



SUSTAINABILITY  
REPORT '18



IMPROVING LIFE



## About this report

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Under the motto “*Sustainability at the core of our DNA*”, the Sustainability Report of Sonae SGPS, SA. (henceforth also known as Sonae or Sonae Group) aims to present the group’s contribution towards sustainable development regarding the economic, environmental and social pillars, and meet the expectations and interests of the different stakeholders.

The report focuses on the period of activity from the 1<sup>st</sup> January to the 31<sup>st</sup> December 2018 of Sonae, Sonae MC, Sonae Sports & Fashion, Worten, Maxmat, Sonae RP, Sonae FS, Sonaecom (which includes Sonae IM and the Media area, among others) and Sonae Sierra.

This report does not consolidate NOS non-financial data, a company in which Sonaecom holds 23.4%, and the Iberian Sports Retail Group (which encompasses SportZone, Sprinter, JD and Size?) in which Sonae Sports & Fashion holds 30%. In relation to Salsa, which is part of Sonae S&F, we only report data from the Spanish market.

As in the previous year, the Report was developed in accordance with the GRI Sustainability Reporting Guidelines (GRI Standards) for the option “In accordance – Core”. The report highlights our performance at the level of the United Nations Global Compact (UNGC) Principles and the Sustainable Development Goals (SDG), in addition to responding to the requirements of the Portuguese Decree-Law no. 89/2017, published on 28<sup>th</sup> July 2017 and to the Spanish law no. 11/2018, published on 28<sup>th</sup> December 2018.

The Report is composed of a central text structured upon the five action axes identified as priority areas, and a chapter about Sonae’s sustainability management model. For each one of the axes, the Group’s performance and some of the initiatives developed are presented. Additionally, the GRI Supplement complements the report presented, explaining the respective indicators.

The information reported in the Sustainability Report 2018 was subject to verification by an external entity – KPMG.

Should you require any further clarification regarding the information published in this Report, please check the website or contact: Catarina Oliveira Fernandes | Head of Communication, Brand and Corporate Responsibility | Email: [catarina.fernandes@sonae.pt](mailto:catarina.fernandes@sonae.pt) | Tel.: +351 220 104 000



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## Message from the Executive Commission

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We live in challenging times, in which people and businesses interconnect and where we are all called upon to contribute to Sustainable Development – a universal, transformative and inclusive agenda, which aims to respond to the diverse and complex questions, but also to the opportunities, which today's world presents.

At Sonae, this challenge is not new, we are highly committed to a long-term vision, and it is written in our DNA the need and urgency to go beyond the economic value generated by our businesses and cooperate to overcome some of the most pressing environmental and social challenges of our time, fostering well-being and development in the communities where we are present, mitigating the risks and minimising the negative impacts arising from our activities.

“The path to sustainable development is long and, therefore, either individually or through interaction with the diverse actors of each value chain, the different businesses of the Sonae universe still have an important path to pave. Our advantage lies in the fact that, knowingly, we aim to lead the way.”

Belmiro de Azevedo

It is a path that we have been pursuing, in a conscious and consistent manner, and in 2018 we challenged all the teams to improve it and, in particular, to identify the areas where we could make a more valuable contribution, considering the nature and relevance of our activity.

In this way, 2018 was a year of reflection and structuring the path we want to pave filled with many ambitions. Thus, on the one hand, we have strengthened the Sustainability Forum, an internal platform for sharing good practices, elevating it to a Consultative Group, with the purpose of giving it more influence in the definition of policies and more weight in the implementation of projects, processes and procedures that are required and able to accelerate, across the whole group, our ever-increasing commitment to sustainable development. On the other hand, we have defined the axes where we will focus our actions: (1) CO<sub>2</sub> and Climate Change, (2) Plastic, (3) Nature and Biodiversity, (4) Inequalities and Inclusive Development and (5) Community Support.

In the 2018 report, we aimed to reflect on our performance and some of our ongoing projects and initiatives, in each of the above-mentioned axes, examples of which are the investment made to change the Group's energy profile; the promotion of the sustainable use of plastic within our own businesses and through contact with consumers; the support to the Hall of Biodiversity; the continuous investment in the development of our people or the support to the community, which this year amounts to around 11M€.

In 2018, we also finalised a loan of 55M€ with the European Investment Bank (EIB) to accomplish a challenging investment plan of 110M€.

As agents of change and drivers of sustainable development, we do so by integrating sustainability into the core of our strategy and activity, creating shared value from the hard work and talent of our teams. We believe that sustainability is not, and should not be, compartmentalised, it is everyone's responsibility through their daily activities. Doing the right thing every day, will make a difference, so that we can continue to write the history of a long-living company.



## 1. Sustainability at the core of our DNA

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We manage a diversified business portfolio in the areas of retail, financial services, technology, shopping centres and telecommunications. As a long-living company, we have a long-term vision of the way we carry out our activities and relate to our stakeholders. Sustainability is a key part of our DNA and, with this in mind, we are committed to contributing to the improvement of the communities in which we operate, working together to overcome the most pressing environmental and social issues of our time.

### **Policies developed and commitments subscribed to by Sonae**

Throughout this path, we would like to highlight some of the principles and commitments to which we subscribe, as well as the internal benchmarks we have developed and that support us in the management of our activity, throughout its different dimensions:


- The United Nations Universal Declaration of Human Rights
- The United Nations Global Compact Principles
- The Paris Pledge for Action
- The European Roundtable of Industrials (ERT) Women's Initiative
- The Letter of Principles of BCSD Portugal
- Sonae's Code of Ethics and Conduct for Employees
- Sonae's Code of Conduct for Suppliers

### 1.1 Sustainability governance model

In 2018, we reviewed our governance model with the aim of strengthening the alignment between the companies that make up the Sonae Group. Therefore, the Sustainability Advisory Group (SAG) emerged from the development of the Sustainability Forum, which had a purpose of knowledge sharing. This change aims to foster the development and adoption of common policies and principles of action, as well as the pursuit of goals and targets, in the priority areas identified.

#### **Goals of the Sustainability Advisory Group:**

- Development of policies and goals common to the whole of the Sonae Group
- Development of policies and the setting of targets for the different companies
- Coordination of Sonae's presence in external forums
- Dissemination of best practices and know-how
- Creation of synergies
- Promotion of sustainability
- Performance monitoring and reporting



In order to ensure the advisory group's mission and goals are fulfilled, we have defined two levels of action: a cross-sectional group of core members who meet quarterly, representing the different Sonae companies and a set of working groups, formed according to the areas to be addressed, which are the following: CO<sub>2</sub> and climate change, nature and biodiversity, plastic, inequalities and inclusive development and community support.

Sonae's Board of Directors oversees the Advisory Group, is responsible for promoting the principles and practices of action, which contribute to the creation of sustainable value by the group and its companies, in addition to approving Sonae's sustainability strategy.

The Holding Company, as the portfolio manager, is responsible for developing and implementing the strategy, ensuring the group's position on sustainability-related issues, promoting compliance with its values, specifically social responsibility, and reporting the group's performance.

The companies that make up the Sustainability Advisory Group are responsible for promoting and integrating the principles of sustainable development into their activity, as well as for developing and adopting the policies and goals considered as priorities, by monitoring and reporting their performance.

## 1.2 Surveys and stakeholder involvement

The management of our activities is based on the principles of sustainable development, whose contribution exceeds the economic value generated by our business, and which stems directly from a set of values and principles that guide the way we operate.

This vision is only possible by establishing long-lasting relationships with our stakeholders. For this purpose, we have implemented tools and processes that allow us to identify and understand our stakeholders' current and future needs and concerns.





**CUSTOMERS AND VISITORS**

Websites  
Call Centres  
Suggestions and Complaints Systems  
Sonae Ombudsman Surveys  
Stores and Shopping Centres



**EMPLOYEES**

Social Climate Survey  
Sonae Ombudsman Surveys  
Intranet News  
Internal Publications  
Knowledge Sharing  
Forums and Groups



**INVESTORS**

General Meetings  
Quarterly Financial Reports  
Response to Specific Questionnaires



**SUPPLIERS**

Suppliers' Portals  
Visits and Audits  
Reciprocal Training Surveys  
Performance Assessment



**REGULATORY AND GOVERNMENTAL ENTITIES**

Participation in various Sector-Specific Associations



**COMMUNITY**

Partnerships with Representative Institutions  
Community Engagement  
Projects  
Surveys



**MEDIA**

Conferences  
Interviews  
Response to specific questions



**SHOP TENANTS**

Written Communications  
Meetings  
Training  
Surveys

In this context, following the organisational changes previously mentioned, in 2018 we reviewed the stakeholder survey process – employees, customers, suppliers, investors/analysts, industry and sector associations and communities – carried out in 2017.

As a result of this analysis, with the aim of integrating Sonae's perspective, the action areas considered as priorities for the group were identified and an internal assessment took place of the 26 issues stakeholders had previously evaluated. These issues were classified according to their importance for Sonae and grouped into three clusters: 1 - issues intrinsic to the principles and values of the group; 2 - matters addressed in the previous cycle and/or a highly integrated within the business; and 3 – areas on which Sonae could have a positive impact through the nature and relevance of its activity.

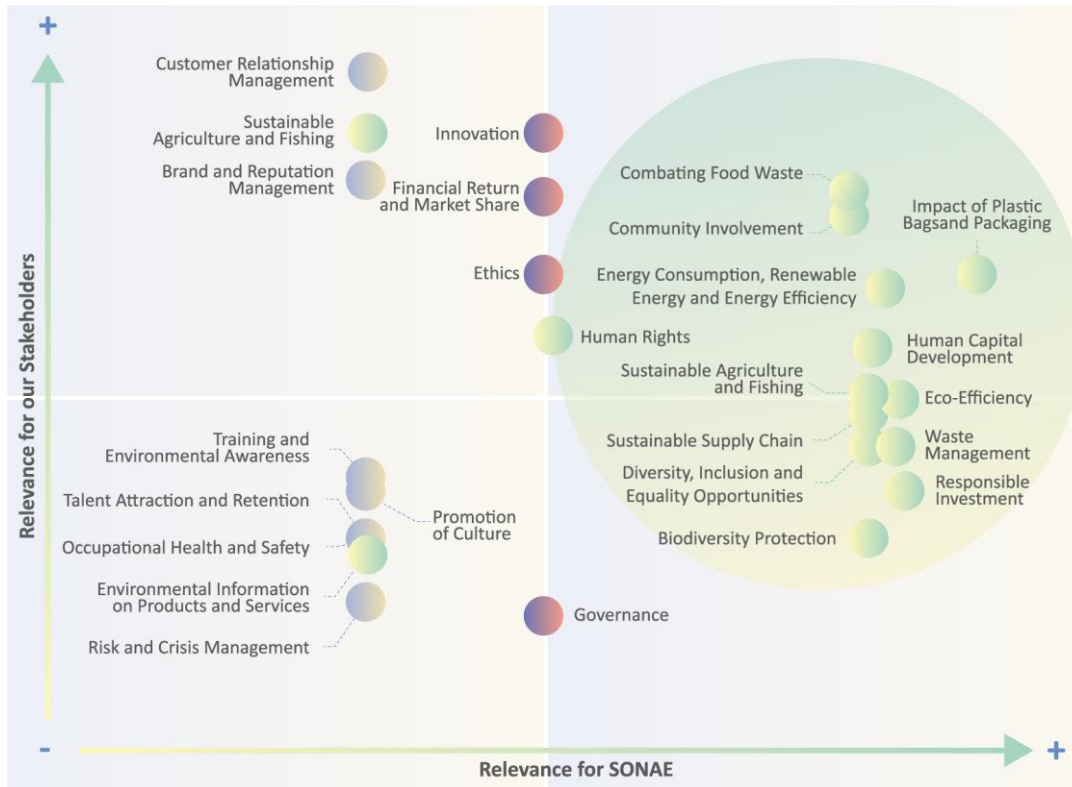
### Organisation of the areas by cluster



Contrasting the priority areas highlighted by the external stakeholders, with the internal perspective (employees and management), a materiality matrix was drawn up. For the first two clusters, this matrix confirms the maturity of the management of these themes in the group and, on the other hand, it highlights the special relevance of 12 out of the 16 issues prioritised by Sonae: Responsible Investment, Sustainable Supply Chain, Human Capital Development, Diversity, Inclusion and Equality Opportunities, Community Involvement, Energy Consumption, Renewable Energy and Energy Efficiency, Eco-efficiency, Biodiversity Protection, Impact of Plastic Bags and Packaging, Waste Management, Combating Food Waste and Sustainable Agriculture and Fishing.



