam. The heterogeneity of the profiles and academic backgrounds, such as Fashion Design, Management, Finances, Marketing, Maths, Biochemistry, Engineering, Communication Sciences, Information Technologies, Human Resources, Biology, among others, is also noteworthy.

In total, more than 4,500 young people have already participated in Contacto Programme, with a few hundred of these joining the Sonae team.



3.2.2.2. Evaluation and Development

Improving Our People is the performance management model applied across all businesses and geographic areas in which we operate. Based on the principles of meritocracy, pluralism and participation, it aims to be rigorous in the results and recognition, valuing the diversity of pathways and profiles of employees.

Every year, managers ensure a performance management interview with each team member. During this interview an opportunity is given to discuss the results achieved in the year under review, sharing expectations and ambitions, the identification of development opportunities and the definition of objectives and action plans.

Within IOP, since 2013, we have used, a specific talent management tool, Improving Our PeopleGT (Growth Toolkit), dedicated to our most senior employees, as well as those with greater potential for growth identified. This tool includes two main phases: a first phase of diagnosis (multi-rater and self-assessment), which intends to determine in each employee a clear and holistic view of what his/her positively differentiated skills are, and the areas where there is still room for improvement; and a second phase based on the design of personal development plans and customised professional needs of the employees. With a time horizon of 2-3 years, it may include different approaches, from executive education, to action learning, involvement in on-the-job experiences or more relational approaches, such as coaching or mentoring.

2015 was marked, mainly, by focusing on the design of solutions and the implementation of the development plans mentioned above. It was under this context that the Sonae Mentoring Programme was launched, which brings together employees from both segments previously mentioned to mentoring relationships, clearly a win-win situation for all parties involved.

Sonae Management & Leadership Academy

Throughout its history, Sonae has been well known for challenging its teams with demanding goals regarding the development of people and establishing that each employee has the responsibility of training and developing others. To help managers, Sonae has created a set of structured programmes and initiatives to complement the development project built between the leader and his/her team.

Today Sonae is proud of having created the conditions for leverage, according to the needs of different segments of employees, the development of its people, from the operational level to the most strategic ones, considering the different generations and geographic areas that characterise its human capital. At the same time, this pride is also followed by a strong sense of responsibility to continue to promote differentiated development initiatives for more than 40,000 employees.

Development at Sonae is currently considered in two broad areas: critical/transversal skills among various businesses and geographic areas; and more concrete skills, specific to the respective business.

In the first instance, Sonae has the Sonae Management & Leadership Academy whose mission is to enhance the ability to generate innovative leaders and entrepreneurs, able to develop and diversify our business, keeping them in leading positions in their sectors of activity. This academy is focused on the sustainable development of management and leadership skills and is composed of a segmented structure of content and programmes dedicated to the development of the various organisational levels. For this purpose, we have partnered with the best national and international management schools and, in parallel, we look for our best "teachers" internally, leaders with undeniable expertise in the areas of leadership and coaching.

For the executive target, we have adopted an integrated approach with regard to their training and development. We go beyond Executive Education, aiming to offer programmes supported by alternative methodologies such as action learning, on-the-job experiences, coaching or mentoring. We have also designed customised, challenging and innovative programmes, taking into account the current needs identified for and by each executive and taking as a start and end point for this development the various models and policies that the company uses in managing their talent.

Sonae Management & Leadership Academy is highly committed to its mission of contributing to better prepare all the employees of Sonae's companies in their management and leadership development. Therefore, in 2015 we invested 961,720 euros, totalling 29,116 hours of training and involving 1,160 employees.



3.2.2.3. Career Management

Our careers' model is designed to support the management of the talent pipeline in Sonae, ensuring alignment between business priorities and professional development expectations of our employees. Therefore, there are two management approaches, one is focused on the planning needs for human resources and the other is more directed towards each employee as an important player of his/her own professional and personal development. This career management model also promotes our ability to attract talent by contributing to a strong Employment Value Proposition (EVP), with respect to opportunities for growth and development, communicating a vision of the possible future paths, and the progression and development plans associated with them. As we value the diversity of profiles and pathways of our people, we support personal and professional development through internal mobility within areas, companies, businesses and geographic areas.

2015 was a year focused on the design of an internal mobility model and process, which strengthens the continuity, as well as cross-cutting and versatility skills of our employees. The implementation of this model has already started.

Gender diversity

Under the European Roundtable of Industrialists (ERT), in 2012, Sonae subscribed to the Women's Initiative, which embodies concern for gender parity through the establishment of voluntary target facilitators promoting greater diversity of gender, not only for positions of management and decision-making boards, but also for senior positions and middle management.

At Sonae, we believe that the balanced presence of women and men in decision-making positions is an important factor for the balance of the organisation. Therefore, we have created a dedicated working group exclusively for the study, strategy definition, intervention and follow-up of female employees throughout the various levels of leadership. This initiative reinforces the concern and investment in the development of our female talent through an approach that aims to promote sustainability with regard to genre fairness.

Today female representation on the Board of Directors of Sonae companies is over 30%. However, Sonae's concern is not limited to management functions, but encompasses the entire organisation. Currently, half of the managerial positions in the company are already filled by women.

3.3. ETHICS

Ensure that all our activity is governed by the faithful application of established ethics and trust principles is a priority throughout the Sonae Group. For this purpose, we have developed the Sonae Code of Ethics and Conduct, defining the ethical standards by which we are guided. To ensure its implementation, enforcement and monitoring, an Ethics Committee has been appointed by the Board of Directors.

The Code of Ethics and Conduct is available to all employees at Sonae.

3.4. INNOVATION & KNOWLEDGE

To promote a culture of learning and openness to change, leading our companies to become ecosystems of knowledge and innovation is a core ambition of our entire activity.

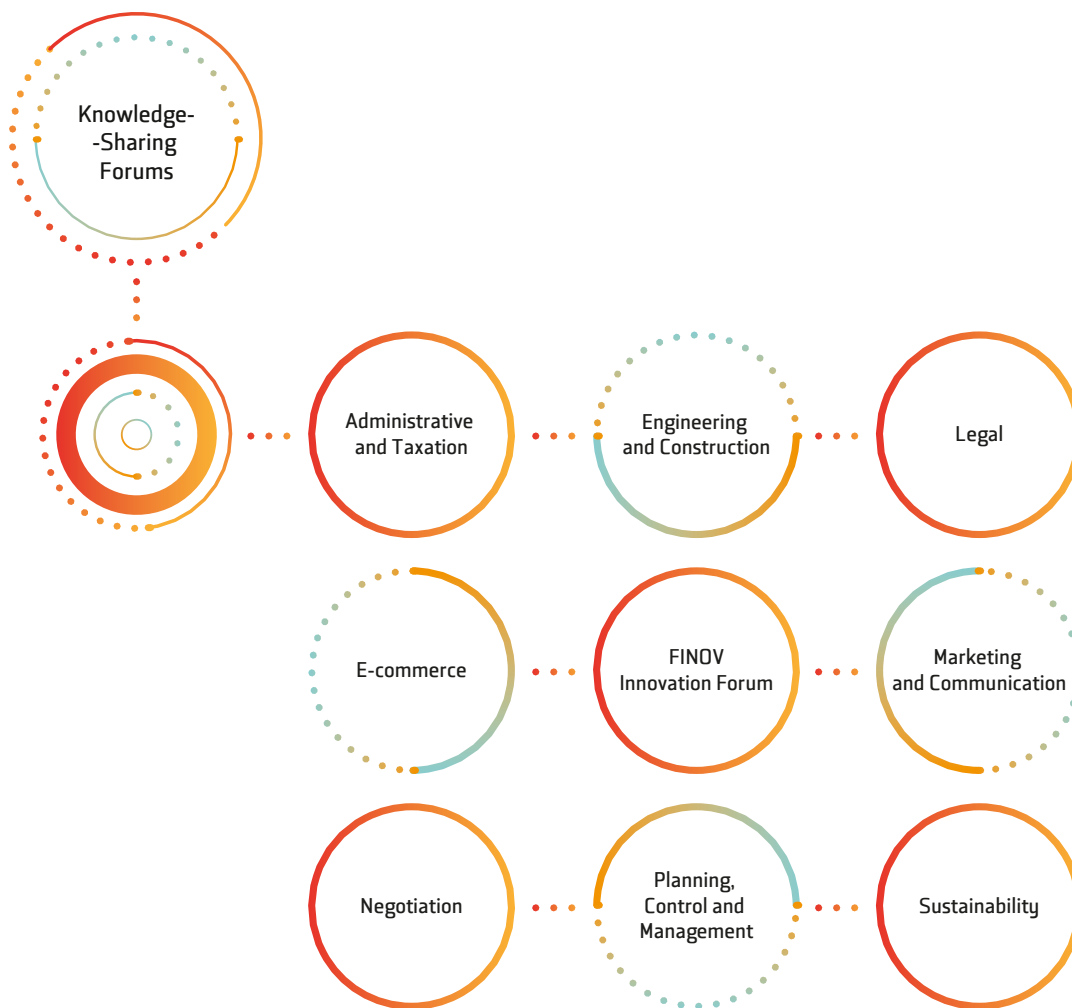
Innovation is vital to the mission and values of Sonae, as it helps us to overcome, creatively and efficiently, the challenges we face. We believe that by recognising distinctive and unique initiatives, we promote innovation as a catalyst for our success. As such, we have two important awards in place in this area: the Sonae Innovation Awards and the Chairman's Award.



Forums for Knowledge Sharing and Advisory Groups

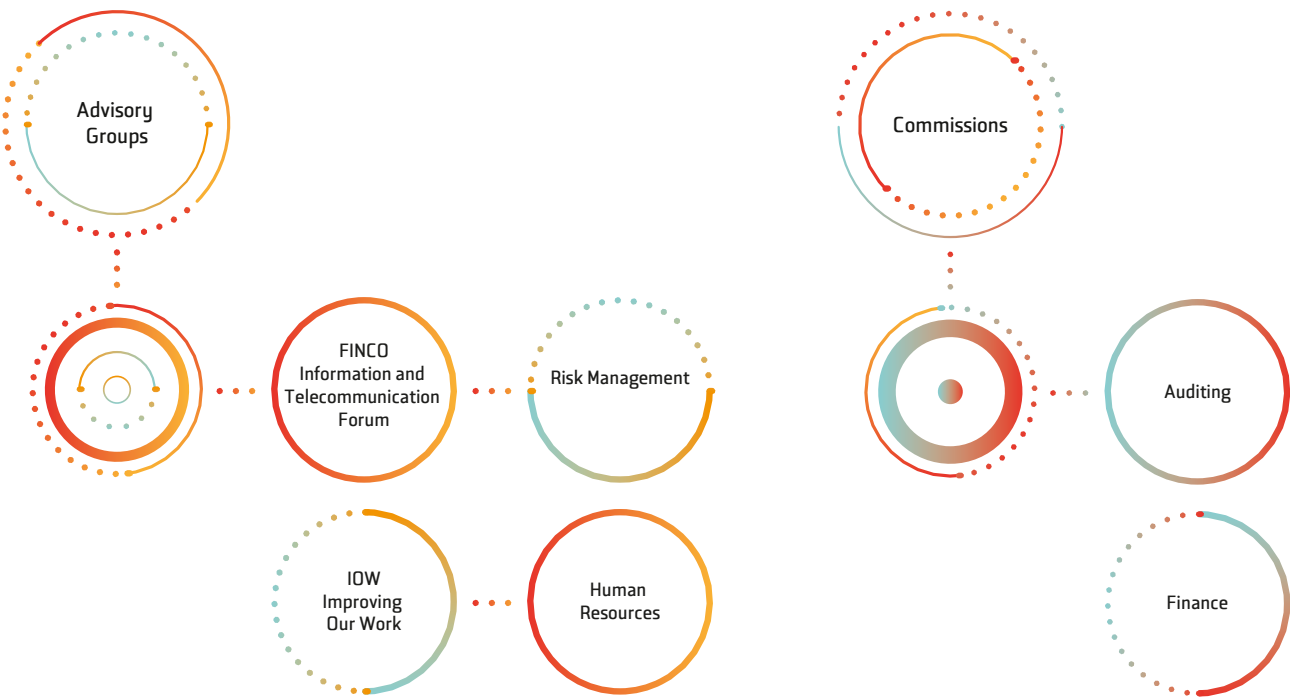
We develop on a regular basis, forums across all our business areas, with the aim of sharing knowledge and promoting the adoption of good practices, operating as a crucial discussion tool for the dissemination of knowledge among Sonae companies. There are currently nine knowledge sharing forums at Sonae, as illustrated in the following figure:

Knowledge-Sharing Forums



We also have a total of 4 advisory groups, which meet frequently, with the aim of sharing and coordinating information (organisation of internal training). Additionally, there are two committees that serve as important platforms for sharing knowledge and experience.

Advisory Groups and Commissions



3.5. COMMUNITY

Contribute to the development and well-being of the communities in which we operate is a desire shared by everyone at Sonae and it nurtures one of the intrinsic values of our culture.

In 2015, our support to the community included actions undertaken in Portugal and Spain, with an investment of 8.5 million euros, which has supported more than 1,500 institutions whose activity is divided according to the following community support pillars: (i) environmental awareness; (li) culture; (lii) education and entrepreneurship; (iv) health and sports; (v) science and innovation; (vi) social solidarity. In this section of the report, we would like to highlight some of the community support actions promoted by Sonae during 2015.

3.5.1. Sonae Activshare

We coordinate our community campaigns through Sonae Activshare, a platform that we have developed to actively manage and disseminate information concerning our social responsibility and volunteering initiatives at Sonae.

We believe that volunteering allows us to expose our employees and teams to different situations, face new challenges and broaden horizons, often working as a stimulus to creativity and innovation, which are values that are part of our DNA at Sonae.

Community



Under Sonae Activshare, we would highlight two internal actions that reflect the values we aim to develop through the programme:

Solidarity logistics

As part of the celebration of the 25th anniversary of the Maia Distribution Centre (CDM), Sonae MC has launched the Solidarity Logistics Initiative, a programme consisting of a set of actions, which with the contribution of employees from the whole of Sonae, enabled us to positively impact the lives of our CDM employees:

- A solidarity bazaar made available, for a nominal fee, a set of varied items (clothing, homeware, electronics and sportswear) to all of our CDM employees. The goods were donated and collected by employees of the various Sonae companies present in different parts of the country. The initiative was a success and the funds raised were donated to other programme activities.
- A refurbishment programme of a housing division of four CDM employees improved their welfare and the welfare of their families. The winners were chosen from more than thirty applications received. The renovations took place in early 2016.
- A Christmas holiday camp that provides recreational and educational activities for twenty of our CDM employees' children, from the ages of six to ten. In addition to teaching staff who ran the holiday camp, the activities were streamlined by volunteers.
- A Football Tournament that gathered the Logistics teams and employees from other Sonae companies, providing a friendly and pleasant sporting event, where the main goal was fair play.

Ciudadescuela Muchachos (CEMU)

In 2015, we developed an unprecedented initiative that brought together 30 Sonae volunteers from all levels of the organisation in Spain, including from Sport Zone, Worten and Zippy. It entailed the rehabilitation of a green area Ciudadescuela Muchachos (CEMU) in Madrid, thus promoting volunteerism, cooperation and integration and reinforcing the sense of belonging to Sonae. By actively contributing to this project, Sonae volunteers helped to create better living conditions for children from impoverished areas and going through a particularly difficult social situation.

3.5.2 Sonae Art

Culture is part of Sonae's corporate responsibility policy, which aims to promote creativity and innovation, stimulating new tendencies and bringing society closer to art, namely through important cultural events that foster enriching personal and collective development experiences.

National Museum of Contemporary Art - Chiado Museum (MNAC - MC)

Sonae and the Directorate General of Cultural Heritage (DGPC) signed in 2014, for a period of five years, a cooperation agreement, which established a partnership between the two entities by supporting the annual MNAC-MC programme and the implementation of the Sonae/MNAC Art Cycle projects and the Sonae Media Art Award, aimed at supporting the creation, promotion and dissemination of contemporary art.

In 2015, the first edition of the Sonae Media Art Award was held, the first and highest national award in the field of new media. 179 applications were received. Of the 129 applications validated, 5 finalists were selected, each one received a 5,000 euro scholarship for the creation of an unpublished work that was exhibited at MNAC-MC from November 2015 to January 2016. The winner was awarded a prize of 40,000 euros.

Serralves Foundation

Since its creation in 1989, Sonae remains a member of the Serralves Founders' Board. In addition, to being one of the patrons of Serralves, Sonae and the Serralves Foundation renewed and strengthened their cooperation in the field of contemporary art and have developed, since 2011, an ambitious project called the 'Sonae | Serralves Project'. This is a biennial programme that challenges the artists of outdoor works of art, to depict the link between art, architecture and the landscape. The 4th edition (2015-2016) will introduce for the first time to a national audience, between June and December 2016, Yang Haegue, a South-Korean artist of great international recognition.

Casa da Música

Sonae has promoted over the past few years culture, creativity and musical innovation through its patronage of Casa da Música in Porto. In 2015:

- We continued to be patrons of the Symphony Orchestra of Porto from Casa da Música;
- We supported, together with *Continente*, the Sunday Symphony;
- Through Worten, we supported the internationalisation of the Symphony Orchestra of Porto from Casa da Música, for the second consecutive year;
- Sonae Sierra was the patron of the Lead Conductor of the Remix Ensemble.

3.5.3. Education and Entrepreneurship

In 2015, we continued to allocate efforts to the development of projects in the field of education with the aim of making a positive impact concerning our investment in the community, in the medium and long-term.

Partnership with the Cerco School Group – Porto de Futuro Project

Sonae, as a partner of the Cerco School Group under the “Porto de Futuro” project, over the past few years has supported and streamlined several initiatives together with the school community. In the academic year 2014/2015, the focus of activity was the implementation of a programme aimed at promoting the academic success of students in the third cycle of their education, under the coordination of the Entrepreneurial Association for Social Inclusion (EPIS) – the Facilitators Network for School Success.

The project includes in its methodology a system which identifies youth at risk in terms of school performance and a portfolio of training methods, some universal and others targeted to each risk profile, enabling individual plans to be developed with close and continuous monitoring of the students who are most likely to become early school leavers.

In addition, they also streamlined other actions among students, teachers and parents: workshops, the promotion of study visits, awards to students with the best performance, development and publication of the group’s newsletter, among other initiatives.

Junior Achievement Portugal

In 2015, Sonae maintained its partnership with Junior Achievement Portugal (JAP), through which it streamlined its programme in schools that develop an entrepreneurial spirit amongst the young generation, enriching their vision and understanding of society and the business world. Over the last three years, we have seen a 15% increase in the number of Sonae volunteers present in the initiatives promoted by JAP, with a total of 150 volunteers in 2015.

Junior Achievement Portugal



Junior Achievement Spain

We have extended our support within the partnership established last year with Junior Achievement Spain (JAE). As a result, 12 Sonae volunteers participated in 7 different educational programmes divided into three educational pillars: (i) "Our Community" - 3 programmes; (ii) "Our City" - 1 programme and; (iii) "Ethics in Action" - 3 programmes. Additionally, Sonae volunteers had the opportunity to participate in an academic and professional guidance programme "Business-Partners for one Day".

Junior Achievement Spain



Action 1 – Action Plan 2020 by BCSD Portugal

Under the Action Plan 2020 BCSD Portugal - Business Council for Sustainable Development, Sonae was the Action 1 project leader, aiming at aligning companies' needs in terms of job skills and the training young generations receive at school.

This action sought to determine the critical skills needed for the development of human capital by 2020, contributing to the alignment of needs between the labour market and schools and universities. With this objective in mind, Action 1 gave priority to three activities during 2015:

- Diagnose companies' needs by 2020 using a comprehensive survey;
- Communicate to young generations job market opportunities, using channels and communication means more suitable to their age;
- Bring all pivotal stakeholders together in the promotion of innovative approaches to bridge the gap between schools and companies.



3.5.4. Social Solidarity

‘Somos Sonae Programme’

‘Somos Sonae Programme’ is a Sonae social responsibility programme that aims to provide support to employees who are in need and at risk, supported by the project ‘Portugal +Feliz’ of the Portuguese Red Cross. With the help of a specialised and multidisciplinary team, the action plan is designed according to the specific situation of each employee. In this sense, the kind of support provided is very diversified and adjusted to the specific situation of each employee: ranging from legal advice, financial advice, the management of family finances, health, basic goods and services and any other type of help should it be deemed necessary and appropriate. In 2015, the total investment in this programme was about €230,000, and it provided support to 554 people – 193 employees and their households (144 adults and 217 children).

Note: The remaining projects and initiatives carried out under the Community Support for the retail area level are described in the “Increased Sharing and Promotion of Social Wellbeing” section of the chapter “Better Purpose”.

4. Sustainability

SONAE CHIEF CORPORATE CENTER OFFICER STATEMENT

Innovation and Social Responsibility are central pillars of Sonae's culture, whereby we are committed to improving the lives of the people and the communities in which we operate. It is a daily commitment that is revealed through our business activities and through the involvement of our colleagues.

Investment in Innovation, which in 2015 was around 110 million euros, allows our businesses to be engines of development in the various sectors where they operate, with direct benefits for our customers.

In 2015, our support to the community included an investment of 8.5 million euros, which has had an impact on more than 1,500 institutions and organisations, and a total of 4,400 volunteering hours dedicated by our colleagues.

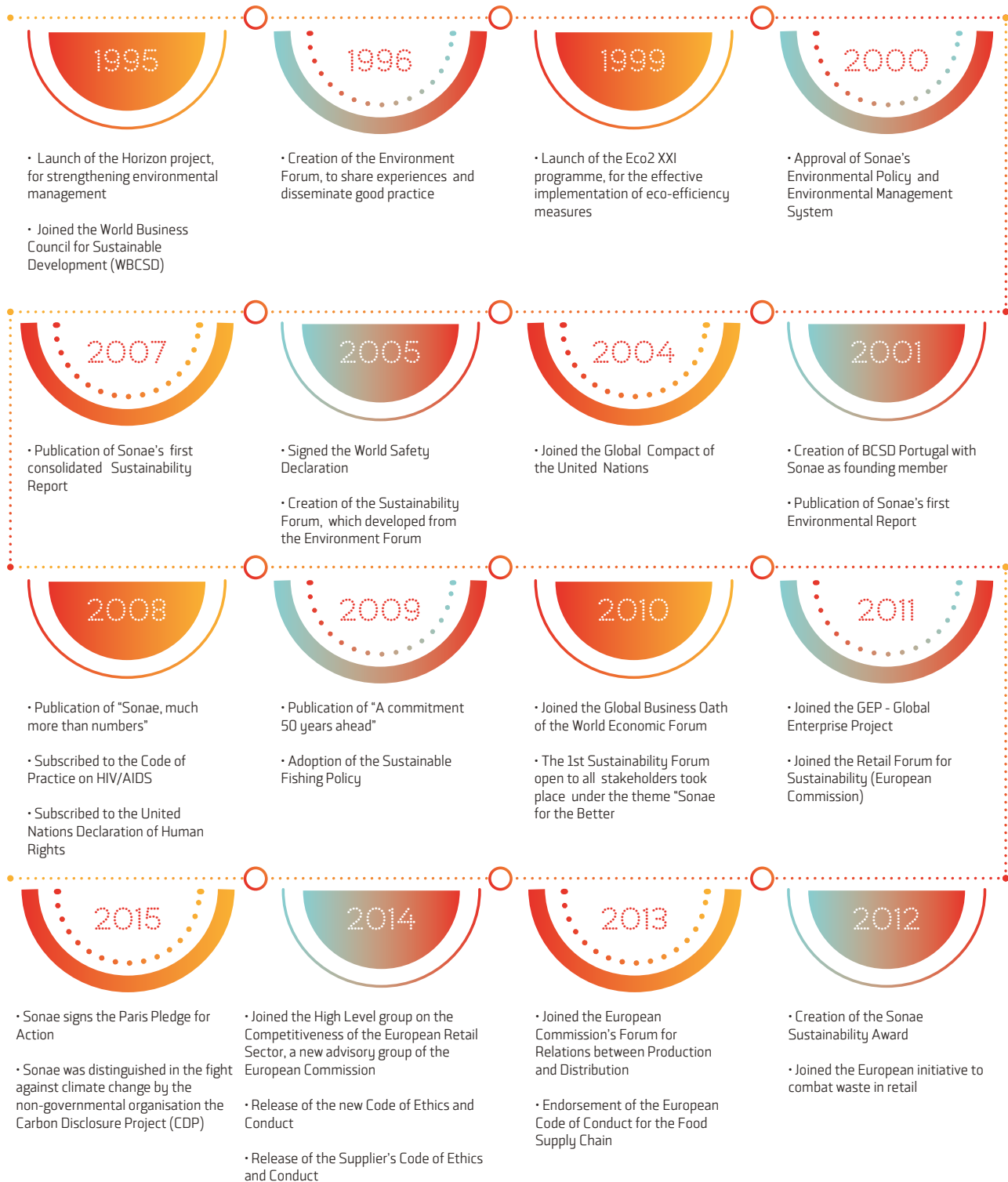
In parallel, we have continued to focus on the development of our colleagues, through an integrated approach to talent management, ensuring effective attraction, development and retention of the best talent. Throughout the year, we invested in 1.3 million hours of training.

We believe, therefore, that the fact that we are present in various sectors of activity allows us to maximise our capacity for growth and value creation through our financial and human resources, as well as to explore the many opportunities that each business offers us to create a more sustainable society.

Luís Filipe Reis

4.1. SUSTAINABILITY MILESTONES

Sustainability Milestones



4.2. SUSTAINABILITY MANAGEMENT

Sustainability Forum

The main goal of the Sustainability Forum is to promote the sharing of experiences and know-how, common to all Sonae Companies, within the remit of sustainability.

It is composed of members from the various Sonae Companies and is coordinated by a sponsor, a president and a secretary, covering topics such as green taxation, food waste, community support, management and relationship with suppliers, among others. Throughout this sharing of experiences, skills and information, the implementation and diffusion of measures is encouraged, aiming at the adoption of more sustainable practices defined at the level of each business area.

Sustainability Award

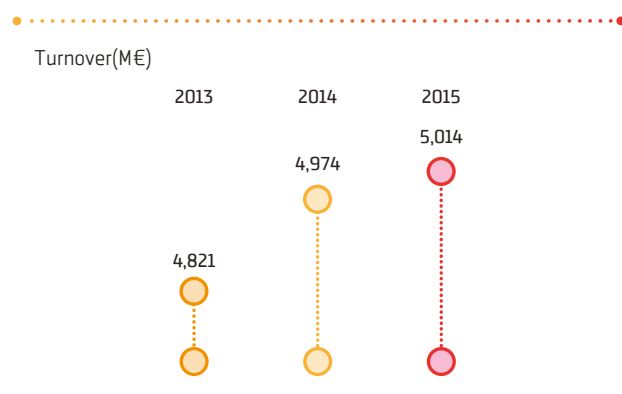
Sonae's Sustainability Award aims to distinguish a specific programme, project or initiative that has been developed within the firm by a working group, made up of members of the distinct business areas.

Note: The Sustainability Award is an initiative that was taken by Efanor, the main shareholder at Sonae, therefore it includes Sonae Capital and Sonae Indústria.

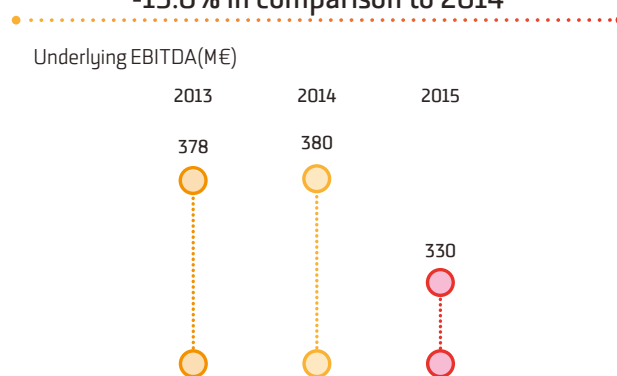
4.3. MAIN SUSTAINABILITY INDICATORS

Indicadores Económicos

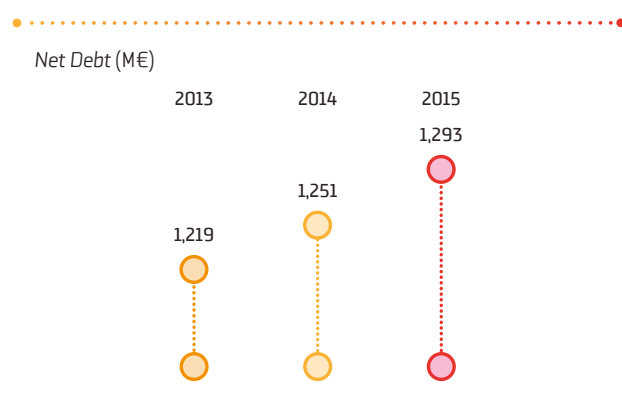
Turnover: +0.8% in comparison to 2014



Underlying EBITDA:
-13.0% in comparison to 2014



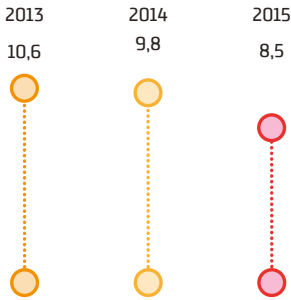
Net Debt: +3.4% in comparison to 2014



Social Performance

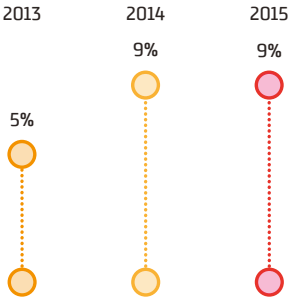
Community Support:
-13.3% in comparison to 2014

Community Support (M€)



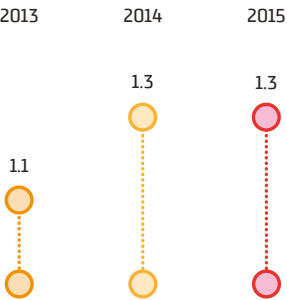
Absenteeism Rate: Same as 2014

Absenteeism rate (%)



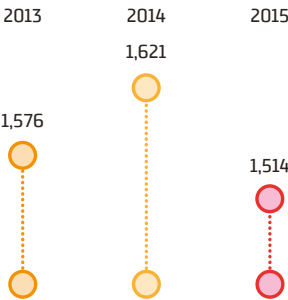
Hours of Training:
-1.1% in comparison to 2014

Hours of Training (,000)



Work Accidents:
-6.6% in comparison to 2014

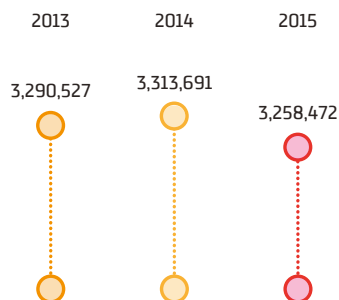
Work Accidents (Nr)



Environmental Performance

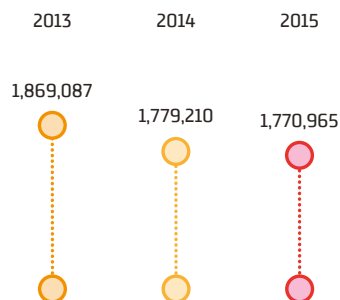
Energy consumption: -1.7% in comparison to 2014

Energy consumption (GJ)



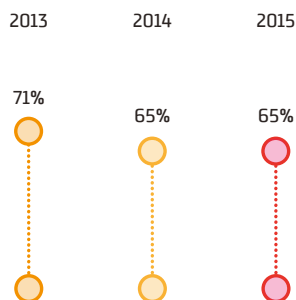
Water consumption: -0.5% in comparison to 2014

Water consumption (m³)



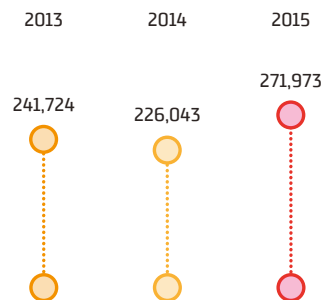
Waste recovery: +0.3% in comparison to 2014

Waste recovery (%)



CO₂e Emissions: +20.3% in comparison to 2014

Emissions CO₂e (tCO₂e)



5. Awards and External Recognition



The Carbon Disclosure Project has distinguished, for the 3rd consecutive year, Sonae's environmental commitment to the Environmental Performance and Leadership Index (CDLI), which demonstrated our environmental performance and the quality of the disclosed information reported.

Sonae (corporate level)



National Museology Award in the category of Patronage within the framework of the partnership with MNAC – Museu Chiado.



Sonae's Labour Relations Team was recognised as the best team at an international level in the category of Employment at the ILO European Counsel Awards 2015 nos ILO European Counsel Awards 2015.

Sonae MC



Reader's Digest "Brands of Trust 2015" recognised *Continente* as a Brand of trust for the 13th consecutive year in the category of hyper/supermarkets. *Continente* was also distinguished as an Environmental Brand of Trust 2015 in the same category, for the 6th consecutive year. Well's was also distinguished, for the 2nd consecutive year, in the category of parapharmacy stores.



The project 'Missão Sorriso/Missão *Continente*' was awarded at the Retail Awards HS 2015 with an award in the category of best social and corporate responsibility campaign in the food retail sector.



At the Consumer Choice Awards 2015, promoted by Consumer Choice, Sonae MC was awarded in the following categories:

- Yämmi, in the food processing category;
- *Continente*, in the Hyper and Supermarket categories and as the Best Distribution Brand;
- *Continente Magazine*, in the category of Cookery Magazine;
- Meu Super, in the category of Supermarkets in Franchising;
- Well's, in the category of Health and Wellbeing stores.



The following *Continente* products were awarded in the international Vertex Awards in the category of package design:

- • *Continente Meats 100% National* (gold medal)
- *Continente Potatoes* (silver medal)
- Cured Ham Taste of Portugal – *Continente* (bronze medal)



Continente Potatoes were honoured with a silver medal in the category of package design in the international Pentawards 2015.