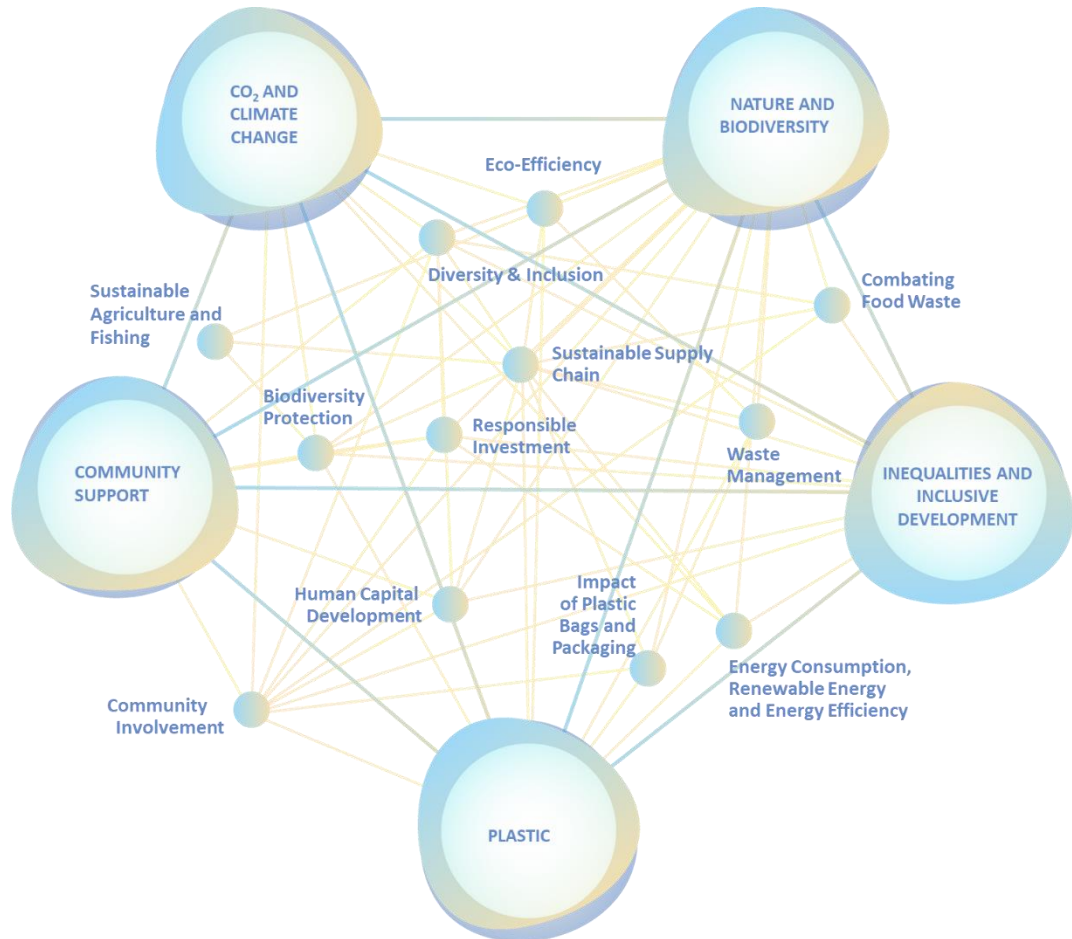
## Materiality matrix



### 1.3 Action axes

Based on the material issues identified, the results of the previous strategic cycle, the areas highlighted at sector level, the commitments subscribed to by Sonae and in line with the United Nations Sustainable Development Goals, we defined the following five action axes, which will guide our activities in building a sustainable future: CO<sub>2</sub> and climate change, nature and biodiversity, plastic, inequalities and inclusive development and community support.

*Improving Life – Our path towards a sustainable future*




We consider the action axes to be a central part of an interconnected and interdependent system, in which material themes are not understood in a strict and compartmentalised way, therefore influencing the different axes directly and in a multidimensional way.

Responsible Investment and Sustainable Supply Chain are considered to be transversal themes, relevant to all the axes because of their impact on management decisions, as they are directly related to the way we invest and how we, together with our suppliers, design and develop processes, products and services following the principles of efficiency and circularity.

From 2019 onwards, these axes will be developed across the whole organisation with the continual definition of policies, principles of action, goals and targets to be achieved by the Sonae companies.

**CO<sub>2</sub> and climate change** – the companies’ activity contributes significantly to climate change – not only through the energy consumption throughout the different stages of the production cycle, but also by the greenhouse gas (GHG) emissions resulting from different activities. For this reason, it is fundamental to develop efforts to limit the



average increase in temperature between 2° and 1.5°C, in line with the commitment we made when we signed the Paris Pledge for Action<sup>1</sup>.

**Nature and biodiversity** – the dependence of organisations on natural capital and the consequent impact (direct and indirect) underlying this and/or the potential habitat change leads us to consider issues related to protecting biodiversity, promoting sustainable agriculture and fishing, combating pollution, in addition to the dimensions of sustainable consumption, responsible production processes, the preservation of ecosystems such as forests or, the promotion of a deeper understanding of this topic in the community as relevant.

**Plastic** - considering the role that plastic plays in today's society, we understand the enormous environmental challenge it represents - namely, the high consumption of single-use plastics and the inefficiency of recycling policies. Given the nature of our activities, we consider it urgent to work together to promote more sustainable production, logistics and consumption processes.

**Inequalities and inclusive development** - are one of the most urgent social challenges of our time and one to which we can contribute in different ways. As a reference employer, we have an important role to play in creating qualified employment, implementing development policies for our people or promoting diversity in its various forms. In terms of community, we see education as an important and powerful tool to combat inequalities and develop a more non-discriminatory and inclusive society.

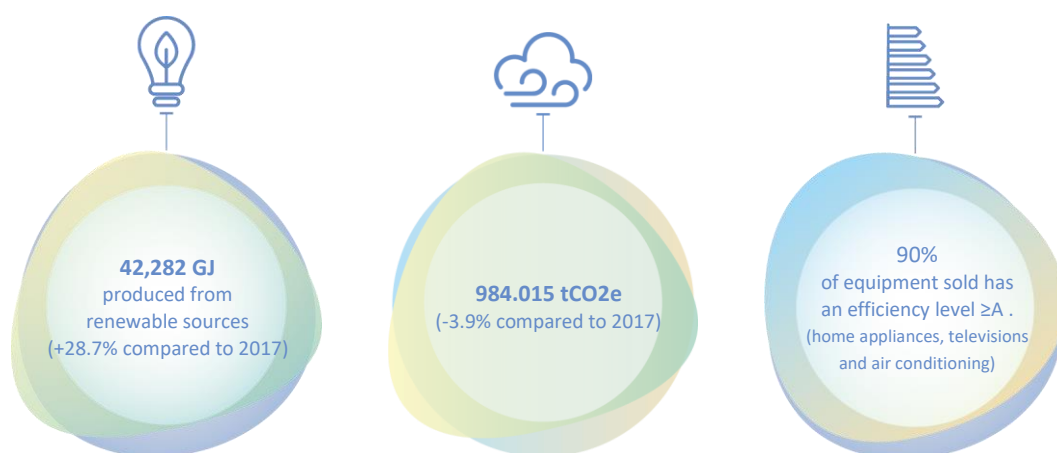
**Community support** – the support, in an integrated and sustained way, to the community is a legacy of Sonae's culture, present across the entire group. Within the framework of our activities, we aim to increase the resilience and autonomy of the communities in which we operate, contributing to the elimination of poverty in all its different forms. This axis, therefore, is intrinsically linked to the former axis, considering that we aim to enhance the impact of our action, in favour of more empowered and resilient communities.

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<sup>1</sup> In 2015, Sonae joined the list of companies that signed the Paris Pledge for Action - this initiative, within the scope of the Paris Climate Summit (COP21), aims to protect the planet from climate change and establishes a commitment by businesses to keep the increase in global average temperature to well below 2°C above pre-industrial levels.

## 2. CO2 and climate change

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Combating climate change is a central topic in the Sonae Group's sustainable development agenda. We believe that the companies can and should play an important role in this regard. Our support is clearly demonstrated through our endorsement of the Paris Pledge for Action and, internally, we launched a working group whose mission is to map Sonae's response to this commitment, based on best known practices and trends. A second group was also created to assess the risk that climate change represents for our different businesses.

Nevertheless, we have a long history of climate change action, a path that our companies have paved in order to improve their carbon footprint. Several initiatives have been implemented to promote eco-efficiency, as detailed in the examples provided below. In addition, we have increased our investment in renewable energy production systems.

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### Investment in renewable energy

The installation of photovoltaic plants is part of an integrated effort to improve our environmental and energy performance, which also includes the installation of more efficient equipment in terms of cold production systems, electricity and air conditioning.

Currently, the retail structure (stores and warehouses) is partially powered by 141 photovoltaic plants, which represents an increase of 20 units compared to 2017. This investment allowed us to reduce the energy dependence of our facilities, generating energy savings of around 20% per unit, depending on the installed area and the period of sun exposure.

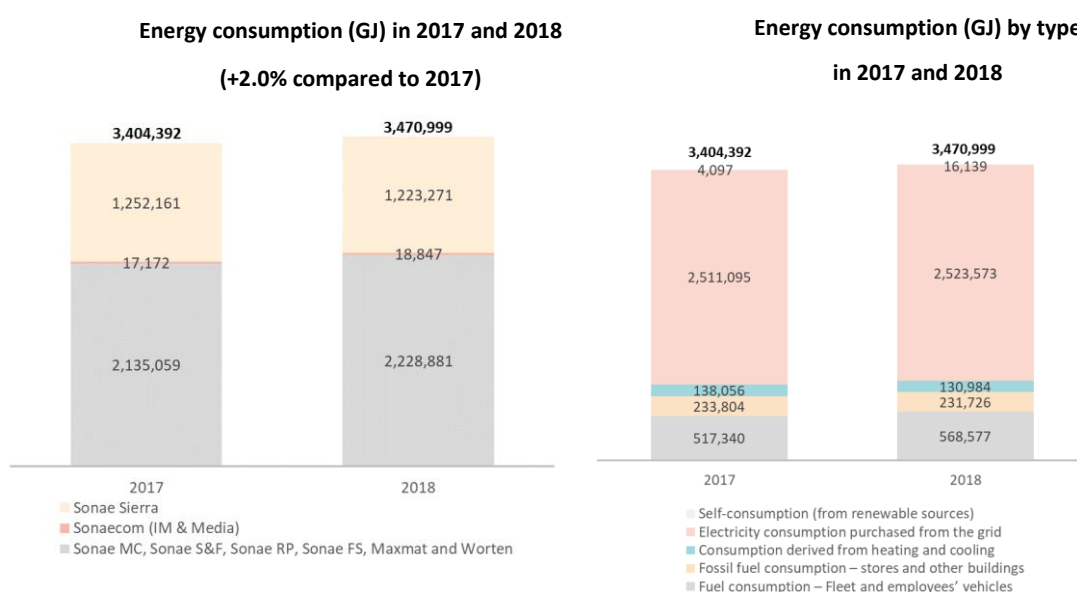
In 2018, the accumulated production of energy from renewable sources was 42,282 GJ (28.7% more than in 2017), of which 38.2% were channelled for self-consumption, and the remaining 61.8% sold to into the public grid. All in all, this production allowed the potential emission of 5,520 tCO2e to be avoided.

Following a pilot study carried out in the last year to test the feasibility of installing photovoltaic panels in four assets in Portugal, in 2019, Sonae Sierra is planning to install the first system in Maia Shopping.

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## 2.1 Energy performance

In 2018, the total energy consumption of our companies was 3,470,999 GJ, which represented an increase of 2.0% in relation to the previous year due to the extension of the scope of this indicator to the retail activity in Spain, which makes the number not entirely comparable. In the similar scope, we recorded a slight reduction (1%) in comparison to 2017. This figure, considering the widened scope, includes 2,539,711 GJ of electricity and 800,303 GJ of fuels, which represents 73.2% and 22.6% of the energy consumption, respectively. It is worth noting that 16,139 GJ of the consumed energy during the year comes from the production of energy from renewable sources. Although it still represents a small share of the energy consumed (0.5%), this is an increase of 294% since the previous year, as a result of the previously mentioned investment.



At Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten the energy consumption shows an increase of 4.4%, as a result of extending the scope of this indicator to the activity in Spain in 2018, otherwise it would have remained almost unchanged (-0.3%).

The majority (74.7%) relates to electricity (1,665,647 GJ), with an increase of 2.4% for the above-mentioned reasons. Considering the comparable scope, it would show a reduction of 1.4% when compared to 2017. Despite organic growth, this decrease reflects our continued investment in projects and measures to promote energy efficiency, such as the installation of more efficient equipment and systems, LED lighting, installation of doors on refrigeration equipment, implementation of counters equipped with telemetry or audits of stores with lower energy performance. In addition, energy efficiency measures such as power adjustments and LED lighting have been implemented in the Spanish activity.

In terms of fuels, this universe of Portuguese and Spanish companies was responsible for the consumption of 563,234 GJ (+10.6% compared to 2017<sup>2</sup>). Looking towards minimising the impact of the increased logistics activity, we have been developing a set of projects aimed at optimising the routes by reducing the distances covered, increasing the

<sup>2</sup>In addition to the inclusion of the Spanish retail activity in 2018, it should be noted that the value of the natural gas consumption that contributes to the total consumption of fuels is not directly comparable with the total value of 2017, as the scope of 2018 of this indicator in Portugal is wider, as it includes warehouses in addition to stores.

load capacity and the number of deliveries per km travelled. In addition, we have worked with suppliers to improve the eco-efficiency of the vehicles they use. By the end of 2018, 84% of the vehicles used complied with the Euro 6<sup>3</sup> Standard (representing a 12% increase from 2017); and the remaining 16% complied with the Euro 5 Standard.

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### Backhauling Project

Through this initiative, Sonae MC's logistics department provides its suppliers with a transportation service, along the routes that our trucks would otherwise travel back empty, after completing the last store delivery. Thus, we attain a significant reduction of routes travelled with empty trucks, both of our stores' supply fleet (upon return after the last delivery) and our suppliers' fleet after delivery at our warehouse.

In 2018, this project covered 40 suppliers (+14% when compared to the previous year) and resulted in a net saving of 1,801,480 km from our suppliers (+ 222% when compared to 2017) and 1,380 tonnes of avoided CO<sub>2</sub>e emissions.

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The energy consumption at Sonaecom (Sonae IM & Media) grew by 10% over 2017. It was particularly aggravated by the significant increase in electricity consumption (+23% compared to the previous year). This variation is explained by the inclusion of new buildings in the scope of the report, when compared to 2017. As we are particularly sensitive to the issue, the company has been implementing several measures at its facilities in order to minimise energy loss and to increase the thermal performance of buildings. In terms of fuels, there was an increase of 4.3% over the previous year to 12,835 GJ.

On the other hand, Sonae Sierra recorded a total reduction in energy consumption of 2% when compared to the previous year, with reductions of 2% in both electricity and fuel consumption and 5% in consumption derived from heating and cooling.

The Bright programme, effective since 2013, has enabled the identification and implementation of various energy efficiency measures in Sonae Sierra's shopping centres by monitoring the electricity consumption of buildings and comparing them with an optimised virtual model. To date, the programme has allowed Sonae to identify 250 optimising measures, 76% of which were implemented in 28 of its shopping centres. With a total investment of 2.3 million euros, the implemented measures allow Sonae Sierra a reduction of electricity consumption of 19,100 MWh annually (approximately 11% of its annual consumption) and 2.4 million euros in costs. This corresponds to reductions in carbon dioxide emissions equivalent to 13% of Sonae Sierra's footprint in 2018 (Scope 1 and 2 based on average network emission factors). The remaining measures to be implemented will save 1.2 million euros in costs and around 8,700 MWh annually. This project was once again recognised and in 2018 won the Silver Stevie® Award, in the "Energy Industry Innovation of the Year" category at the 15<sup>th</sup> Annual International Business Awards®, one of the largest business recognition programmes in the world.



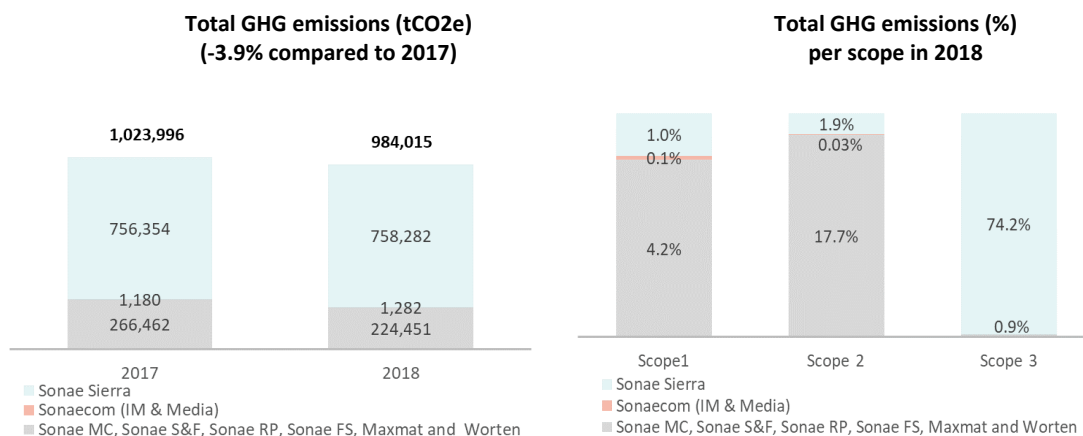
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<sup>3</sup> The Euro standards establish the rules for the exhaust emissions of cars sold in the countries of the European Union, defining the maximum limits for exhaust emissions of road vehicles. The Euro 6 is the latest standard and applies to all vehicles registered as of September 1<sup>st</sup>, 2015 included.



## 2.2 Carbon footprint

In 2018, considering the wider reporting scope, Sonae companies emitted 984,015 tCO<sub>2</sub>e, a reduction of 3.9% in comparison to the previous year. This figure corresponds to 52,459 tCO<sub>2</sub>e of Scope 1 emissions (5.3%), 192,794 tCO<sub>2</sub>e of Scope 2 emissions (19.6%) and, lastly, 738,762 tCO<sub>2</sub>e of Scope 3 emissions (75.1% of the total carbon footprint).



The Scope 1 emissions recorded an increase of 4.2%, as a result of extending the scope, otherwise it would have decreased 1.2%. Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten's activity is largely responsible for this type of emission, mainly associated with fuel consumption, representing 4.2% of total emissions.


Furthermore, concerning Scope 2, mainly related to the consumption of electricity, the emissions from retail activity stand out with a combined 17.7% of the total emissions of the group. Overall, this scope was significantly reduced compared to 2017 (-21.1%), which is mainly associated with the reduction of electricity consumption from the public grid and the reduction of the emission factor of this type of emission.

It should be noted that most of the emissions come from Scope 3, where Sonae Sierra's activities carry a weight of 74.2% in the total volume of emissions. This result is essentially due to the broader scope of this business unit compared to the rest, where 61.3% of total emissions from the Sonae companies are emissions associated with the different means of transport used by visitors to reach Sonae Sierra's shopping centres. Although there is no direct control over these Scope 3 emissions, Sonae Sierra continues to raise their tenant's awareness of good environmental management practices. They are also developing better access to many of their shopping centres, encouraging the use of public transport and promoting the use of bicycles, by ensuring the existence of suitable bicycle parking facilities.

### Accounting for emissions along the value chain

In many sectors of activity, most greenhouse gas emissions do not occur during direct operations, but outside of the organisation's own walls: in the supply chain and in the use of products and services. In the telecommunications sector, these indirect emissions represent, on average, about 80% of the total carbon footprint.

NOS already includes and reports emissions from its own activities (Scope 1 and Scope 2 emissions), in addition to some sources of indirect emissions (Scope 3 emissions), such as the pendulum movements of its employees, the commute between home and work, or the treatment of the waste produced. In order to increase the capacity to



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induce emission reductions throughout the value chain, in 2018, NOS developed a roadmap to expand the scope of accounting for its carbon footprint.

Based on the methodology of the GHG Protocol, they identified the categories of indirect emissions most relevant to their activity, through criteria such as the estimated size of each category, the ability to influence its reduction, the level of risk exposure involved, the importance to its stakeholders and the practices of reference counterparts.

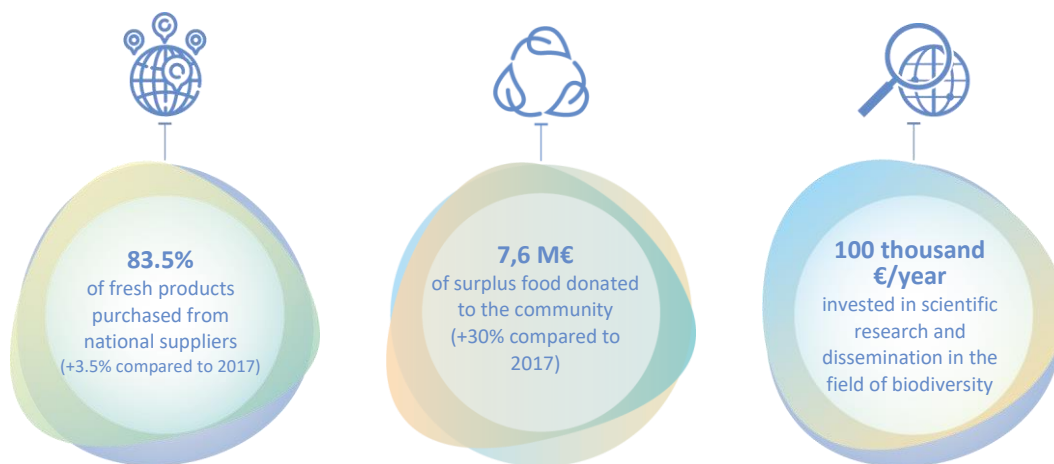
The next step was to define the accounting methodology to be applied to each of the material categories. In the case of activities carried out by third parties, access to primary data is limited, so it was necessary to establish approaches based on the application of emission reference values by economic value (e.g., for the acquisition of goods and services) or by physical unit (e.g., for the energy consumption in customers' equipment).

This exercise enabled us to conclude that the most relevant indirect emissions for NOS are associated with the production of the goods and services purchased (telecommunications network equipment, equipment placed with clients and interconnection services with other operators) and the use of products and services (energy consumption in mobile terminals, landlines, the set-up of TV boxes, customers' routers or modems). Taking second place, in terms of relevance are the emissions associated with the network of stores operated by agents, the logistics and distribution activities carried out by third parties and the use of shared technical infrastructure with other operators.

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### 3. Nature and biodiversity

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A significant part of our activity is focused on retail. Considering that together with the agricultural sector and food processing companies, retailers have a significant impact on biodiversity<sup>4</sup>, we are strongly committed to minimising the negative effects that the products we sell could have on nature. For this reason, together with our suppliers and partners, we have been developing a set of initiatives that foster the creation of responsible supply networks, contributing to the protection of ecosystems and the preservation of natural resources. We are also concerned with promoting sustainable consumption patterns to our customers, not only through information and awareness raising actions, but also through the provision of more products and services with a lower environmental and social footprint.

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#### Sonae becomes a patron of the University of Porto's Hall of Biodiversity

Sonae and the University of Porto, through the Hall of Biodiversity, celebrated the founding of a sponsorship programme to encourage the promotion, development and dissemination of scientific research in the field of biodiversity. Therefore, we recognise the importance of developing the understanding of this issue within the community, stimulating dialogue between the academia and society, and raising their awareness of the importance of biodiversity conservation. Through this sponsorship, Sonae will invest 300 thousand euros over the next 3 years.