Sonae SR



Reader's Digest "Brands of Trust 2015" recognised Sport Zone (for the 2nd consecutive year – in the category of sport and sport fashion stores), Worten (for the 6th consecutive year – in the category of non-food retail distribution and chain stores), and Zippy (for the 3rd consecutive year – in the category of children's clothing and childcare stores) as a Brand of Trust.



The project Código Dá Vinte, developed by Worten, won the Retail Award of Hypersuper Newspaper in the category of Social and Corporate Responsibility Campaign, as well as winning the bronze medal in the Social Responsibility category under the Efficiency prize.



Sport Zone, Worten and Zippy were with the Consumer Choice 2015 award, promoted by Consumer Choice.



Zippy was acknowledged in the 24th edition of the Masters of Distribution prize, promoted by the magazine Distribution Today, in the category of Social Responsibility, due to the solidarity project "Love in a Box".



The initiative "Kilos of Help", developed within the Worten Team project, was distinguished with an Honourable Mention in the 7th edition of the Green Project Awards.



Worten was the winner in the "Excellence in Quality" category, for its sales force management project awarded by the Kaizen Institute and the Portuguese Association for Quality (APQ).

Sonae Sierra



Norte Shopping was awarded with the honour of Best Shopping Centre in the category of Quality-Price Relation at the Best Buy Award Portugal.



Sonae Sierra was distinguished at the Forbes Green Awards for their environmental strategy developed in shopping centres under development and for the ParkLake and River Plaza Mall operations, in Romania.

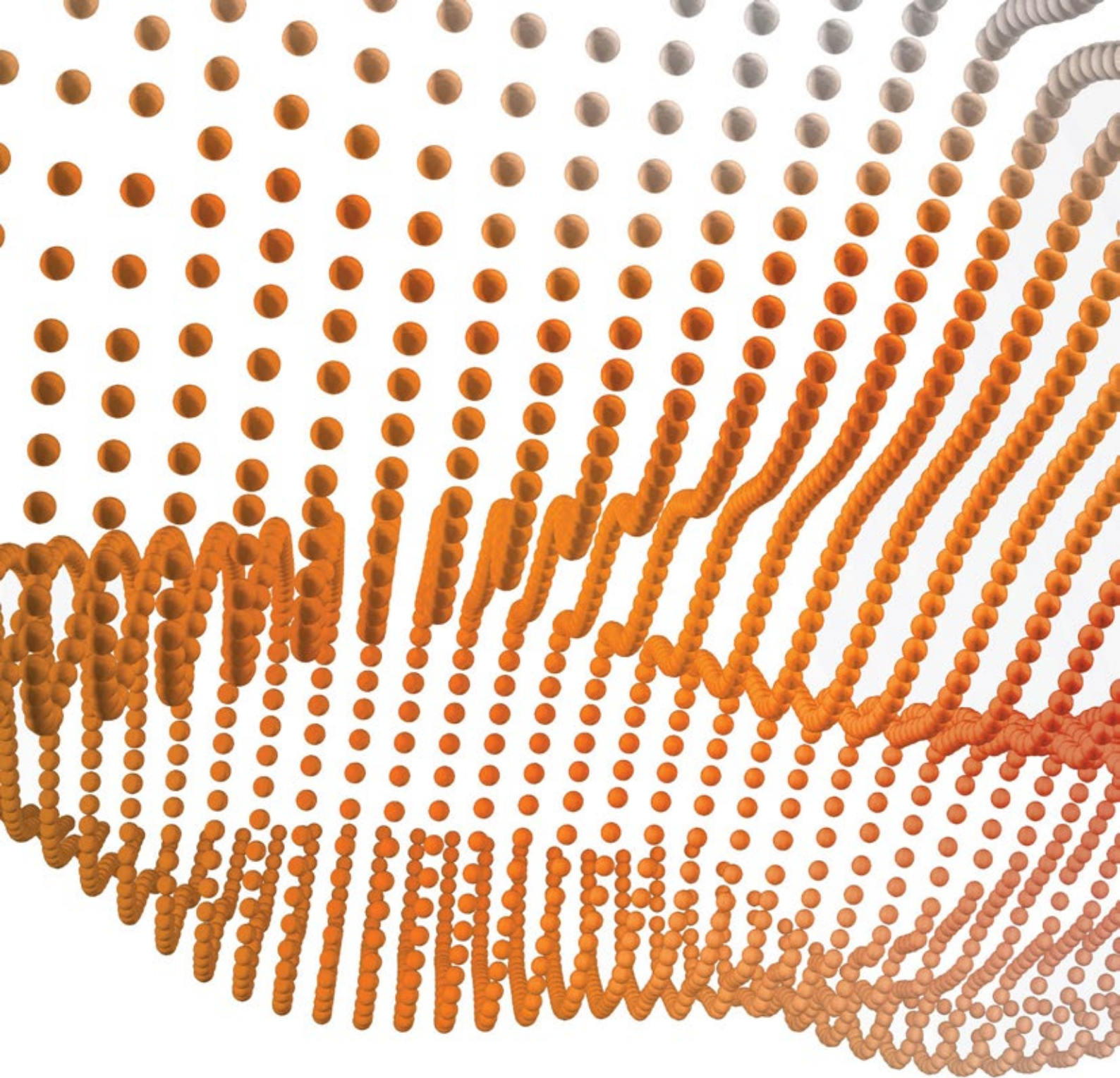


The shopping centres Freccia Rossa and Le Terazze, in Italy, were honoured at the CNCC Italy Awards with a Certificate of Merit in the category of Cause-Related Marketing.

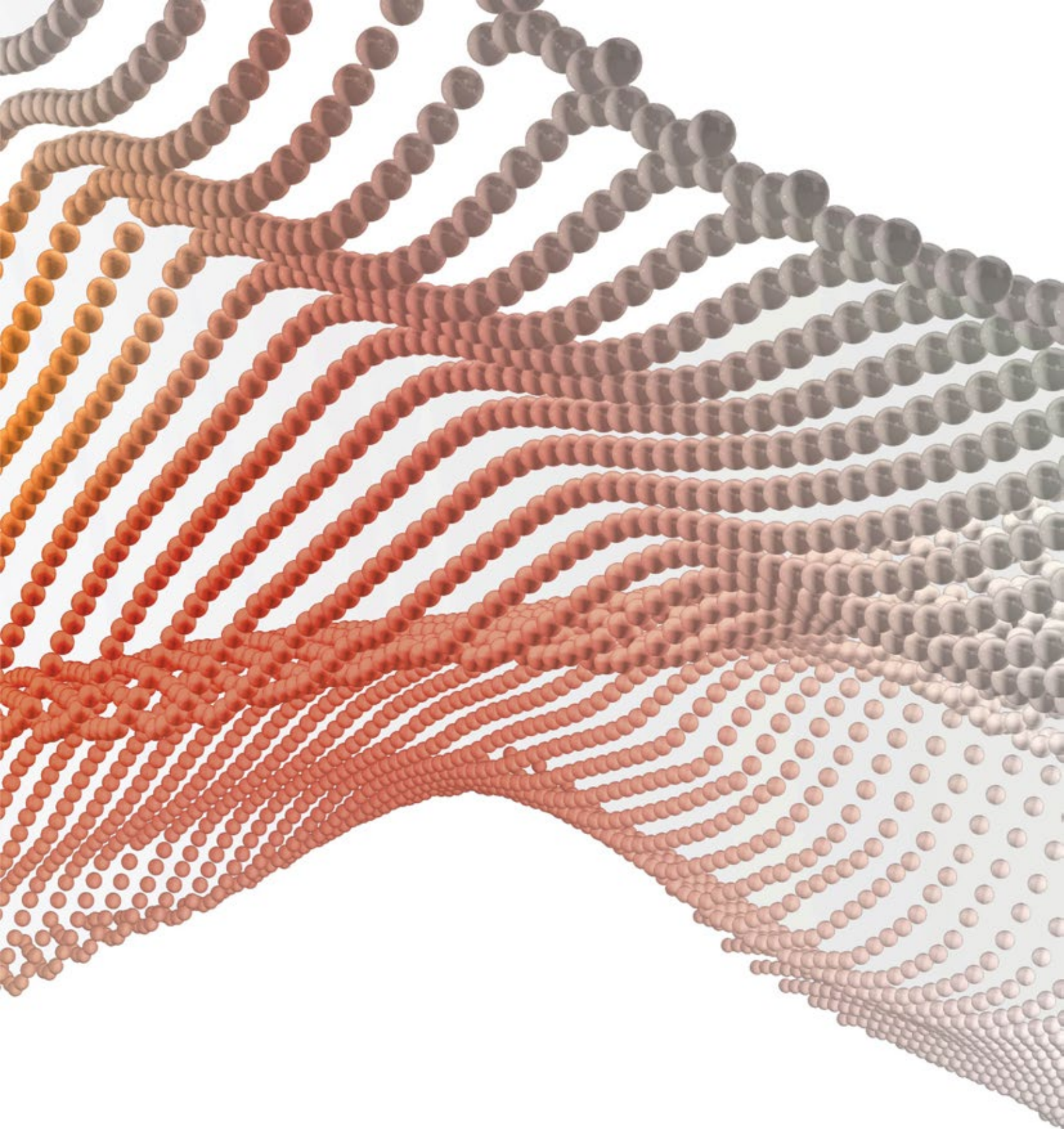


Sonae Sierra was recognised in 2015 by GRESB – Global Real Estate Sustainability Benchmark with the following distinctions:

- 2nd place in the retail sector at the European level (unlisted companies)
- 7th place in the global retail ranking
- 12th place among European companies considering all of the activity sub-sectors



.....● SUSTAINABILITY
IN RETAIL



2. SUSTAINABILITY IN RETAIL

CEO Sonae MC Statement

2015 was a year marked by significant challenges for Sonae MC, however, we continued to stand by our customers and renewed their trust in us.

Aware that there is a new generation of consumers, with new habits and lifestyles, we remain committed to monitoring and promoting the activities of our producers, in order to ensure that every day the best and freshest products in the market reach our stores, at the best price.

With regard to our commitment to national production, in 2015 we took this challenge to new areas by relocating for example the entire Yämmi production to Portugal, training and empowering national partners and suppliers.

The year was also marked by the launch of *Missão Continente*, which extended the scope of its intervention to other areas beyond social responsibility, namely to activities of a social nature, the community and the environment, developed by Sonae MC.

The retail sector has proven to be increasingly challenging for companies that operate in it and, naturally, Sonae MC is not immune to this context. However, our commitment towards sustainability remains steadfast and improving the quality of life of our customers and the communities where we are present will always remain a priority.

Luís Moutinho



CEO Sonae SR Statement

The sustainability of Sonae SR's operations is critical in order to ensure the success of the internationalisation of our businesses. As it is a key growth driver, it is essential that we are able to guarantee a greater level of trust and transparency throughout the value chain to ensure that our customers, no matter where they are, receive our products always with the highest quality guaranteed.

For this purpose, throughout the year we have strengthened certification processes, audits and inspections of our suppliers, and have audited more than 120 suppliers of electronic products.

In 2015, we maintained our support for the community, continuing the social responsibility initiatives of our brands, namely, Zippy's 'Love in a Box', Worten's 'Equipa Worten Equipa' and 'Código DáVinte', and Sport Zone's 'Running Experience'.

We believe that by adopting a responsible attitude towards society, we are creating the right conditions to achieve important strategic advantages and, consequently, better positions in the markets in which we operate, therefore enhancing the growth of our business.

Miguel Mota Freitas

TRENDS IN THE RETAIL SECTOR

According to RobecoSAM², there are currently nine specific issues of particular importance for companies in the retail sector. These issues are aligned with our three sustainability pillars (Economic, Environmental and Social), as illustrated in the figure below:

Trends in the Retail Sector



Sonae aims to address these issues through its Sustainability Strategy (see chapter "Our Retail Sustainability Strategy (Triennium 2013-2015)").

The retail sector is characterised by a high level of dynamism and volatility, primarily linked to the rising level of consumer demand. We strongly invest in aligning our supply to consumers' needs and our constant innovation in the processes and products enhances our evolution to a more sustainable organisation, more capable of responding to the most recent trends inherent to the sector, in particular with regards to changes in the typical consumer profile. Taking these trends into account, we would like to highlight three issues that are particularly relevant for Sonae: (i) adaptation to consumers' needs and profile; (ii) supply chain; and (iii) innovation.

² RobecoSAM Industry Profiles - Retailing, 2015

1. Adapting to customers' needs and profile

We have at our disposal a diversified and complete offer of products tailored to our customers' needs, including our own brand products which, due to aspects such as quality and a highly competitive price, have increasingly become an obvious choice for customers. The latest trends in the industry include, amongst others, the following aspects relating to customer preferences:

Adapting to Customers' Needs



a) Demand for more detailed information about products, particularly their nutritional contents and their origin/source

Due to the current ease of access to information, consumers attach more importance to the immediate information available on the products they purchase, in particular to labelling information. To address this aspect, we strive to increase the quantity and quality of information provided to consumers and displayed on product labels (e.g. point of origin detailed on the labels of textile products and nutritional traffic light labels on food products).

b) Growing concern for health and wellbeing, encouraging the consumption of healthier products that promote wellbeing and a healthy lifestyle

We are currently witnessing a growing concern for health and wellbeing, there is a clear customer trend to value and show preference for products that are consistent with a healthy lifestyle. We focus on ensuring that we include a variety of products with a nutritional content aimed at healthy lifestyles and that promote wellbeing (e.g., our range of dried fruit *Continente Wellness*). Additionally, we support and develop various initiatives in this field (e.g., The Hyper Healthy Movement).

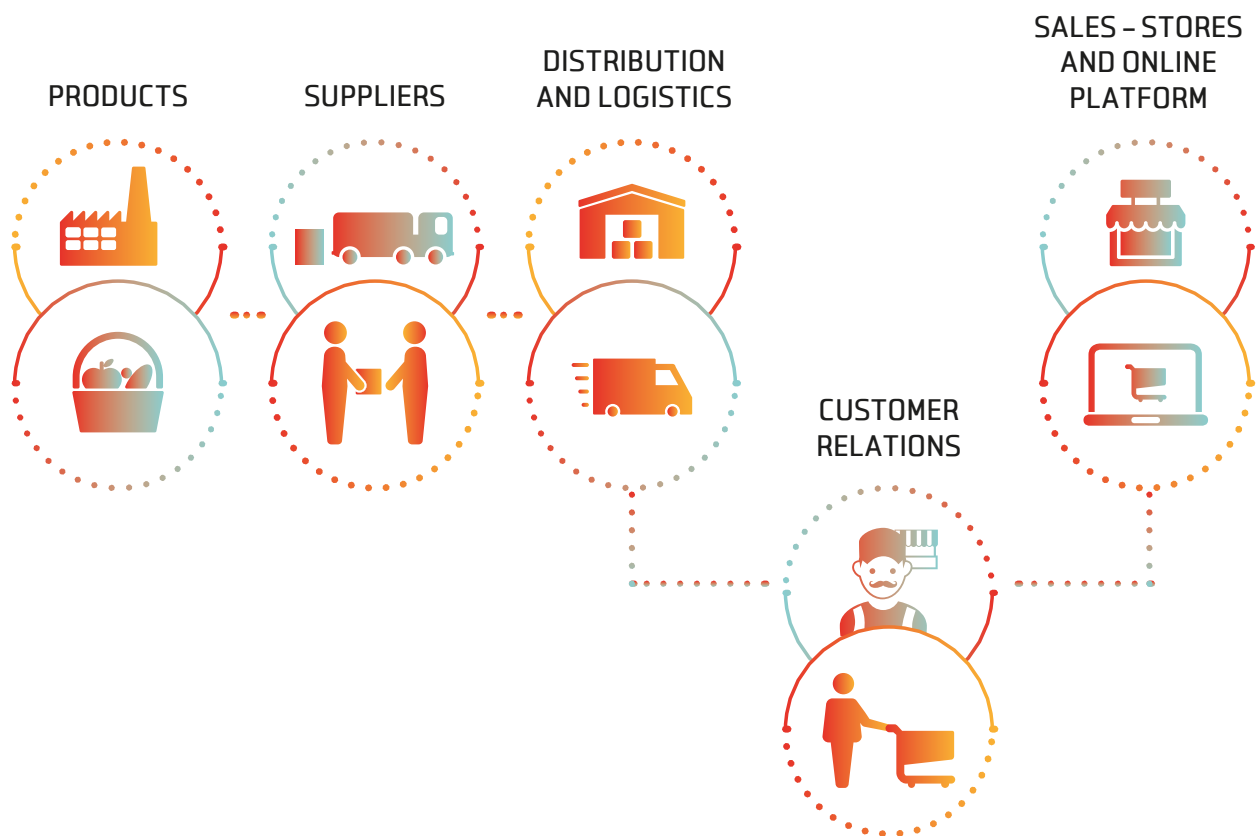
c) Preference for more sustainable consumption, giving priority to products with a reduced environmental impact

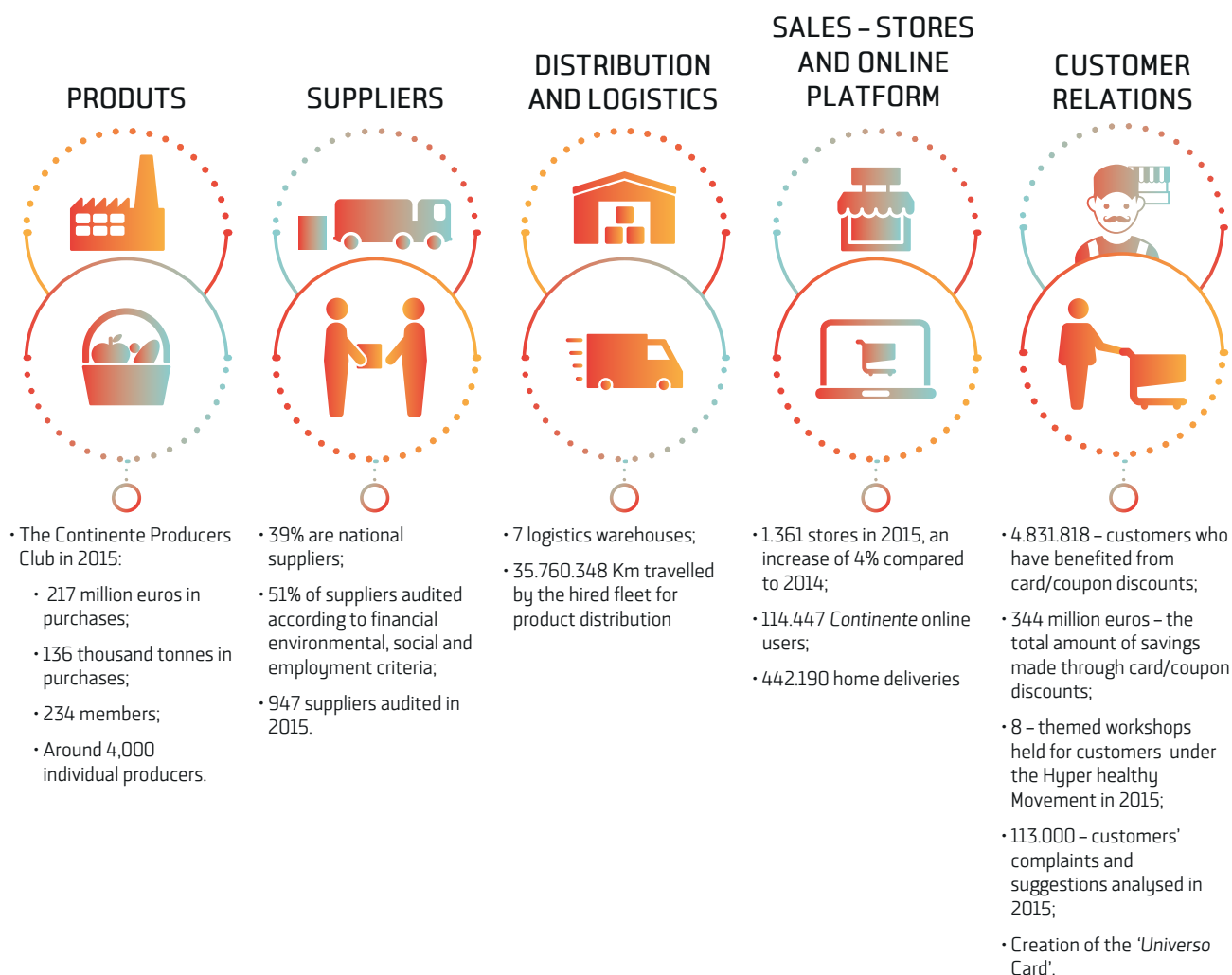
Today, consumers are more aware and conscious of the impact on the environment and their responsibility towards it. We promote the adoption of more sustainable and efficient practices such as reducing energy consumption or optimising the design and materials used for primary packaging and transportation, mainly in own brand products, aiming to safe-guard the wellbeing of our planet. In 2015, we modified the sale packaging of specific product SKUs such as coffee capsules, yogurts and pizzas to reduce the materials used in them.

2. Supply Chain Management

Companies in the Retail Sector currently face a set of challenges related with supply chain management, namely regarding profit margins, operating efficiency, responsiveness to customers' demands, regulatory compliance, quality standards and commercialisation of products through multi-channel distribution. At Sonae, we place great importance on the optimisation of our supply chain, especially concerning our various suppliers and the alignment between supply chain management and the sustainability strategy of the organisation.

Supply Chain





Upstream: Products and Suppliers

With the objective of ensuring sustainability and transparency in the supply chain, we have established very close relations with our producers and suppliers.

Downstream: Distribution, Logistics and Sales

We focus on constantly improving the efficiency of our distribution network and our logistics infrastructure, as well as ensuring a highly customised experience adapted to our customers at every point of sale (stores and online) and in deliveries (home deliveries and drop-off points).

Customer Relations

We are highly committed to promoting close customer relations aiming to meet their needs and expectations. We are concerned with making available a suitable and targeted offer according to our the customers' preferences, making good use of our knowledge about their habits and providing them with a range of benefits including through cards and discount coupons or the newly released Universo Card (for more details on this card, see the "Increased Sharing and Promotion of Social Wellbeing – Close customer relations and benefits for our customers " in the chapter "Better Purpose").

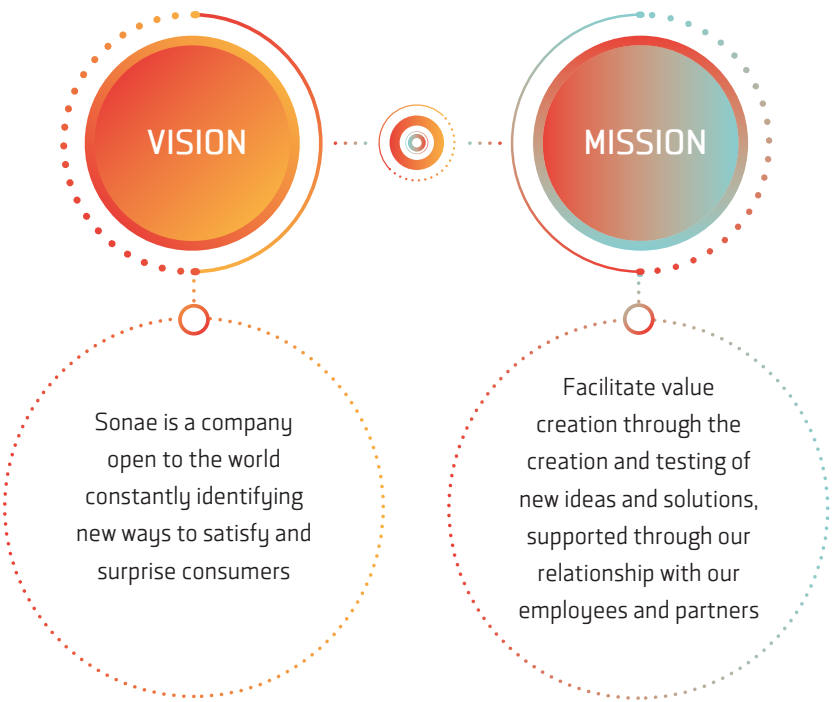


3. Innovation in Retail

We consider innovation to be a crucial way to build a more sustainable organisation and to encourage the involvement, participation, creativity and talent of our employees.

3.1. INNOVATION MANAGEMENT

We have an Innovation Management Team in place devoted to a specifically defined mission and vision to enhance the growth of Sonae through Innovation.



At the same time, we have an Innovation Committee responsible for boosting innovation in the Sonae retail companies and by encouraging the participation of all our employees in related activities, comprising of representatives from all the functional areas and coordinated by the Innovation Management Team.

3.2. RECOGNISE AND PROMOTE A CULTURE OF INNOVATION WITH AN INTERNATIONAL DIMENSION

Sonae adopts and develops an open innovation approach, as we aim to involve not only the internal workforce but also educational institutions, research laboratories, technology transfer units, suppliers, customers, other retailers and start-ups in initiatives that promote innovation. Sonae retail area businesses currently have over 160 partnerships for innovation worldwide involving universities, institutions and companies located in 29 countries in 4 different continents, 110 of these being European partners. Annually, we produce the Sonae Innovation Retail Book, describing the best initiatives that Sonae promotes in this area. This book now has six editions and is distributed by more than 670 people scattered over more than 18 countries in 3 continents.

3.3. EVENTS AND INITIATIVES

In 2015, we developed several events and initiatives under the theme of Innovation and we would like to highlight the following:

ShineOn

- In 2015, over 100 employees participated in ShineOn and more than 190 ideas were generated.
- Since 2013, this event has led to the creation of 1,110 ideas.
- 4 projects being implemented in Portugal and Spain were presented in the 2015 edition.

BizShare

During 2015, two editions of this event were held, dedicated to sharing information and knowledge among 155 employees from different business areas of Sonae.

Creative Problem Solving (CPS)

This event focused on the exchange of experiences and promoted the sharing of new perspectives, with the involvement of 235 participants.



Study Tours

Six Sonae employees had the opportunity to participate in a guided visit in London, in order to observe best practices in 10 retail specialists and other areas related to the sector.

Strategic workshops (push and pull)

The strategic workshops held during 2015, enjoyed the participation of 295 participants in total.

Exchange Experience

In 2015 we have launched the first edition of Exchange Experience, in which in partnership with the Austrian retailer SPAR, we have promoted the Exchange staff and the sharing of experiences in the food retail operations.

Crowdsourcing

We have launched StartApp, a competition created to challenge, in a crowdsourcing model, university students. This initiative involved about than 500 participants divided into 250 teams, who developed 91 mockups and 50 prototypes on different platforms, mobilizing 30,000 people who voted the best prototypes.

Sonae Innovation Awards

We have rewarded teams who develop the best innovative projects at Sonae. In 2015, we have selected 4 winners and three honourable mentions, among nearly a hundred projects.

4. Our Retail Sustainability Strategy (2013-2015 Triennium)

Our sustainability strategy for the period 2013 to 2015, named Our Way to a Sustainable Life, was characterised by a set of commitments, action axes and initiatives developed with the goal of addressing 6 priority areas organised into 3 main axes:

Sustainability Strategy



This strategy supports the sustainable development of our activities, as it is completely aligned with the strategic objectives of the organisation. In this sense, this strategy represents the main guide for the definition of specific targets and for the development of initiatives directed towards ensuring our compliance to the commitments we set ourselves for the 2013-2015 triennium.

BETTER PURPOSE – COMMITMENTS

- Promote the adoption of healthy life styles and keep Sonae's customers informed, providing them with the necessary knowledge they need to make nutritionally balanced and responsible choices
- Endeavour to promote social wellbeing in the communities where Sonae is present, contributing towards strengthening citizenship and social cohesion.

STRATEGIC AXES

Responsible offer and informed choice

Own brand product responsibility

Contribution to Sustainable Fishing

Increase sharing and promote social wellbeing

WHICH MATERIAL ISSUES DO THEY RESPOND TO?

Nutrition
Public Health
Compliance / Product Quality
Product adaptation and innovation
Public health
Preservation of natural resources
Ethics in the supply chain
Combating food waste
Healthy lifestyles
Supporting local communities

BETTER PLANET – COMMITMENTS

- Focus on continuous improvement in order to attain top environmental performance, not only as a differentiating factor but as a basic condition for the sustainable development of Sonae's business.

STRATEGIC AXES

Efficient management of environmental performance

Sonae's "Footprint"

Environmental impact of packaging

WHICH MATERIAL ISSUES DO THEY RESPOND TO?

Water, energy and GHG emissions
Waste management
Transport and distribution optimisation
Transport and distribution optimisation
Water, energy and GHG emissions
Packaging innovation and optimisation
Transport and distribution optimisation

BETTER PEOPLE – COMMITMENTS

- Promote well-being and invest in the development of employees' skills and expertise, continuously enriching Sonae's culture
- Integrate sustainability into the supply chain and align supplier practices with Soane's policies.



4.1. MATERIALITY REVIEW

With the intention of ensuring the alignment of our sustainability strategy with the main sector trends and consumer preferences, in 2014, we carried out a materiality review which consisted of an analysis and an evaluation of a set of material issues for the fulfilment of our sustainability commitments. This materiality review was essentially based on three distinct components: analysis of stakeholders' expectations and opinions, specific sector trends and benchmarks taking into account the performance of several global reference players. These components allowed us to outline a set of material themes taking each business area into account (Sonae SR and Sonae MC), as well as the organisation boundaries ("Within Sonae" and "Outside of Sonae").

MATERIAL THEMES	WITHIN SONAE		OUTSIDE SONAE
	SONAE SR	SONAE MC	
Environmental, labour and human rights criteria for suppliers	✓	✓	✓ All the suppliers
Transparency and trust throughout the value chain	✓	✓	✓ All the suppliers; Community; Regulators and governmental entities
Ethics in the supply chain	✓	✓	✓ All the suppliers; Community
Influence suppliers in the preservation of natural resources	✓	✓	✓ All the suppliers
Local Production	✓	✓	✓ CPC Suppliers and Own Brand; Community
Compliance/ Product quality	✓	✓	✓ All the suppliers, Customers and visitors; Media
Public health	✓	✓	✓ All the suppliers, Customers and visitors; Media; Regulators and government
New consumer interaction technologies	✓	✓	✓ Customers and visitors
Product adaption and innovation	✓	✓	✓ Customers and visitors; Community
Packaging innovation and optimisation	✓	✓	✓ Own brand suppliers; Other suppliers
Combating Food waste	✓	✓	✓ Community
Nutrition		✓	✓ FornecedorOwn brand suppliers; Other suppliers; Customers and visitors; Regulators and government
Healthy lifestyles	✓	✓	✓ Customers and visitors; Community
Support to local communities	✓	✓	✓ Community
Health and safety in stores	✓	✓	✓ Employees; Customers and visitors
Human capital management	✓	✓	
Water, energy and GHG emissions	✓	✓	✓ CPC; Sonae MC suppliers; Own brand
Waste management	✓	✓	✓ Own brand suppliers; Customers and visitors; Own brand
Transport and distribution optimisation	✓	✓	✓ Fleet suppliers - Supply Vehicles

This materiality review allowed us to conclude that our sustainability strategy continues to adapt to the trends and to the current reality of the retail sector, addressing the material issues most relevant to the organisation.

5. Overview of the Final Cycle (2013-2015 Triennium)

Over the past three years, we sought to meet the commitments outlined in the sustainability strategy 'Our Way to a Sustainable Life'. For this purpose, we promoted the development of actions and initiatives aligned with the sustainability strategy and strategic objectives of the organisation, covering the three pillars of sustainability (economic, environmental and social). Our dedication and effort in this aspect allowed us to achieve a greater degree of maturity in terms of our integrated sustainability management. We can claim that today we are a more sustainable organisation, with greater visibility regarding the impact of our activity and constantly aiming to contribute to a better world. The actions and initiatives undertaken during the last three years have enabled us to meet most of the goals and commitments we defined in our sustainability strategy. The end of this three-year period marks the beginning of a new cycle, which will feature a renewed sustainability strategy. Therefore, we will begin to work on developing a new roadmap with a set of ambitious goals, aligned with our business strategy and adapted to the current context, which will allow us to continue building an ever more sustainable organisation.