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<sup>4</sup> Source: Lake Constance Foundation (2018) Recommendations. The "LIFE Food & Biodiversity – Biodiversity in Standards and Labels for the Food Industry" project.

### 3.1 The creation of sustainable supply networks

The Continent Producers Club (CPC) was founded in 1998, with the aim of supporting national agri-food production through the sharing of Sonae's knowledge with producers. Today, its mission, still based on knowledge sharing, also involves strengthening strategic partnerships with producers who guarantee the availability in Continente stores of products of national origin of quality and that are innovative and increasingly sustainable.



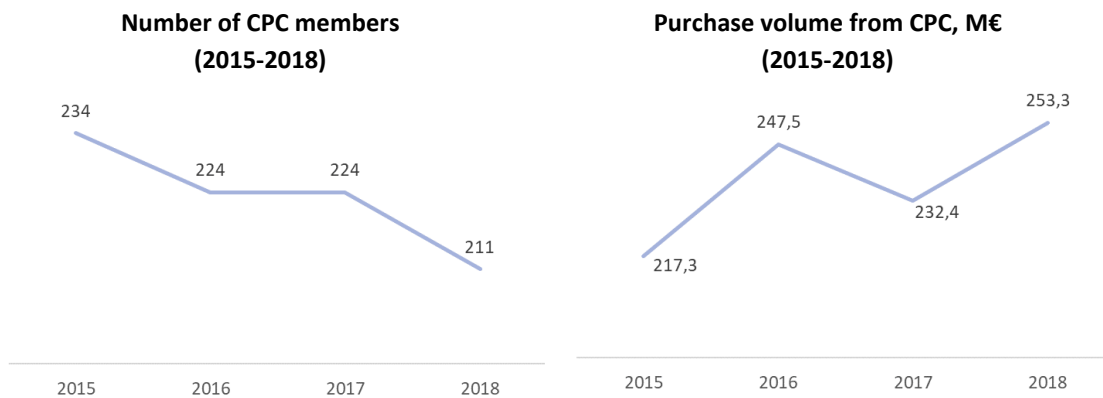
Focused on national production, innovation and the training of producers, CPC provides technical support to its members and recognises them through an integrated certification system. Understanding the Club's responsibility in terms of Production, and with sustainability as one of its focal areas, in 2018, a review of this system was carried out, with a view to optimising and using more stringent agri-food standards, including not only food quality and safety criteria, but also environmental, social responsibility and animal welfare criteria.

In 2016, the CPC Scientific Council was formed and made up of researchers from national and foreign universities, through which a closer relationship between producers, academia and research centres is nurtured, thereby ensuring they have access to scientific and technical support. In this context and by way of example, in partnership with the *Instituto Superior Técnico*, the Club is part of the Food and Biodiversity project, whose main objective is to include biodiversity criteria into the certification, brands and labels of the agri-food sector.

In 2018, several sector meetings were held, with representatives of the Scientific Council, Sonae's Commercial Management Teams and the CPC members. These meetings involve knowledge sharing and the identification of opportunities and challenges that make a valuable contribution to national production and Continente's supply.

It is worth highlighting the 1<sup>st</sup> Meeting of the Scientific Council under the topic "Sustainable Production and Consumption" (goal no. 12 of the Sustainable Development Goals), and that was attended by all the producers of the Club, members of the Scientific Council, Sonae teams, *Associação Zero* and a representative of the UN.

In 2018, the volume of purchases from the CPC members increased when compared to 2017, representing 23.1% of the value of fresh product purchases (33.1% in volume). It should also be noted that 83.5% of the value of Continente's fresh product purchases is from national suppliers.



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### Cereals of 100% national origin

Sonae MC has signed a pioneering and unprecedented supply agreement with six cereal operators, which involves the purchase of three thousand tonnes of Portuguese wheat. This step will ensure that all wheat bread produced in stores is of 100% national origin. A partnership that represents an important incentive for the relaunch of cereal production in Portugal.

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Aware of the importance of the sustainable management of marine resources<sup>5</sup>, over the years, we have been implementing several measures that aim to minimise the impacts of fishing activities on marine biodiversity and promote the adoption of sustainable fishing practices, taking into consideration a set of guidelines that encourage the protection of ecosystems.

In order to more easily assess the sustainability level of the products we sell, Sonae MC developed the Traffic Light System (TLS). From the use of this tool, the red, yellow, blue or green colour is assigned according to the fishing method used<sup>6</sup>, thus simplifying the survey of the main fishing practices. Priority is given to suppliers that use fishing methods with a lower impact on species and ecosystems.



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### Partnerships to promote sustainable consumption

Retailers play a central role in the transition to a more sustainable consumption model, not only because of their ability to influence the supply chain, but also because of their close interaction with a significant part of the population. Throughout 2018, we developed and participated in several initiatives with this objective in mind, among which we would like to highlight the following:

**Cities and the Circular Economy for Food:** Sonae MC joined the Ellen MacArthur Foundation's study on the transition of urban food systems towards a circular model. It outlined the main challenges to be addressed and the main areas of action to be developed, namely: sourcing food grown regeneratively and locally, where appropriate; making the most of food; and designing and marketing food products that are not only healthy from a nutritional point of view, but also in the way they are produced. Porto is one of the four focus cities where an in-depth analysis was carried out, along with Brussels, Guelph and São Paulo.

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<sup>5</sup> For further information see our [Sustainable Fishing Policy](#).

<sup>6</sup> Key: Green = The use of fishing methods that pose little risk to the species; Blue = Aquaculture; Yellow = There are some problems associated with the fishing methods used; Red = The fishing methods used are harmful to other species/habitats.

**The Food Wheel:** Sonae MC has launched an integrated communication platform that aims to raise consumer's awareness of the topics related to a healthy lifestyle and eating habits. With the support of a team of experts, content for different media channels (TV, Blog and Social Media) was created. Every month, the project focuses on a different topic that is presented to demystify the myths surrounding it, providing reliable information, showing the origin of food and products brought to the table, sharing lessons about cooking it and presenting quick and simple tricks for everyday life.

**Troca por Troca - We plant a tree for each piece of used equipment:** the campaign carried out in Portugal and Spain by Worten appealed to its customers to bring their old electrical and electronic equipment to the stores, guaranteeing that all the appliances delivered in store or collected from homes would be converted into trees to plant in the areas affected by the fires in the Iberian Peninsula, in 2017. To date, this initiative has resulted in the planting of 4,100 trees (arbutus unedo, oak and tilia trees) in Oliveira do Hospital and in Málaga.

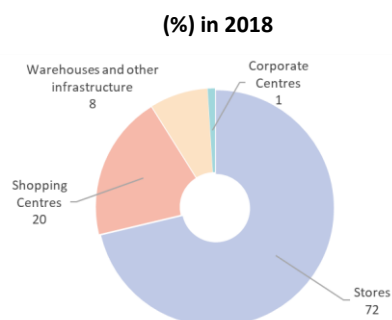
### 3.2 Reduction of the environmental impact of our businesses

Furthermore, we have invested significantly in the continuous improvement of Sonae's environmental management, aiming to minimise the impact of our activities on the environment. In order to do so, we are determined to ensure the efficient use of our resources, optimising water and energy consumption, and minimising GHG (greenhouse gas) emissions, without neglecting the effective management of the waste generated.

Continuous improvement in environmental management is guaranteed through the Environmental Certification Programme, according to the international standard NP EN ISO 14001:2015. The implementation of this programme allows us to minimise our environmental impact, improve our infrastructure and strengthen our compliance to legal obligations from an environmental perspective.

By the end of 2018, Sonae MC and Worten had 81 units certified according to the NP EN ISO 14001:2015, mostly stores: 51 Continente and 21 Worten. Sonae Sierra has 44% (20) of its operational shopping centres certified and, to date, 26 development projects certified according to the same standard.

**Environmental certification by type of infrastructure**



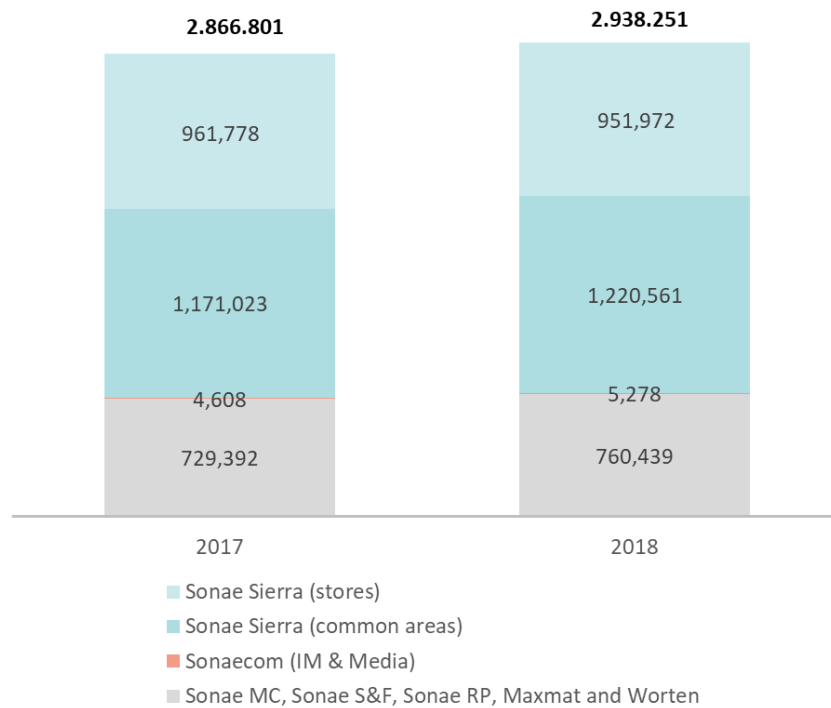
The Sonae Group of companies are committed to reducing their water footprint, enhancing the efficiency of their operations, innovating and using technology to rethink the way water is used and managed throughout their infrastructure.



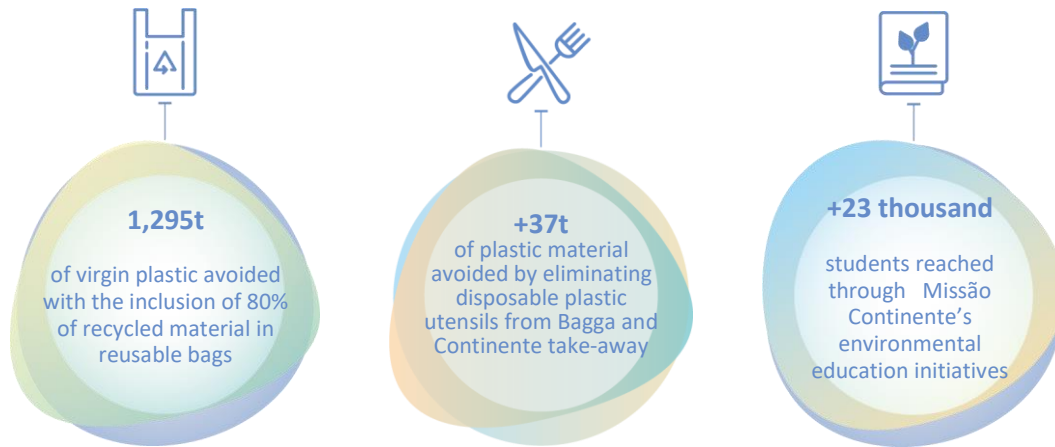
In 2018, Sonae companies consumed 2,938,251m<sup>3</sup> of water, showing an increase of 2.5%, due to observed growth in the activity in Portugal and also because of extending the scope of this indicator to the activity in Spain in 2018.

Despite this growth, the consumption ratios by store area, in the case of Sonae MC, or by common area, in the case of Sonae Sierra, show an improvement in terms of efficiency, with the consumption ratios per m<sup>2</sup> decreasing in Sonae MC, or remaining the same, in Sonae Sierra. The decline seen in Sonae MC is due to the progressive installation of meters equipped with telemetry, which allow consumption monitoring. 72% of the consumed water resources come from the public supply networks. Additionally, it should be noted that in the case of Sonae Sierra, 12% of the consumed water (excluding tenants) is reused or recycled.