5.1. THE MAIN RESULTS OF OUR COMMITMENT

5.1.1. Better Purpose

1. RESPONSIBLE SUPPLY AND INFORMED CHOICE

Commitments 2013 - 2015	Achievements	Performance
Investing in partnerships with universities and other learning institutions and promoting internships related to food quality	2013: 7 internships and 6 partnerships 2014: 6 internships and 6 partnerships 2015: 2 internships and 1 partnership	●
Continue to promote a healthy lifestyle, providing more and better information and working together with the community	2013-2015: We developed several initiatives to promote a healthy lifestyle for our customers (e.g. Hyper Healthy Movement) and we strengthened the information on the labelling of various products (e.g. The Nutritional Traffic Light)	●
Ensure the maintenance of the certification of the suggestions and complaints system according to ISO 10002	2013-2015: We renewed this certification for the three-year period	●
Promote feedback on Food and Non-Food products, namely Well's and Note! (reporting platform on the use of products)	2013-2015: We developed the app <i>Continente +</i> (to obtain feedback from our employees) 2013-2015: We maintained the suggestions and complaints system to obtain feedback from our customers	●
Invest in sensory analysis in order to promote, monitor and ensure the highest quality products	2013-2015: We carried out more than 60 thousand internal sensory analyses 2015: We developed the initiatives "Taste and Approve" and "Sensory Memory"	●
Provide product information to ensure correct use by the end consumer	2013-2015: We provided information about the environment and safety, beyond that required by law on various products 2013-2015: We included nutritional information on the labels of various food products (e.g. The Nutritional Traffic Light)	●
● Accomplished ● Partially accomplished ● Not accomplished		

2. RESPONSIBILITY IN OWN BRAND PRODUCTS

Commitments 2013 - 2015	Achievements	Performance
To provide a balanced supply of the different types of own brand products	2013: We launched the range Simple & Healthy and the coffee Origins 2014: We launched the Light Potatoes ' <i>Continente Equilibrio</i> ' 2015: We launched a range of dry fruits <i>Continente Wellbeing</i> and a range of meat of native breeds and 100% National Meat	●
Maintain the NP EN ISO 9001:2008 certification for the process of developing <i>Continente</i> own brand products	2013-2015: We renewed this certification for the three-year period	●
Certify the development process of Worten's own brand products, by NP EN ISO 9001:2008	2013: We achieved the certification 2014-2015: We renewed this certification for the two years	●
Create a health and nutrition policy for own brand products	2013: We created a health and nutrition policy for own brand products	●
● Accomplished ● Partially accomplished ● Not accomplished		

3. CONTRIBUTION TO SUSTAINABLE FISHING

Commitments 2013 - 2015	Achievements	Performance
Raise customer awareness of fishing sustainability issues	2013: We reinforced the communication of the CCL label (Local Fishing Harbour Purchasing Certificate) in fresh fish stalls 2014: We launched the project Mr. Barros, which aimed at raising awareness among customers concerning the purchase of products captured using sustainable fishing methods, which are controlled and local 2015: The progress made during this year will be transmitted to customers in 2016	●
Give greater prominence to fish products captured using sustainable methods	2013: We increased fish captured from sustainable fishing methods to 31% 2014: We increased the amount of fish produce on display and improved the exposure of the products through the Mr. Barros project 2015: We have started the development of communication tools, in order to highlight products from sustainable fishing methods and we attached a Suppliers General Contract declaration from our suppliers on this issue	●
Raise the awareness of our cod suppliers about sustainable fishing certification	2013: We ensured that all cod suppliers were certified by the Marine Stewardship Council (MSC) 2014: We maintained our commitment made with suppliers to use sustainable fishing methods 2015: We attached a Suppliers General Contract declaration from our suppliers on this issue	●
Implement increasingly demanding sustainability requirements	2013: We transferred purchases from a location identified as a risk area by Greenpeace and we limited the purchase of plaice to the species and catch areas not identified on Greenpeace's Red List 2014: We implemented the Mr. Barros project and reduced the items obtained through harmful fishing methods 2015: We began to define a set of additional requisites to implement	●
● Accomplished ● Partially accomplished ● Not accomplished		

4. INCREASED SHARING AND PROMOTION OF SOCIAL WELLBEING

Commitments 2013 - 2015	Achievements	Performance
Define Sonae's formal strategy for community support, including definition of strategic areas, goals and information reporting practices	2014: We initiated the development of the support strategy to the Community 2015: We continued to work on the development of the support strategy to the Community	●
Continue with projects that have positive impacts on the community in the fields of Health and Sport, Education, Solidarity, Environmental Awareness, Culture, Science and Innovation	2013-2015: We developed various projects of this nature, such as 'Missão Continente' (Continente), Equipa Worten Equipa (Worten), Love-in-a-Box (Zippy), Make-a-Wish (Well's) and Running Experience (Sport Zone)	●
Continue with investment in the community	2013: Investment of 10.6 million euros 2014: Investment of 9.8 million euros 2015: Investment of 8.5 million euros Note: Sonae consolidated values	●
Develop and promote volunteering in the company, through Sonae Activshare Programme diversifying the actions and facilitating access to them	2013: 1,800 volunteers involved 2014: 1,737 volunteers involved 2015: 916 volunteers involved	●
● Accomplished ● Partially accomplished ● Not accomplished		

5.1.2. Better Planet

1. GESTÃO EFICIENTE DO DESEMPENHO AMBIENTAL

Commitments 2013 - 2015	Achievements	Performance
Extend the ISO 14001:2012 Environmental Certification Programme to Textile and Sports stores	2014: The certification process of the first Sport Zone store was started in 2014	●
Maintain current ISO 14001:2012 Environmental Certification and expand the certification plan to Worten stores	2013: 25 certifications were maintained/renewed, as well as the certification of 3 new Worten stores (Total=28) 2014: 28 maintained/renewed certifications, 12 new certifications, including 1 Worten store (Total=40) 2015: 40 maintained/renewed certifications, 15 new certifications, including 3 Worten stores (Total=55)	●
Conclude the R22 refrigerant gas replacement programme in refrigeration plants	2014: We eliminated the use of R22 in our cold production systems of the last two stores where it was still being used	●
Promote the use of rigid boxes with disposable lining and replace the bags of rigid boxes, in home deliveries	2013-2015: In 2013, we started the gradual replacement of thermal bags, and in 2015 their use was almost residual	●
Reduce the use of plastic bags in home deliveries	2013-2014: We averaged 14.9 bags per delivery 2015: We changed the packaging process in home deliveries because of changes to the legislation concerning plastic bags – we used a plastic separation solution instead of plastic bags, and therefore, it is not comparable to previous years	●
Strengthen the Outlet concept/UTAD - Treatment Unit for Depreciated Items, in order to recovery items that would have been disposed of as waste	2013: Recovery rate of 79% 2014: Recovery rate of 70% 2015: Recovery rate of 82%	●
Implement best environmental practices in new facilities (stores, production centres) or when existing facilities are overhauled (use of recyclable materials easily adaptable to climate changes, energy efficiency, use of renewable sources, water efficiency, etc.)	Every year, we implement best environmental practices in new and existing facilities (e.g. we equipped the refrigeration plant of the Matosinhos and Coimbra <i>Continente</i> with Ammonia and CO ₂ cold production facilities free of fluorinated gases)	●
Install Environmental Dashboard "Tableau Bord" in 80% of <i>Continente</i> and Worten shops	2013: We installed the Environmental Dashboard "Tableau Bord" in all <i>Continente</i> and Worten stores (Portugal)	●

● Accomplished ● Partially accomplished ● Not accomplished

2. SONAE FOOTPRINT

Commitments 2013 - 2015	Achievements	Performance
Calculate the carbon footprint of selected products	<p>2013: We started developing a carbon footprint calculation tool</p> <p>2014: The first carbon footprints were calculated for a set of 13 selected products in fruit, vegetables, butchery, fish stall and delicatessen areas</p> <p>2015: We started the upgrade of the calculation tool evolving from an excel basis for a computer-based platform due to the inherent complexity of this tool and we have extended the number of products to be assessed.</p>	●
Implement a car sharing system	<p>2013-2014: We conducted the initial phase of the development of the project</p> <p>2015: We have provided access to a car sharing platform at Sonae for our employees</p>	●
Maintain the route optimisation procedure for home delivery orders, helping to reduce the carbon footprint	2013-2015: We maintained the km reduction efforts, thus optimising delivery routes during the three-year period	●
Replace tri-temperature vehicles with bi-temperature in home deliveries	2013: We replaced 100% of the tri-temperature vehicles with bi-temperature cars in home deliveries	●
Calculate the water footprint of selected products	<p>2013: We started developing a carbon footprint calculation tool</p> <p>2014: We calculated the first carbon footprints for a set of 13 products in selected areas of fruits, vegetables, butchery, fish stall and delicatessen</p> <p>2015: We started the upgrade of the calculation tool evolving from an excel basis for a computer-based platform due to the inherent complexity of this tool, and we have extended the number of products to be assessed</p>	●
Study and promote best practices in animal and vegetable production to reduce the carbon and water footprint of products from the <i>Continente Producers Club</i>	2013-2015: We continued to provide technical advice under the <i>Continente Producers Club</i> . It is expected that this aspect will be driven as a result of the implementation of the roll-out of the carbon and water footprint calculation tool.	●
Promote the reduction of the carbon footprint by shortening distances between the places where perishable products are produced and <i>Continente</i> stores, if feasible for the members of the <i>Continente Producers Club</i> (CPC)	2013-2015: We invested in the process of direct delivery, with special focus on fruits and vegetables and in the Delicatessen, there are some examples of shared logistics between CPC members.	●
Continue to focus on the installation of new independent energy generation plants that use renewable sources, according to investment capacity and applicable laws with regard to the mini-generation and microgeneration of energy	<p>2013: We installed 13 new plants (113 total)</p> <p>2014-2015: We maintained our portfolio of 113 plants</p>	●
Include environmental issues when monitoring customer satisfaction	2013-2015: included environmental issues in questionnaires for customers during this period	●
Include environmental issues in the monthly "Good Morning Meetings"	2013-2015: We continued to address environmental topics in our "Good Morning Meetings" throughout the three-year period	●

● Accomplished ● Partially accomplished ● Not accomplished

3. ENVIRONMENTAL IMPACT OF PACKAGING

Commitments 2013 - 2015	Achievements	Performance
Reduce packaging materials of own brand products	2013: significantly reduced packaging materials 2014: significantly reduced packaging materials (e.g. yogurts) 2015: significantly reduced packaging materials (e.g., coffee capsules, natural yogurt Slim 0%, <i>Continente</i> pizzas)	●
Optimise shipping boxes in order to reduce packaging materials	2013: Optimise the shipping boxes of garbage bags "É <i>Continente</i> " (2 SKUs), <i>Continente</i> biscuits (1 SKU), <i>Continente</i> canned tuna (1 SKU) 2014: We have changed the primary packaging and the shipping boxes of 309 products (reduction of cardboard and plastic from 8% to 15%) 2015: We continued to work with suppliers on innovative solutions to reduce the use of cardboard and plastic in shipping boxes	●
● Accomplished ● Partially accomplished ● Not accomplished		

5.1.3. Better People

1. DEVELOPMENT OF HUMAN CAPITAL

Commitments 2013 - 2015	Achievements	Performance
Increase the representation of women in management positions	2013-2015: We maintain the representation of women in over 50% of management positions globally and over 30% in Management and Top Management positions.	●
Continuously monitor internal diversity indicators	2013-2015: We continuously monitor the internal diversity indicators such as representation by nationality, gender and age of those holding senior positions, as well as for most of the company	●
Maintain strategic planning of Human Resources in the medium to long-term	2013-2015: In line with our strategic business planning cycle, the medium and long-term planning process of our human resources was carried out.	●
Continue the internationalisation of the Human Resources policies and processes	2013-2015: Existence of policies and processes at the international level, particularly with regard to the management policies for performance, training and development policy, remuneration policy and international mobility policy.	●
Keep streamlining the Human Resources structure in order to increase efficiency and achieve improved response to business requirements	2013-2015: The strategic HR axes during the 2013-2015 triennium, including all our actions and resources, were designed aiming at agility, efficiency and improved response to business needs.	●
● Accomplished ● Partially accomplished ● Not accomplished		

2. WELLBEING AND INTERNAL SATISFACTION

Commitments 2013 - 2015	Achievements	Performance
Implement a software tool to provide support to Sonae's Health and Safety Management System	2013: The software information tool, which supports Sonae's Health and Safety Management System, has been implemented.	●
Implement a software tool to support Occupational Medicine	2015: Occupational Medicine tool implemented	●
Promote health actions within the scope of internal social responsibility	2013-2015: Over the past three years, we have developed a series of actions aimed at meeting this commitment. Some examples developed in 2015 are the AED programme (automated external defibrillation) and Blood Donation/ Bone Marrow initiatives	●
Keep our employees focused on healthy lifestyles	2013-2015: We have extended our actions beyond the predicated plan across the organisation, developing over the last few years, several actions for the units in response to identified needs	●
Continue to promote internal communication on issues related to Health, Wellbeing, Hygiene and Safety with our employees	2013-2015: We have complied with the internal communication plan on the issues relating to Health, Wellbeing, Hygiene and Safety among our employees	●
Create and distribute to suppliers a Supplier/Subcontractor Safety Manual, containing a description of good practices on this subject	2014: We began a "pilot" programme for the distribution of the "OHS Guide to Good Practices for Suppliers and Subcontractors" 2015: We prepared two documents outlining safety rules and best practices to be implemented across Sonae to be distributed to services and subcontracted providers (OHS Requirements Manual - implemented in Cascais <i>Continente</i> as a "Pilot" project - and the Risk Manual - implemented in all Sonae units)	●
● Accomplished ● Partially accomplished ● Not accomplished		

3. SUPPLY CHAIN RESPONSIBILITY

Commitments 2013 - 2015	Achievements	Performance
Implementation of the Supplier Manual, which includes the Supplier Policy and the Supplier Code of Conduct	2013: We developed the Supplier Manual and the Suppliers Code of Conduct	●
Increase the number of own brand supplies audited, including qualification and selection audits	2013: 827 suppliers audited 2014: 1,283 suppliers audited 2015: 947 suppliers audited	●
Increase in the number of textile suppliers with Social, Ethical and Environmental certification	2013-2015: Due to the priority of the internationalisation process and the costs involved, it was not possible to increase the number of certified textile suppliers	●
Ensure the maintenance of the <i>Continente</i> Producers Club certification, in accordance with the technical specification of the Producers Club	2013-2015: We maintained the <i>Continente</i> Producers Club certification during this three-year period	●
Creation of a formal procedure for the evaluation of non-conformities detected during supplier audits	2013: Assessment procedures of non-conformities found in supplier audits have been formalised.	●
● Accomplished ● Partially accomplished ● Not accomplished		



The following chapters of the report will detail the main actions and initiatives developed throughout 2015.

6. *Better Purpose*

6.1. RESPONSIBLE SUPPLY AND INFORMED CHOICE

We are committed to ensuring the provision of a wide range of responsible products balanced in terms of quality, health and safety in order to meet the expectations of consumers and promote the adoption of a healthy lifestyle. At the same time, considering the need to access immediate information, inherent to the profile of today's consumers, we are concerned about ensuring that we provide the necessary information about our products, regarding their nutritional content, so that consumers can make an informed and appropriate choice according to their lifestyle.

6.1.1. Health and Nutrition

We are aware of our role to provide consumers, information that can facilitate their choice of quality food products that are healthy and safe. In this context, we have a Nutritional Policy based on recommendations of the World Health Organisation (WHO) and various national and international stakeholders, which act as a guide for the continuous improvement of the nutritional quality of our products and the promotion of healthier lifestyles.

In 2015, we continued the work carried out over the last years with some suppliers, to optimise the nutritional profile of certain categories of *Continente's* own brand products. In this way, we reduced the levels of salt, saturated fat, total fat and sugar and eliminated hydrogenated fats of various products.

6.1.2. Nutritional Information System

From a consumer's perspective, combining a choice of healthier foods with the most appropriate nutritional profile of their preference is not always easy. We see it as our responsibility to inform consumers about the nutritional content of food products, thereby improving their ability to make more informed and appropriate choices for a healthy lifestyle.



Nutritional Traffic Light – In 2015, we continued to use the Nutritional Traffic Light as the main way to inform consumers about the nutritional profile of our food products, allowing them a more accurate and intuitive understanding of total fat levels, saturated fat, sugar, salt and the calories in each product. Following the renewal of the labelling of *Continente's* own brand products in 2014, we continued the process of adding the colour identification system ColorADD® for those who are colour blind, onto the new and the redesigned products.

6.1.3. Hyper Healthy Movement

The Hyper Healthy Movement has been developed for five consecutive years so far, with the main objective of improving the eating habits of Portuguese families and motivating them to adopt healthy and active lifestyles. Since the beginning of this movement, more than 40 thousand customers have been advised and more than 1,000 awareness actions have been performed, with the participation of over 26 thousand participants. Furthermore, in recent years, we have established several partnerships, developed multiple campaigns promoting healthy and conscious eating habits, and participated in various conferences and events organised by different educational institutions and other entities, with the purpose of disseminating information about the Hyper Healthy Movement and the Nutritional Traffic Light and also promoting healthy eating habits and lifestyles.

In the first half of 2015, we held a total of 118 educational activities with 2,901 participants, mainly students from pre-school to secondary education students. These educational activities covered not only students but also adults, seniors and our employees. Furthermore, we promoted eight theme workshops for our customers under three different mottoes ("Active Ageing", "Heart Month" and "Fresh Summer Diets"). As part of these actions, we held a Personal Nutritional Shopper group with the presence of a nutritionist, responsible for explaining to our customers the best way of shopping in an informed and healthy way, followed by a show cooking demonstration, highlighting fresh products.

In order to promote the Hyper Healthy Movement further, in the second half of 2015, we went ahead with its repositioning. In line with a change in the main focus areas, all the activities within this movement have been incorporated into the initiatives undertaken by the newly created 'Missão *Continente*'. During this period, we invested in educational communication to our customers through activities, such as the publication of 12 articles in *Continente's* Magazine, handing out brochures about our own brand's fresh products with nutritional information and we also developed other educational materials with many tips for our customers, such as product preservation methods in order to reduce food wastage in the home. In addition, we have tried to continue the ongoing optimisation of some product ranges and the creation of functional ranges (e.g., wellbeing range of oleaginous fruits).

Note: For more details on 'Missão *Continente*', see the section "Sharing and Promotion of Social Wellbeing" in the chapter "Better Purpose".

6.2. RESPONSIBILITY IN OWN BRAND PRODUCTS



- Consumer Satisfaction with our Own Brand products as a strong factor in business success;
- Guaranteeing that the development of our Own Brand Products is the result of an ongoing concern to comply with all the requirements, with thorough procedures, so that they can be part of the objectives themselves;
- Ensuring more professional organisation to improve operational efficiency, raise the company's productivity and ensure that our employees are highly satisfied in their work;
- Strengthening relationships with suppliers to ensure that the products obtained are of the desired quality;
- Strict compliance with the applicable regulations in all areas of our business

Considering our scope and geographical dimension, we are fully aware of our role as a driver of consumption practices and lifestyle of a large number of consumers. In this sense, we are serious about our responsibility in the development of own brand products.

6.2.1. Quality and Product Safety

At Sonae, one of our priorities is to ensure the quality and safety of our own brand products, therefore we constantly control, monitor and develop the process. Thus, we strongly focus on four areas: (i) certification of the development of our own brand products, (ii) monitoring of quality and safety, (iii) labelling, and (iv) management of customer's feedback.

6.2.1.1. Certification of the development of our own brand products

In 2015, continuing our previous efforts, we revalidated the certification process of developing Sonae MC's own brands (including Well's) and Worten, according to the international standard for quality management NP EN ISO 9001:2008.

6.2.1.2. Quality monitoring and safety of Own Brand products

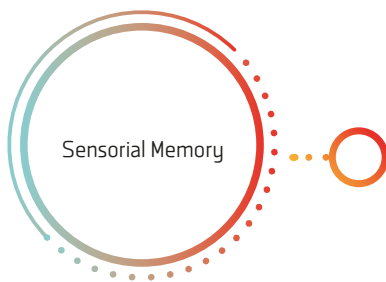
We have a team of skilled internal and external professionals dedicated to carrying out periodic checks on products, including inspections, laboratory tests and audits, in order to ensure compliance with quality and safety standards based on the annual plans in place.

Compliance and quality checks of own brand products



Food Products

The management of own brand products, namely fresh products, implies a higher degree of complexity, in terms of control and monitoring due to the increased fragility of these types of products. In order to ensure their quality, these products are subjected to rigorous physicochemical, microbiological and sensorial analyses, and to an additional control during the trading period.



Our quality and research team has been focusing on the development of product evaluation actions. Different employees are assigned to different types of products, and are then responsible for periodically tasting and reporting any differences perceived in quality when the product is consumed, so that they can take steps to mitigate these fluctuations. During the year, more than 1,400 sensory tests, over 400 routine tests and 79,500 assessments were carried out.

Bearing in mind that the criteria are increasingly demanding and rigorous with regard to quality assurance, safety and compliance, as such a repositioning of the food quality area in 2015 has been carried out. In this context, Sonae has allocated efforts to creating three specialised teams: (i) a team dedicated to suppliers; (ii) a team to monitor products upon reception; and (iii) in store product monitoring team.

These teams were responsible, during the year, for the audits of more than 100 suppliers, of more than 130 stores and for the evaluation of more than 4,500 products on sale.



Non-Food Products

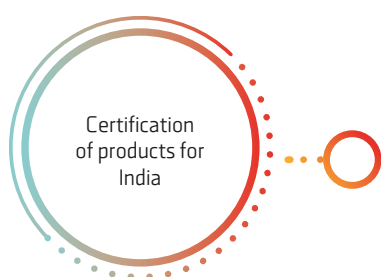
For the products of the Non-food category, in 2015, over 9,500 compliance analyses were carried out, in order to ensure full compliance with the legal requirements, safety regulations and quality control. Annually, a series of certification processes are initiated for selected non-food products, in order to ensure their quality and performance. An example of this measure was the effort made in 2015 to ensure the quality and safety of the certification issued by TÜV Rheinland to *Continente* and *É Continente* alkaline battery brands.

Electronic Products

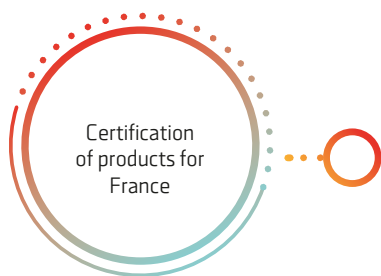
All products offered by Worten, including own brand products, are subject to strict quality and safety testing to ensure that they meet the legal and internal requirements. In order to ensure the quality, safety and even aesthetics compliance of all of our own brand products, inspections are carried out from production to the point of loading for distribution. In addition, all existing products in warehouses are subject to control actions through audits and inspections, with a subsequent biweekly survey of all failures/ corrections in logistics operations in the warehouses. Items which are not accepted by customers are analysed, so that they can be retrieved for stock or for sale at outlets.

Textile and Sport Products

Following the activities in 2014, this year we remained focused on the internationalisation of our textiles and sports products. In this sense, we continued to allocate a significant part of our efforts to ensure compliance with the specific requirements of the different international markets, particularly in terms of quality and safety requirements in the product's development phase. For this purpose, we continued to perform laboratory tests before production, inspections in factories or in logistics warehouses before shipments and random tests on arrival at the warehouse. At the same time, we continued to carry out random toxicity tests in warehouses. Considering the results obtained in the tests performed, we continue to invest in improving the customisation process and the correction of product failures.



We conducted over 200 tests on different types of products to certify Azo dyes, for submission to the Indian authorities.



In compliance with the new performance and security standards, in 2015 we started the certification process on a series of bicycle models. This project is ongoing for the latest models.

6.2.1.3. Own Brand Products Labelling

We are concerned with transmitting information on the labelling of our products with a high degree of simplicity and clarity, often through the use of symbols and icons for easier interpretation by the consumer, in order to allow customers to make an informed choice and ensure safe use of the product. In this sense, we even have a specific regulation for the labelling of various types of own brand products and we have developed a series of assessments and laboratory tests with the purpose of ensuring compliance with the legal requirements for their future sale in domestic and foreign markets, where the labels are implemented.

Food Products

The labelling of *Continente* own brand items, in addition to representing a means to communicate the information pertaining to all the mandatory legal requirements such as the ingredients and respective quantities, has as one of its main objectives the promotion of healthy eating habits, simplifying the interpretation of the nutritional content of food and assisting the customer to make a nutritionally suitable choice, so we voluntarily adopted the nutritional traffic light. In addition, we have incorporated the ColorADD® code, so those who are colour-blind can identify colours and also make choices better aligned to their needs.

Non-Food Products

In the category of Non-Food Products, in 2015, English, Spanish, French and Slovenian languages were included on the labelling of own brand products. These measures were aimed to ensure the transmission of the mandatory information required and the disclosure of optional information as a way of improving the user experience for customers and to ensure the application of our quality and safety principles, in international markets.

Electronics Products

All products marketed in Worten's stores are labelled and packaged with certain information, namely the instruction manual, the warranty certificate with the respective conditions, the product's main characteristics and additional information.

Textile Products

In the development and preparation of the labelling of textile products, Sonae's quality assurance developed a checklist to ensure that all suppliers provide the necessary information. In this way, we can then provide all the relevant details so that our customers can make an informed choice. Additionally, concerning all of the labelling of Zippy and MO's products, the ColorADD® code is included, allowing colour-blind users to easily identify the respective colours through symbols, thus promoting social inclusion.





6.2.1.4. Customer Feedback

We have a Suggestions and Complaints Management System, whose certification has been renewed according to the NP EN ISO 10002: 2006. Through this system, in 2015 we received and analysed approximately 113 thousand complaints and suggestions regarding the various Sonae insignias, allowing us to identify a number of areas and opportunities for improvement and to implement various improvements.

We also provide access to our employees, customers, suppliers and the general public to the Sonae Ombudsman dedicated to interact with the different business areas, in order to address and manage, in due course, the claims, complaints or suggestions submitted to it.

Additionally, in order to be aware of our customers' opinion in relation to subjects like our business strategy and sustainability policy, we conducted a market study dedicated to these issues involving a total of 3,060 interviews with customers.

The feedback collected through the different sources is in turn embedded in the strategic decisions of our different businesses.

Sonae Ombudsman - provedoria@sonae.pt

6.2.2. New Products

HEALTHIER LIFESTYLE

products which aim to promote healthy eating.



Due to the wide variety of nutrients provided by dried fruits, essential to our health, *Continente* developed five dried fruit mixes that take into account the different health benefits sought by our customers.

ADAPTING TO CUSTOMERS' NEEDS

These are examples of innovative products, which are responding to the new consumption trends of our customers.



Launch of the Chef's Essentials range



New range of Frozen Fish Simple and Healthy



Launch of Soups for the multi-purpose cooking machine



Butchery range 100% National Meat

Just as Sonae has emphasized the importance of contributing to the development of the locations where it operates, our customers value and increasingly search for products that contribute to this purpose. In this sense, we have developed a range of products Butchery 100% National Meat, often associated with the quality of a typically Portuguese product. This product was awarded a gold medal at the Vertex Awards in the design category.

Also in this context, a new range of meat from native breeds was created to protect small producers of certain types of meat considered culinary heritage, in order to continue the production and preservation of Portuguese culture.

6.2.3. Projects and Initiatives

6.2.3.1. FAZ Project

In order to improve the quality standards of fruit and vegetables, and to make the value chain processes, that are associated with these kind of products, more efficient and sustainable, in 2014 we created the FAZ project. In 2015, we maintained our focus on this project and have been developing actions on the following components:

Sensorial panels

Throughout the year there was a strong focus on maximising the use of our various sensory laboratories, currently operating at 100%, and monitoring not only the fruit and vegetables, but other own brand products of the Fresh sector.

Direct deliveries from suppliers to the stores

As expected, in 2015, we increased the number of local suppliers with whom we have partnerships in the different locations where we operate. By promoting direct deliveries to stores, we contribute to reducing the logistics costs and environmental impacts, as well as guaranteeing greater freshness of the delivered products.

Technical monitoring programme for suppliers

This year, in addition to the chestnut and cherry monitoring programme, we have extended the scope of our follow-up actions, carried out by our quality technicians, to a wider range of products like strawberries, melon and various stone fruits. This initiative has had a huge impact on guaranteeing the quality of produce from our suppliers in these busier periods and, at the same time, has had a tremendous influence on strengthening relations between the suppliers and Sonae.

Furthermore, in relation to the FAZ Project, in 2014, a panel of experts with training and knowledge on specific fruit was formed, which in 2015, evolved into a routine analysis carried out by tasters, who represent the characteristics of our customers.

6.2.3.2. Taste and Approve

This project includes a set of large-scale tasting actions to leverage the perceived quality of Fresh products and to encourage closer customer relations, promoting our products through sampling. For this purpose, different activities were developed in four main areas:

Internal Dimension

We promoted our Fresh products among our employees with the objective of gathering their opinion on the quality of some of these products. There were four of these promotional actions in 2014 and we were able to reach 4,600 employees. In addition, through the *Continente+* app, about 900 employees can regularly (i) evaluate *Continente*'s own brand products, (ii) consult the historical testing results gathered, (iii) suggest new products. Through this application, besides having access to all of our own brand fresh products, our employees receive a weekly message suggesting the sampling of a particular product.

Sensebus

Our quality team went on an adventure, a journey that covered the country from North to South, to offer people from different urban centres the chance to experience the quality of some of our best own brand fresh products.



Store Trials

At the first stage of the Taste and Approve initiative, we offered our customers the opportunity to try out our Fresh products at 57 stores nationwide (*Continente*, *Continente Modelo* and *Continente Bom Dia*). The initiative was so well received that most stores adopted the policy of providing several weekly Fresh products for tasting.

Announcement of products available for sampling through leaflets

Every week, four Fresh products that can be tasted in store are promoted through leaflets.

During the implementation of this initiative throughout the year, we were able to involve about 22,600 customers in about 57 stores and 8 street locations, gathering about 95,400 reviews on 120 Fresh products.

6.2.3.3. Quality + Project

The Quality + Project aims to increase our customers' perception of the quality of our Non-food own brand products, by improving our suppliers' processes. In this context, performance, durability and usability tests are carried out in order to identify possible improvement actions and qualitative "quick wins" of our products and processes.



With the identification of qualitative "quick wins" through various tests and trials, we have reduced the amount of chemicals used in the manufacturing process of our own brand dishcloths, in order to improve the product performance and optimise the manufacturing costs.

6.2.3.4. Yämmi Project

With the emergence of the *Yämmi* in 2013, we became the second distribution brand worldwide and the first in Portugal and Europe to launch a multi-purpose cooking machine. In 2015, *Continente* decided to capitalise on the success of this product to promote national production. For this purpose, we have set up a new project with the objective of developing national partners, providing them with the best international practices, and all the techniques and methods that are required for the high level performance of this machine. Through an investment greater than 1 million euros, we relocated the production to Portugal, preparing, training and even redesigning certain procedural structures of various suppliers. Thus, in 2015 we initiated a strong focus on the use of national talent as a fundamental pillar of the new internationalisation strategy for the *Yämmi*, involving 28 suppliers and various research partners, such as universities, during the development and industrialisation stages.

6.3. CONTRIBUTION TO SUSTAINABLE FISHING

The Sonae Policy of Sustainable Fishing is aimed not only to minimise the negative impacts that fishing activities have on marine biodiversity, but above all to promote the adoption of sustainable fishing practices, based on a set of operating principles and commitments that promote the protection of flora and fauna in ecosystems.

ADVANTAGES OF THE SUSTAINABLE FISHING POLICY

Fishing Sustainability Policy

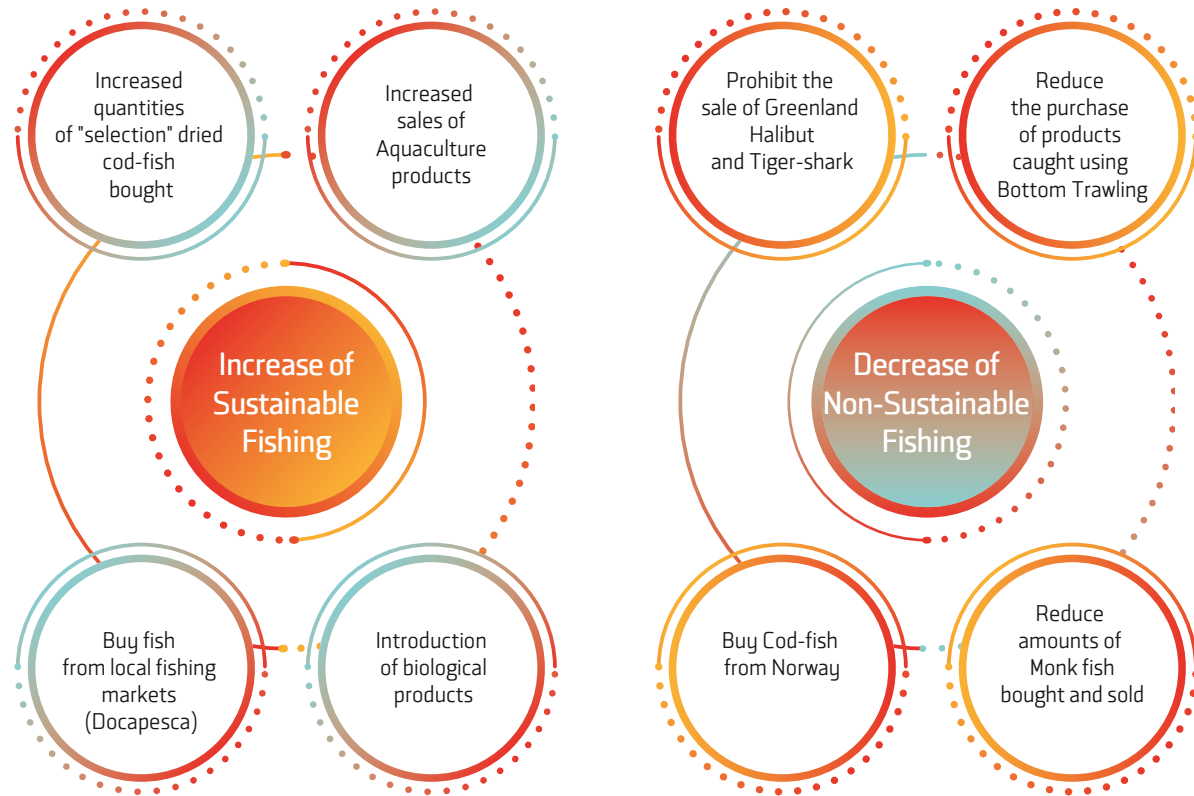


Measures that contribute towards Sustainable Fishing

Sonae applies a variety of measures to encourage the marketing of products based on sustainable practices and reduce the marketing of products from unsustainable practices.



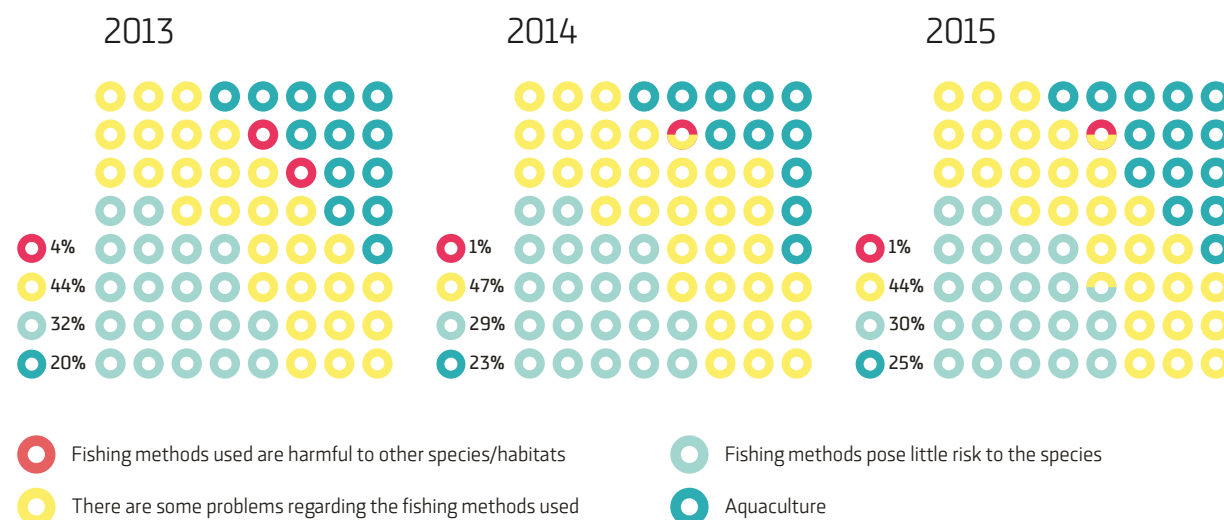
Measures Implemented to Enhance Sustainable Fishing



6.3.1. Traffic Light System

In order to promote the sales of fish species that were caught in a sustainable way and to assess more easily the sustainability of products sold by Sonae, through the fish retail unit, we developed a tool that has been used in recent years, known as the Traffic Light System. Through this system, we assign the colours red, yellow, green or blue depending on the fishing method used, thus simplifying the identification of the main fishing practices.

Traffic Light System



As a result of the work carried out over the last three years on promoting the use of sustainable fishing methods from our Fish retail units, we would like to highlight the reduction of the amount of fish captured using fishing methods that are harmful to other species or habitats (4% in 2013 to 1% in 2015), giving priority to suppliers that use fishing methods with less impact on existing species and ecosystems.

6.3.2. Sonae's Fish Supplier Requirements

In order to promote the adoption of sustainable practices along the value chain, the suppliers' responsibility is to fulfil a number of requirements when concluding a contract with Sonae, namely:

- (i) Comply with and meet the legally established maximum fish catch quotas;
- (ii) Operate their fishing equipment so as to avoid harm to the seabed and ecosystems;
- (iii) Act in accordance with the sustainable fish capture policy and;
- (iv) Only supply fish caught on vessels not "blacklisted" by Greenpeace with an undertaking to submit documentary proof of compliance whenever requested. Additionally, the documents accompanying the goods are required to include information on species, batch, capture zone and method. Moreover, this information and the vessel names, certificates, names of captains and port of landing must be updated on an annual basis.

Additionally, quality audits of suppliers are carried out to ensure the execution of the requirements set by Sonae.



6.3.3. Consumer Awareness

In addition to these measures and in line with the principle of responsible supply and informed choice, one of the primary goals of our Sustainable Fishing Policy is consumer awareness of the problems underlying non-sustainable fishing.

In this sense, we have implemented the following actions:

- (i) Provide greater degree of visibility to products from more sustainable fishing methods;
- (ii) Carry out awareness activities, lectures, events and partnerships within the Hyper Healthy Movement;
- (iii) Display the CCL Label (Local Fishing Harbour Purchasing Certificate) in fresh fish stalls and place explanatory posters of this label at the local fishing harbours;
- (iv) Promote sustainable fishing through contact with the MSC (Marine Stewardship Council).

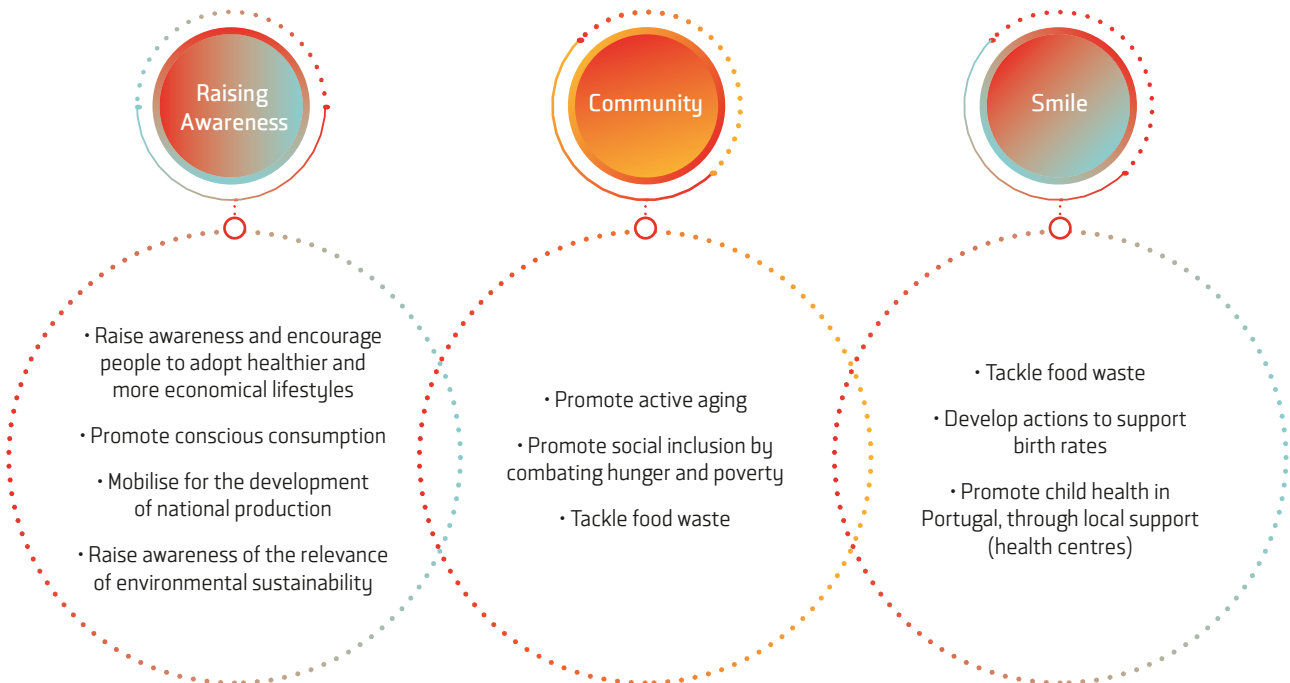
6.4. INCREASED SHARING AND PROMOTION OF SOCIAL WELLBEING

Influenced by our sustainable dimension and strong culture of social and environmental responsibility, the various Sonae insignias in the retail sector have developed a series of actions and initiatives aimed at increased sharing and the promotion of social wellbeing by creating a positive impact on local communities.

6.4.1. 'Missão Continente'

In 2015, 'Missão Continente' was established, in order to raise awareness and mobilise people and communities in relation to social inclusion, economic development and respect for the environment. 'Missão Continente' has evolved from 'Missão Sorriso', which for more than a decade, focused on the development of social causes in the areas of child health, active aging and the fight against hunger. 'Missão Continente' extends 'Missão Sorriso' by embracing all of Sonae MC's corporate responsibility dimensions, namely activities of a social nature, the community and the environment. In order to better contribute to the development of communities and to improve the quality of life of Portuguese families, this initiative is divided into three strategic pillars: Raising Awareness, Community and "Smile".

Missão Continente main goals





Some examples of initiatives with regard to the pillar of intervention:

The "Raising Awareness" pillar

This component focuses on the adoption and promotion of lifestyles that take into consideration many of today's social and world challenges, from a social, economic and environmental perspective.



In partnership with the Lisbon Town Council, 'Missão Continente' contributed to the creation of school gardens in Lisbon municipality in 10 basic education schools, as part of the campaign "vegetable gardens at schools... vegetables on your plate," raising awareness of healthy eating habits.

The "Community" pillar

The Community component aims to contribute positively to cohesion and social welfare. In this sense, during 2015, we developed several actions in partnership with various organisations such as Caritas, Refood, DariAcordar and the Red Cross, which enabled 'Missão Continente' to contribute with:

- • Donations of more than 3.5 M€;
- Collection from customers of food and products, which accounted for more than 200 thousand meals and donations of more than 500 thousand euros.

The "Smile" pillar



During a period of three days, 'Missão Continente' held in partnership with the Red Cross, a national Food Collection campaign, in which several hundred volunteers were in various *Continente* stores and Meu Super stores collecting essential goods contributions. Products and food offered accounted for about 200,000 meals and were then distributed to the neediest people, indicated by the representatives of the Portuguese Red Cross according to the most urgent needs of each region.

The Smile component, in addition to inheriting the name of the previous initiative ('Missão Sorriso'), also focuses on child health, concentrating on the development of actions to support birth rates and promote family health in Portugal through local support.



'Missão
Continente
Sorriso'

The promotion of maternal and child health in the health centres in Portugal, one of Missão Continente's aims during 2015 was to raise funds by selling the book "The best family recipes" and the contribution of the population through premium-rate calls, totalling a final value exceeding 375,000 euros. For each book sold, 'Missão Continente' donated half the value of the winning projects of the annual 'Missão Sorriso' contest, voted by the Portuguese people from one of 58 projects.

6.4.2. Love in a Box

For the second consecutive year, ZIPPY, in partnership with the Portuguese Red Cross, launched the "Love in a Box" campaign, challenging children and their families to bring a smile to children in need during the Christmas season. The amount raised was converted into several child-care articles, clothing and footwear, which was in turn distributed by the various delegations of the Portuguese Red Cross, according to identified needs. In 2015, we took this initiative to Spain.



6.4.3. Equipa Worten Equipa

Equipa Worten Equipa project was created in 2009, with the aim of reducing the needs of Portuguese social solidarity institutions and to promote a cleaner and sustainable environment. For each tonne of waste electrical and electronic equipment collected in Worten stores, we donate 50 euros in new equipment to charities across the country. Over the past few years, Equipa Worten Equipa has collected more than 30,000 tonnes of waste equipment and more than 17,000 new pieces of equipment, with a value over 1.5 M€, have been offered to more than 1,700 institutions, providing support to 410,000 people in need.



6.4.4. Código DáVinte

The “Dá Vinte” Code allows Worten customers at the checkout counter to select a “Dá Vinte” bar code card and donate multiples of 20 cents. Worten adds 20% to the value donated by the customers and the total is then donated to a charity organisation. In total, over the three editions, Worten has donated about 435 thousand euros to help those in need. Out of this amount, approximately 185 thousand euros were allocated to the construction of a new house to foster 16 families of children undergoing treatment at the Portuguese Institute of Oncology (IPO) of Porto, reaching 100 families per year.



6.4.5. Running Experience

In the context of promoting health and social wellbeing through sports activities, Sport Zone has developed a series of initiatives, such as half marathons, running events (e.g. Riverbank Run at Night), cycling workshops, and much more. One of the main events developed was the Sport Zone Running Experience, which to celebrate the month of Running (March), brought together customers and athletes from the Portuguese Athletics Federation in Lisbon and Porto, offering several Sport Zone customers the opportunity to network and to learn from some of the best sportsmen in the field.



6.4.6. Make-a-Wish

Since Christmas of 2013, Well's and the Make-A-Wish Foundation have teamed up to help grant wishes, through various fundraising campaigns, to children and young people, who are victims of life-threatening medical conditions. In 2015, the campaign managed to collect a total of 90 thousand euros from the sale of Christmas label collections, for the amount of one euro. The funds raised reverted entirely to the Make-A-Wish Foundation.



6.4.7. A standing commitment to our customers and customer benefits

6.4.7.1 Universo Card – all in one card

In order to take the benefits of progress and innovation to an increasing number of Portuguese families, in 2015, Sonae created the Universo Card that brings together all the benefits of the loyalty cards into a single card. Apart from being an upgrade from the *Continente* card and, becoming a discount platform, this card allows its members to access all programmes and enjoy all the advantages of the various Sonae and Galp stores. When paying with the Universo Card, customers receive discounts up to 16 cents per litre in Galp stations and a 1% discount on all purchases made in shops adhering to the MasterCard network in Portugal or abroad².

6.4.7.2 Delivers made to drop-off points

In 2015, Sonae began the development of an innovative network of deliveries in certain drop-off points to provide a greater level of convenience to its customers. The concept is based on allowing orders placed online to be collected at various drop-off points, giving all customers, who are working, not at home or simply do not have time in their routine to go to a *Continente* store, a chance to collect their purchases in a practical and simple way on the way home. This project is in a pilot phase and has a partnership with entities such as *Galp*, *Fertagus* and *Tagus Park*.

² For more information about Universo Card, consult the website: www.universo.pt

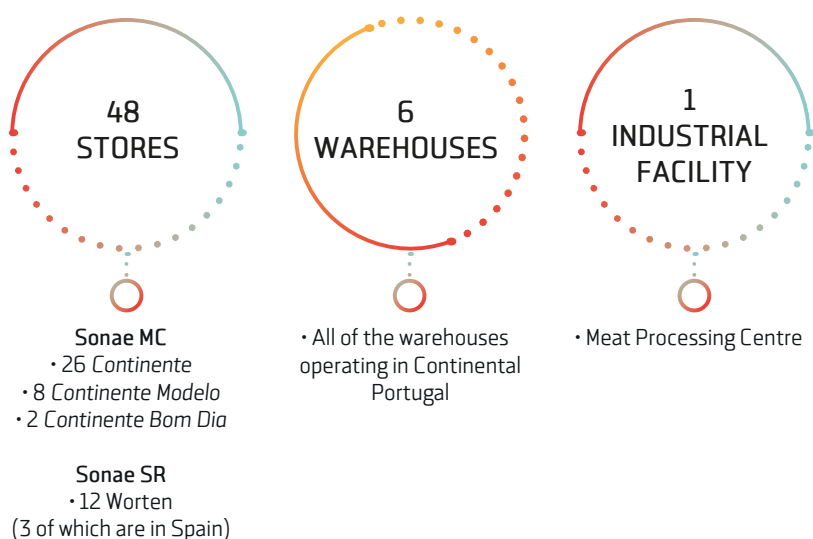
7. Better Planet

7.1. EFFICIENT MANAGEMENT OF ENVIRONMENTAL PERFORMANCE

7.1.1. Management and Environmental Best Practices

At Sonae, we promote the continuous improvement of our environmental management through the Environmental Certification Programme according to international standard NP EN ISO 14001:2004. The implementation of this programme in Portugal and Spain has allowed us to minimise our environmental impact, to improve our infrastructure and to strengthen the fulfilment of our legal obligations from an environmental perspective.

In 2015, we finished the year with 55 certifications according to standard NP EN ISO 14001: 2004, namely:



IN 2015, WE OBTAINED 15 NEW ENVIRONMENTAL CERTIFICATIONS NP EN ISO 14001:2004



Additionally, Sonae already has the Corporate Environmental Certification in our Retail area (Sonae MC & Sonae SR) according to the standard NP EN ISO 14001:2004, issued by Lloyd's Register.

All *Continente* and *Worten* stores are equipped with an Environmental Tableau de Bord an essential tool for monitoring the main environmental indicators – water, energy, fuel, and waste, amongst others.

Following the efforts carried out towards the continuous improvement of our buildings, having achieved LEED certification for Maia Tower Business Park (Gold level) and the *Continente* Bom Dia Store in S. João da Foz, in Oporto (Platinum level) and BREEAM certification for warehouses PLAZA I and II, we have applied, at the end of 2015, the *Continente* Matosinhos Store - which suffered a major refurbishment – to the LEED certification, hoping to be recognized in 2016.

7.1.2. Refrigerant Gases

In 2015, we proceeded with the environmental improvement programme of our cold production facilities, without forgetting the problematic usage of GHGs (Greenhouse Gases), to which we gave particular importance. Following our actions last year, we have been developing and implementing alternative solutions to the commonly used ones, aiming to drastically reduce or even eradicate the use of gases with a high GWP (Global Warming Potential), for instance the R404 and R427 gases.

We continue to develop and implement alternatives with regard to the substitution of these gases with “natural gases”, which continue to present a challenge in terms of efficiency, namely in warmer geographic regions, for instance in the southern European countries. We have been developing a set of initiatives that aim to promote the use of “natural gases” like R744 (CO₂), R290 and R717 (NH₃), complemented with other less harmful refrigerant gases like R134, or R407 and/or with Glycol. As a result, we ended 2015 with 29 stores, 15 more than in 2014, using R744 (CO₂) gas, complemented with the R134 gas, and 38 stores, 17 more than 2014, supported by the use of R290 gas in their cold production systems.

We followed this with two pilot projects using 100% “natural gases”, initiated in 2014, maintaining the learning curve of this delicate technology. These projects were implemented in hybrid cascade systems, using R744 (CO₂) – the production of negative cold temperatures – complemented with the R717 (NH₃) – production of positive cold temperatures and Glycol – in equipment and in the transportation of positive cold to equipment. The implementation of these projects is a demanding challenge, not only due to the nature of the ammonium (NH₃), but also because of its pioneering technology in non-industrialised facilities located in warm urban areas.

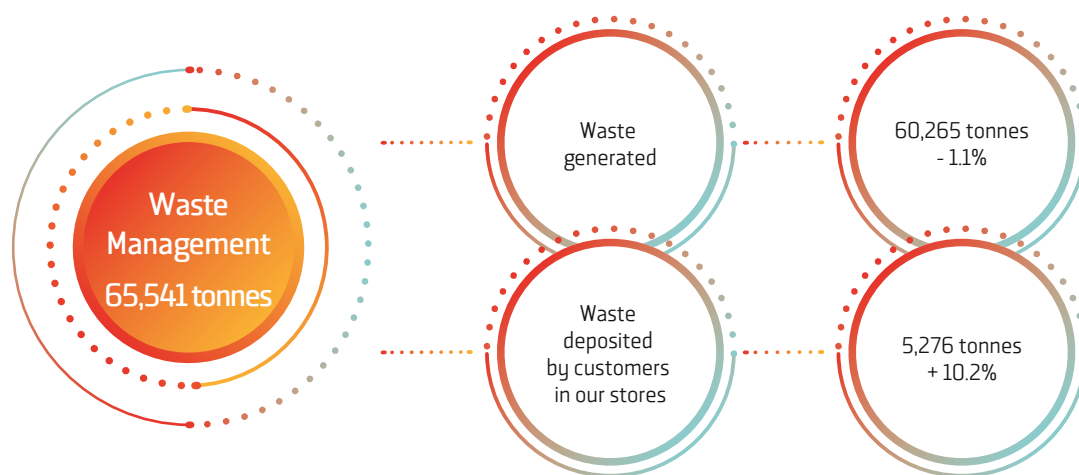
In 2015, we would like to highlight the beginning of a new pilot-project that aims to use R407 in retrofit operations, accelerating the replacement with R407 gas in facilities which were previously operated with the R404, which turns out to be the most aggressive for the Environment.

	2015	2014-2015	2013-2015
R404	65%	-9p.p.	-14p.p.
R427	2%	-2p.p.	-4p.p.
R407	2%	+2p.p.	+2p.p.
R134	7%	+2p.p.	+5p.p.
R290	8%	+3p.p.	+5p.p.
R744	6%	+3p.p.	+5p.p.
R717 (NH ₃)/Glycol	2%	+0p.p.	+1p.p.
Glycol	7%	-1p.p.	-2p.p.

The values above show that between 2013 and 2015 there was a reduction of 18p.p. in the use of gases which are more harmful to the environment (with GWP higher than 1,500) and a proportional increase (18 p.p.) in the use of gases which are less harmful to the environment, demonstrating that within this combination of gases there was an increase of 11 p.p. in the use of "Natural Gases".

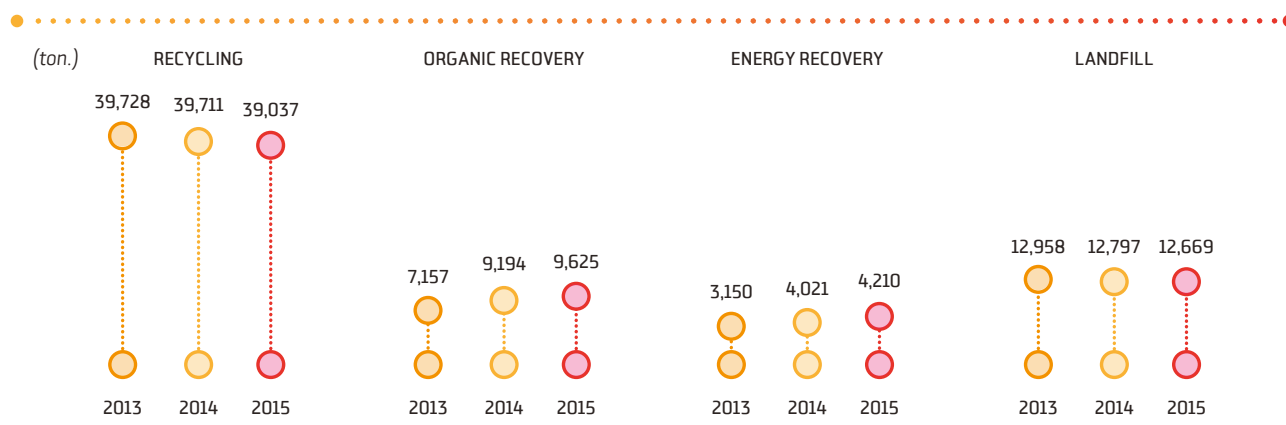
7.1.3. Waste Management

Under the remit of waste management inherent in our environmental policy, we care as much with the waste resulting from our activity, as the waste deposited by customers in our stores. In 2015, we were responsible for the management of 65,541 tonnes of waste, representing an increase of 0.3% compared to 2014.



- After a general assessment of waste management in 2015, we would like to highlight the following: we registered an increase of 10.2% in the amount of waste deposited by Customers which we sent to Recovery, highlighting the categories of Used Clothes (+20%), Used Cooking Oils (+7%) and Used Corks (+24%). It is also worth mentioning the increase of around 26% in the amount of hazardous electric and electronical waste (WEEEs), deposited by our customers;
- In the management of non-hazardous waste, we would like to highlight a reduction in the amount of cardboard (-2.7%) and plastic generated (-9.8%), as a result of our efforts to minimise the environmental impact of the product packaging that we sell, namely our own brand products (see the section "Environmental impact of packaging" in this chapter);
- With regard to the recovery of MSW (Municipal Solid Waste), we recorded not only a reduction in production (regardless of the organic growth) but we also achieved the value 80.7% of waste sent to recovery. Although it is only a slight improvement compared to 2014 (+0.2%), this reflects an enormous effort due to the fact that we are on a significantly higher baseline with respect to the recovery rate of MSWs.

Waste final destination



Considering the different projects and initiatives developed in 2015 with the goal of minimising our environmental impact that results from the waste produced along the whole value chain, we would like to highlight the following:

UTRAD³

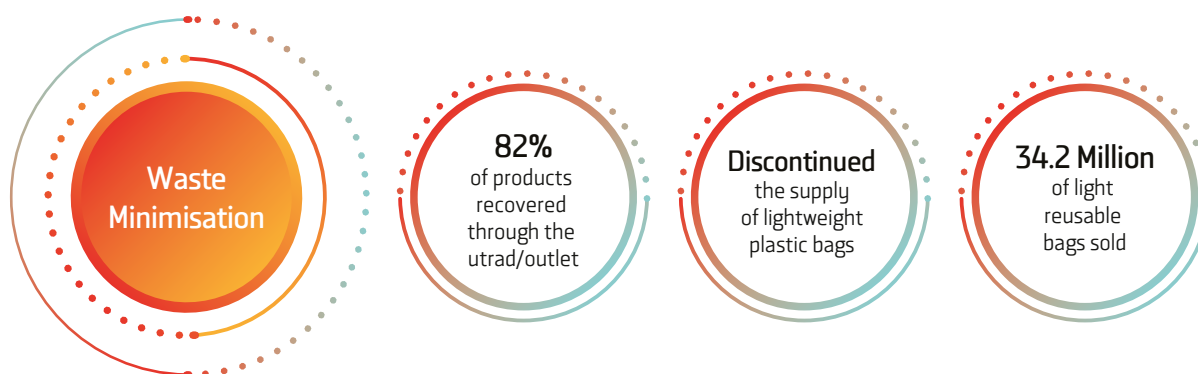
Aims to recover electric and electronic products with small defects and flaws to be sold in Outlet stores instead of being sent to recycling. In 2015, the recovery rate of this type of product was of 82%, representing an increase of 12p.p. compared to 2014.

Encourage the use of recycled bags

In order to meet governmental reduction objectives of using lightweight plastic bags (bags with thickness less than 50 microns), we discontinued in 2015 the line of freely available plastic bags in the stores, replacing them with very wide range of reusable bags, costs they also differentiated.

To support our customers' habits change, we offered during the first month after discontinuing the supply of lightweight bags, 1 reusable bag in the first purchase. In total, we offered 1.9 million reusable bags.

As a result of this change, we have put in Portuguese homes in 2015, 34.2 million reusable bags.



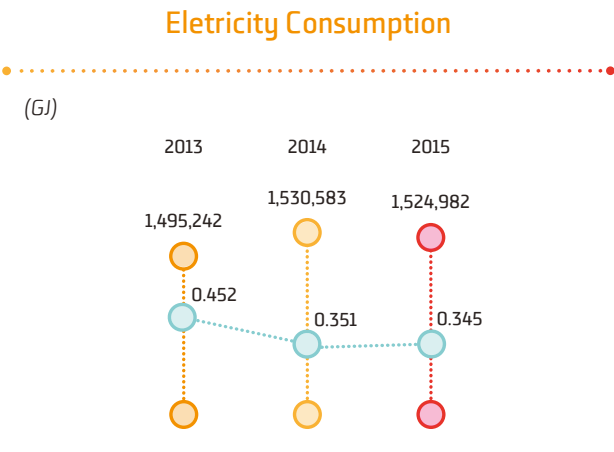
³ Treatment Unit for Depreciated Products (electric and electronic).



7.2. SONAE'S FOOTPRINT

7.2.1. Energy

In 2015, an energy consumption of 2,012,720 GJ was recorded, representing an increase of 0.18% compared to 2014, with the majority of this consumption related to electricity (approximately 75.86%). In 2015, in Sonae's Retail Area (including stores, warehouses and manufacturing centres) the electrical energy consumption was 423.6 GWh (1,524,982 GJ), which represents a decrease of 0.4% compared to 2014, despite the growth of our store network. In relation to the specific electrical energy consumption (SEC) of all of the stores and warehouses by area of sales, we recorded a decrease from 0.351 to 0.345 GWh /1000 m² (SEC).



This result shows the positive influence of the energy efficiency initiatives applied throughout 2015, mainly associated to measures such as:

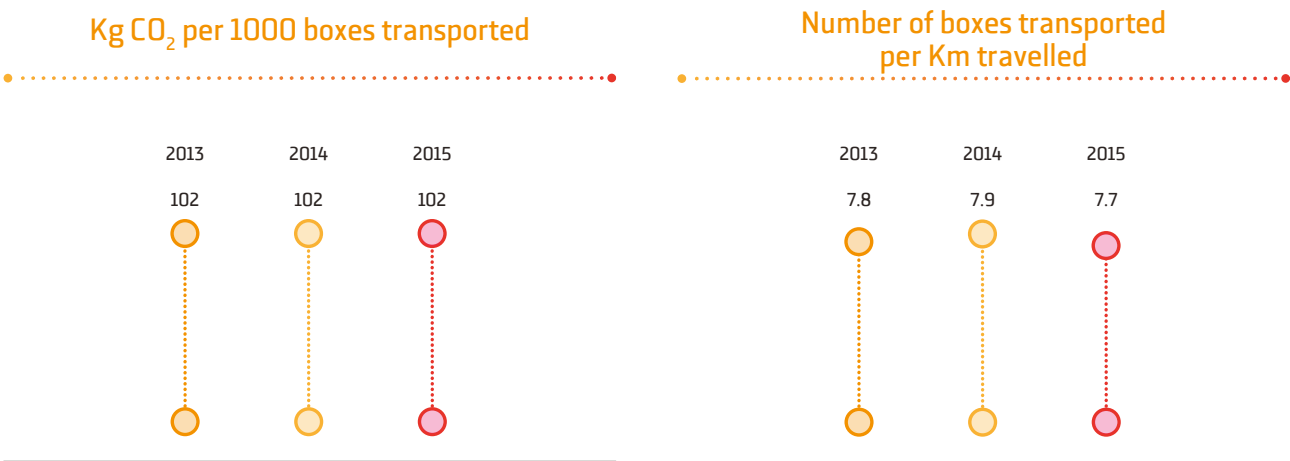
- Pilot project of dynamic consumption (test phase in 4 stores), providing automatic load shedding part of consumption during periods of unfavourable energy tariff, thus reducing consumption or consumption transfer between periods;
- Replacement of fluorescent lighting to LED in 16 stores;
- Development and use of CHECKWATTS platforms – an energy consumption monitoring and management platform of energy consumption in stores – and TELKI platform- remote platform of store cold plants implemented in 146 stores.

In addition to these initiatives, we still maintain the independent generation of energy from renewable sources. Our *Trevo* project includes a portfolio of 113 independent energy generation plants using renewable sources - 112 using photovoltaic panels (solar energy) and 1 using an aéro generator (wind energy). In 2015, we recorded an increase of energy output from the power plants from 7,256.7 to 7,758.5 MWh, avoiding the emission of around 3,646 tonnes of CO₂ (an increase of around 7% compared to 2014).

7.2.2. Transport and logistics

With respect to minimising the environmental impact of our hired fleet, we work together with our transport service suppliers with the goal of improving the eco-efficiency of the vehicles used by the suppliers, ensuring a preference for more modern vehicles. At the end of 2015, around 77% of the hired vehicles complied with the Euro⁴ 5 Standard or higher, translating into an increase of 7p.p. and 11p.p. compared to 2014 and 2013, respectively. We would like to emphasise further that in 2015, we used for the first time vehicles that complied with the Euro 7 Standard, corresponding to 4% of the hired fleet. This fleet covered in total 35.8 million kilometres throughout 2015, resulting in an emission of 28,045 tonnes of CO₂ which represents an increase of around 0.2% compared with the value verified in 2014.

In relation to the pilot-project concerning the evaluation and use of Natural Gas Vehicles (NGV) which was initiated in 2014, we decided to discontinue this project throughout 2015 due to the fact that the use of these vehicles has not proven to be economically competitive, in comparison to diesel powered vehicles.

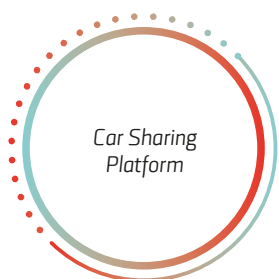


In terms of logistics efficiency, we have been looking to develop improvements both at the level of home deliveries and the supply to stores. Specifically regarding the supply to stores, we transported 7.7 boxes per kilometre travelled and we recorded emissions in the order of 103 kg of CO₂ per thousand transported boxes.

⁴ European Emissions Standard – a standard that regulates the emissions from commercial vehicles in the European Union (diesel and petrol). The vehicles with a standard of a higher value emit less emissions compared to lower standard vehicles (e.g.: vehicles with a Euro Standard 6 produce less emissions than vehicles with a Euro Standard 4).

7.2.3. Emission of Greenhouse Gases (GHG)

In 2015, overall GHG emissions were 244,447 tonnes of CO₂, an increase of approximately 25% compared with 2014.



In 2015 we initiated the implementation of the car sharing platform at Sonae. This initiative allows our employees to travel in a more economical and sustainable way when travelling on a professional basis. Contributing to the decrease of our ecological footprint through the reduction of CO₂ emissions and the reduction of travel costs, this initiative promotes the expansion of the knowledge and contacts network between employees. At the same time, for each 1000 Km saved, Sonae has committed to planting 15 trees in partnership with Quercus to balance out our carbon footprint.

Scope 1⁵ Emissions

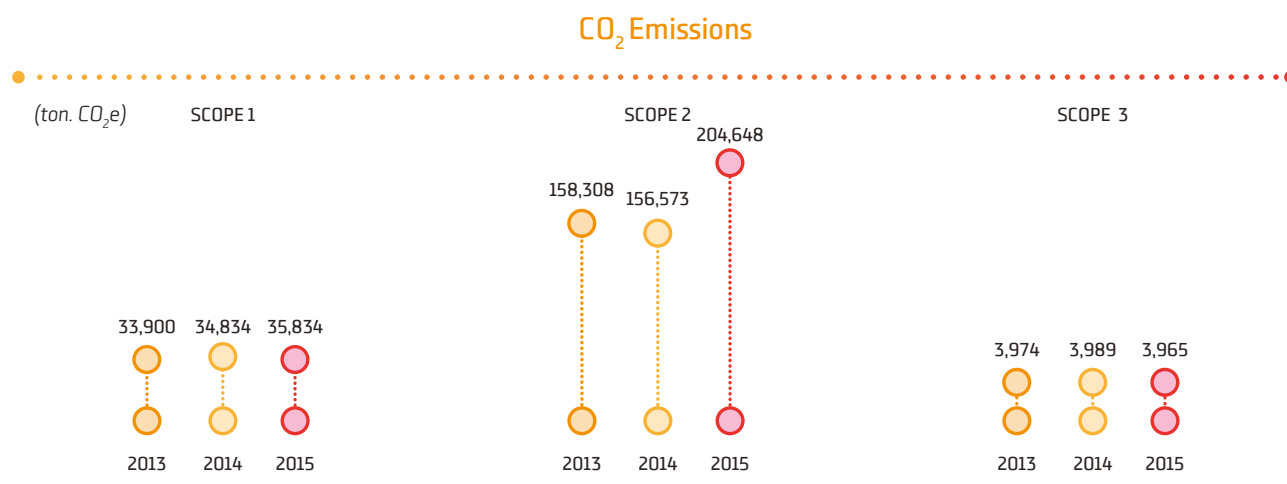
The emissions associated with the consumption of fuels in 2015, recorded an increase of 2.9% in comparison to last year. This was mainly due to a slight increase in the consumption of diesel in the hired fleet responsible for the transportation of goods and also due to an increase in the diesel and petrol consumption by the vehicles used by our employees.

Scope 2⁶ Emissions

Related to electrical energy consumption, which is the main source of GHG emissions. In 2015, we have recorded total CO₂e emissions of 204,648 tonnes, an increase of approximately 31% in comparison to 2014. This increase is mostly due to the fact that our energy suppliers have used fossil fuel energy sources more frequently, in particular charcoal, in energy production.

Scope 3⁷ Emissions

Following the reduction of the total waste generated, in 2015 the emissions under this scope recorded a decrease of about 0.6% compared with the value recorded in 2014, reverting the increasing tendency verified in the previous year.