**Total water consumption (m<sup>3</sup>) in 2017 and 2018**  
**(+2.5% compared to 2017)**



## 4. Plastic



In recent years, we have witnessed a global movement focused on reducing plastic consumption, particularly single-use plastic. Due to the very nature and relevance of a significant part of our activity, in which we are in direct contact with producers, operators and consumers, considering the efforts we have been putting in rethinking and redesigning our processes, products and services in relation to circularity, we consider that we play a crucial role in responding to this challenge.


With this in mind, our focus will be on: identifying and reducing the amount of plastic we use in our operations and in our products, strengthening the principles of circularity in our actions, replacing plastic with alternative materials with less environmental impact, and raising communities' awareness of the responsible use of plastic by promoting behaviours that fosters the reduction, reuse, repair and recycling of plastic.

We believe that these goals will contribute not only to reduce the consumption of single-use plastic, but also of other materials, in particular regarding the packaging of the products we distribute and concerning secondary packaging.

### 4.1 Rethinking the use of plastic

In 2018, we developed a diversified set of actions aimed at reducing plastic consumption, in particular by reducing its use in the packaging of our own brand products and the introduction of recycled raw materials. These measures are being gradually implemented by the different companies in their various areas - operational processes, central structures, warehouses, consumables and own brand products.

Due to its volume (more than 50 million units per year) at Sonae MC, we would like to highlight the introduction of polyethylene (PE) plastic bags, made up of 80% recycled material, in both the stores and for online deliveries. Furthermore, in 2018, Sonae S&F through its Zippy stores, and MO, in 2019, decided to end the use of plastic bags, replacing them with paper bags.



Regarding the packaging of our own brand products, we have been introducing a number of changes aiming at reducing their environmental footprint. As an example, Worten reduced the plastic packaging of Goodis headphones by 50% using cardboard instead, and Kunft began to use kraft packaging with only a small printed area and no plastic film around it.

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#### **Project YPACK:**

Under the motto Fighting Food Waste & Plastics, this project aims to develop a new generation of biodegradable packaging that simultaneously increases the shelf-life of critical products. The consortium responsible for the project encompasses a wide range of partners including Sonae MC, the University of Minho, Lisbon's Nova University, INL Laboratories, Linpac and others. Sonae MC is leading the work package in relation to the approval of the prototype and in 2019 will test these new types of packaging on a range of products, namely on the *Panana* (banana cakes) – one of the circular economy items developed by the company.

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While working on innovative solutions for alternative materials, in some products Sonae MC has been, in parallel, replacing plastic packaging with cardboard (e.g., Boost and Mainstream lamps) or reducing the amount of plastic used, such as in the case of Boost batteries (a decrease of more than 70%). In the last year, it should also be noted that the cuvettes used for the products available at the meat counters have increased the inclusion of recycled material to 50%.

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#### **Deeply eco-friendly wetsuits:**

The wetsuits are developed with ecological neoprene (85%) and with a reduced amount of synthetic rubber (15%), in this case chlorine-free. Naturalprene allows natural neoprene to be made from natural rubber which comes from plants and glued with an ecologically solvent-free and chemical-free water-based product. Deeply also uses other environmentally friendly technologies in its products, such as neoprene based on natural limestone minerals, eco carbon black (resulting from the reuse of car tires), which significantly reduces energy consumption and CO<sup>2</sup> emissions of 200g per suit, and aqua tack (TM), a solvent-free and completely water-based glue, eliminating harmful volatile organic compounds (VOCs).

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It is also worth highlighting that in terms of operations, the Bagga coffee shops and Continente take-away sections have eliminated disposable plastic dishes (stirrers, cutlery, plates, water and teacups), which will reduce consumption by more than 37 tonnes/year. We will also have an annual saving of around 72 tonnes by reducing the thickness of films used in logistics operations.

In addition, Sonae S&F is developing a set of guidelines aimed at reducing the number of labels used and the plastic used in the packaging of its products.

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## Promoting sustainable behaviour

Our action also extends downstream through the promotion of the conscious use of plastic and our management of the waste generated by our activities.

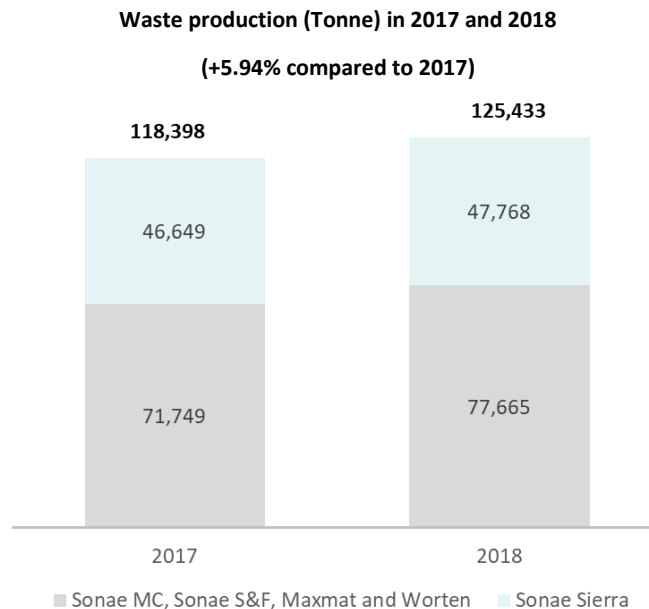
**Corporate Offices:** plastic cups for drinking water and coffee have been eliminated in our offices, as was the case with SportZone, which celebrated the World Nature Conservation Day by offering its employees sports water bottles and glass cups for coffee, thus reducing the need to use plastic for this purpose. Worten and Sonae MC have introduced changes of the same nature.

**Escola Missão Continente:** in the 2018/2019 academic year, reached 23,939 students in 273 schools, with the challenge of involving the entire educational community in reducing the use of plastic. This programme focuses on learning through didactic activities, the distribution of recreational materials, field trips and challenges, which will encourage the community to think and act on these and other topics. In this way, we aim to develop a multidisciplinary initiative capable of involving students, teachers, helpers and parents in becoming aware of our excessive use of plastic - how we use it, what we do with it after using it, how we can give it a new life, reducing and making its use more conscious – educating students so that they too can become agents of change.

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## 4.2 Responsible Waste Management

In 2018, Sonae produced 125,433 t of waste (+5.94% year-on-year) in line with the increase in its activity and as a result of extending the scope of the report, 61.2% of which is due to retail operation.

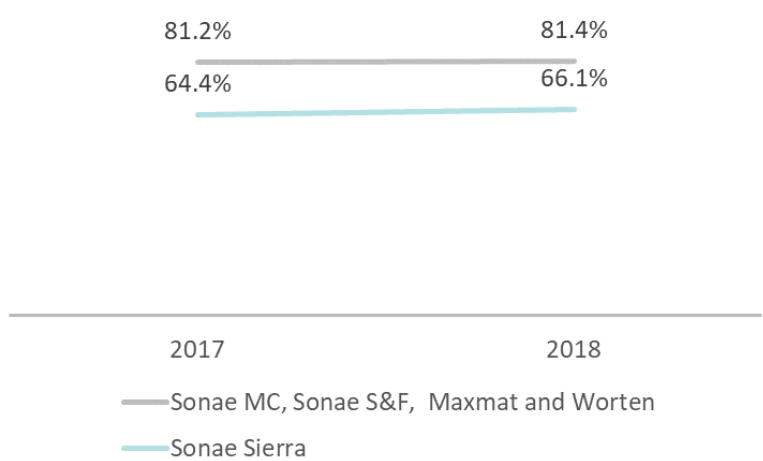


During the year, Sonae MC, Sonae S&F, Maxmat and Worten, in Portugal and Spain, were responsible for the total production of 77,662 t of waste (+8.2% year-on-year). They recorded a recovery rate of 81.4% (+0.3% year-on-year) of the waste produced, of which 63,248 t were recovered and 14,414 t were disposed.

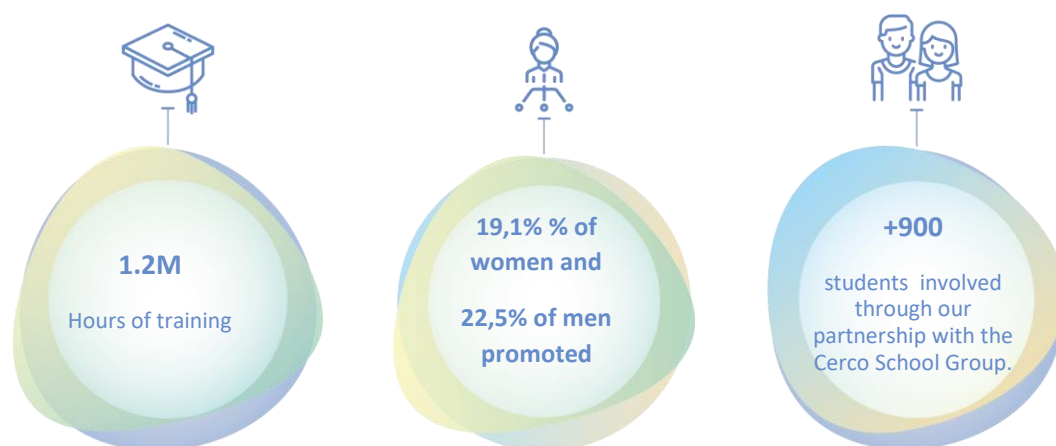
In 2018, Sonae Sierra had a 2.4% increase in the production of waste resulting from the activity of its shopping centres and corporate offices, from which 47,768 t, corresponding to 66.1% of this waste was sent for recycling, composting or anaerobic digestion.

In terms of promoting recycling, in the retail area we have recycling bins in the car parks of our stores, so that our customers can exercise their environmental citizenship options in a more comfortable way, taking advantage of their trips to these areas. On the other hand, Continente Online has implemented a return process, ensuring that the bags returned by customers are recycled.

**Recovery rate (%) in 2017 and 2018**



## 5. Inequalities and inclusive development



We see inequalities as one of the most complex and urgent social challenges of our time. We believe that it is through education that a fairer, non-discriminatory and inclusive society can be built.

In order to bring the benefits of progress to an ever-increasing number of people, we take on the responsibility of addressing this challenge, internally and externally, and the commitment to play an active role in reducing inequalities in the communities in which we operate.

### 5.1 Promoting a diverse and inclusive organisation

It is our ambition to be a diverse and inclusive organisation, able to attract, integrate and develop people with different profiles and experiences. In this sense, we work continuously to provide the best context to develop our teams' skills and for them to reach their full potential, in a safe and fair working environment, where everyone's contribution is valued. We are convinced that only in this way, based on this wealth of profiles, we will be able to respond to the current and future challenges of our business and of society in general.

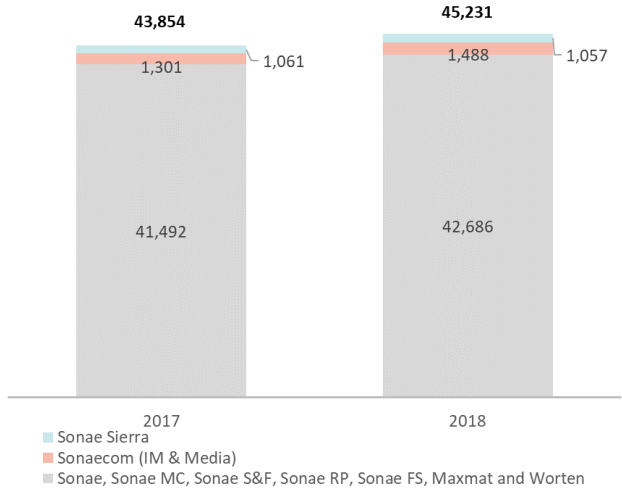
With this in mind, we have undertaken a commitment to promote diversity in its different dimensions, particularly in relation to age, gender, qualifications or previous professional experience. Some of the guidelines considered when promoting diversity are that during the recruitment process, we always recommend to recruiters to create a balanced short-list in terms of gender representation and to pay attention to the composition of the teams, avoiding homogenous teams. In addition, we monitor performance appraisals, promotions, salary reviews and resignations, in order to guarantee the fair management of these processes in terms of equality and non-discrimination.