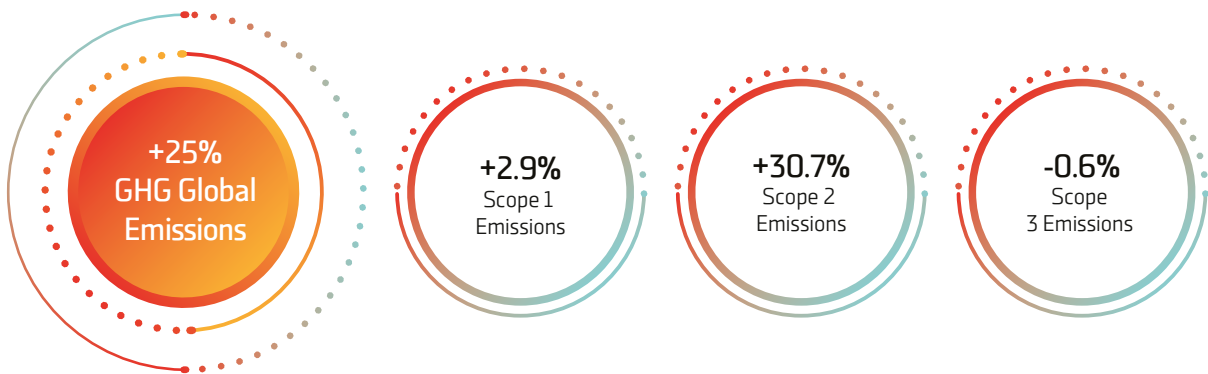


⁵ Direct Emissions: emissions associated to fuel consumption at the level of the stores and the fleet hired for the transportation of goods and employees.

⁶ Indirect Emissions: emissions associated with electricity consumption.

⁷ Other Indirect Emissions: emissions associated with waste management

Evolution of GHG emissions compared with 2014



7.2.4. Water

In 2015, we continued to focus on the development of projects devoted to the reduction and moderation of water consumption. In doing so, we focused our attention on aspects such as: (i) monitor equipment efficiency (malfunctions/theft) such as the flowmeters in all of the taps and urinal; (ii) control of the mains water pressure; (iii) use of efficient flush toilets; (iv) use of washing machines to wash mops and other various cleaning materials (v) timely control of leaks. In parallel, we have continued to increase our employees' awareness about the importance of moderation in the consumption of water.

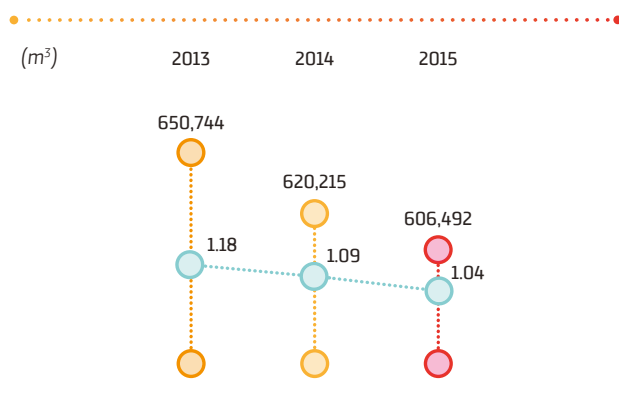
We have maintained the initiative of recycling and reusing water in Sonae's Tower Service Centre located in Maia, which has received the GOLD LEED certification, whereby the water from locker rooms and washbasins is reused in the toilets, and the rainwater is captured and used in our irrigation systems. According to the project data, the reuse of water in this facility allows a saving of around 80% of the water consumption. Additionally, we initiated the systematic installation of urinals that do not use water, known as "waterless urinals", in the new stores and in the existing ones, which have been the subject of extensive remodelling.

Together with other measures, the initiatives referred to have allowed us to reach a total consumption of 606,492m³ of drinking water in the *Continente*, *Continente Modelo* and *Continente Bom Dia* supermarkets, representing a reduction of 2.2% compared with the previous year, notwithstanding the organic growth. There was a reduction of 6.2% in the consumption of drinking water, when using a comparable set of stores from last year.



This project enables the reuse of water at the refrigeration towers, for watering gardens, outdoor washing and for the supply of deposits for the fire service. The Meat Processing Centre is currently reusing one part of the liquid effluent derived from its industrial process, after being treated at the Industrial Wastewater Treatment Plant (IWTP). On a yearly basis, about 18,180 m³ of water is reused.

Water Consumption



With regard to the water consumption per store area, we noted a reduction of 4.6% compared with 2014, translating into a consumption of 1.04m³ per m² of sales area.

CARBON AND WATER FOOTPRINT

In 2015, although we did not register any evolution concerning calculating the ecological footprint of new products, we followed up the development project which uses a Calculation Tool to calculate the Carbon and Water Footprint of Products. The following progress was made in relation to this project:

- We maintained the learning curve in the development of the tool.
- We started the development of a new computing tool for the calculation of footprints due to the inability of the previous tool to compute the complexity and the dimension of the desired calculation.
- We extended the knowledge of productive processes to new products.
- We developed a support tool for the Producers, in order to attain the necessary information.

7.2.5. Environmental Awareness

In 2015, we developed a set of initiatives with the aim of making our clients and our employees more aware of environmental issues, in particular concerning energy efficiency.

We continued to promote the commercialisation of more efficient equipment, with (i) sales of only equipment with an energy class D or higher; (ii) a reduction in the sale of equipment with energy class A+ and lower and (iii) an increase in the sale of equipment with energy class A++ and higher. Thus, 93% of the equipment sold in 2015 (including household appliances, televisions and vacuum cleaners) belonged to an energy class of level A or higher.

In 2015, in the same way as the previous years, Worten promoted a campaign with coupon discounts of 20% and 30% in the sale of more efficient household appliances belonging to A++ and A+++ energy classes, respectively. In partnership with Quercus, we offered our clients, through flyers and the website, efficiency tips on the use and maintenance of household appliances. The Equipa Worten Equipa projects, through the collection of WEEEs and Worten Resolve, through the increase of the life cycle of electric and electronical equipment, were able to significantly reduce the quantities of WEEs in the market.

With the aim of ensuring that our employees remain committed to environmental issues, we have continued to include the analysis of our environmental performance as one of the topics to discuss during daily kick-off meetings in food stores (Good Morning meetings). The environmental awareness initiatives promoted by Sonae MC, in 2015, were developed under the scope of the "Raising Awareness" pillar of 'Missão *Continente*'. In this area, we conducted a number of initiatives with customers and employees focusing on the theme of environmental awareness..

Note: For more details on 'Missão *Continente*', see section "Increased Sharing and the Promotion of Social Wellbeing" from the chapter "Better Purpose".

7.3. ENVIRONMENTAL IMPACT OF PACKAGING

In 2015, we continued the process of reducing the materials used concerning primary packaging and shipping boxes of controlled and own brand products. In this sense, we have made small changes in the primary packaging of certain own brand products with the objective of reducing the quantities of plastic and cardboard used in the packages. Simultaneously, we have continued to work together with our suppliers in order to find innovative solutions and to raise awareness about the importance of reducing the use of cardboard and plastic in the shipping boxes. With regard to the optimisation of sale packaging, we would like to highlight three projects carried out in 2015 referring to 3 different products of controlled brands, namely: 9 coffee capsule SKUs, 1 yogurt SKU and 8 *Continente* own brand pizza SKUs.

Examples of the reduction of packaging materials in 2015

Product	Material	Change	Reduction (Ton. /Year)
Coffee Capsules	Cardboard	Reduction of the cardboard used in the sale packaging.	4.1
	Plastic (<i>flowpack</i>)	Elimination of the interior plastic in the sale packaging.	3.2
Slim Natural Yogurt 0%	Cardboard	Reduction of the cardboard used in the sale packaging.	4.6

Regarding the project to reduce the amount of cardboard used on the packaging of 8 *Continente* own brand pizza SKUs, we achieved the following results (approximate values of weight reduction in cardboard):

5 Grams per package

- five distinct SKUs (P *Romana* 350G, P 4 Cheeses 350G, P 4 Seasons 330G, P Ham and Cheese 350G and Hawaii 355G)

6,5 Grams per package

- three distinct SKUs (*Carbonara* 400G, *Chouriço* 400G and *Bolognese* 400G)



8. Better People

8.1. DEVELOPMENT OF HUMAN CAPITAL


In 2015, we had 38,659 employees in the retail area, 67% were women and 7.2% were international employees, namely from Spain, Brazil, China and Turkey.

8.1.1. Attracting Talent Effectively

In the Retail segment, attracting talent effectively has two components: (i) Youth Talent and (ii) Specialised Talent (expansion of operations).

Youth Talent

At Sonae, talent management starts right away at the recruitment stage, where we aim to identify applicants with the most potential through the different programmes that we have in place concerning youth talent. With our programmes, we are committed to developing close relations with students from the time they start at university, as well as contributing in a significant way to their training through making suitable offers throughout their academic path.



Call for Solutions



Is an open innovation programme that invites some final year Masters students from the best Portuguese and Spanish universities to carry out an internship at Sonae, contributing with ideas and disruptive solutions to overcome the challenges presented by Sonae's businesses. With two annual editions – one each academic semester – the internship takes place over a 4 to 5 month period and serves as the basis of a Masters' dissertation. In 2015, about 30 young students responded to our challenge and had the opportunity to carry out an internship at Sonae.

Call for Summer



Is an internship programme, which takes place over a 1 to 3 month period (from July to September), whereby we invite students to undertake a summer internship at Sonae, participating in projects proposed by our businesses. With this programme, we intend to give students some experience in a real work environment for the first time. In 2015, there were 34 young people from Portuguese universities participating in this initiative.

Curricular and Professional Internships

The curricular internship programmes, which are encouraged in high schools/professional schools and universities, are a privileged opportunity for young people to have practical training with the guidance of more experienced professionals. For recent graduates, we promote professional internships whereby the young students, through direct integration in our teams, can apply the knowledge they have acquired during their academic education. Therefore, we are committed to their education and retention, according to our needs and with their performance during the internship period. In 2015, we promoted more than 1,400 curricular and professional internships, giving an opportunity to students, recent graduates and some unemployed students, to become familiar with our day-to-day jobs and broaden their skills and abilities at our stores/units and central structures.

Specialised Talent (Expansion - Operations)

In 2015, we supported the expansion process of our business, through the attraction, recruitment and training of specialised teams for 31 new stores of different business segments (food and specialised retail). Of the 7,900 people interviewed telephonically, 1,112 were enrolled and trained, including new positions and transfers that resulted from internal mobility.

8.1.2. Performance Assessment

Upward Feedback

A bottom-up development tool that provides a unique opportunity for our employees to provide feedback to their leaders. Its purpose is to give every manager the necessary information so that they know how they are performing as Team Managers, thus allowing them to identify their strengths and weaknesses. During 2015, 2,302 managers were part of this process, both in Portugal and in Spain, an increase of 154 managers in comparison to last year.



Tracking Our Talent

It is a component of the Improving Our People programme, designed to monitor critical talent segments at various functional levels, namely employees with very high or very low levels of performance. In 2015, Tracking Our Talent covered 594 employees, in Portugal and in Spain.

Sonae Retail School

An example of our excellence in developing, qualifying, updating and certifying the fundamental skills required by numerous employees who are part of the retail segment. Sonae Retail School is structured on three pillars:

- Career – strictly related to our retail business segments, aiming at ensuring the required training for a sustainable career path;
- Depth – determining the levels of knowledge required for each one of the topics presented;
- Thematic topics – allowing the identification of the topics that should be studied by our employees.

Through Sonae Academies and Schools we have accomplished 1,155,257 training hours in 2015, reaching approximately 41,300 participants coming from all businesses and organizational levels.

Some examples of this Schools and Academies are: Perishables School, *Continente* School of Operations, Logistics School, Health School, Fashion Academy, Sport Zone Academy, Worten Academy. Among these, we can highlight:



Continente Perishables School



In line with the commitments of the Sonae Retail School to consolidate and diversify its portfolio in 2015, the new model of the *Continente* Perishables School aims to maintain levels of excellence and to be aligned with the needs of the business units and their teams. The new model was designed based on different assumptions, such as, innovation in training methods, models and locations; flexibility, adjusting the courses according to the needs of our employees and their teams; their scheduling requirements; and adaptability to the operational reality.

Continente School of Operations

it stands out as it is completely designed for the development of operational skills. It is distinguished as a School of "Practical Knowledge" for all critical processes of the Food business; valuing the "knowledge and experience" of the teams in the field; providing access to knowledge in a democratic manner, at any time and at any *Continente*, *Modelo Continente* and *Continente Bom Dia* store; based on engaging methodologies, which are easy to understand, such as training videos that show best operating practices, and training records that help Managers/coaches in the transfer and application of knowledge in day-to-day work. In 2015, about 13,000 employees attended the courses at the *Continente* School of Operations, with about 106,000 hours of training completed.

Fashion Academy

Launched in 2015, it was founded on a strong concept of internationalisation and directed towards focusing on the client and on the product. The mission of this academy is to develop the skills of our employees so that they can promote excellent levels of performance while responding to the different challenges of Zippy and MO, through the most varied educational methodologies (namely e-learning, on-site, on-the-job or forums for sharing ideas).

For this academy to succeed it is very important that it is aligned with the needs of the business and our employees, to support the implementation of the strategy and, most importantly, to develop our people and teams professionally and personally."

Miguel Tolentino, Head of Sonae SR's Human Resources Department

As an example, we would like to highlight the launching of the ZY VM WORLD – a portal of communication and of data management – developed in partnership with the Visual Merchandising Team and with the Fashion Academy, where one can find all the information regarding Visual Merchandising and the Product. The ZY VM WORLD aims to organise data and to promote immediate access to educational material and to any required information, and therefore, form a channel of communication that reinforces the interaction between all participants.



Worten Training Academy (Portugal/Spain)

The Worten Academy Spain and the Worten Academy Portugal aim to support the business, in a sustainable way, by developing, managing and applying knowledge acquired in the workplace, thereby ensuring the continuous improvement of performance levels and, consequently, the satisfaction of our customers. In these academies, with the objective of filling educational gaps, the pedagogical content is prioritised in order to allow each employee to develop their own skills in a progressive way, respecting the learning pace of each individual.

Worten Training Campus Portugal & Supplier Training Show Spain

Are the largest annual Worten training events and an excellent educational opportunity, aiming at reinforcing proximity to the suppliers. During these initiatives, which always have a large attendance, the suppliers share their educational programmes and the most recent technology news, with the goal of improving sales skills and providing a broader knowledge of their products and services. In 2015, we held two Worten Training Campus editions in Portugal and one Supplier Training Show Spain in Spain, making a total of 6 Portuguese and 5 Spanish editions.

Sonae Learning Centre

In 2015, we re-inaugurated the Sonae Learning Centre, an area that has been completely renovated and is conducive to the development of our employees and fully prepared to host training sessions, meetings and workshops, as well as internal and external events. This new area is equipped with modern technology and equipment, which are designed to provide higher quality and comfort to our employees and our partners. The Sonae Learning Centre has an auditorium with a capacity for 99 people, and five rooms to house a total of around 370 people.

Protocol signed with the Ministry of Education and Science

Through the Sonae Retail School, in 2015, Sonae and the Ministry of Education and Science signed a protocol of cooperation for the development of vocational courses in secondary education. This partnership aims to contribute to the development of young professionals with technical skills appropriate to the labour market and simultaneously reinforce Sonae' teams with professionals able to perform functions vital for the development of our business.

Validation of Skills in the Company – Sonae MC

In 2015, we introduced a pioneer project called the Validation of Skills, in partnership with the National Agency for Qualification and Vocational Education and Training (ANQEP) and the Union Training Centre and Professional Development (CEFOSAP). This project intends to broaden the concept "training in a real work environment", which is already applied to the offers of double certification of the "National Qualifications System", for the recognition, validation and certification of professional skills benefitting from the training provided by the companies as well as the work experience of our employees.

8.2. WELL-BEING AND INTERNAL SATISFACTION

8.2.1. Occupational Health and Promotion of Health

Occupational Health at Sonae aims to promote a culture of health protection in the workplace as a key issue regarding the company's sustainability.

It aims to promote healthy and safe working environments to ensure physical, mental and social health of all employees. Thus it contributes to the reduction of absenteeism, occupational diseases and accidents at work, improving productivity, motivation and job satisfaction.

Occupational Health

Sonae has an internal Medical Service, equipped with 160 medical offices located within the facilities of the company, where 99 health professionals collaborate, with a total of 32,844 hours of service provision per year. The clinical areas are equipped in accordance to the guidelines of the Directorate General of Health, complying with the legal and environmental requirements in this regard.

In 2015, we developed the following initiatives within the framework of Occupational Health:

Health Surveillance

We monitor our employees' health by carrying out medical examinations, according to the legislation and health needs. In 2015, we conducted 26,707 tests, 2,687 diagnostic tests and issued 15,516 electronic prescriptions.

Monitoring of Workplace Accidents

We acted in conjunction with the insurance companies in order to promote improved quality levels of the health providers network, with an impact on the reduction of the severity level and an improvement in the follow-up of workplace accidents.

Occupational Health Management System

We have implemented the IT system "Medicine One Business" at the company's medical offices, which allows the better management of activities and a better analysis of the indicators of occupational health (medical examinations, medical restrictions, occupational illnesses, pathology and life styles).

Plan for integrating new employees

When starting their jobs in the company, all new employees receive training concerning Workplace Medicine and Best Practices in Health.



Promotion of Health

In order to contribute to improving our employees' health, in 2015, we developed the following initiatives



Vita Salutis Interactive Platform

An interactive platform that offers information on health-related topics, on a monthly basis, providing guidance for the adoption of healthy practices.

Health Campaigns

We implemented a course of action with the objective of raising awareness and involving our employees in relevant subjects regarding the promotion of health and wellbeing (Women's Day, May Month of the Heart, World Food Day, among others).

Psychosocial Risk Approach at Work

We proceeded with an analysis of the Psychosocial Factors and the Determinants of Work Activity of the Human Resources Directorate. This analysis enabled us to describe the psychosocial factors of our employees and to carry out diagnoses of the critical and favourable factors. In April, during the European Health and Safety Week, we provided information on this subject to all of our units.

Anti-Flu vaccination programme

Flu vaccine free of charge to our employees and disclosure of good practices regarding its prevention.

Nutritional Counselling

Promotion of nutritional advice actions through workshops, screenings and tastings, in collaboration with the Food Quality and Research Directorate.

Blood/Bone Marrow Donations

With an emphasis on social responsibility, the promotion of blood donations took place all over the country, in coordination with the Portuguese Blood and Transplant Institute (IPST)..

"For several years, I have been donating my blood at the blood collection campaigns carried out by the Portuguese Blood Institute (IPS) in partnership with Sonae, at the company's very own facilities. I think that this initiative should be highly praised and it is a way for the company to show concern for one more branch of social responsibility and, at the same time, disseminate information, raise awareness and invite our employees to join such a noble cause. Through this partnership with IPS, Sonae makes this opportunity more accessible, as going to a blood bank, due to time constraints, is not always easy.

Maria João Ramalho, Trainer – Sonae MC Logistics

Automated External Defibrillation (AED)

Sonae has an AED Programme in 159 units, licensed by the National Medical Emergency Institute (INEM) and recognised as the largest one in Portugal. This programme aims to strengthen rapid reaction capacity and assistance provided in the case of cardiac arrest. The programme relies on 1,173 first-aid providers with specific AED training in accordance with the guidelines of the American Heart Association, with the quality control assured by an external company approved in Emergency Medicine.

"Last December at the Worten store in Beja, we had a customer who suffered from cardiac arrest, and was immediately given assistance in the store. As she did not respond to the attempts to revive her, we had to use AED, which made it possible to recover her vital signs and she was transported to the Hospital alive. This was only possible because of first-aid training we have received and because of the availability of the AED, which enabled us to be prepared to play our part in such an important mission that is: "being able to save lives".

Francisco Bica, Store Manager – Worten (Beja)

8.2.2. Occupational Health and Safety (OHS)

At Sonae, we are committed to the implementation of a zero accident culture and we intend to ensure that the health and safety of our employees and customers is never at risk. Strategic and focused action is of maximum priority. The performance of Sonae's OHS area focuses, above all, on the prevention of accidents, occupational illnesses and the improvement of the wellbeing of our employees.

In 2015, we developed the following initiatives:

S20 Project – Health and Safety in Operations

In partnership with Dupont, world-renowned partner in consulting on matters of Safety, the project S20 was established in March 2015 – Health and Safety in Operations with the aim of Changing the Safety Culture at Sonae MC. The actions carried out with this project and the consequent integration of OHS in the daily activity of operations have shown very positive results, with a decline of 9.78% in the Frequency rate, as well as a decrease in the Severity rate of 11.36%, at Sonae MC, compared to 2014

Health and Safety Vision and Policy

In 2015, a Health and Safety Policy was developed with the aim of demonstrating the strong commitment of the top management to the issue of Health and Safety. It is based on 5 major principles: (i) People at the centre of our efforts; (ii) Visible and Responsible Leadership; (iii) Prevention and Caution; (iv) Dedication and Resources; and (v) Expertise and Awareness.



Safety Preventive Observations Programme

This programme aims to increase the level of awareness concerning unsafe behaviours and also to promote good practices at the workplace, through the identification and observation of these behaviours and through the effective communication of the results of the observations to all of our employees.

OHS Leadership Training for Unit Directors

Since July, 16 training sessions were provided to unit directors, therefore training 215 directors, and around 2,200 managers, in a total of 8,250 hours of training.

Annual Consultations for our Employees

We provide an annual consultation for our employees about Health and Safety at the Workplace, covering issues related to Health, Safety and Wellbeing. This inquiry had a response rate of about 94%, meaning 24,481 answers were obtained. The results are analysed and shared with the units for the subsequent setting of preventive measures, with the aim of improving workplace conditions and the wellbeing of our employees.

Ergonomic Studies project (*Continente*)

Development of an ergonomic study project of logistics warehouses and manufacturing centres, at Sonae MC's units, in order to increase safety, health, wellbeing and the comfort of our employees, preventing musculoskeletal disorders

Campaign "Caring is protecting. Your safety and wellbeing starts with you"

In 2015, we launched the 5th edition of this campaign, which takes place throughout the month of April, with the objective of promoting a set of Health and Safety awareness actions, as well as contributing to several issues such as lowering the rate of absenteeism and accidents, improving levels of satisfaction and wellbeing in health and safety and increasing our employees' motivation concerning prevention and good practices in these areas.

Safety Alerts

The proactive sharing of information on health and safety, across the entire organisation, which aims to inform and raise awareness on the risks and the preventive measures necessary to mitigate this risk. This process of sharing information is carried out on a monthly basis via email to all units and also serves to support “on-the-job” training/awareness actions

OHS Training

Knowing that training and information on occupational risks are a key awareness tool for all employees at Sonae, in 2015, 106,574 hours of training in OHS were conducted, reaching 115,741 employees

8.2.3. Remuneration and Benefits



Flex Tu Eliges (Flex You Decide) - Spain

Is a flexible remuneration programme for Sonae's employees in Spain, consisting of the voluntary and individual choice of part of the remuneration being paid through a range of benefits provided by the company with tax benefits for our employees. Those benefits are mainly of social nature: health insurance for oneself and one's family, nursery school vouchers and transportation, vocational training, among others. Through an online platform, accessible by our employees anywhere, they can make choices according to their preferences and personal and family circumstances.

Advantage Programme for Sonae Employees

This programme aims to provide our employees access to privileged discounts on goods and services through partnerships with various entities operating in areas such as Banking and Insurance, Culture and Leisure, Health, Education and others. The increasing geographic reach and diversity of these partnerships allows even more employees to benefit from preferential and favourable conditions when accessing different products and services.



8.3. SUPPLY CHAIN RESPONSIBILITY

8.3.1. Supplier Evaluation

We have performed a review of all of our controlled brand suppliers. This assessment consists of calculating 7 different indicators that allow the suppliers' performance to be evaluated at different levels. One of the relevant indicators in this process consists of carrying out selection and qualification audits in order to ascertain compliance with our policies. Inclusion in the audit process is mandatory, except for certified suppliers whose origin is not included on our list of risk countries. If the country of origin is considered a risky one, this should be subject to an audit, regardless of having a valid certification. During the different evaluation stages, about 300 requirements are checked on aspects related to quality, ethics in the supply chain, environment, health and safety in factories, labour rights, among others that have to be met by our national and international suppliers. As a result of the audits carried out, depending on the relevance and assigned rating, strategies are defined for process optimisation and improvement actions implemented.

Suppliers of Food Products

In 2015, audits of 572 suppliers of food products were carried out. During this process, we confirmed the presence of 2 suppliers with results lower than expected in terms of identified non-conformities (rank D or E).

Suppliers of Non-Food Products

In 2015, audits of 251 suppliers of non-food products were carried out. During this process, we confirmed the presence of 12 suppliers with results lower than expected in terms of identified non-conformities (rank D or E). While some of these suppliers will be subject to the implementation of a Corrective Action Plan, others will cease their business relationship with Sonae. Until the completion of the action plans outlined, purchases from suppliers involved will be dependent on their progress. During 2016, a check of the state of execution of this very same plan will be performed, in order to ensure that the actions outlined are properly implemented. Within the framework of the compliance to the Corrective Action Plan, for the single supplier who recorded a grade that was below expectations in 2014, we ascertained that he has since carried out construction works in his factory, which eliminated the non-conformity issues. In the new audit carried out in 2015, this supplier had a positive score (83%).

Suppliers of Electronic Products

In 2015, audits of 124 suppliers of electronic products were carried out. During this process, we confirmed the presence of 22 suppliers with results lower than expected in terms of identified non-conformities (rank D or E). All of these suppliers are from a foreign origin.

Environmental audit of the suppliers' evaluation process

Sonae is certified under the NP EN ISO 14001:2004 standard and the process of evaluating suppliers and their compliance with the environmental legislation applicable to the audited products is conducted in accordance with that standard. In this context, the result of the environmental section of audits to suppliers is randomly checked in order to verify their compliance with the legislation in force

8.3.2. Certification of Sonae Suppliers

The supplier's certification is a commitment between Sonae and its suppliers, in relation to the management of the quality of the products supplied. This process not only promotes an offer of higher quality to the end customer, but also encourages the development of closer relations between suppliers and Sonae, through the assessment of quality management and encouraging and monitoring the implementation of continuous improvement practices.

In addition to providing a higher level of trust and transparency and contributing to improvements in the reduction of supply costs, lead time⁸ and production processes, supplier certification also serves as a quality guarantee for the actual activity of the various suppliers, who through the recognition of a group the size of Sonae, will certainly make it easier to develop their own business.

To ensure certification, suppliers must have obtained a rating of "Excellent" in the Supplier Quality Index (IQF) in the last two years of activity and perform a strategically important role for Sonae, particularly in terms of the importance of product type and range provided, purchase history and future prospects of the business relationship that Sonae will develop with them.

8.3.3. Communication and Relations with the Suppliers

Sonae believes that, for the development of a more efficient and sustainable value chain, it is necessary to continuously encourage clear communication and maintain a good relationship based on transparency and trust with our suppliers. Sonae has a set of tools that facilitate the various interactions across the supply chain, which maximise not only trust but also respect, mutual value creation and quality of exchanged information, in particular:

- (i) The Code of Conduct for Suppliers defines a set of rules governing the relationship between Sonae and its suppliers, particularly in terms of working conditions, protection and environmental sustainability and quality and product safety;
- (ii) The Supplier Portal, which is an important channel of communication and one of the primary means for the establishment of a closer relationship, based on quick and easy access to information.

Additionally, we support a number of principles that have been shaping the development of the relations with our commercial partners, mainly:

- (iii) Greater level of mutual help with the improvements to be implemented by suppliers;
- (iv) More extensive knowledge of the conditions and manufacturing methods of suppliers;
- (v) Sharing of the IQF Report with suppliers in order to enable identification of areas of improvement.

In the context of the partnerships established with our suppliers, we promote the maximisation of skills between Sonae and its respective industrial partners, stimulating the acquisition of new skills and knowledge that contribute positively to generating jobs and business opportunities.

⁸ Period between the time when the product enters the warehouses and when it leaves the inventory



8.3.4. Electronic Suppliers

We are concerned with ensuring that all the internal and legal requirements, referring to electronic products, are disclosed not only internally but also to our suppliers, even before attempting to establish any form of business with them. Additionally, we ensure that all of Worten's own brand suppliers are subjected to an initial evaluation with the objective of ensuring compliance to the internal and external mandatory standards. This evaluation is carried out through initial audits of suppliers and specific tests (e.g.: electric safety, electromagnetic compatibility, energy efficiency, among others). In 2015, 124 foreign suppliers were audited from a total of 139 suppliers.



Electrical Safety

The Low Voltage Directive (LVD) is a European Union directive, which applies to all of our products. It defines a set of essential requirements in terms of the health and safety of products placed on the market. In this context, to ensure the safety of the product to the end customer, suppliers send us the tests conducted by their laboratory partners, and an initial sample for internal analysis.

Electromagnetic Compatibility

The Electromagnetic Compatibility Directive (EMC) is a European directive, which defines the electromagnetic compatibility requirements (e.g., limits on the electromagnetic emissions of equipment) that reduce disturbances and increase immunity to interferences, which is applicable to all our electronic products. In this context, we require our suppliers to send us the analyses performed by their laboratory partners.

Energy Efficiency

All the products in our portfolio are chosen by taking into account that their energy efficiency is the best possible one, according to the requirements of each line of product. In 2015, 53% of sales were class A and the remaining 47% were of a higher rank. The improvements in terms of the energy efficiency of the products we sell, is an improvement in terms of the reduction in energy consumption.

REACH

A European directive which identifies some Substances of Very High Concern (SVHC) that represent a health hazard and whose use should be avoided. In this sense, we ensure that all of our products meet the requirements of this directive, so that we eliminate the health risks to the customer.

8.3.5. Textile and Sport Suppliers

The Textile and Sports segments are particularly relevant to our internationalisation strategy. At Sonae, we have sought in recent years to expand the geographical scope of these two segments. Aware of the challenges inherent in this ambition, we allocate a large part of our resources to the development of actions aimed at ensuring that the entry requirements and commercialisation of our Textile and Sports products in the markets where we intend to expand to are completely fulfilled. This factor is especially important for foreign markets whose legislation and requirements are different from those existing in Portugal and the European Union. In this context, all of the own brand products of the Textiles and Sports segments are subject to an initial assessment and laboratory tests in order to ensure compliance with the legal requirements to sell in the domestic and foreign markets where the different brands are implemented. As we have focused on compliance with international requirements at the product level, it was not possible this year to resume the process of audits of the suppliers of Textile and Sports segments, however we are confident that this will be one of our priorities for the future when we reach a more mature stage in terms of the internationalisation process.

Product Labelling

Further to the progress we made last year, we have continued to work on the process of customisation and correction of products whilst in storage or in factories, particularly in terms of specific marking and labelling for foreign markets, when it is not possible to do the same during the manufacturing phase. In 2015, this issue was particularly relevant prior to the distribution of Textile products to Ecuador and Sports products to France.

At Sonae, we consider it essential to keep track of the manufacturing data and the source of our products. In this sense, we ensure that on the label of our products (Textile and Sports), information on the country of origin is included, as well as the tracking data in relation to the manufacturing of the product (e.g., supplier code, production batch, product reference, importers and brand managers).

8.3.6. Continente Producers Club



The *Continente Producers Club* (CPC) embodies Sonae's sustainable development vision by promoting regional development and employment, founded on projects that are ambitious, innovative and add economic and social value to our country. Launched in 1998, it has as its main objective to bring together Sonae and national producers and today represents an example of cooperation between economic agents and of our support to national production, combining their richness and quality with the dynamism of a chain that interacts with millions of customers across the country. The rigorous CPC's certification criteria, when compared to the sector in general, demonstrates the wide spectrum of demanding requirements, which are guaranteed through annual audits that aim to ensure compliance to parameters from the field to the production facilities.



At the end of 2015, the CPC registered a volume of purchases of 217 million euros, which is equivalent to 136 thousand tonnes, with 234 members covering 15 different areas.

Sonae started a revision process of the CPC Innovation Prize with the aim of stimulating innovation between the various CPC members, while bringing new competitive advantages and benefits to the winners of this competition. According to plan, this initiative will be resumed in 2016. During this year, we will assure the continuity of the CPC's certification, according to specific benchmarks.