At the end of 2018 we employed 45,231 people, 3.1% more than in 2017, of which 65% are women and 35% are men. This increase is justified by the expansion of the group's various businesses. Of these, 70% are permanent employees, this proportion remained relatively stable compared to 2017. Most of the employees (92%) are in Portugal. The remaining, 5.5% are located in Spain, a trend that remains stable in comparison to previous years, and 2.5% are situated in other geographic areas.

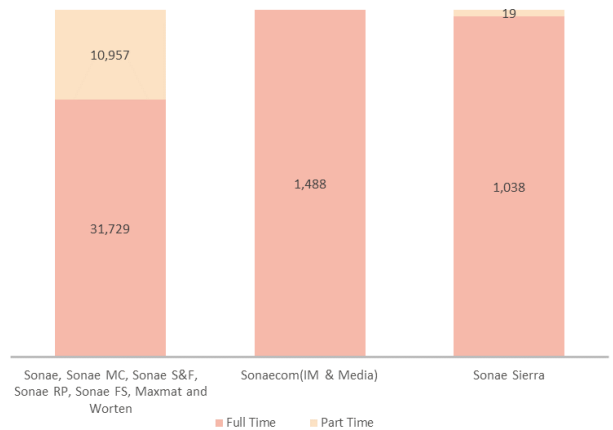


**Nº. of employees in 2017 and 2018**

**(+3.1% compared to 2017)**



**Nº. of employees by type of job in 2018**



**Sonae strengthens women's representation in top leadership positions**

Sonae is among the European companies with the highest percentage of women in leadership positions, according to the analysis presented by the European Roundtable of Industrialists (ERT). By the end of 2018, 32.4% of Sonae's leadership positions were held by women. Sonae intends to continue to strengthen this performance, with the goal set to ensure that by 2020, 30% of the Top Management positions of the group are filled by women. The increased representation of women in top positions in Sonae is already visible at the level of Sonae's Board of Directors and Supervisory Board, where today one in every four members is female, which represents a significant increase compared to 2013.

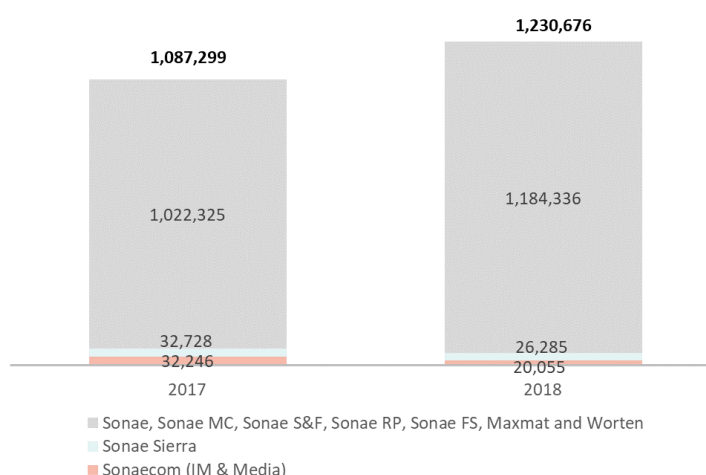
## 5.2 Development of our people

We promote a meritocratic culture, where a differentiated performance and the contribution of our employees is supported through recognition processes and tools. Sonae's performance management model - Improving Our People - promotes, on an annual basis, joint reflection between management and each team member on their performance achieved and the existing opportunities for development.

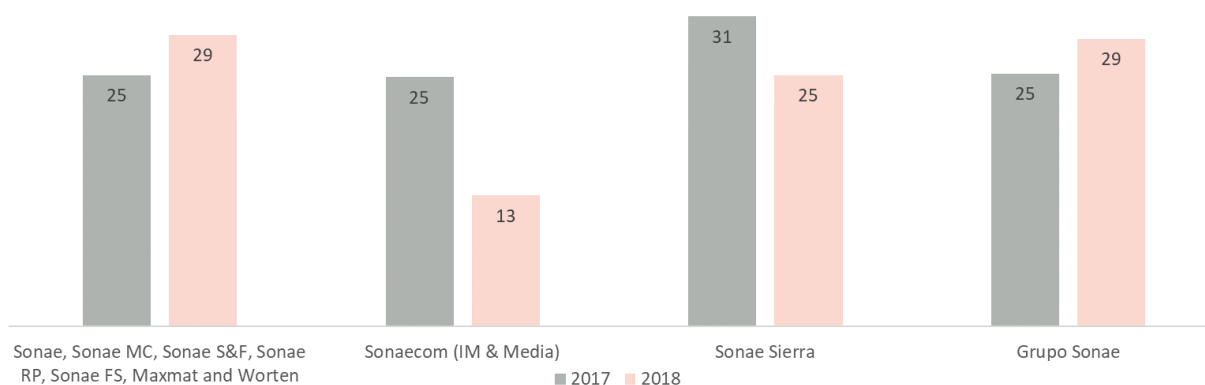
Training is a focal point for the personal and professional development of our employees. In 2018, the number of training hours in the Sonae Group increased by 13.2%, as well as the average number of hours of training per employee (13.8%), despite the reductions seen in Sonaecom and Sonae Sierra. The decrease in Sonaecom is due to the fact that, in 2017, a number of specific training sessions related to the launch of a new product was carried out. At Sonae Sierra, in 2017, a cycle of long-term training came to an end and did not continue in 2018.


### Training hours in 2017 and 2018

(+13.2% compared to 2017)



### Average hours of training per employee in 2017 and 2018





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Our training offer was developed to respond to the needs of the different employee segments, from the most operational to the most strategic levels, taking into consideration the different generations, areas and geographic locations that characterise our human profile.

**Qualifica Centre:** we are one of the only two private companies in Portugal to host a *Qualifica Centre*, created by the Portuguese government, which aims to increase our employees' level of education, as well as to certify them in various subjects. The objective of the programme is to increase the qualification level of Sonae MC's employees, who have not completed an upper-secondary education, by 4%, by 2020. In 2018, 185 adults were certified, 95 of whom increased their school qualifications and 90 their professional qualifications.

**Fashion Partnerships:** Sonae S&F has been developing partnerships with entities that work on design and fashion in order to develop specific skills in its employees in these areas. The London College of Fashion and Central St Martins are examples of entities with which we have been developing partnerships both at the level of specific technical business expertise, such as clothing, textiles, materials, patterns and colour, and at the level of sharing creative trends, consumer lifestyles or fashion culture.

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In 2018, we implemented the *Improving Our People GT (Growth Toolkit)* programme directed at all of the Sonae Group of Senior Executives. This programme represents a specific approach to the management and development of the group's executive talent, involving two phases. A first phase of diagnosis, which includes a description of the participants' profile in relation to their skills, experiences, motivational drivers and personality, and which aims to promote in each case a clear and comprehensive vision of what their positively differentiated values are, as well as of the areas where there is still room for development. This diagnostic stage culminates with an individual feedback session, led by a coach from outside the organisation. The second stage is based on the co-construction of personal and professional development plans customised to each person, with a time horizon of two to three years, covering different approaches, in line with the preferences and priorities defined.

In order to prepare employees who have recently taken on leadership roles, Sonae MC has launched a new management and leadership programme, *First Time Leaders*. The contents of this programme have a strong practical component, with a focus on real-world situations mapped in a work context and they also invest in the construction of digital collaborative communities to reinforce the network among the approximately 500 participants. The sessions aim to capitalise the internal know-how and the potential for cooperation between different areas and partners of Sonae MC.

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## Digital platforms for training and development

In order to continue to promote a culture of learning, we have been developing a set of alternative training formats adapted to the contexts of different businesses.

**Sonae Academy - Management & Leadership and Values & People:** aims to be a central platform in the way we learn and share knowledge, responding to different learning styles and preferences through the following approaches: Books & Articles – with a recommended reading component on a diverse set of management, leadership and business topics, with suggestions updated monthly and the Learning Hubz – is an online platform for easy and permanent access to short videos on a wide range of management and leadership issues. The curation of this content is carried out in more than 200 renowned institutions such as Harvard, Columbia, IMD, MIT, among many others. At the end of 2018, it had more than 2,000 registered and approximately 1,150 active employees, with more than 10 thousand videos/sessions accessed, which involved the investment of more than 740 hours by our people.

**Worten Academy:** is a digital training platform focused on topics that are essential and relevant to the business, such as sales, products, services or after-sales. In 2018, it consolidated its relevance for the development of the teams, with an increase of around 30% in the training hours carried out through this platform and reaching more than 6,400 employees, who evaluated the training content positively (4.3 on a scale of 1 - 5 points). From 2019 onwards, this platform will allow on-site and on-the-job training to be managed.

**Wortubers** is an interactive channel that aims to share knowledge among Worten employees using videos produced by the collaborators themselves. This solution allows Worten employees to use their knowledge and skills by promoting peer learning and mutual help among colleagues. This initiative already has 17 videos, with more than 775 views.


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## 4.3 Building inclusive communities

We consider education an important and powerful tool for social transformation. A belief clearly based on the legacy that Belmiro de Azevedo built. A commitment that goes beyond Sonae's borders and is extended through Belmiro de Azevedo's education think tank – *Edulog Foundation*. This platform aims to discuss education, promote research and informed debate on issues as diverse as the learning process we experience throughout life or the best policies for a transformative education, among many other topics.

Along this journey, one of the lessons we have learnt is that these themes must be developed with a long-term perspective in mind, with an articulated and integrated logic between the various community members who are involved in the communities. In this sense, since 2007, we have nurtured a partnership with the *Cerco School Group*, which was initiated as part of a partnership with the educational service of Porto City Council through the *Porto de Futuro* project. This partnership aims to support school management and development, with a view to fostering the increased participation of civil society in school life, recognising the fundamental role of education in the sustainable development of a more competitive and dynamic society.

Therefore, we are developing actions for 3 types of beneficiaries - students, school communities and families - both at school and outside the school environment.



Under the scope of this partnership, in the 2018/2019 academic year, a group of 77 students were involved in the Network of Mediators for School Success programme, developed by the Association of Entrepreneurs for Social Inclusion (EPIS), which identifies youth at risk in terms of leaving school before they complete upper-secondary education and continuously monitors each student closely, aiming at empowering the students and encouraging them to be successful, as well as discouraging early school leavers, absenteeism and disciplinary issues.

Regarding curriculum enrichment initiatives, we would like to highlight the partnership with Yscience that aims to promote interest in the areas of Science, Technology, Engineering and Mathematics (CTEM). Through practical activities that combine scientific and technological components with ludic-pedagogical components, we intend to awaken hidden talents while developing a series of fundamental skills that can make a difference in their school and professional choices. The programme involves 80 students from the second year of the primary education cycle, from three of the group's primary education schools. In addition, the development programme of 22 students, who are part of the group's Specific Individual Curriculum, is complemented by weekly therapeutic horse-riding lessons, as well as the presence of three students in six adapted equestrian events and in the Special Olympics Portugal.

With the aim of enriching the students' schooling and developing their personal, relational and social skills, we provide a number of internships, promote a diversified programme of field trips and offer a regular cycle of lectures, entitled Inspiring Conversations, which brings people to the school from different sectors of society, who share their journey with the students.

As we advocate at Sonae, we consider the recognition of merit and performance essential for success. As such, at the end of each school year we grant four merit awards to: the two best students of Year 12 (general and technical education), the EPIS student who has shown the most improvement, and the student in the group who developed the most relevant social responsibility project. In addition, the best student of each academic year (ten students, in total) can enrol in the University of Porto's Summer Junior University programme.

As we consider family a key player in this project, and in order to foster closer family interaction with the school environment, we provide a series of workshops designed to support them in the education of their younger children, in addition to promoting times of social and cultural interaction. We also promote an individualised plan, with close monitoring by EPIS mediators, so that the work with the student is carried out jointly by the School - Family - Community triad, providing families with tools to improve study methods and habits, interpersonal relationships and conflict management.

For the school community, we have developed a set of actions that aims to recognise the work developed and promote some awareness actions on topics that may be relevant to the performance of their activities.