Advantages of the *Continente Producers Club*




- Supply of products with the guarantee of quality, tracking and origin, ensured by Sonae following-up all stages of production, transportation and storage
 - Fresher products due to the decrease of time between production and distribution
- Better quality/price relation of the supplied products
 - Better and more information on products, considering the packaging and data normalisation of each product



- Guarantee of stock outflow, minimising the risks and uncertainties of the agricultural activity
- Better efficiency because of the market's feedback, allowing their production to be guided by current demand
- Increased representation concerning contact with official entities
- Support and technical counselling, scheduling and production planning
- Study visits and training on various topics of the different stages of the supply chain
 - Recognition by customers

Involvement with Producers

In 2015, CPC was mainly committed to monitor and promote the activities of its producers, focusing on the consolidation and integration of the commercial relations between Sonae and the main partners of CPC, and also placing emphasis on the development of partnerships among the producers. Within this remit, CPC promoted the launching of various challenges, training initiatives and knowledge exchange, from which we would like to highlight the following:



XVIII Annual Meeting of the *Continente* Producers Club

Within the framework of “Renew to Grow”, this meeting was held during Santarém’ National Agriculture Fair, which all of the CPC members attended. This initiative had the aim of making known the products of different suppliers, encouraging greater integration and knowledge exchange between them, and at the same time, communicating the CPC’s new value proposal, through its role in the development of the agrifood sector, based on knowledge, technology and a focus on sustainable consumption

International Trip with the Cold Meat Producers

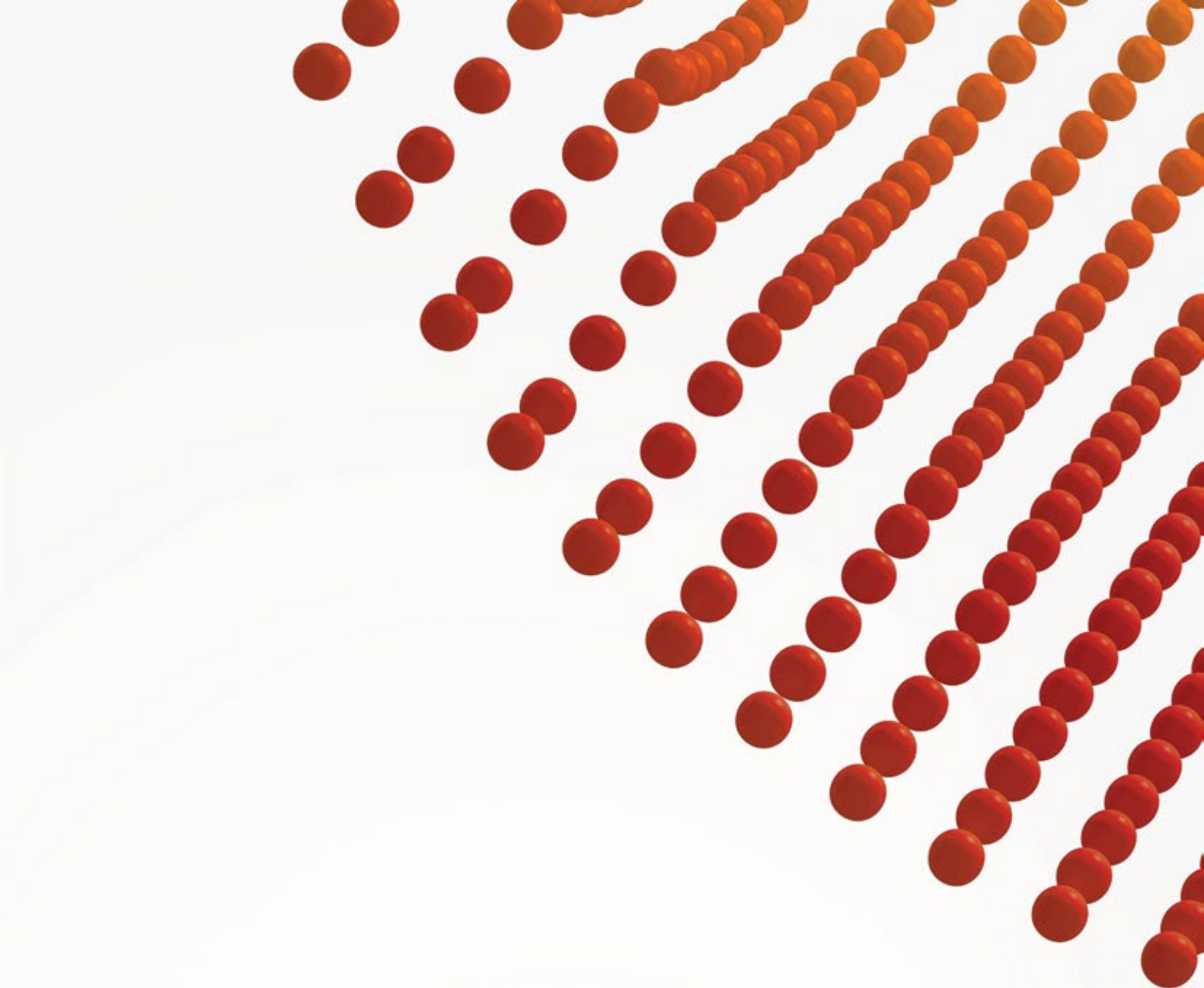
CPC offered an international benchmarking experience to 25 Cold Meat producers. CPC’s International Visit gave these producers access to information on the best practices and procedures of some of the most significant and relevant players in the European market, giving them the opportunity to interact with new realities and companies in the sector.

Great Ideas

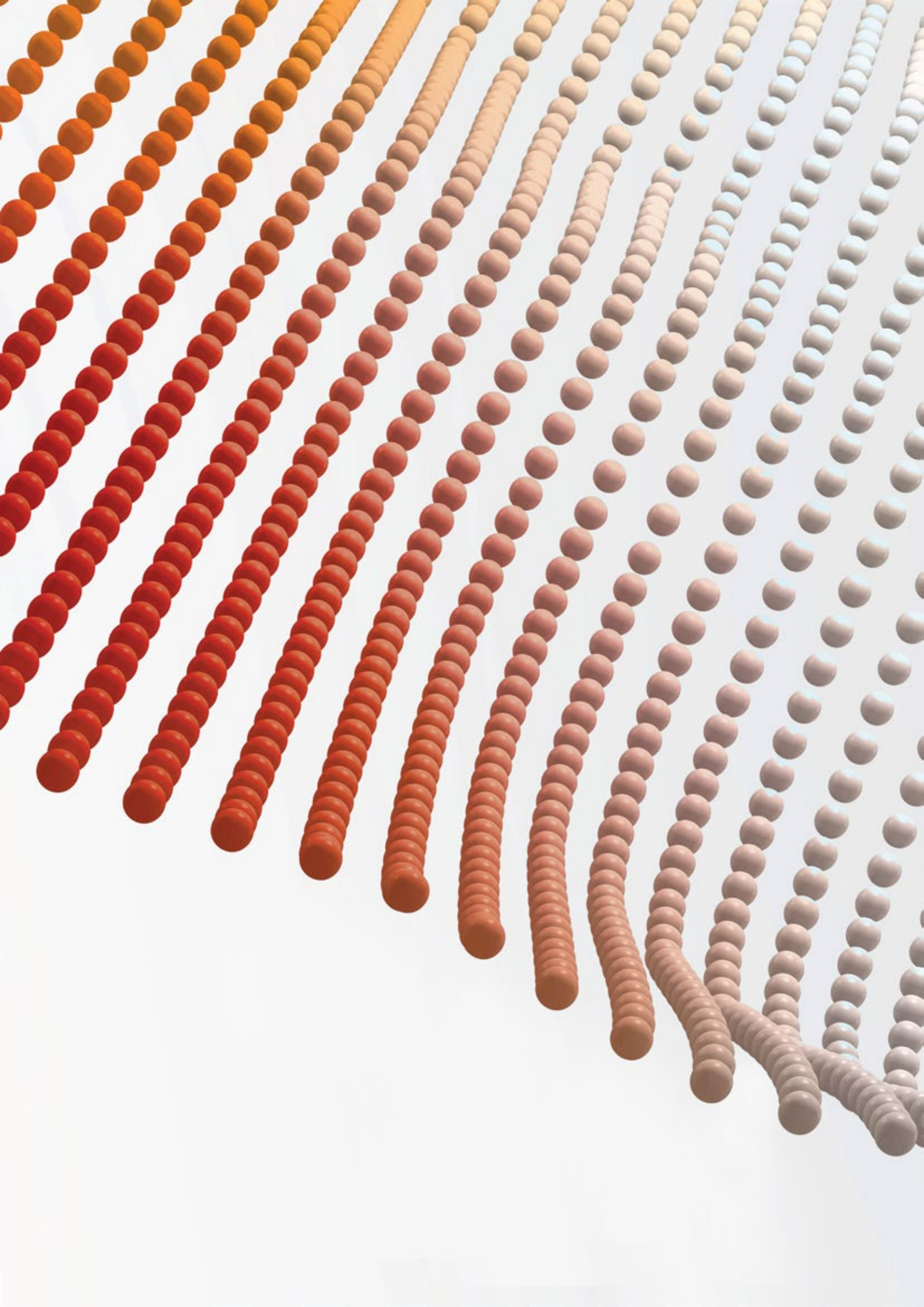
The CPC began to organise periodic knowledge and information sharing meetings on subjects relevant to the business, thereby stimulating new ideas and promoting the exchange of experiences between the various producers. In 2015, three meetings took place under the following themes: “The customer at the centre of the business”, “Supply chain” and “Combating food wastage”.



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.....● SUSTAINABILITY
IN SONAE SIERRA



3. SUSTAINABILITY AT SONAE SIERRA

Sonae Sierra's CEO Message

Sonae Sierra's performance exceeded expectations for 2015. Not only did we deliver impressive results across our key financial and operational indicators; we also made significant advances in our strategy, with important activity in terms of development, capital recycling and the expansion of our professional services business.

Fernando Guedes Oliveira

1. About Sonae Sierra

1.1 GLOBAL VISION

Motivated by our passion to contribute to increasing innovation and excitement in the shopping industry since 1989, Sonae Sierra has been interpreting trends and spearheading a movement that has defined the shopping centres of the future. We invest in retail assets and we provide services of investment, development, expansion and property management to clients in several geographic areas, mainly, Europe, South America, North Africa and Asia.



We provide services to clients in 15 countries from 14 offices in Portugal, Germany, Algeria, Brazil, Colombia, Spain, Greece, Holland, Italy, Luxemburg, Morocco, Romania and Turkey.

Due to our commitment and effort, we achieved a net result of 142 million euros and a direct result of 61 million euros, an increase of 15,7% compared to 2014, driven by factors such as an improvement in operational performance, a growth in our professional services, a decrease of interest rates and effective financial risk management.

One of the main fundamental drivers of our operational performance of this year was the growth in tenant sales, both in our core markets in Southern Europe and in Brazil. As consumer confidence continued to strengthen, tenant sales in the European portfolio recorded an increase of 2.5% on a like-for-like basis. With this we improved occupancy rates in Spain, Italy and Romania and maintained a stable performance in Portugal and Germany, indicating that the overall operational performance of our portfolio was very positive. In Brazil, the quality of our portfolio was clearly evident, particularly in the context of deteriorating economic conditions, recording a 2.3% increase in tenant sales (in Reais) and maintaining a high average occupancy rate at 93%.

Remaining faithful to our commitment in executing our business strategy, in 2015 we increased our exposure to new development opportunities, recycling capital and strengthening the professional services component of our business. We would like to highlight the fact that, taking advantage of favourable investment market conditions, we have: (i) completed the successful disposal of Zubiarte in Spain (ii) sold the *Torre Ocidente* office building in Portugal; (iii) and have started negotiations to sell our majority

stakes in four assets in Iberia and Germany, while maintaining responsibility for their management. Sales such as these enable us to release capital to fund our expansion activities. On this front, we recently announced two exciting new ventures in Colombia and Germany and will proceed with the development of two others in Morocco and Spain.





1.2. KEY ACHIEVEMENTS

Development	<p>Expanded our development services business in Morocco and Algeria and won our first contract in Tunisia;</p> <p>Announced an agreement with <i>Generali</i> Real Estate for the development and management of the <i>CityLife</i> Shopping District, in Milan;</p> <p>Signed 24 new development contracts with external clients in 10 different geographic areas.</p>
Expansion	<p>Proceeded on schedule and on budget with the building works of <i>ParkLake</i>, Romania, and concluded project financing;</p> <p>Announced our first direct investment in Colombia with the acquisition of a site in Cucuta in partnership with Central Control;</p> <p>Acquired a site in Nuremberg, Germany, for a mixed-use redevelopment scheme;</p> <p>Proceeded with the licensing of the Málaga Designer Outlet, in Spain (an expansion of our Plaza Mayor shopping centre).</p>
Investment	<p>Completed the sale of the Zubiarte, in Spain, and Torre Occidente office building in Portugal;</p> <p>Began negotiations to sell majority stakes in four assets in Portugal, Spain and Germany (while retaining responsibility for management services);</p> <p>Reached a consensus with investors to proceed with a long-term solution for the Sierra Fund;</p> <p>Extended the life of the Sierra Portugal Fund for a further two years from 2018 until 2020;</p> <p>Concluded the refurbishment of Norte Shopping Centre in Porto and proceeded with the full refurbishment of Centro Vasco da Gama in Lisbon.</p>
Management	<p>Expanded our GLA under management with the signing of 13 new property management contracts with external clients in 6 geographic areas;</p> <p>Launched 'Rising Store' to support entrepreneurs in Portugal;</p> <p>Rolled out 'Bright' and 'Dive' eco-efficiency projects and implemented a water reuse system in several shopping centre sites</p>
Sonae Sierra Brazil	<p>Inaugurated the expansion of <i>Parque D. Pedro</i> and <i>Uberlândia</i> Shopping Centres;</p> <p>Opened our first <i>COOP</i> Store in Brazil;</p> <p>Began negotiations to sell 100% of our stake in <i>Boavista</i> Shopping Centre.</p>

1.3. KEY PERFORMANCE INDICATORS (KPIs)

KPIs	2013	2014	2015
OMV of owned assets (million €)	5,638	6,006	5,958
Consolidated Net Profit (million €)	3.6	96.3	141.7
EBIT (million €)	111	106	105
Number of tenant contracts under management	9.4	10.8	15.6
Average Occupancy Index (% by GLA, across our owned portfolio)	94.4	95.5	95.2
Real Estate NAV (million €)	1,000	1,115	1,180
GLA under management (thousands m ²)	2,303	2,307	2,298
Tenant satisfaction Index (scale of 1 ('not satisfied') to 6 ('very satisfied'))	4.6	4.6	4.7
Average hours of training per employee	32.2	39.8	41.5
Number of non-conformities per hour of reference SPD ⁹	8.4	5.1	4.4
Global injury rate among Sonae Sierra workforce (direct employees and supervised employees)	5.79	3.27	1.85
Greenhouse gas (GHG) emissions of our owned portfolio and corporate offices (tCO ₂ e/m ² GLA)	0.021	0.017	0.016
Electricity efficiency (excluding tenants) of our owned portfolio (kWh/m ² mall and toilet area)	444	435	413
Water efficiency (excluding tenants) of our owned portfolio (litres/visit)	3.7	3.5	3.4
Total waste recycled as a proportion of waste produced (% by weight, across our owned portfolio)	59	58	62

⁹ Safety, health and environment Preventive Observations (SPD) are a form of safe behaviour audits undertaken at our shopping centres in operation

2. Business Strategy

The Sonae Sierra business model is based on three strategic dimensions and was designed as to allow our business to expand, through a combination of new developments, acquisitions and the reinforcement of our services business lines.

In order to ensure the sustainable management of our resources and partnerships, which we depend on in the medium and long-term, these strategic dimensions are based on five sustainability priorities (as described on the following pages), which translates into the simultaneous implementation of the business and sustainability strategies. Through this strategic integration, we aim to create a virtuous circle in which we address the main sustainability risks and challenges facing our operations, in order to safeguard our business.



At the end of 2015, we shifted the focus of our business model to place greater emphasis on our services business as we evolve to become a more customer-centric, outward-looking company. Embedded within this operating context, our business strategy comprises of three axes that support this shift: reducing the capital invested in our core portfolio, increasing our exposure to new development opportunities and enhancing our service delivery.

Three strategic dimensions



i) Capital Allocation

We aim to increase our exposure to developments in Europe and emerging markets. This will be achieved through a combination of acquiring exposure to new development opportunities and reducing our exposure to investment properties. We will also shift from a shopping centre focus to exploring urban regeneration and mixed-use development opportunities that are retail-centred. We will reduce the financial capital invested over the long-term through our capital light strategy and investors will be invited to share the risk and return.

ii) Professional Services

We have affected a paradigm shift in our business model to become an outward-looking, client-focused company. Within this model, we will intensify our focus on providing real estate services to clients. When executed alongside our disciplined approach concerning the use of capital, service provision allows us to maximise returns, enter new markets and build new relationships. This in turn enables us to optimise the resources of the company under market fluctuations and improve know-how on markets, partners and projects.

iii) Capital Light Approach

Future growth will be pursued on a capital-light basis. This means minimising the capital invested in a given operation through leveraging and the use of partnerships to share risk and maximise returns through service delivery. This will be achieved by:

- Selling new projects after completion, preferably through Investment Management, which will keep a minority position;
- Reducing our investment in our core portfolio to a minority position through which we can ensure a foothold to provide management services.

This approach will enable us to recycle capital to finance new developments.

3. Sustainability Strategy

We have identified five long-term sustainability priorities that aim to complement our business strategy and safeguard the creation of shared value, namely: (i) safe people and eco-efficiency, (ii) resource resilience, (iii) prosperous retailers, (iv) leveraging knowledge and (v) sustainable lifestyles.

i) Safe People and Eco-Efficiency

We ensure that the assets we manage are consistently managed to the highest standards of safety and eco-efficiency is a day-to-day priority for Sonae Sierra as a means to safeguard human and natural capital. We operate an integrated Safety, Health and Environment Management System (SHEMS) which enables us to effectively manage the main environmental aspects and safety and health risks during the lifecycle of a shopping centre. Through our SHEMS, we provide a better service and/or workplace for investors, tenants, shopping centre visitors, professional services clients, our employees and suppliers, whilst reducing operating costs for our business.

Under the scope of Safety and Eco-efficiency, we have identified long-term objectives supported by annual targets to drive continuous improvement across the five impact areas: (i) energy and climate, (ii) water, (iii) waste, (iv) biodiversity and habitats and (v) safety and health.

ii) Resource Resilience

To order to ensure the future value of our assets and practices, we have set long-term objectives based on energy independence, reusing water on our sites and exploiting the latest innovations and technology in natural resource management so that we can to rethink our processes. This will protect our assets against natural resource shortages and cost increases, and reduce operating costs in the short to medium-term through alternative energy and water management strategies.

iii) Prosperous Retailers

We are taking action to partner with current and potential tenants to make their businesses more resilient, in particular enabling small, local and sustainable businesses to thrive in circumstances in which they might not have done so otherwise. At the same time, this approach supports our business strategy by allowing us to promote new concepts that deliver unique experiences to customers. Consequently, we can sustain our income streams and maintain innovation at the heart of Sonae Sierra's business values.

iv) Leveraging Knowledge

We aim to empower our employees by developing their skills and knowledge, unleashing their potential on an individual basis and raising the standard of knowledge attainment at a collective level in the communities where we operate. By doing so, we can enhance the intellectual capital of our organisation and the external pool of talent from which we aim to attract ambitious people to join our workforce. These efforts become all the more important as we consolidate our position as a client-services business whose main competitive advantage lies in our people's ability to provide successful solutions to the challenges posed by our clients.

v) Sustainable Lifestyles

By creating a sense of belonging for our employees and investing in goods and services that promote health, well-being and environmental and community responsibility values, we aim to encourage our visitors to make sustainable choices and support social and environmental responsibility initiatives.

This approach enables us to increase visitors' satisfaction and loyalty, thereby increasing footfall in our shopping centres as we visibly support health, wellbeing and environmentally-conscious behaviour.

4. Sustainability Performance in 2015

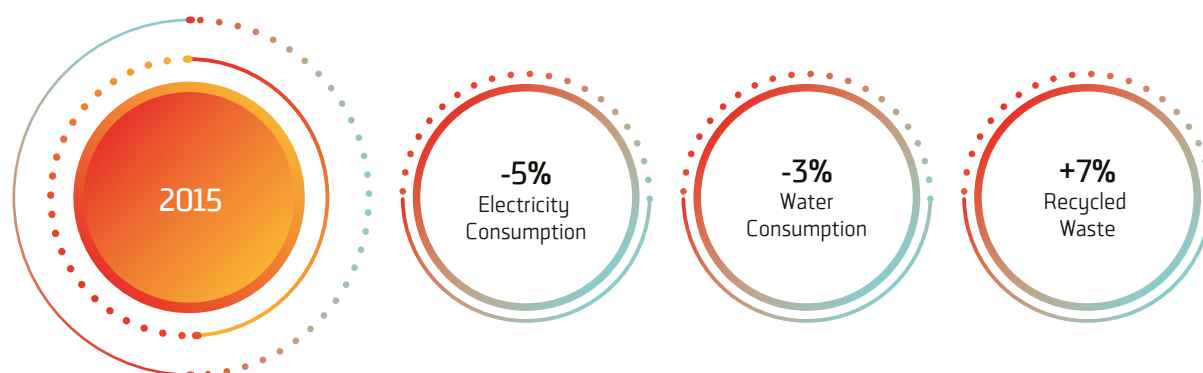
Given that our mission is to create shared value, it is of paramount importance that sustainability initiatives can be demonstrated to add tangible value to our assets and our business.

It is clear that sustainability aspects have risen up on the agenda for real estate investors in recent years, and tools such as the Global Real Estate Sustainability Benchmark (GRESB¹⁰) have become pivotal in highlighting trends and assessing the performance of real estate funds in terms of environmental and socio-economic sustainability criteria. We have been a leading contributor to the GRESB since its outset and have achieved a Green Star rating for the past five years.

At present, we can at best testify that the performance of our shopping centres across a wide range of financial and non-financial indicators is appreciated by some investors, and that investors, banks and other providers of capital require increasing evidence of our effective management of sustainability aspects. Consequently, we have been motivated to seek continuous improvements in the sustainable operation of our assets, requiring dedicated resource allocation in terms of investments and CAPEX¹¹ to enhance the sustainability of new projects and shopping centres in operation.

Our approach to sustainability, combined with our capacity for innovation, means that we have achieved meaningful results in terms of utilities cost reductions through initiatives such as the roll out of LED lighting in car parks and the creation and use of sophisticated utilities consumption modelling software. The reduction in utilities consumption represents a combined cost saving of €1.7 million in 2015 alone. 2015 saw us continue to improve our shopping centres' eco-efficiency across all key environmental indicators.

Lead environmental indicators compared to 2014



¹⁰ GRESB - Global Real Estate Sustainability Benchmark.

¹¹ CAPEX - Capital Expenditures (Despesas de Capital).

4.1. SAFE PEOPLE AND ECO-EFFICIENCY

In 2015, we improved the operational efficiency of our shopping centres, enabling us to make significant progress towards our long-term environmental performance goals. Thereby, we achieved a positive evolution of our goals which cover greenhouse gas emissions, energy usage, water consumption and waste:

GHG Emissions

In 2015, we registered a GHG emissions rate of 0.016 tonnes of CO₂e per m² of GLA, a 6% reduction compared to 2014. Overall, we have achieved a reduction of 80% since 2005, our baseline year, and are on track to achieve our long-term goal of 85% reduction by 2020.

Energy

Our average electricity consumption in 2015 was 413 kWh per m² of mall and toilet area, a 5% reduction compared to 2014. Considering the evolution in recent years, we remain on track to meet our long-term goal to attain a maximum electricity consumption of 400 kWh per m² by 2020.

Applying the Bright¹² modelling tool at Le Terrazze identified potential savings of €163,000 - equivalent to 27 per cent of the shopping centre's electricity bill - through a series of straightforward procedural changes and technical modifications.

Water

In 2015, our shopping centre had an average water consumption of 3.4 litres per visit, a 3% reduction compared to 2014. With this result we remain on track to meet our long-term objective to achieve a maximum level of water consumption of 3 litres per visit by 2020.

Waste and Recycling

In 2015, we achieved an average recycling rate of 62% across our global portfolio, with a 20% proportion of waste (by weight) sent to landfill. Our long-term objective is to ensure that we maintain a recycling rate of at least 65% and a proportion of waste (by weight) sent to landfill of 18% by 2020.

At zero investment cost, *Max Center* introduced a range of measures to increase its recycling rate and generate sustained reductions in waste management costs while providing a safer and cleaner work environment for management staff and suppliers.

Health and Safety

In 2015, we launched a ground-breaking competition, the "Segurarte", aiming to use public art as a way to promote the safe use of escalators. This initiative was applied in Portugal and it will be replicated in other locations if it succeeds here.

We have noted a reduction in accidents involving visitors in our shopping centres. By analysing the SPO indicator in a range of reference shopping areas, we also verified an improvement in our shopping centres in terms of safety-conscious behaviour.

Notwithstanding the improvements verified in 2015, unfortunately we had to report the fatality of a supplier during the installation of a skylight in one of our shopping centres. In response to this incident, we approved a set of changes to the procedures which intend to make it compulsory to use safety nets in any work carried out at a high altitude.

Following our continuing concern with the number of incidents involving suppliers in recent years, in 2015, we conducted a detailed study and analysis about this subject in order to identify the main causes of why these accidents happened and implement more appropriate solutions in the future.

We launched a new award in Portugal and Brazil to encourage service suppliers to 'think safety first' and promote safety best practices. The results have exceeded our expectations: we achieved a participation rate of 60% in both countries demonstrating the commitment of our suppliers to improving safety and health issues.

¹² Bright – A theoretical model for data generation for energy consumption optimisation.



4.2. RESOURCE RESILIENCE

At Sonae Sierra, we have a working group with the purpose of investigating potential lines of action focusing on alternative energy and water supply strategies – the Resource Resilience Working Group. The working group identified three potential lines of action including on-site renewable energy generation, converting tenant waste to energy and the rollout of water recycling and reuse systems. In 2015, converting tenant waste to energy and on-site renewable energy were not deemed economically viable. We did however proceed with the roll out of water reuse and rainwater harvesting systems, and a number of actions designed to improve water efficiency and reduce water consumption were incorporated into our SHEMS.

4.3. PROSPEROUS RETAILERS

Within the framework of our sustainability axis based on the prosperity of our retailers, we have the objective of implementing the *COOP* Store concept in 9 vacant units and achieving a 2% occupancy rate of vacant units in Brazil, Germany, Portugal, Romania and Spain. The *COOP* Store concept is a space composed of small businesses in this same store, allowing tenants to share the commercial area and spread the associated operational costs. This type of initiative reflects our goal of supporting small businesses and start-ups through investment in cooperative business models. During 2015, we opened 11 *Coop* Stores at shopping centres in Brazil, Portugal, Romania and Spain. Together, the *COOP* Stores generated sales of more than €171,000. Other initiatives developed in 2015 that aim to promote tenants' prosperity is the Rising Store. The objective is to support and collaborate with entrepreneurs by helping them to set up their own business and bring their innovative ideas to our shopping centres. This initiative is presented as a contest which offers support to develop the winner's business plan and a rent free space for six months in one of our 13 shopping centres in Portugal. Additionally, there is the possibility to extend the rent contract for up to six months at a special fee.

4.4. LEVERAGING KNOWLEDGE

During 2015, various activities were organised with the intent of leveraging knowledge, namely:

We Share

During 2015, 116 employees participated in the We Share training programmes covering topics such as work life balance, transaction prices in a shopping centre and the power of social media communications.

Sierra with Universities

Four projects were completed in Portugal and Spain based on shared and created knowledge in partnership with several universities. At the end of 2015, three projects in this framework were still ongoing in Brazil, Portugal and Spain.

Sierra with Communities

At the end of the year, in Freccia Rossa, we began the development of a project based on knowledge sharing as a way of consolidating relationships between Sonae and local entities. This Project has already led to improved relations between the shopping centre and the local civil protection agency.

Engage Value Chain through Knowledge

This new Project was initiated with the objective of developing our tenants' business aptitudes in Hofgarten Solingen, in Germany. The project involves a contest and training course to help tenants improve their window displays, with the goal being to help them attract more customers and improve the overall shopping experience for visitors.

4.5. SUSTAINABLE LIFESTYLES

In the context of trying to involve local communities in our activity, we possess a CAPs¹³ programme with the objective of making sure that local communities are consulted on, and involved in, the development and operation of our shopping centres in a way that creates long-term relationships and is sensitive to local cultural considerations. In order to select CAP members, we identify local stakeholder groups and invite them to participate based on the issues that are relevant to them. Our local shopping centre teams are empowered to develop actions in response to issues raised through the CAPs, using the part of the shopping centre marketing budget which is available for community projects.

At Sonae Sierra, we have a working group specially focused on the promotion of sustainable lifestyles (Sustainable Lifestyles Working Group), it is responsible for planning and overseeing the implementation of our actions in relation to this long-term priority "Sustainable Lifestyles", aligned with our sustainability strategy. The group consists of members from regional marketing teams (Portugal and Spain), one member of the sustainability office and one member from the corporate marketing team. The group meets regularly to discuss existing strategies and identify areas for improvement, as well as develop new campaigns.

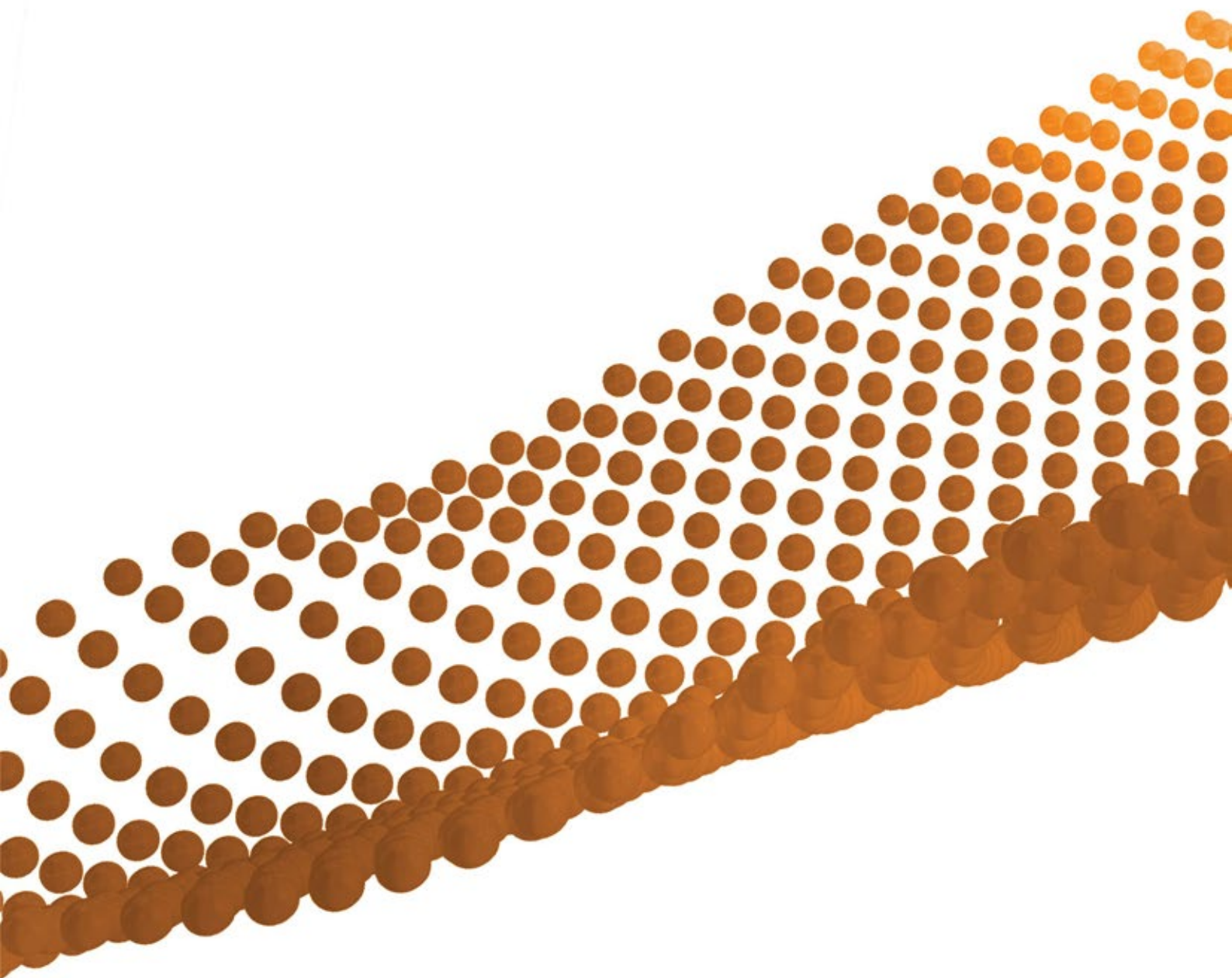
In recent years, we have been continuously developing work in line with our business and sustainability strategies guidelines and objectives, putting us in a prime position to ensure the long-term future of our businesses, by creating shared value for our business and for the society.

For more information about our sustainability performance, please consult our "Economic, Environmental and Social Report 2015" available on the following link: <http://www.sonaesierra.com/pt-pt/sustentabilidade/sustentabilidade.aspx>

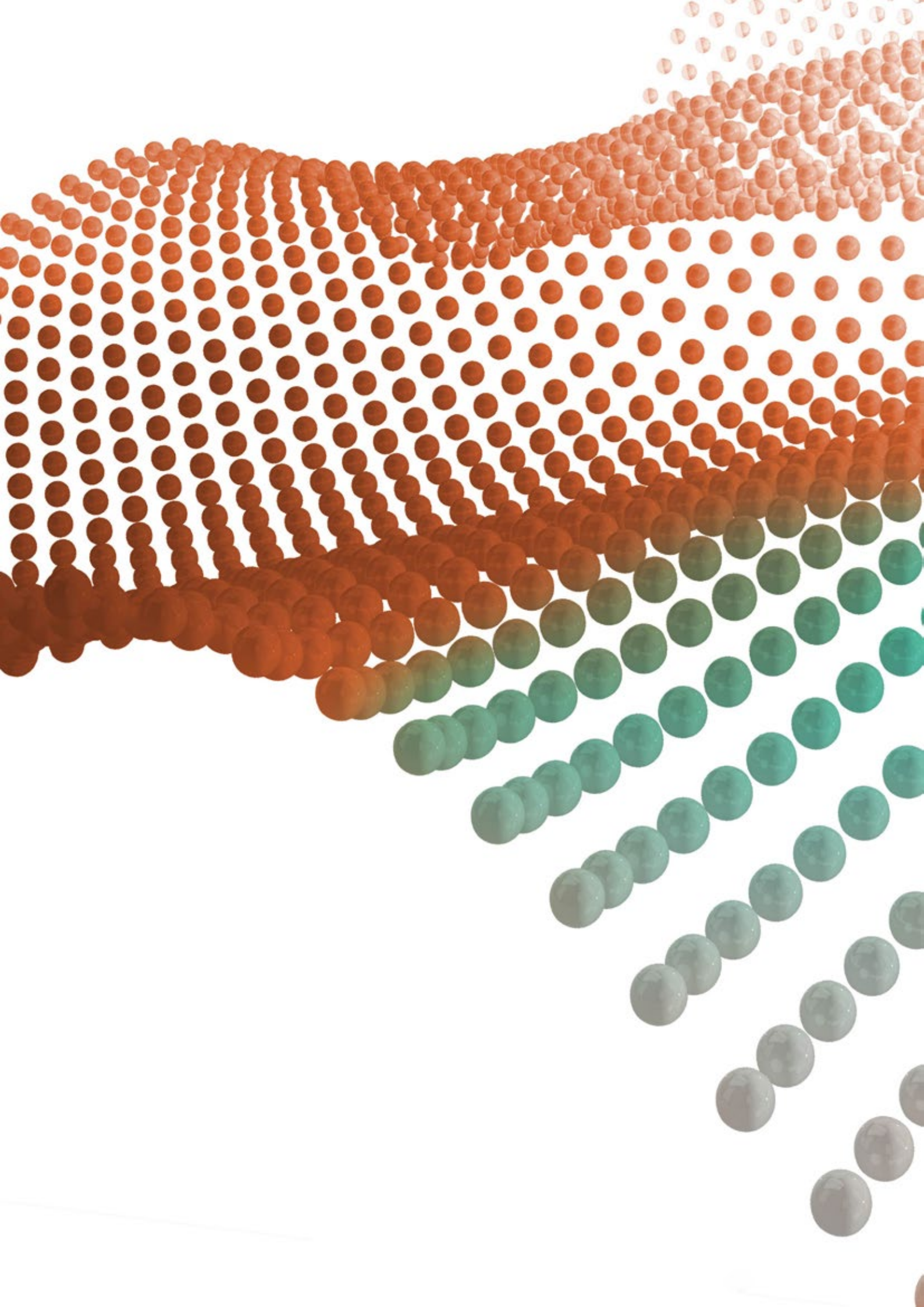
¹³ CAP - Community Advisory Panels.