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### ***Código Dá Vinte***

The *Código Dá Vinte* project, celebrated its 6<sup>th</sup> edition in 2018, supporting the *Associação Corações com Coroa*, has provided 34 annual grants for young girls who, although school achievers, have faced various socioeconomic constraints that have hampered their school attendance and consequent progression in their studies. Customers made their contributions in one of the more than 190 Worten stores in the country or through Worten.pt and Worten added another 20% to the total amount raised, resulting in a total donation of €180,000, delivered earlier this year to *Corações com Coroa*.

This Worten initiative takes place every year at Christmas time and invites customers to contribute to a particular cause and, in order to do this, all they have to do is go to a Worten store and swipe the solidarity bar code, for a minimum amount of €0.20. This action is also valid in Worten.pt.

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Along the same lines, and with the aim of supporting the academic studies of the children of our employees with more precarious financial situations, we have a scholarship programme in place. This programme is transversal to all companies and recognises the merit of young people by awarding scholarships to candidates with the highest overall averages of each school year in question.

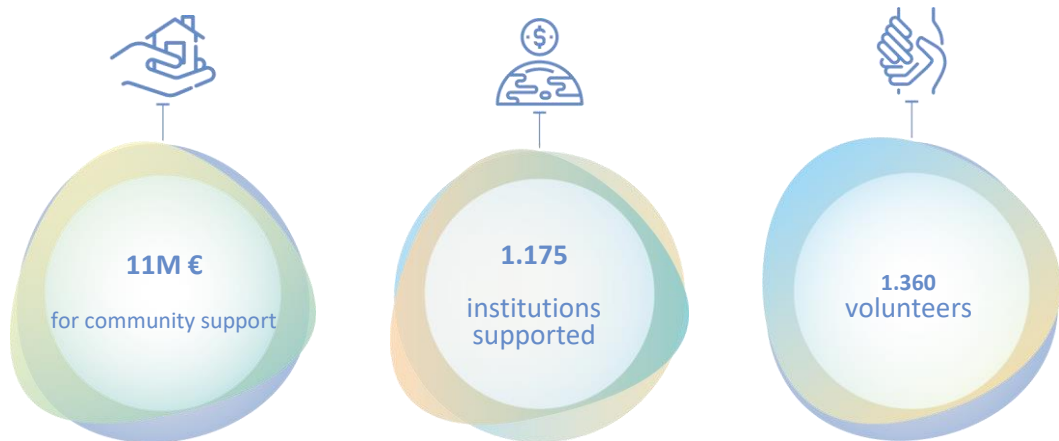
Within this scope, Sonae IM also supports the Faculty of Engineering of the University of Porto (FEUP) in the area of computer engineering. For this purpose, in early 2019, Sonae IM and FEUP announced a partnership for the creation of a research and development laboratory - Sonae IM LAB@FEUP. The goal of this partnership is to encourage the co-creation of knowledge and the development of technologies in the field of computer engineering, as well as to promote innovation and competitiveness of companies in the sector, contributing to the creation of highly qualified scientific employment. Within this framework, we intend to carry out joint research projects between Sonae IM and FEUP that reflect, in an integrated way, both academia and industry's interests.

In parallel and given the impact that the low birth rate and the aging population may have on the communities where we operate, specifically in Portugal, these issues have gained particular relevance for the Sonae Group. Well's has created the "For a Future with More Babies" project, designed to celebrate the births which have taken place, support a group of poor households, as well as promoting an in-depth debate on the issue. Over the course of the year, more than 40 thousand Baby Well's kits were distributed, covering half of the births in Portugal and support was given to about 50 families in need, covering all their childcare, infant feeding and hygiene needs, as well as the care needs of their mothers. A volunteer network of Well's employees was also created, which sponsored these families and visited them weekly.

Sonae MC is part of the CordonGris project, whose mission is to help seniors maintain a healthy and independent life through meal recommendations, health management and shopping assistance in the context of a defined budget. Through an easy-to-use system, CordonGris will assist in meal planning and family budget management without compromising the quality of each individual's diet. This project is being developed in three countries: Portugal, the United Kingdom and the Netherlands. Sonae MC is one of the partners along with Can Cook, Red Ninja Studios, *Santa Casa da Misericórdia* of Lisbon and the Association of Catholic Organizations of Senior Citizens. The project is coordinated by Fraunhofer Portugal.



## 6. Community support

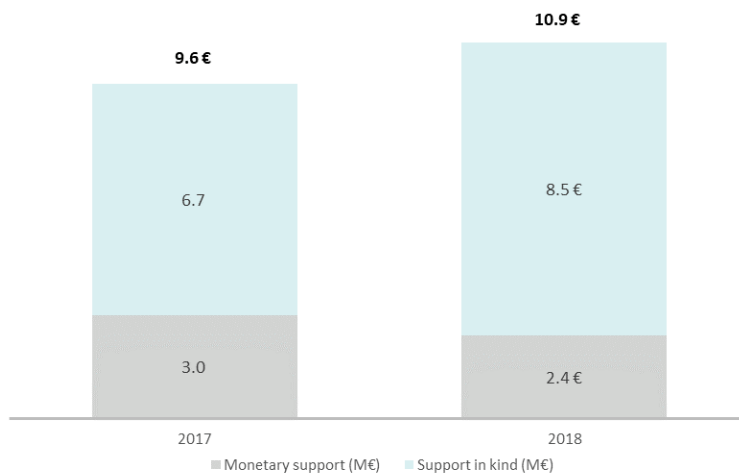


The Sonae Group's commitment to support the development of the communities in which it operates is a value that is transversal to the various companies in the group. With this goal in mind, we want to enhance our contribution by measuring the impact, focusing on the initiatives where we are most effective and empowering social economy organisations with whom we work in order to help them to strengthen the effectiveness of their own missions. We believe that in this way, we will be contributing to more empowered and resilient communities.

Throughout 2018, we invested around 11 million euros of support to social economy organisations (1,175 institutions), representing an increase of 13.4% in comparison to 2017. These contributions cover five distinct areas: social solidarity, health and sport, raising environmental awareness, culture, education and science and innovation.

### Sonae's direct support to the community (€) in 2017 and 2018

(+13.4% compared to 2017)



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The commitment to share and promote well-being is a value that is transversal to the various companies of the Sonae group, which, influenced by this strong culture, have developed diverse external initiatives, reinforcing their proximity to the community. Outlined below are some of the actions developed during 2018:

**Food Donations *Missão Continente*:** in Sonae MC preventing food waste is a cause shared by different areas throughout the entire value chain. As such, they have committed themselves to combating and giving value to this food waste based on a diverse set of actions, amongst which we would like to emphasise the donation of products to social economy organisations, an initiative implemented in 274 stores and warehouses, allowing Sonae MC to support 900 organisations with food worth over 7 million euros.

**Worten Team:** is a recycling awareness programme developed by Worten, which for each tonne of waste electrical and electronic equipment collected in Worten stores and from customer's homes, Worten in turn donates new equipment to social solidarity institutions throughout the country. This has allowed Worten to support more than 2,000 NGOs, since 2009, with the donation of new equipment valued at €2M (Retail Price).

**Doar é Receber (Giving is Receiving):** Zippy has joined the Heat the Street civil movement, which aims to collect warm clothes to deliver to those who need it most. An initiative that was started in 2015 and quickly became a solidarity chain that has already reached several cities throughout the country. For every sweater donated, Zippy offers a direct discount of 20% on the purchase of a new Zippy jacket, leading to the collection of about 750 coats in the Zippy stores, which were distributed on December 15<sup>th</sup> at an event held on *Av. Liberdade*, in Lisbon.

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## 6.1 Involvement through volunteering

We believe that our volunteering initiatives enable our employees and teams to experience different realities, to face new challenges and to broaden their horizons, often fostering creativity and innovation. In addition, it increases the close involvement with the communities where we operate, leading to a positive impact on their quality of life.

As such, in 2012 we created the Sonae Activshare programme, responsible for consolidating and coordinating all of Sonae's social responsibility and volunteer initiatives, involving all employees of the various companies in the group.

In 2018, 1,360 volunteers were involved in Sonae Activshare, -16% than in 2017, which was also reflected in volunteer hours, with a decrease of 12%. This reduction is due to the fact that, in 2017, a series of actions were organised to respond to emergency situations (fires) that resulted in the mobilisation of a large number of employees. These initiatives did not take place in 2018, given their exceptional nature.

With the purpose of reinforcing its relevance and elevating its positioning, which is natural due to its level of maturity, in 2019, we will reshape the programme in order to adjust Sonae Activshare to the new strategic challenges: to focus increasingly on our performance in education through volunteering skills. We also intend to measure the impact of the main programmes implemented to incorporate this analytical component into the continuous improvement of the programme.



Sonae  
Activshare  
SONAE

















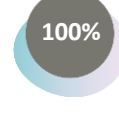





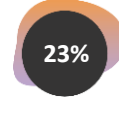


## 6.2 Supporting our people

The Sonae Group has a universe of more than 45 thousand employees, who, naturally, have sometimes found themselves at risk or in a vulnerable situation. For this purpose, since September 2013, we have had the programme *Somos Sonae* in place. This initiative aims to provide support, of an exceptional and temporary nature to our employees and their families. A specialised and multidisciplinary team from the Portuguese Red Cross is mobilised to analyse any requests for support received. After an initial assessment, a support plan is developed and implemented, tailored according to the specific situation of each of our employees, with support provided in different ways. All processes are managed and monitored to ensure the privacy of employees and their families. In 2018, through this programme, we supported 105 employees, reaching 191 people, with an investment of 155 thousand euros.

Again, bearing in mind that our people are our target audience, as part of the celebration of the 25<sup>th</sup> anniversary of the Maia Distribution Centre (MDC), in 2015, the Solidarity Logistics initiative was launched. This programme has been gradually increasing its impact on the lives of the employees it reaches. Today, it is a programme consisting of a set of actions that are developed from the resources gathered through the Solidarity Bazaar organisation, a bazaar where employees can purchase, for a nominal fee, various Sonae brand products donated by the company. The solidarity bazaar took place between November and December 2018, in seven venues - Maia, Azambuja, SOHI, Lumiar, Carregado, Guia and Água de Pena. The total revenue, about 65 thousand euros, was donated to three initiatives:

- The School Manuals scholarship, which consists of lending school textbooks to the children of school age of the Logistics' employees, between Year 7 and Year 12. By 2018, there were about 1,500 school textbooks circulating, reaching 200 families.
- *The Colega Mudámos-te a Casa initiative*, a project to renovate the homes of the most disadvantaged employees, leading to the improvement of their well-being and that of their families. For 2018/19, 14 projects are planned, of which 9 have already been implemented. The others are scheduled for the first quarter of 2019.
- Junior Club, a week of recreational and educational activities to occupy the summer vacations of the employees' children. The last edition took place in 11 cities, with 78 children involved from the ages of 6 to 12 - 188 employees' children, if logistics, operations and structural support are considered.

## 7. GRI Supplement

	<b>Sonae</b> <b>sonae mc</b>	 food retail	
	<b>sonae rp</b>	 retail properties	
	<b>maxmat</b>	 DIY retail	<b>Maxmat</b>
	<b>worten</b>	 electronics retail	
	<b>sonae s&amp;f</b>	 sports and fashion retail*	
	<b>sonae im</b>	 investment management	
	<b>sonae fs</b>	 financial services	
	<b>sonae sierra</b>	 retail real estate developer, owner and manager	
	<b>NOS</b> <i>(equity consolidated)</i>	 telecoms	

portZone, Sprinter, JD and Size? belong to the Iberian Sports Retail Group (ISRG), in which Sonae holds 30%. In relation to Salsa, which is part of Sonae S&F, we only report data from the Spanish market.