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4. APPENDIX

COMPLIANCE WITH PRINCIPLES AND MEMBERSHIP OF ASSOCIATIONS AND PARTNERSHIPS WITH ORGANISATIONS



GRI Indicators

GRI Indicator	Description	UN Global Compact	Source
STREATEGY AND ANALYSIS			
G4-1	Message from the Chairman of the Board of Directors about the relevance of sustainability to the organisation and its strategy	Princípio 6	Sustainability Report, page 8 Management Report 2015 pages 20-21
G4-2	Description of key impact, risks and opportunities related to the company's activity		Sustainability Report 2015 pages 9-13 and 42-62
ORGANISATIONAL PROFILE			
G4-3	Name of the reporting organisation		Créditos
G4-4	Principal brands, products and services		Sustainability Report 2015 page 11
G4-5	Location of the headquarters of the organisation		Sonae, SGPS. SA has its head office at Lugar de Espido, Via Norte Maia-Portugal
G4-6	Number of countries where the organisation operates along with countries where major operations or operations that are specifically relevant to the sustainability issues covered in the report are carried out		Sustainability Report 2015 page 12
G4-7	Type and legal nature of property		Sustainability Report 2015 page 12
G4-8	Markets covered		Sustainability Report 2015 pages 10-12
G4-9	Scale of the reporting organisation		Sustainability Report 2015 pages 10-12, 15, 33-35
G4-10	Total labour force	Principle 6	-

TOTAL LABOUR FORCE	2015
TYPE OF CONTRACT	
Permanent contracts (No.)	26,685
Male	8,281
Female	18,404
Temporary contracts (No.)	11,582
Male	4,297
Female	7,285
Employees total (No.)	38,267

TYPE OF JOB	
Full-time (No.)	27,290
Male	9,473
Female	17,817
Part-time (No.)	10,977
Male	3,105
Female	7,872
Employees Total (No.)	38,267

REGION	
Portugal (No.)	35,854
Male	11,553
Female	24,301
Spain (No.)	1,925
Male	825
Female	1,100
China (No.)	34
Male	15
Female	19
Brazil (No.)	438
Male	174
Female	264
Turkey (No.)	16
Male	11
Female	5
International Total (No.)	2,413
Employees Total (No.)	38,267



GRI Indicator	Description	UN Global Compact	Source
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ORGANISATIONAL PROFILE

G4-11	Proportion of employees covered by the Collective Bargaining Agreement	Principle 3	All employees in Spain and Portugal are covered by this type of contract
G4-12	Description of the value chain		Sustainability Report 2015 pages 47-48
G4-13	Major changes that have occurred during the reporting period regarding dimension, organisational structure or the shareholder structure		Sustainability Report 2015 page 9

COMMITMENTS WITH EXTERNAL INITIATIVES

G4-14	PRECAUTIONARY PRINCIPLE OF THE ORGANISATION	Principle 7	Corporate Governance Report 2015 pages 54-65
G4-15	Letters, principles and other initiatives, developed externally, with an environmental, economic and social character which the organisation subscribes to and defends	Principles 1 to 10	Sustainability Report 2015 pages 24-29 http://www.sonae.pt/en/sustainability/other-sustainability-messages/
G4-16	Significant participation in associations and/or national/international organisations		Sustainability Report 2015 page 126

REPORT PARAMETERS

SCOPE AND LIMITATIONS OF THE REPORT

G4-17	Operational structure of the organisation and main operating divisions, subsidiaries and joint ventures		Sustainability Report 2015 pages 9-12
G4-18	Process for defining the content of the report		Sustainability Report 2015 pages 4, 52-55
G4-19	Material aspects for the report		Sustainability Report 2015 pages 52-55
G4-20 / G4-21	Boundary of the report; Specific limitations on the scope or boundary of the report; Basis for preparation of the report concerning joint ventures, subsidiaries, leased premises, assigned operations and external services, in addition to other entities that could significantly affect the comparison between different periods and/or organisations		Sustainability Report 2015 pages 4, 52-55
G4-22	Explanation of the effect of any revisions to information provided in earlier reports and the reasons for such revisions		Sustainability Report 2015 page 4
G4-23	Significant changes in relation to previous reporting periods in terms of scope, boundary or measurement methods.		Sustainability Report 2015 pages 4, 52-55

GRI Indicator	Description	UN Global Compact	Source
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RELATIONSHIP WITH STAKEHOLDERS

G4-24	Relationship with groups that are involved with the organisation as stakeholders		Sustainability Report 2015 page 14
G4-25	Basis for identification and selection of stakeholders to be involved		Sustainability Report 2015 page 14
G4-26	Approaches used to involve stakeholders, including frequency of involvement, by type and by groups, of stakeholders		Sustainability Report 2015 page 14
G4-27	Key issues and concerns identified through stakeholder involvement, and actions taken by the organisation in the treatment of these issues and concerns, namely by means of reports		Sustainability Report 2015 pages 52-55 Clients – 56-58, 64-64, 76, 82, 92 Community – 24-29, 59, 76, 83 Suppliers – 58, 61-62, 73-77, 102-108 Employees – 61-62, 93-108

REPORT PROFILE

G4-28	Period covered by information provided in the report		Sustainability Report 2015 Page 4
G4-29	Date of last report published		Sustainability Report 2015 page 4
G4-30	Period between publication of reports		Sustainability Report 2015 page 4
G4-31	Contact for questions regarding the report or its contents		Sustainability Report 2015 page 4

TABLE OF CONTENTS OF THE GRI

G4-32	Table of contents of the GRI Table		GRI Table
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VERIFICATION

G4-33	Current policies and practices with regard to the search for an independent assurance process to accompany the Sustainability Report		Sustainability Report 2015 pages 22-24, 32 Corporate Governance Report 2015 pages 15-23, 30-31
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GOVERNANCE

G4-34	Governance structure of the organisation, including committees reporting to the highest level body of governance and responsible for specific tasks, such as determining strategy or supervision of the organisation		Sustainability Report 2015 pages 22-24, 32 Corporate Governance Report 2015 Pages 14-22, 29-30
G4-39	Role of the President		Corporate Governance Report 2015 pages 14-22
G4-38	Independent and/or non-executive directors		Corporate Governance Report 2015 pages 18-19



G4-37 / G4-49 / G4-53	Mechanisms for shareholders and employees to submit recommendations or directions to the highest level body of governance		Sustainability Report 2015 page 14 Corporate Governance Report 2015 pages 28-33
G4-51	Relationship between compensation for members of the highest level body of governance, the directors and executives (including decision-making arrangements), and the performance of the organisation (including social and environmental performance)		Corporate Governance Report 2015 Pág. 71-87
G4-41	Processes in place for the highest level body of governance to avoid conflicts of interests		Sustainability Report 2015 pages 22, 32 Corporate Governance Report 2015 pages 51-54
G4-40	Process for determining the qualifications and expertise of the members of the highest level body of governance to define the strategy of the organisation with respect to issues related to economic, environmental and social performance		Corporate Governance Report 2015 pages 19-20
G4-44	Process for determining the qualifications and expertise of the members of the highest level body of governance to define the strategy of the organisation with respect to issues related to economic, environmental and social performance		Corporate Governance Report 2015 pages 19-20
G4-45 / G4-47	Processes of the highest level body of governance to supervise the methods with which the organisation performs the identification and management of economic, environmental and social performance, the identification and management of relevant risks and opportunities, as well as adherence or compliance with internationally accepted standards, codes of conduct and principles	Principles 1 to 10	Corporate Governance Report 2015 pages 16-40

ETHICS AND INTEGRITY

G4-56	Internal development of statements of principles or missions, conduct codes and principles that are considered relevant for the economic, environmental and social performance, as well as the implementation phase	Principle 10	Sustainability Report 2015 pages 11, 22, 104 http://www.sonae.pt/en/sustainability/other-sustainability-messages/
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ECONOMIC PERFORMANCE INDICATORS

GRI Indicator	Description	UN Global Compact	Source
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ASPECT: ECONOMIC PERFORMANCE

Disclosure on Management Approach (DMA) Sustainability Report 2015, pages 52-55, 59

EC1	Direct economic value generated and distributed	-	-
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	2013	2014	2015
ECONOMIC VALUE GENERATED (€)	5,266,866,194	5,499,753,907	5,698,021,018
Revenues	5,266,866,194	5,499,753,907	5,698,021,018
ECONOMIC VALUE DISTRIBUTED (€)	5,098,249,702	5,315,251,372	5,586,458,586
Operational Costs	4,282,097,899	4,489,053,659	4,698,862,411
Salaries and benefits of Employees	611,849,153	651,134,468	665,354,195
Payments to Investors	170,434,890	146,552,959	198,340,061
Payments to the State	23,278,422	18,702,110	15,440,829
Donations and other community investments	10,589,338	9,808,176	8,461,090
ACCUMULATED ECONOMIC VALUE (€)	168,616,491	184,502,535	111,562,433

Scope of Report: Sonae

EC2	Financial implications, risks and opportunities on organisation's activities due to climate change	Principle 7	-
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For detailed information on the financial implications and other risks and opportunities due to climate change, please see Sonae's response to the Carbon Disclosure Project 2015, available at:

<https://www.cdp.net/sites/2015/59/17359/Climate%20Change%202015/Pages/DisclosureView.aspx>

Scope of Report: Sonae

EC3	Coverage of obligations for the organisation concerning the Benefit Plan	-	-
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Sonae's Retail sector has no retirement plan for its employees..

Scope of Report: Retail

EC4	Significant financial assistance received from the state	-	-
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The support received from the state through subsidies, investment subsidies and tax benefits totalled 11,135,694€.

Scope of Report: Sonae

ASPECT: MARKET PRESENCE

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 52-55, 61, 102-108

EC6	Proportion of employees for senior positions hired locally	Principle 6	-
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Occupation of operational functions by elements of the community that are part of the business units.

	2013	2014	2015
No. of senior managers(No.)	57	76	84
No. of senior managers originating from the local community (No.)	56	75	83
Proportion of senior managers originating from the local community (%)	98%	99%	99%

Scope of Report: Retail

ASPECT: INDIRECT ECONOMIC IMPACT

Disclosure on management approach (dma)

Source
Sustainability Report 2015,
pages 52-55, 58, 62, 78, 103-108

EC7	Development and impact of investments in infrastructures and services provided	-	-
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The support to the community includes the donations and contributions offered by Sonae, mainly for the public benefit, supporting 1,577 institutions which represented an investment of 8.5 million euros.

Scope of Report: Sonae

EC8	Significant indirect economic impacts, inclusively the extension of the impacts	-	-
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See Sustainability Report, sections "Community" (pages 25 to 29) and "Better Purpose – Multiplication of the sharing and promotion of the social well-being" (pages 78 to 83).

Scope of Report: Sonae

ASPECT: PROCUREMENT PRACTICES

Disclosure on management approach (dma)

Source
Sustainability Report 2015,
pages 52-55, 58, 62, 78-83, 103-108

EC9	Policy, practices and proportion of the expenses on local suppliers, in important operational units	-	-
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	2015
Total supplier expenditure (€)	4,277,344,676
Total expenditure with foreign suppliers (€)	906,158,897
Total expenditure with domestic suppliers (€)	3,371,185,779
Proportion of expenditure with domestic suppliers (%)	79%

Scope of Report: Retail

ENVIRONMENTAL PERFORMANCE INDICATORS

ASPECT: MATERIALS

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 52-55, 61, 92-93

EN1	Consumption of materials per weight or volume	Principles 7 e 8	-
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Sonae promotes the reduction of the consumption of materials associated with the value chain, more specifically, regarding the packages of the products distributed. For this, Sonae encourages its suppliers to follow a series of initiatives to reduce the materials associated not only with the primary packaging of the product itself, but also with shipping boxes. These initiatives are applicable to all the suppliers in general and are described with greater detail in chapter "Better Planet – Environmental impact of the packages" (pages 92-93).

Scope of Report: Retail - Portugal

ASPECT: ENERGY

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 52-55, 61, 92-93

EN3	Energy consumption within the organisation	Principles 7 e 8	-
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Evolution of the energy consumption within the organisation per type

	2013	2014	2015
Natural gas consumption – Stores (m³)	439,012	410,617	345,539
Propane consumption (t)	47	46	45
Diesel consumed by stores (litres)	128,786	131,464	131,355
Electricity consumption in stores (MWh)	408,502	415,666	414,260
Electricity consumption in production centres (MWh)	6,843	9,496	9,346
Electricity consumption (MWh)	415,345	425,162	423,606

Evolution of the energy consumption within the organisation per type (GJ)

	2013	2014	2015
Natural gas consumption – Stores (GJ)	16,884	15,792	13,283
Propane consumption (GJ)	2,300	2,216	2,185
Diesel consumed by stores (GJ)	4,799	4,899	4,865
Fuel consumption within the organisation (GJ)	23,983	22,907	20,333
Electricity Consumption (GJ)	1,495,242	1,530,583	1,524,982
Energy consumption within the organisation (GJ)	1,519,225	1,553,491	1,545,315

Production of electricity through renewable energy sources

	2013	2014	2015
Electricity produced by renewable energy sources (MWh)	6,018	7,257	7,759
Electricity produced by renewable energy sources (GJ)	21,665	26,124	27,931

Sonae sells all electricity produced by renewable energy sources to the Portuguese national grid.

Energy	Unit	Factor (2015)	Source (2015)
Natural Gas	PCI (GJ/m³)	0.03844	Table of lower heating values, emission factors and CO ₂ oxidation factors used in the Portuguese Inventory Report on Greenhouse Gases published in 2013.
Propane Gas	PCI (GJ/t)	48.55	Table of lower heating values, emission factors and CO ₂ oxidation factors used in the Portuguese Inventory Report on Greenhouse Gases published in 2013.
Diesel	PCI (GJ/t)	43.07	APA - Portuguese National Inventory Report on Greenhouse Gases Table of lower heating values, emission factors and CO ₂ oxidation factors used in the Portuguese Inventory Report on Greenhouse Gases published in 2013.
Electricity	(GJ/MWh)	3.6	International Energy Agency

Electricity consumption per sales area (GWh/100 m²)	2013	2014	2015
Store area (1000 m²)	904	910	925
Electricity consumption per store area (GWh/1000m²)	0.347	0.351	0.346
Scope of Report: Retail - Portugal			

EN4	Energy consumption outsider the organisation	Principle 8	-
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Evolution of the energy consumption outsider the organisation per type	2013	2014	2015
Diesel consumer by contracted fleet (litres)	9,734,121	10,115,992	10,170,522
Diesel consumed by staff vehicles (litres)	2,016,480	1,973,049	2,357,667
Petrol consumed by staff vehicles (litres)	21,469	12,411	14,111
Vehicular natural gas consumption from the fuel supply (m³)	-	37,403	75,256

Evolution of the energy consumption outsider the organisation per type (GJ)	2013	2014	2015
Diesel consumed by contracted fleet (GJ)	362,730	376,960	376,718
Diesel consumed by staff vehicles (GJ)	75,142	73,523	87,328
Petrol diesel consumed by staff vehicles (GJ)	721	417	466
Vehicular natural gas consumption from the fuel supply (GJ)	-	1,439	2,893
Total energy consumption outsider the organisation (GJ)	438,593	452,339	467,405

Energy	Unit	Factor (2015)	Source (2015)
Natural gas	PCI (GJ/m³)	0.03844	Table of lower heating values, emission factors and CO ₂ oxidation factors used in the Portuguese Inventory Report on Greenhouse Gases published in 2011
Diesel	PCI (GJ/t)	37.0402	Table of lower heating values, emission factors and CO ₂ oxidation factors used in the Portuguese Inventory Report on Greenhouse Gases published in 2011
Petrol	PCI (GJ/t)	33.00	Table of lower heating values, emission factors and CO ₂ oxidation factors used in the Portuguese Inventory Report on Greenhouse Gases published in 2011
Scope of Report: Retail - Portugal			

EN5	Energy Intensity	Principle 8			-
		2013	2014	2015	
Total energy consumption (GJ)		1,957,818	2,006,792	2,012,720	
Turnover (M€)		4,821	4,974	5,014	
Ratio of energy intensity (GJ/M€)		406	403	401	

Note: Disclosed indicator only from 2014, according to GRI G4 guidelines

Scope of Report: Retail

EN6	Energy saved due to improvements in conservation and efficiency	Principles 8 e 9	-
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Please see Sonae Sustainability Report 2015, "Better Planet - Energy", page 74 and 75.

Scope of Report: Retail

EN7	Reduction of the energy requirements for products and services	Principles 8 e 9	-
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Please see Sonae Sustainability Report 2015, "Better Planet - Environmental Awareness" pages 78 to 79, for greater detail regarding the developed initiatives to provide products and services with low energy consumption.

Scope of Report: Retail

Number of sold products or level of energy efficiency – category A or higher (No.)	2013	2014	2015
Household appliances (category A or higher)	221,528	364,126	546,647
Category A+++++			340
Category A++++			427
Category A++++			359
Category A++++	32	5,995	9,233
Category A+++	29,342	64,001	105,237
Category A++	30,360	45,471	106,013
Category A+	144,928	228,271	285,895
Category A	16,866	20,388	39,143
TELEVISIONS (CATEGORY A OR HIGHER)	210,344	468,923	252,607
Category A+++++			
Category A++++			
Category A++++			
Category A++++			
Category A+++			
Category A++			
Category A+	12,009	21,145	10,964
Category A+	71,875	185,912	84,236
Category A	126,460	261,866	157,407
VACUUM CLEANERS (CATEGORY A OR HIGHER)		3,210	11,649
Category A+++++			
Category A++++			
Category A++++			
Category A++++			
Category A+++			
Category A++			
Category A+			
Category A		3,210	11,649
Total of sold products (category A or higher)	431,872	836,259	810,903

Scope of Report: Retail - Portugal

ASPECT: WATER

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 52-55, 60, 90-91

EN8	Total of water consumption segmented per source	Principles 7 e 8			-
		2013	2014	2015	
	Total of water consumption (m³)	650,744	620,215	606,492	
	Evolution of the water consumption from the public network per sales area (m³/m²)	2013	2014	2015	
	Store area (1000 m²)	553,642	569,004	583,165	
	Water consumption of the public mains supply per store area(m³/m²)	1.18	1.09	1.04	

Scope of Report: Food stores (*Continente*, *Continente Modelo* and *Continente Bom dia*) – Retail

EN10	Percentage and total volume of recycled and reused water	Principle 8	-
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An initiative of water recycling and reutilization at the Tower of the Sonae Service Centre located at Maia, with a GOLD classification from the LEED certification, where the water of the shower rooms and lavatories are reused in the toilets and the rainwater is captured and used in the irrigation system. According to the data of the project, the water reuse in this building allows to save around 80% of water consumption.

Waste water reuse project in the Meat Processing Centre, for use in cooling towers, the watering, outdoor washes and supply of deposits for the fire service. Currently, and as provided in the solution implemented, the CPC is reusing a portion of the liquid effluent from its industrial process after treatment at the WWTP.

On an annual basis approximately 18,180 m³ of water is reused:

- A volume of approximately 15,480 m³ / year, used to supply its two cooling towers, and;
- A volume of approximately 2,700 m³ / year, used for irrigation, for outdoor cleaning and supply of deposits in the fire service.

Scope of Report: Retail – Portugal

ASPECT: BIODIVERSITY

Management approach (DMA – Disclosure on Management Approach)

Source
Sustainability Report 2015,
pages 52-55, 58, 73-77

EN11 Location in or adjacent to protected areas

Principle 8

-

The retail business has no premises in areas classified as high-biodiversity habitats.

Scope of Report: Retail

EN12 Impacts on biodiversity

Principle 8

-

Please see Sonae Sustainability Report 2015, section "Contribution towards sustainable fishing" – pages 73 to 77.

Scope of Report: Retail

EN13 Protected restored habitats

Principle 8

-

No activities were carried out that might modify and cause the need for restoration of surrounding habitats.

The Fishing Policy penalizes fishing methods that are destructive to the habitats (e.g.: bottom trawling).

Scope of Report: Retail

ASPECT: EMISSIONS, EFFLUENTS AND WASTE

Management approach (DMA – Disclosure on Management Approach)

Source
Sustainability Report 2015,
pages 52-54, 60, 89-90

EN15 Direct and indirect Greenhouse Gas emissions (scope 1)

Principles 7 e 8

-

The retail business has no premises in areas classified as high-biodiversity habitats.

Scope of Report: Retail

Evolution of the GHG emissions (scope 1), per source

	2013	2014	2015
Emissions associated with the consumption of natural gas (t CO ₂ e)	947	967	916
Emissions associated with the consumption of propane (t CO ₂ e)	145	140	138
Emissions associated with the consumption of diesel by stores (t CO ₂ e)	355	363	361
Emissions associated with the consumption of diesel by vehicles for transporting goods (t CO ₂ e)	26,842	27,895	27,915
Emissions associated with the consumption of diesel by staff vehicles (t CO ₂ e)	5,560	5,441	6,471
Emissions associated with the consumption of petrol by staff vehicles (t CO ₂ e)	50	29	34
TOTAL OF GHG EMISSIONS – DIRECT (T CO₂e)	33,900	34,834	35,834

EN16 Indirect Greenhouse Gas emissions (scope 2)

Principles 7 e 8

-

Evolution of the GHG emissions (scope 2), per source

	2013	2014	2015
Emissions associated with electricity consumption - Indirect (t CO ₂ e)	158,308	156,572	204,648

Proportion of electricity consumed from different suppliers in 2015

Electricity - Suppliers	%	CO ₂ (g/kWh)	Observation
EDP SU	0.93%	185.49	Value published in website of EDP SU - Year 201
GF FENOSA	1.22%	370.81	Value provided by GN FENOSA - last 12 months available - Dec 14/ Nov 15
RAM-MADEIRA	4.89%	452.19	Value provided by EDM - last 12 months available - Dec 14 / Nov 15
ENDESA	92.55%	489.50	Value reported in website of ENDESA - Year 2015
GALP	0.40%	420.22	Value provided by GALP -last 12 months available - Aug 14 / Jul 15
TOTAL	100.00%	483.11	

Scope of Report: Retail - Portugal

EN17	Other indirect Greenhouse Gas emissions (scope 3)	Principles 7 e 8	-
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Evolução das emissões de GEE (Âmbito 3), por fonte	2013	2014	2015
Emissions related to energy recovery (t CO ₂ e)	66	84	88
Emissions related to organic recovery (t CO ₂ e)	150	193	202
Emissions related to landfill (t CO ₂ e)	3,758	3,711	3,674
Emissions Scope 3 - Waste management (t CO₂e)	3,974	3,989	3,965

FE (t CO ₂ /t waste)	Source (2015)
Energy recovery	0.021
Organic recovery	0.021
Landfill	0.290

In accordance with Government GHG Conversion Factors for Company Reporting, 2013: Methodology Paper for Emission Factors (July 2013), no changes in factors associated with waste in 2013 compared to 2012.

Scope of Report: Retail - Portugal

EN18	Intensity of the greenhouse gas emissions (GHG)	Principles 7 e 8	-
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GHG Emissions (Scope 3), by source	2013	2014	2015
Total of GHG emissions (t CO ₂)	196,182	195,395	244,272
Turnover (M€)	4,821	4,974	5,014
RATIO OF GHG EMISSIONS INTENSITY (T CO₂ / M€)	41	39	49

Note: Disclosed indicator only from 2014, according to the GRI G4 guidelines.

Scope of Report: Retail

EN19	Initiatives to reduce the greenhouse gas emissions and the reduction obtained	Principles 8 e 9	-
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See answer in EN6 indicator

Emissions avoided by the aid of the electricity produced through renewable energy sources (t CO ₂ e)	2013	2014	2015
Redução evitada (t CO ₂ e)	2,830	3,411	3,647

Scope of Report: Retail

EN20	Emissions of ozone-depleting substances by weight	Principles 7 e 8			-
		2013	2014	2015	
	Total quantity of R22 released due to leaks (kg)	1.080	860	0	
	CFC (TONES OF CFC-11 EQUIVALENT)	0,059	0,047	0	
Scope of Report: Retail					

EN21	NOx, SOx and other atmospheric emissions	Principles 7 e 8	-	
		2013	2014	2015
	NOx emissions - Diesel consumed by stores (t)	3.84	3.92	3.89
	NOx emissions - Diesel consumed by vehicles for transporting goods (t)	290.18	301.57	301.37
	NOx emissions - Diesel consumed by staff vehicles (t)	60.11	58.82	69.86
	NOx emissions - Petrol consumed by staff vehicles (t)	0.43	0.25	0.28
	Total NOx emissions (t)	354.57	364.56	375.41
	SO2 emissions - Diesel consumed by stores (t)	1.01	1.03	1.02
	SO2 emissions - Diesel consumed by vehicles for transporting goods (t)	76.17	79.16	79.11
	SO2 emissions - Diesel consumed by staff vehicles (t)	15.78	15.44	18.34
	SO2 emissions - Petrol consumed by staff vehicles (t)	0.05	0.03	0.03
	TOTAL SO2 EMISSIONS (T)	93.02	95.66	98.51
Scope of Report: Retail				

Emission factors	NOx	SO2	Unit	Source
Diesel	0.8	0.21	kg/GJ	IPCC 2006
Petrol	0.6	0.075	kg/GJ	IPCC 2006

Note: Calculation for this indicator takes into account figures reported in the EN3 and EN4 indicators.

Scope of Report: Retail – Portugal

EN22	Total water discharge by quality and destination	Principle 8	-
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Sonae does not possess measurement methods for waste water. For this reason, the frequently used engineering principle which states that 80% of consumed water results in waste water was applied.

	2013	2014	2015
Discharged liquid effluents volume (m ³)	520,595	496,172	485,194

Regarding waste water treatment, most waste water generated at the company's premises is discharged into public sewers, except for the waste water from three stores (Vagos, Cancela and Ribeira Brava) and the waste water from five distribution centres (Azambuja, Plaza I, Plaza II, C1 and C2) where this is not possible because of the absence of public sewer infrastructures. The aforementioned premises are equipped with waste water treatment plants that treat the waste water biologically (secondary treatment).

Scope of Report: Food stores – Retail– Portugal



EN23	Total weight of waste by type and disposal method	Principle 8	-
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Sonae does not possess measurement methods for waste water. For this reason, the frequently used engineering principle which states that 80% of consumed water results in waste water was applied.

	2013	2014	2015
Hazardous waste (t)	1,369	1,737	2,175
Recovery (t)	1,369	1,737	2,175
Elimination (t)	0	0	0
Non-hazardous waste (t)	61,624	63,986	63,366
Recovery (t)	48,666	51,189	50,697
Elimination (t)	12,958	12,797	12,669
Total volume of waste (t)	62,993	65,723	65,541

	2013	2014	2015
Recovery rate of waste (%)	79.4%	80.5%	80.7%

	2015
Waste generated by Sonae activity (t)	60,265
Waste deposited by the customers at the stores(t)	5,276
Total of waste (t)	65,541

Scope of report: Includes distribution centres and Portuguese retail stores. Maxmat stores and stores in shopping centres, where waste is managed by the shopping centre itself, are not included in the scope of this report.

EN24	Total number and volume of significant spills	Principle 8	-
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Sonae considers a spill to be significant only if it affects the environment outside the premises. Since this situation has never risen, no significant spills have occurred during retail operations.

Scope of Report: Retail

ASPECT: PRODUCTS AND SERVICES

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 52-55, 59-61, 83-93

EN27 Mitigate environmental impact of products and services

Principle 7 a 9

-

Please see Sonae Sustainability Report, chapter Better Planet (pages 70-79).

	2013	2014	2015
Eco-efficiency of the contracted fleet (% of vehicles per accomplished standard)	2013	2014	2015
EURO 3 standard	5.9%	2.0%	2.2%
EURO 4 standard	28.3%	27.5%	20.7%
EURO 5 standard	65.8%	57.7%	47.4%
EURO 6 standard	-	12.8%	25.2%
EURO 7 standard	-	-	4.4%

Scope of Report: Retail

EN28 Recoverable percentage of products sold and their respective packaging.

Principle 8

-

100% of the packaging of the products produced are recyclable

Âmbito de reporte: Retailho.

ASPECT: COMPLIANCE

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 55, 58, 65-73

EN29 Fines and non-monetary sanctions for non-compliance with environmental laws and regulations

Principle 8

-

Sonae considers a fine to be significant when total monetary value equals or exceeds 12,000€, since this corresponds to the minimum fine for a serious environmental infringement (Law no. 114/2015, of August 28). In the Retail sector there were no significant fines in 2015.

Scope of Report: Retail – Portugal

ASPECT: TRANSPORT

EN30 Significant environmental impacts as a result of transport

Princípio 8

-

See Sustainability Report 2015, pages 74 to 75..

Scope of Report: Retail – Portugal

ASPECT: ENVIRONMENTAL EVALUATION OF SUPPLIERS

EN32	Evaluated suppliers according to the environmental criteria	Principle 8	-	
		2013	2014	2015
Non-food retail				
	Total No. of qualified suppliers (No.)	-	229	256
	No. of national qualified suppliers (No.)	-	83	91
	No. of foreign qualified suppliers (No.)	-	146	165
	Total percentage of qualified suppliers (%)	-	41%	45%
	Percentage of national qualified suppliers (%)	-	55%	63%
	Percentage of foreign qualified suppliers (%)	-	35%	39%
Electronics				
	Total No. of qualified suppliers (No.)	-	-	139
	No. of national qualified suppliers (No.)	-	-	5
	No. of foreign qualified suppliers (No.)	-	-	134
	Total percentage of qualified suppliers (%)	-	-	100%
	Percentage of national qualified suppliers (%)	-	-	100%
	Percentage of foreign qualified suppliers (%)	-	-	100%
Food Retail				
	Total No. of qualified suppliers (No.)	-	714	573
	No. of national qualified suppliers (No.)	-	442	376
	No. of foreign qualified suppliers (No.)	-	272	197
	Total percentage of qualified suppliers (%)	-	84%	84%
	Percentage of national qualified suppliers (%)	-	80%	81%
	Percentage of foreign qualified suppliers (%)	-	92%	90%

Note: Indicator reported from 2014, according to GI-G4 guidelines.

Scope of Report: Retail – Portugal

SOCIAL PERFORMANCE INDICATORS – LABOUR

GRI Indicator	Description	UN Global Compact	Source
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ASPECT: EMPLOYMENT

Disclosure on Management Approach (DMA)

Sustainability Report 2015,
pages 55, 61, 93-98

LA1	Total of entries, exits and turnover rate of the employees, divided by gender and age group	Principle 6	-
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New recruitments (No.)	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
<18 years	2	1	3	0	0	0	0	1	1
Dos 18 aos 34 years	4,806	8,024	12,830	6,179	9,543	15,722	6,239	9,488	15,727
Dos 35 aos 44 years	251	685	936	423	789	1,212	375	845	1,220
Dos 45 aos 54 years	79	219	298	81	141	222	81	194	275
Dos 55 aos 64 years	17	22	39	10	10	20	6	18	24
≥ 65 years	2	1	3	0	0	0	0	2	2
TOTAL	5,157	8,952	14,109	6,693	10,483	17,176	6,701	10,548	17,249

Rate of new recruitment (%)	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
<18 years	0	0	0	0	0	0	0	0	0
Dos 18 aos 34 years	71%	66%	68%	80%	72%	75%	83%	74%	77%
Dos 35 aos 44 years	9%	9%	9%	14%	10%	11%	12%	11%	11%
Dos 45 aos 54 years	6%	7%	6%	6%	4%	4%	6%	5%	5%
Dos 55 aos 64 years	6%	4%	5%	3%	1%	2%	1%	2%	2%
≥ 65 years	17%	50%	21%	0%	0%	0%	0%	17%	7%
TOTAL	47%	38%	41%	53%	41%	45%	54%	41%	46%

Turnover rate (%)	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
<18 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
Dos 18 aos 34 years	13%	22%	34%	15%	23%	38%	24%	16%	41%
Dos 35 aos 44 years	1%	2%	3%	1%	2%	4%	3%	1%	4%
Dos 45 aos 54 years	0%	1%	1%	0%	0%	1%	1%	0%	1%
Dos 55 aos 64 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
≥ 65 years	0%	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	14%	24%	38%	17%	26%	43%	28%	18%	46%

Number of contracted employees who left during the period covered by the report (nº)	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
<18 years	2	1	3	0	0	0	0	1	1
18 to 34 years	2,854	4,750	7,604	2,579	3,874	6,453	3,796	5,434	9,230
35 to 44 years	115	374	489	517	885	1,402	191	527	718
45 to 54	24	80	104	92	111	203	55	132	187
55 to 64 years	4	10	14	9	10	19	4	11	15
≥ 65 years	0	0	0	3	1	4	0	1	1
TOTAL	2,999	5,215	8,214	3,200	4,881	8,081	4,046	6,106	10,152

Scope of Report: Retail – Portugal

LA3	Return to work and retention rates after parental leave	Principles 1, 3 e 6	-
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Portugal	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
Number of employees entitled to parental leave	10,996	23,486	34,482	11,469	24,268	35,737	11,553	24,301	35,854
Number of employees who benefited from parental leave	428	1,162	1,590	463	1,121	1,584	565	1,196	1,761
Number of employees who returned to work after completion of parental leave	423	1,160	1,583	460	1,119	1,579	435	753	1,188
Number of employees who returned to work after completion of parental leave and continue to work for the Company 12 months after returning	455	1,242	1,697	409	1,136	1,545	412	819	1,231
Take-up rate (%)	4%	5%	5%	4%	5%	4%	5%	5%	5%
Rate of return (%)	99%	99,8%	99,6%	99%	100%	100%	77%	63%	67%
Rate of retention (%)	99%	99%	99%	96%	98%	97%	73%	68%	70%

Spain	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
Number of employees entitled to parental leave	-	-	-	-	-	-	825	1,100	1,925
Number of employees who benefited from parental leave	-	-	-	-	-	-	32	90	122
Number of employees who returned to work after completion of parental leave	-	-	-	-	-	-	27	55	82
Number of employees who returned to work after completion of parental leave and continue to work for the Company 12 months after returning	-	-	-	-	-	-	20	31	51
Take-up rate (%)	-	-	-	-	-	-	4%	8%	6%
Rate of return (%)	-	-	-	-	-	-	84%	61%	67%
Rate of retention (%)	-	-	-	-	-	-	63%	34%	42%

Scope of Report: Retail – Portugal and Spain

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 52-55, 62, 98-103

LA6	Types of injuries, days lost, index of absenteeism and number of deaths work-related, divided by gender						Principle 1	-		
Portugal	2013			2014			2015			
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL	
Total workable hours by all employees (h)	19,271,281	40,300,001	59,571,282	20,373,226	42,213,397	62,586,623	20,227,295	42,049,582	62,276,877	
Number of deaths ¹	0	0	0	0	1	1	2	1	3	
Number of accidents in the workplace	ND	ND	1,401	ND	ND	1,424	399	875	1,274	
Number of accidents during travel between home and work	ND	ND	169	ND	ND	190	52	119	171	
TOTAL ACCIDENTS (No.)	ND	ND	1,570	ND	ND	1,614	451	994	1,445	
RATE OF ACCIDENTS (%)	ND	ND	0.003%	ND	ND	0.003%	0.002%	0.002%	0.002%	
Number of days of absence due to professional accidents (d)	ND	ND	25,989	ND	ND	27,978	7,981	16,803	24,784	
RATE OF DAYS LOST DUE TO PROFESSIONAL ACCIDENTS (%)	ND	ND	0.04%	ND	ND	0.04%	0.04%	0.04%	0.04%	
Number of days of absence due to professional accidents (d)	ND	ND	354	ND	ND	328	ND	ND	363	
RATE OF PROFESIONAL DISEASES (%)	ND	ND	0%	ND	ND	0.001%	ND	ND	0.001%	
Total number of days lost (d)	ND	ND	25,989	ND	ND	28,306	ND	ND	25,147	
RATE OF LOST DAYS (%)	ND	ND	0.04%	ND	ND	0.05%	ND	ND	0.04%	
Number of hours of absence (h)	534,089	2,702,543	3,236,632	621,757	3,090,008	3,711,765	673,142	3,315,934	3,989,076	
ABSENTEEISM RATE (%)	3%	7%	5%	3%	7%	6%	3%	8%	6%	

Spain	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
Total workable hours by all employees (h)	-	-	-	-	-	-	1,203,349	1,608,501	2,811,850
Number of deaths	-	-	-	-	-	-	0	0	0
Number of accidents in the workplace	-	-	-	-	-	-	16	32	48
Number of accidents during travel between home and work	-	-	-	-	-	-	9	8	17
TOTAL ACCIDENTS (No.)	-	-	-	-	-	-	25	40	65
RATE OF ACCIDENTS (%)	-	-	-	-	-	-	0.002%	0.002%	0.002%
Number of days of absence due to professional accidents (d)	-	-	-	-	-	-	915	564	1,479
RATE OF DAYS LOST DUE TO PROFESSIONAL ACCIDENTS (%)	-	-	-	-	-	-	0.08%	0.04%	0.05%
Number of days of absence due to professional diseases (d)	-	-	-	-	-	-	-	-	-
RATE OF PROFESSIONAL DISEASES (%)	-	-	-	-	-	-	-	-	-
Total number of days lost (d)	-	-	-	-	-	-	1,265	832	2,097
RATE OF LOST DAYS (%)	-	-	-	-	-	-	0.11%	0.05%	0.07%
Number of hours of absence (h)	-	-	-	-	-	-	27,592	134,328	161,920
ABSENTEEISM RATE (%)	-	-	-	-	-	-	2%	8%	6%

¹ The reported deaths are related to accidents in travel between home and work

These rates are determined according to the following methodology:

Accident rate = (number of accidents/Total workable hours by all employees) x 100;

Rate of days lost due to professional accidents = (No. of days absent per professional accident/Total workable hours by all employees) x 100;

Rate of lost days = (Number of lost days/Total workable hours by all employees) x 100;

Rate of professional diseases = (No. of days absent due to professional diseases/Total workable hours by all employees) x 100;

Absenteeism rate = (Hours of absenteeism/Total workable hours by all employees) x 100,

Scope of Report: Retail – Portugal and Spain

LA7 Employees with high incidence or high risk of work-related diseases

Principle 1

-

As part of a preventive strategy of health and safety management, initiatives were developed aimed at employees with high incidence or high risk of work-related diseases, namely:

1. Project of ergonomic studies (*Continente*);
2. Safety Alerts (e.g.: employees operating compacters);
3. Safety Preventive Observations Programme;
4. Campaign "Abril, Segurança Mil" (April focused on Maximum Safety) – Promotion of a set of awareness actions within the scope of Health and Safety, with the primary objective of stimulating initiatives to improve the comprehension and management of stress and psychosocial risks related to work.

See details regarding the prevention of the employees' work-related diseases in section "Well-being and internal satisfaction" from the chapter "Better People" of the Sustainability Report 2015

2015	
ADVISORY PROGRAMMES	No. participants
Women's Day - 08 March	Total Employees
Therapeutic massages at work place (European Week OHS)	96
Sonae Happy Video(European Week OHS)	Total Employees
Healthy Life styles (European Week OHS)	Total Employees
Labour Gymnastics (European Week OHS)	Total Employees
May – Heart Month	Total Employees
May - Heart Month - FP Cardiology	Total Employees
Trip safety	Total Employees
World Food Day	Total Employees
World Food Day (Centre DOP units)	462
Flu	Total Employees
Flue (vaccination)	5,322
Ergonomics and Psychosocial Risks at Work Consultation of Employees	Total Employees
Ergonomics and Psychosocial Risks at Work diagnosis in HRD	206
Smoking	Total Employees
Vision	Total Employees
Pregnancy	Total Employees
Stress	Total Employees
Child Obesity in Portugal	Total Employees
Hypertension	Total Employees
Diabetes	Total Employees
Skin Cancer	Total Employees
Breast Cancer	Total Employees
Cholesterol	Total Employees
Allergies	Total Employees
CONTROL AND PREVENTION PROGRAMMES	No. of participants
Audit Programme of health and safety at work	All units
OTHER SOCIAL RESPONSABILITY ACTIONS	No. of participants
Portuguese Institute of Blood and Transplantation - Samples	410 employees
DAE Program Sonae Investments	1,302,277,772 (employees and clients)
Hazard simulation (DAE program Sonae Investments)	171

ASPECT: TRAINING AND EDUCATION, DIVERSITY AND EQUAL OPPORTUNITIES

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 52-55, 61, 93-98

LA9	Training		Principle 6						
			-						
Total number of employees by position (No.)	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
Executives/Directors	361	168	529	388	178	566	410	197	607
Senior management	79	109	188	108	130	238	147	100	247
Middle management	1,248	1,470	2,718	1,290	1,559	2,849	1,305	1,618	2,923
Highly-skilled and skilled employees	6,009	15,810	21,819	6,026	15,810	21,836	5,790	15,418	21,208
Semi-skilled employees	264	916	1,180	289	980	1,269	323	1,144	1,467
Unskilled employees	103	71	174	100	58	158	91	58	149
Trainees/Apprentices	2,933	4,941	7,874	3,268	5,553	8,821	3,487	5,766	9,253
Sonae SR	-	-	2,641	-	-	2,155	-	-	1,925
(Not in Portugal)	10,997	23,485	37,123	11,469	24,268	37,892	11,553	24,301	37,779
Total number of hours of training (h)	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
Executives/Directors	18,562	7,937	26,498	17,457	8,785	26,242	17,063	8,697	25,760
Senior management	2,083	2,624	4,707	2,787	3,910	6,697	4,465	6,655	11,120
Middle management	49,834	56,275	106,108	55,237	62,558	117,795	54,813	67,939	122,752
Highly-skilled and skilled employees	153,972	393,461	547,434	191,803	502,350	694,153	195,061	452,260	647,321
Semi-skilled employees	5,390	23,892	29,281	7,692	28,520	36,212	10,279	31,887	42,166
Unskilled employees	1,614	858	2,472	2,684	1,446	4,130	2,785	1,256	4,041
Trainees/Apprentices	105,464	197,106	302,571	124,062	219,277	343,340	117,760	184,337	302,097
Sonae SR (Not in Portugal)	-	-	51,871	-	-	63,583	-	-	85,609
TOTAL	336,919	682,152	1,070,942	401,721	826,847	1,292,151	402,226	753,031	1,240,866

Total number of hours of training by position and gender	2013			2014			2015		
	Male	Female	TOTAL	Male	Female	TOTAL	Male	Female	TOTAL
Executives/Directors	51	47	50	45	49	46	42	44	42
Senior management	26	24	25	26	30	28	30	67	45
Middle management	40	38	39	43	40	41	42	42	42
Highly-skilled and skilled employees	26	25	25	32	32	32	34	29	31
Semi-skilled employees	20	26	25	27	29	29	32	28	29
Unskilled employees	16	12	14	27	25	26	31	22	27
Trainees/Apprentices	36	40	38	38	39	39	34	32	33
Sonae SR (Not in Portugal)	-	-	20	-	-	25	-	-	44
TOTAL	31	29	29	30	31	30	35	31	33

Scope of Report: Retail – Portugal + Sonae SR (Spain, except Canaries)

LA10	Programmes for skills management	-	-
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	2013	2014	2015
TOTAL ACTIVITIES	109,195	164,566	209,473

PROGRAMMES 2015

	No. activities PT	No. hours
Administrative academy	276	3,063
ISI Academy	46	1,899
Commercial Academy	216	5,552
Auditing and Procedures Academy	17	2,122
Academy For Interdisciplinary Skills	668	23,815
Sport zone Academy	11,127	35,999
WORTEN Academy	12,584	10,130
Reception and Integration	128	2,974
Universo Card	41,832	40,664
Driving Forklifts and Machines	273	3,895
Production Centre School	197	6,117
Logistics School	1,933	18,128
Continente Operations School	6,096	119,809
Perishables School	15,403	220,068
Health School	5,310	32,305
FASHION ACADEMY	17,746	21,698
DAE Training and First Aid	99	3,026
Training in Processes/Systems (Workflows, SAP, Retek, Supply Chain, Loss)	7,960	26,664
Technical training in supply/products/campaign	21,126	29,127
Security training	7	1,152
Environmental Management	1,960	4,849
IOP-Performance Evaluation	165	2,914
IOW/Continual improvement/Kaizen	24,947	326,523
MANAGEMENT & LEADERSHIP ACADEMY	102	19,673
MEAT HANDLERS	487	11,579
SUSTAINABLE MAINTAINANCE	7	5
NOTE 10	1,872	1,551
OMNICANAL WORTEN	6,606	13,339
INCENTIVES PLAN BAGGA	216	192
BAGS FOR LIFE	1,394	2,253
Security and Health at work	8,628	43,270
SMILE	18	464
WORTEN TRAINING CAMPUS	7,173	15,421
Other Activities	12,854	105,022
TOTAL ACTIVITIES	209,473	1,155,257

Scope of Report: Retail - Portugal

LA11	Percentage of employees who receive regular performance assessments	Principles 6	-
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The performance assessments process is applicable to all of Sonae's employees in Portugal.

Scope of Report: Retail - Portugal

LA12 Workforce by gender, age and ethnic minority		Principles 1 a 6			-
Portugal	Age	2015		TOTAL	
		Male	Female		
Executives/Directors	<18 Years	-	-	0	
	18 to 34 years	26	7	33	
	35 to 44 years	170	103	273	
	45 to 54 years	152	76	228	
	55 to 64 years	60	11	71	
	≥ 65 years	2	-	2	
	TOTAL	410	197	607	
Senior management	<18 Years	-	-	0	
	18 to 34 years	27	17	44	
	35 to 44 years	82	58	140	
	45 to 54 years	26	19	45	
	55 to 64 years	12	6	18	
	≥ 65 years	-	-	0	
	TOTAL	147	100	247	
Middle management	<18 Years	-	-	0	
	18 to 34 years	428	514	942	
	35 to 44 years	538	759	1,297	
	45 to 54 years	274	297	571	
	55 to 64 years	63	48	111	
	≥ 65 years	2	-	2	
	TOTAL	1,305	1,618	2,923	
Highly-skilled and skilled employees	<18 Years	-	-	0	
	18 to 34 years	2,892	5,512	8,404	
	35 to 44 years	1,784	5,920	7,704	
	45 to 54 years	856	3,232	4,088	
	55 to 64 years	249	744	993	
	≥ 65 years	9	10	19	
	TOTAL	5,790	15,418	21,208	
Semi-skilled employees	<18 Years	-	-	0	
	18 to 34 years	206	668	874	
	35 to 44 years	67	333	400	
	45 to 54 years	37	118	155	
	55 to 64 years	13	25	38	
	≥ 65 years	-	-	0	
	TOTAL	323	1,144	1,467	
Unskilled employees	<18 Years	-	-	0	
	18 to 34 years	11	9	20	
	35 to 44 years	45	18	63	
	45 to 54 years	32	23	55	
	55 to 64 years	2	8	10	
	≥ 65 years	1	-	1	
	TOTAL	91	58	149	
Trainees/Apprentices	<18 Years	-	-	0	
	18 to 34 years	3,327	5,261	8,588	
	35 to 44 years	130	412	542	
	45 to 54 years	27	82	109	
	55 to 64 years	3	9	12	
	≥ 65 years	-	2	2	
	TOTAL	3,487	5,766	9,253	
TOTAL EMPLOYEES (No.)		11,553	24,301	35,854	

Spain	Age	2015		TOTAL
		Male	Female	
Executives/Directors	<18 Years	-	-	0
	18 to 34 years	-	-	0
	35 to 44 years	2	-	2
	45 to 54 years	1	-	1
	55 to 64 years	-	-	0
	≥ 65 years	-	-	0
	TOTAL	3	-	3
Senior management	<18 Years	-	-	0
	18 to 34 years	-	-	0
	35 to 44 years	7	-	7
	45 to 54 years	3	-	3
	55 to 64 years	-	-	0
	≥ 65 years	-	-	0
	TOTAL	10	-	10
Middle management	<18 Years	-	-	0
	18 to 34 years	87	52	139
	35 to 44 years	83	33	116
	45 to 54 years	8	7	15
	55 to 64 years	1	-	1
	≥ 65 years	-	-	0
	TOTAL	179	92	271
Highly-skilled and skilled employees	<18 Years	-	-	0
	18 to 34 years	203	417	620
	35 to 44 years	72	158	230
	45 to 54 years	16	19	35
	55 to 64 years	1	5	6
	≥ 65 years	-	-	0
	TOTAL	292	599	891
Semi-skilled employees	<18 Years	-	-	0
	18 to 34 years	2	-	2
	35 to 44 years	3	-	3
	45 to 54 years	-	-	0
	55 to 64 years	-	-	0
	≥ 65 years	-	-	0
	TOTAL	5	-	5
Unskilled employees	<18 Years	-	-	0
	18 to 34 years	-	-	0
	35 to 44 years	-	-	0
	45 to 54 years	-	-	0
	55 to 64 years	-	-	0
	≥ 65 years	-	-	0
	TOTAL	-	-	-
Trainees/Apprentices	<18 Years	-	-	0
	18 to 34 years	292	359	651
	35 to 44 years	37	39	76
	45 to 54 years	5	9	14
	55 to 64 years	2	2	4
	≥ 65 years	-	-	0
	TOTAL	336	409	745
TOTAL EMPLOYEES (No.)		825	1,100	1,925

LA13	Ratio between basic salaries and the wages of women and men	Principles 1 a 6	-
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Portugal	2013	2014	2015
Ratio of average compensation per employee category (F/M)			
Executives/Directors	0.79	0.80	0.81
Senior management	0.90	0.91	0.96
Middle management	0.87	0.88	0.91
Highly-skilled and skilled employees	0.98	0.99	0.98
Semi-skilled employees	0.87	0.90	0.94
Unskilled employees	0.86	0.90	0.90
Trainees/Apprentices	1.00	1.00	1.00
TOTAL	0.78	0.80	0.90

Portugal	2013	2014	2015
Ratio of the average base salary per functional category (F/M)			
Executives/Directors	0.79	0.81	0.82
Senior management	0.90	0.91	0.96
Middle management	0.87	0.88	0.91
Highly-skilled and skilled employees	0.98	0.99	0.99
Semi-skilled employees	0.87	0.90	0.94
Unskilled employees	0.86	0.90	0.90
Trainees/Apprentices	1.00	1.00	1.00
TOTAL	0.77	0.80	0.90

Spain	2013	2014	2015
Ratio of average compensation per employee category (F/M)			
Executives/Directors	-	-	-
Senior management	-	-	-
Middle management	-	-	1.06
Highly-skilled and skilled employees	-	-	1.03
Semi-skilled employees	-	-	-
Unskilled employees	-	-	-
Trainees/Apprentices	-	-	1.03
TOTAL	-	-	1.11

Spain	2013	2014	2015
Ratio of the average base salary per functional category (F/M)			
Executives/Directors	-	-	-
Senior management	-	-	-
Middle management	-	0.99	1.09
Highly-skilled and skilled employees	-	0.99	0.95
Semi-skilled employees	-	0	0
Unskilled employees	-	-	-
Trainees/Apprentices	-	1.00	1.03
TOTAL	-	0.91	1.11

Note: Data referring to Spain reported only after 2014.

Scope of Report: Retail – Portugal and Spain

ASPECT: EVALUATION OF THE SUPPLIERS FOR LABOUR PRACTICES

LA14	Evaluated suppliers based on criteria referring to the labour practices	-	-	
		2013	2014	2015
NON-FOOD RETAIL				
Suppliers (No.)		-	560	572
Domestic		-	146	144
Foreign		-	414	428
Qualified suppliers (No.)		-	225	251
Domestic		-	79	86
Foreign		-	146	165
Total percentage of qualified suppliers (%)		-	40%	44%
Percentage of national qualified suppliers (%)		-	54%	60%
Percentage of foreign qualified suppliers (%)		-	35%	39%
ELECTRONICS				
Suppliers (No.)		-	-	139
Domestic		-	-	5
Foreign		-	-	134
Total No. of qualified suppliers (No.)		-	-	139
Domestic		-	-	5
Foreign		-	-	134
Total percentage of qualified suppliers (%)		-	-	100%
Percentage of national qualified suppliers (%)		-	-	100%
Percentage of foreign qualified suppliers (%)		-	-	100%
FOOD RETAIL				
Suppliers (No.)		-	849	683
Domestic		-	552	465
Foreign		-	297	218
Qualified suppliers (No.)		-	714	573
Domestic		-	442	376
Foreign		-	272	197
Total percentage of qualified suppliers (%)		-	84%	84%
Percentage of national qualified suppliers (%)		-	80%	81%
Percentage of foreign qualified suppliers (%)		-	92%	90%

Note: Indicator reported from 2014, according to GRI-G4 guidelines.

Scope of Report: Retail

INDICATORS OF HUMAN RIGHTS

GRI Indicator	Description	UN Global Compact	Source
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ASPECT: INVESTMENT PRATICES AND PURCHASING PROCEDURES

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 52-55, 62, 98-108

HR1	Investment agreements and contracts with human rights clauses	Principles 1,2 e 6	-
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Supply contracts include a clause requiring the vendor to state the following, 'The vendor shall comply with all standards and legislation applicable to work performed by minors, human rights and the prohibition of discrimination against its employees, for any reason whatsoever'. This clause is included in the following contracts in the retail sector: general supply contracts, supply contracts in the health sector, supply contracts for consumables, wholesale brand supplier contracts and all other standard supply contracts in our system.

Scope of Report: Retail

HR2	Training on policies and practices of Human Rights	Principles 1 e 6	-
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In 2015, a total of 23,508 Retail employees (61% of the total) received training on policies and procedures of the organisation regarding human rights issues. A total of 74,436 hours were dedicated training in this scope.

Scope of Report: Retail

ASPECT: NON-DISCRIMINATION

HR3	Incidents of discrimination and actions taken	Principios 1,2 e 6	-
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In 2015, there weren't any cases of corruption or discrimination at Sonae.

Scope of Report: Retail

ASPECT: FREEDOM OF ASSOCIATION AND THE RIGHT TO COLECTIVE BARGAINING

HR4	Freedom of association and the right to collective bargaining	Principles 1 e 3	-
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There are no activities at Sonae where the right to exercise freedom of association and collective bargaining is under risk.

Scope of Report: Retail



ASPECT: CHILD LABOUR

HR5	Risk for incidents of child labour	Principles 1, 2 e 5	-
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As a matter of policy, no under-age personnel may be recruited. On rare occasions and under strict compliance with the law, personnel between 16 and 18 years old may be recruited.

Scope of Report: Retail

ASPECT: FORCED LABOUR AND SLAVERY

HR6	Risk of occurrence of forced labour and slavery	Principles 1, 2 e 4	-
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At Sonae, there isn't any forced labour. The risks of the value chain are minimized by processes of existing control.

Scope of Report: Retail

ASPECT: EVALUATION

HR9	Operations submitted to evaluations of the human rights	Principles 1 a 7	-
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In 2015, no operation was recorded that had been object of re-evaluations of the Human Rights and/or evaluations of impact in this aspect.

Scope of Report: Retail

ASPECT: EVALUATION OF SUPPLIERS IN HUMAN RIGHTS

HR10 Evaluated suppliers based on criteria related with Human Rights

Principles
1, 2 e 6

-

	2013	2014	2015
NON-FOOD RETAIL			
Suppliers (No.)	-	560	572
Domestic	-	146	144
Foreign	-	414	428
Qualified suppliers (No.)	-	225	251
Domestic	-	79	86
Foreign	-	146	165
Total percentage of qualified suppliers (%)	-	40%	44%
Percentage of national qualified suppliers (%)	-	54%	60%
Percentage of foreign qualified suppliers (%)	-	35%	39%
FOOD RETAIL			
Suppliers (No.)	-	849	683
Domestic	-	552	465
Foreign	-	297	218
Qualified suppliers (No.)	-	714	573
Domestic	-	442	376
Foreign	-	272	197
Total percentage of qualified suppliers (%)	-	84%	84%
Percentage of national qualified suppliers (%)	-	80%	81%
Percentage of foreign qualified suppliers (%)	-	92%	90%
ELECTRONICS			
Suppliers (No.)	-	-	139
Domestic	-	-	5
Foreign	-	-	134
Qualified suppliers (No.)	-	-	139
Domestic	-	-	5
Foreign	-	-	134
Total percentage of qualified suppliers (%)	-	-	100%
Percentage of national qualified suppliers (%)	-	-	100%
Percentage of foreign qualified suppliers (%)	-	-	100%

Note: Indicator reported from 2014, according to GRI-G4 guidelines.

Scope of Report: Retail

INDICADORES SOCIAIS – RESPONSABILIDADE PELO PRODUTO

GRI Indicator	Description	UN Global Compact	Source
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ASPECT: HEALTH AND SAFETY OF THE CUSTOMER

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 47-55, 63-73

PR1	Assessment of the impact of products on health and safety	-	-
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We take into consideration the impact on health and safety of our own-brand products (food, non-food, sport, textiles and electronics) throughout every stage of their life cycle. In terms of electronic products, for example, we carry out product development, packaging and instructions in cooperation with the manufacturer. The entire manufacturing process is subjected to various inspections. In terms of foodstuffs, we carry out R&D on the products, for example, to perfect their nutritional qualities.

Assessment of impact per stage in the life cycle	2015				
	Food	Non food	Textiles	Sports	Electronics
SUPPLIER AUDITS					
Total number of suppliers	683	572	262	191	139
Domestic	465	144	82	23	5
Foreign	218	428	180	168	134
Total number of suppliers audited	572	251	0	0	124
Domestic	375	86	0	0	0
Foreign	197	165	0	0	124
Total percentage of suppliers audited (%)	83.7%	43.9%	0%	0%	89.2%
Percentage of domestic suppliers audited (%)	80.6%	59.7%	0%	0%	0.0%
Percentage of foreign suppliers audited (%)	90.4%	38.6%	0%	0%	92.5%

Assessment of impact per stage in the life cycle	2015				
	Food	Non food	Textiles	Sports	Electronics
Total number of analyses	87,179	9,556	43,886	23,008	703
Internal laboratories	81,929	3,780	37,206	19,268	495
External laboratories	5,250	5,776	6,680	3,740	208
Scope of Report: Retail					

ASPECT: LABELLING OF PRODUCTS AND SERVICES

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 47-55, 58, 65-73

PR3	Labelling of products and services	-	-
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See details about the labels of the own-brand products of the section of the Sustainability Report 2014 "Better Purpose – Responsibility in the own-brand products" pages 55 to 62.

Information in the labelling of the own-brand products – Non-food		2015
Origin of the product or service		Yes
Composition, with special attention to substances that are potentially harmful to the environment or society.		Yes
Safe and correct use of the product or service		Yes
Elimination of the product and underlying environmental and social impacts		Yes
Total No. of categories of products with a specific labelling (No.)		191
Total No. of categories of products (No.)		386
Percentage of categories of products with specific labelling (%)		49
Scope of Report: Retail		

PR5	Customer satisfaction	-	-
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Number of suggestions and complaints registered per brand	2013	2014	2015
Continente	64,943	67,930	48,148
Continente Modelo	-	-	15,409
Continente Bom Dia	-	-	3,294
MD	7,466	6,900	6,632
Zippy	2,237	2,317	2,390
Worten	21,449	16,703	20,964
Vobis	28	-	-
Sport Zone	2,198	6,545	9,454
Well's	4,525	5,223	5,834
Bom Bocado / Bagga	342	382	421
Notel	76	118	146
Loop	1	-	-
Others	893	677	101
Total	104,158	106,795	112,793

Scope of Report: Retail

ASPECT: MARKETING COMMUNICATIONS

PR6 Sales of banished or disputed products

- -

Sonae has endorsed, since 2009, the Food Industry's Commitments on Diet, Physical Activity relative to advertising and marketing directed at children. These commitments, developed by FIPA (Federation of Portuguese Food and Drink Industries) and APAN (Portuguese Association of Advertisers) aim to change the type of foods and drinks advertised via television, press or internet aiming at children under the age of 12.

In addition, Sonae does not sell any type of contested or banished products, in any geographic market in which operates.

Scope of Report: Retail

ASPECT: COMPLIANCE

Disclosure on Management Approach (DMA)

Relatório de Sustentabilidade 2015,
Source Sustainability Report 2015,
pages 47-55, 62, 103-108

PR9 Value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

- -

	2013	2014	2015
Total number of administrative or judicial sanctions for failing to comply with laws or regulations concerning the provision and use of products and services	69	66	33
Total monetary value of significant fines (€)	90,096	130,886	81,676

Scope of Report: Retail

INDICATORS OF SOCIAL PERFORMANCE - SOCIETY

GRI Indicator	Description	UN Global Compact	Source
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ASPECT: COMMUNITY

Disclosure on Management Approach (DMA) Source
Sustainability Report 2015,
pages 52-55, 59, 78-83

S01	Involvement with the local community	Principle 1	-
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Existem The impact and benefits of activities for communities have been measured on numerous occasions. From the moment that it is decided to install a new facility, it is necessary to engage local entities and authorities in order to obtain licences and permits and ensure measures are taken to minimise any negative impact on local communities. During such activities, a wide number of initiatives are developed to support local communities, both centrally and by each brand, promoting well-being and social cohesion in these communities. These initiatives are often carried out in partnership with local authorities. Information on these initiatives, as well as examples will be described in the report (pages. 18-23 e 67-69 of the Sustainability Report 2015).

Note: See indicators EC7 and EC8.

Scope of Report: Retail

ASPECT: CORRUPTION

Disclosure on Management Approach (DMA) Source
Sustainability Report 2015,
pages 47-55, 61-62, 93-98, 103-108

S03	Business units analysed for risks related to corruption	Principle 10	-
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Sonae adopted the international methodology Enterprise Risk Management – Integrated Framework (COSO) to deal with its risk management process. This permits us to identify the various types of risks and threats to business development, both at a strategic and operational level. Since the risk of corruption has not been identified as a business priority, no assessments were conducted in this area. The Code of Conduct and Ethics for the retail sector also takes this risk into consideration, but no situations of this type were reported.

Scope of Report: Retail

S04	Training in anti-corruption procedures and practices	Principle 10	-
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Although the risk of corruption is not considered a priority risk for the business, in 2015 there was training related with the policies and practices of anti-corruption to 2.958 employees, not managers.

Scope of Report: Retail - Portugal

S05	Medidas tomadas em resposta a casos de corrupção	Principle 10	-
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No cases of corruption were recorded in 2015.

Scope of Report: Retail

ASPECT: COMPLIANCE

Disclosure on Management Approach (DMA)

Source
Sustainability Report 2015,
pages 47-55, 62, 103-108

S08	Fines and non-monetary sanctions for non-compliance with laws and regulations	-	-
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2015

Total value of the fines and penalties (€)	1,891 €
Total No. of non-monetary sanctions (No.)	0
Total No. of proceedings filed against the company (No.)	2
Scope of Report: Retail - Portugal	

ASPECT: EVALUATION OF THE SUPPLIERS REGARDING THE IMPACTS IN THE SOCIETY

S09	Evaluated suppliers based on criteria referring to the impacts on society	-	-
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2013 2014 2015

NON-FOOD RETAIL

Total No. of suppliers with D and E qualification (No.)	-	6	12
Domestic	-	0	1
Foreign	-	6	11
Total percentage of suppliers with D and E qualification (%)	-	1%	2%
Percentage of national suppliers with D and E qualification (%)	-	0%	0%
Percentage of foreign suppliers with D and E qualification (%)	-	1%	2%

FOOD RETAIL

Total No. of suppliers with D and E qualification (No.)	-	0	2
Domestic	-	0	2
Foreign	-	0	0
Total percentage of suppliers with D and E qualification (%)	-	0%	1%
Percentage of national suppliers with D and E qualification (%)	-	0%	1%
Percentage of foreign suppliers with D and E qualification (%)	-	0%	0%

ELECTRONICS

Total No. of suppliers with D and E qualification (No.)	-	-	22
Domestic	-	-	0
Foreign	-	-	22
Total percentage of suppliers with D and E qualification (%)	-	-	18%
Percentage of national suppliers with D and E qualification (%)	-	-	0%
Percentage of foreign suppliers with D and E qualification (%)	-	-	18%

Note: Indicator reported from 2014, according to GRI-G4 guidelines.

Scope of Report: Retail



To the board of Directors of
Sonae, SGPS, S.A.

***Independent verification report
of the 2015 Sustainability Report***
(Free translation from the original in Portuguese)

Introduction

In accordance with the request of Sonae, SGPS, S.A. (Sonae), we performed an independent limit assurance of the 'Sustainability Report 2015' (Report). Independent verification was performed according to instructions and criteria established by Sonae, as referred in the Report, and according to the principles and extent described in the Scope below.

Responsibility

Sonae's Board of Directors is responsible for all the information presented in the Report, as well as for the assessment criteria and for the systems and processes supporting information collection, consolidation, validation and reporting. Our responsibility is to conclude on the adequacy of the information, based upon our independent verification standards and agreed reference terms. We do not assume any responsibility over any purpose, people or organization.

Scope

Our procedures were planned and executed using the International Standard on Assurance Engagements 3000 (ISAE 3000) and having the Global Reporting Initiative, version 4 (G4) as reference, in order to obtain a moderate level of assurance on both the performance information reported and the underlying processes and systems. The extent of our procedures, consisting of inquiries, analytical tests and some substantive work, was less significant than in a full audit. Therefore, the level of assurance provided is also lower.

The scope of our verification consisted on information regarding Portugal, for the GRI4 retail indicators presented in the Report and in the document 'GRI Indicators 2015' (included in Sonae's corporate website).

The following procedures were performed:

- (i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the Report;
- (ii) Identify the existence of internal management procedures leading to the implementation of economical, environmental and social policies;
- (iii) Testing the efficiency of process and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned;
- (iv) Confirming, through visits to sites, that operational units follow the instructions on collection, consolidation, validation and reporting of performance indicators;

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- (v) Executing substantive procedures, on a sampling basis, in order to collect sufficient evidence to validate reported information;
- (vi) Comparing financial and economic information with the contents of the 'Financial Statements 2015', audited by the external financial auditor;
- (vii) Analyze of the process for defining the materiality of the issues included in the report, according to methodology described.
- (viii) Verify the existence of data and information required to comply with the G4 version, option 'In Accordance – Core'.

Confidentiality and Independence

Internally, PwC SROC is governed by ethical and deontological rules of confidentiality and independence quite rigid. Thus, in all aspects of our collaboration, the Firm and its employees maintain strict confidentiality of information obtained in the performance of their duties and complete independence regarding the interests of Sonae.

Additionally, we develop our work in line with standard ISAE 3000 independence requirements, including compliance with PwC's independence policies and code of ethics of the International Ethics Standards Board of Accountants (IESBA).

Conclusions

Based on our work described in this report, nothing has come to our attention that causes us to believe that internal control related to the collection, consolidation, validation and reporting of the performance information referred above is not effective, in all material respects.

Based on the assumptions described on the scope, we conclude that the Report includes the data and information required for option 'In Accordance – Core', according to G4.

Lisbon, March 30th, 2016

PricewaterhouseCoopers & Associados, S.R.O.C., Lda.

Represented by:

A handwritten signature in grey ink, appearing to read 'António Brochado'.

António Joaquim Brochado Correia, ROC