## GRI TABLE FOR THE OPTION “IN ACCORDANCE” – CORE

GRI 102 – GENERAL DISCLOSURES					
Disclosures	Localisation	Verification	UNGC Principles	SDG	
<b>ORGANISATIONAL PROFILE</b>					
102-1	Name of the organisation	Sonae SGPS	V		
102-2	Activities, brands, products and services	Sonae Group <a href="https://www.sonae.pt/en/sonae/the-group-and-our-businesses/">https://www.sonae.pt/en/sonae/the-group-and-our-businesses/</a>	V		
102-3	Location of headquarters	Sonae SGPS, SA’s headquarters are located in Lugar de Espido, Via Norte Maia-Portugal.	V		
102-4	Location of operations	<a href="https://www.sonae.pt/en/sonae/where-we-are-in-the-world/">https://www.sonae.pt/en/sonae/where-we-are-in-the-world/</a>	V		
102-5	Ownership and legal form	About this report	V		
102-6	Markets served	<a href="https://www.sonae.pt/en/sonae/where-we-are-in-the-world/">https://www.sonae.pt/en/sonae/where-we-are-in-the-world/</a>	V		
102-7	Scale of the organisation	Sonae Group	V		
102-8	Information on employees and other workers	Inequalities and inclusive development Below, we present supplementary information on this indicator:	V	6	8

2018 No.	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten			Sonaecom (IM & Media)			Sonae Sierra		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent contracts	9,379	19,733	<b>29,112</b>	933	455	<b>1,388</b>	490	505	<b>995</b>
Temporary contracts	5,041	8,533	<b>13,574</b>	63	37	<b>100</b>	3	6	<b>9</b>
Fixed term contracts	-	-	-	-	-	-	18	35	<b>53</b>
<b>Total</b>	<b>14,420</b>	<b>28,266</b>	<b>42,686</b>	<b>996</b>	<b>492</b>	<b>1,488</b>	<b>511</b>	<b>546</b>	<b>1,057</b>
Full-time	11,246	20,483	<b>31,729</b>	996	492	<b>1,488</b>	510	528	<b>1,038</b>
Part-time	3,177	7,780	<b>10,957</b>	0	0	<b>0</b>	-	-	<b>-</b>
Permanent Part-time	-	-	-	-	-	-	1	13	<b>14</b>
Temporary Part-time	-	-	-	-	-	-	0	5	<b>5</b>
<b>Total</b>	<b>14,423</b>	<b>28,263</b>	<b>42,686</b>	<b>996</b>	<b>492</b>	<b>1,488</b>	<b>511</b>	<b>546</b>	<b>1,057</b>

	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten			Sonaecom (IM & Media)			Sonae Sierra		
	Permanent Contract	Temporary Contract	Total	Permanent Contract	Temporary Contract	Total	Female	Male	Total
Portugal	27,280	12,866	40,146	910	48	958	261	204	465
Germany	-	-	-	-	-	-	35	36	71
Algeria	-	-	-	-	-	-	-	1	1
Brazil	370	-	370	69	7	76	141	184	325
China	36	20	56	-	-	-	-	-	-
Colombia	-	-	-	8	-	8	-	2	2
Egypt	-	-	-	22	1	23	-	-	-
Spain	1,340	701	2,041	301	39	340	51	35	86
USA	-	-	-	24	-	24	-	-	-
France	41	10	51	-	-	-	-	-	-
Greece	-	-	-	-	-	-	6	3	9
Netherlands	-	-	-	-	-	-	-	1	1
England	-	-	-	2	-	2	-	-	-
Italy	3	-	3	-	-	-	27	22	49
Luxembourg	9	-	9	-	-	-	-	-	-
Malaysia	-	-	-	8	3	11	-	-	-
Morocco	-	-	-	-	-	-	4	8	12
Mexico	1	-	1	44	2	46	-	-	-
Romania	-	-	-	-	-	-	14	9	23
Russia	5	-	5	-	-	-	-	-	-
Turkey	4	-	4	-	-	-	7	6	13
<b>Total</b>	<b>29,112</b>	<b>13,574</b>	<b>42,686</b>	<b>1,388</b>	<b>100</b>	<b>1,488</b>	<b>546</b>	<b>511</b>	<b>1,057</b>

No.	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)		Sonae Sierra	
	2017	2018	2017	2018	2017	2018
Permanent contracts	28,408	29,112	1,222	1,388	980	995
Temporary contracts	13,084	13,574	79	100	14	9
Fixed term contracts	-	-	-	-	67	53
<b>Total</b>	<b>41,492</b>	<b>42,686</b>	<b>1,301</b>	<b>1,488</b>	<b>1,061</b>	<b>1,057</b>
Full-time	30,620	31,729	1,301	1,488	1,045	1,038
Part-time	10,872	10,957	0	0	-	-
<i>Permanent Part Time</i>	-	-	-	-	14	14
<i>Temporary Part Time</i>	-	-	-	-	2	5
<b>Total</b>	<b>41,492</b>	<b>42,686</b>	<b>1,301</b>	<b>1,488</b>	<b>1,061</b>	<b>1,057</b>

102-9	Supply chain	<p>We consider the Sustainable Supply Chain a key dimension for our performance, as it has an impact on all the action axes that we define. Together with our suppliers and partners, we aim to adhere to the principles of sustainable development. In this regard, throughout the report, in the various chapters we refer to the supply chain.</p> <p>Additionally, <i>vide</i> responses to the indicators:</p> <p>“204-1 Proportion of spending on local suppliers”;</p> <p>“304-2 - Significant impacts of activities, products and services on biodiversity”;</p> <p>“308-1 – New suppliers that were screened using environmental criteria”;</p> <p>“407-1 – Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk”;</p> <p>“408-1 – Operations and suppliers at significant risk for incidents of child labour”;</p> <p>“409-1 – Operations and suppliers at significant risk for incidents of forced or compulsory labour”;</p> <p>“414-1 – New suppliers that were screened using social criteria”.</p>	V		
102-10	Significant changes to the organisation and its supply chain	In 2018, the agreement to merge SportZone with Sprinter and the British group JD Sports for the Iberian Peninsula was concluded, as well as the agreement with the Grosvenor group for the acquisition of a 20% stake in Sonae Sierra, SGPS, SA.	V		
102-11	Precautionary Principle or approach	<p>Corporate Governance Report 2018</p> <p>C. Internal Organisation: III- Internal Control and Risk Management: 55.; IV- Investor Relations: 56-58</p>	V		
102-12	External initiatives	<p>Sustainability at the core of our DNA</p> <p>In addition, we subscribe to the following policies and commitments:</p> <ul style="list-style-type: none"> <li>• Environmental Policy</li> <li>• Sustainable Fishing Policy</li> <li>• Retail Environmental Action Programme</li> <li>• European Code of Conduct of Good Practice in the Food Supply Chain</li> </ul>	V		
102-13	Membership of associations	<u>Partner Organisations</u>	V		



STRATEGY					
102-14	<b>Message from the senior decision maker</b>	Message from the Executive Commission	V		
102-15	<b>Key impacts, risks and opportunities</b>	Sustainability at the core of our DNA Corporate Governance Report 2018 C. Internal Organisation: III- Internal Control and Risk Management	V		
ETHICS AND INTEGRITY					
102-16	<b>Values, principles, standards and norms of behaviour</b>	Sustainability at the core of our DNA  Ensuring that all our activity is governed by the faithful application of the principles of ethics and trust defined is a concern common to the entire Sonae Group. With this purpose in mind, we have developed Sonae's Code of Ethics and Conduct which defines the ethical standard by which we are governed. To ensure its implementation, compliance and monitoring, an Ethics Committee was appointed by the Board of Directors.  More information on Sonae's values, codes and principles is available at <a href="http://www.sonae.pt">www.sonae.pt</a>	V	10	16
GOVERNANCE					
102-18	<b>Governance structure</b>	Sustainability at the core of our DNA Corporate Governance Report 2018 B. Governing Bodies and Committees: I– Shareholders' General Meeting: 12.3-14; II– Management and Supervision: 15-26	V		
102-21	<b>Consulting stakeholders on economic, environmental and social topics</b>	Sustainability at the core of our DNA Corporate Governance Report 2018 B. Governing Bodies and Committees: II- Management and Supervision: 21-26	V		
102-22	<b>Composition of the highest governance body and its committees</b>	Sustainability at the core of our DNA Corporate Governance Report 2018 B. Governing Bodies and Committees: II- Management and Supervision 19-21	V		
102-23	<b>Chair of the highest governance body</b>	Corporate Governance Report 2018 B. Governing Bodies and Committees: I- Shareholders' General Meeting: 12.3-14; II- Management and Supervision: 15-21	V		
102-24	<b>Nominating and selecting of the highest governance body</b>	Corporate Governance Report 2018 B. Governing Bodies and Committees: II- Management and Supervision 21	V		
102-25	<b>Conflicts of interest</b>	Corporate Governance Report 2018 C. Internal Organisation: I- Articles of Association: 48; II- Reporting of Irregularities (whistleblowing): 49; III- Internal Control and Risk Management: 51-52	V		
102-28	<b>Evaluating the highest governance body's performance</b>	Corporate Governance Report 2018 B. Governing Bodies and Commissions: II- Management and Supervision: 24-25 – 30-31.	V		

102-29	<b>Identification and managing economic, environmental and social impacts</b>	Sustainability at the core of our DNA Corporate Governance Report 2018 B. Governing Bodies and Commissions: II- Management and Supervision: 18-29; III- Audit: 30-35	V		
102-31	<b>Review of economic, environmental and social topics</b>	Sustainability at the core of our DNA Corporate Governance Report 2018 B. Governing Bodies and Commissions: II- Management and Supervision: 18-29; III- Audit: 30-35	V		
102-33	<b>Communicating critical concerns</b>	Sustainability at the core of our DNA Corporate Governance Report 2018 B. Governing Bodies and Committees: II- Management and Supervision: 21-26	V		
102-35	<b>Remuneration policies</b>	Corporate Governance Report 2018 D. Remuneration: I- Power to establish: 66; II- Remuneration Committee: 67-68; III- Remuneration Structure: 69-76; IV- Disclosure of Remuneration: 77-82; V- Agreements with Remunerative Implications: 83- 84; VI- Share Attribution Plans or Stock Options: 85-88; E. Relevant Transactions with Related Parties: I- Mechanisms of control procedures: 89-91; II- Elements related to transactions: 92	V		
102-37	<b>Stakeholders' involvement in remuneration</b>	Corporate Governance Report 2017 B. Governing Bodies and Committees: II- Management and Supervision: 21-26	V		
102-38	<b>Annual total compensation ratio</b>	The ratios between the total annual compensation of the highest paid individual to the median of the average annual compensation of all employees, except the highest paid, are as follows: Sonae S&F 33; Salsa 10; Worten PT 26; Worten Spain 27.6 and Worten Canary Islands 17.9.			
102-39	<b>Percentage increase in annual total compensation ratio</b>	The ratio of the percentage increase in the total annual compensation of the highest paid individual of the organisation to the average percentage increase in total compensation for all employees is 0 for Sonae S&F and Salsa, -9 for Worten Portugal and Spain and 2.6 for the Worten Canary Islands.			
<b>INVOLVEMENT WITH STAKEHOLDERS</b>					
102-40	<b>List of stakeholder groups</b>	Sustainability at the core of our DNA	V		
102-41	<b>Collective bargaining agreements</b>	In Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten the employees are covered by collective bargaining agreements. About 9% of Sonaeacom's employees are part of these agreements. At Sonae Sierra, the employees are not covered.	V	3	8

102-42	<b>Identifying and selecting stakeholders</b>	Sustainability at the core of our DNA	V		
102-43	<b>Approach to stakeholder engagement</b>	Sustainability at the core of our DNA	V		
102-44	<b>Key topics and concerns raised by stakeholders</b>	<p>Sustainability at the core of our DNA</p> <p>In 2018, Sonae MC, Sonae S&amp;F, Sonae FS , Maxmat and Worten registered 135,589 suggestions and complaints from their stakeholders. The Sonae S&amp;F doesn't include Losan suggestions and complaints.</p> <p>Regular analyses of the level of customer satisfaction are carried out at Sonacom (IM &amp; Media) according to existing tools (websites, apps, chats, etc.).</p> <p>Sonae Sierra regularly maintains a customer satisfaction index for shop tenants and visitors. In 2018, shop tenants showed a level of satisfaction of 4.73 and visitors of 4.13, both on a scale of 1 to 5.</p>	V		
<b>REPORTING PRACTICE</b>					
102-45	<b>Entities included in the consolidated financial statements</b>	About this report	V		
102-46	<b>Defining the report content and topic Boundaries</b>	<p>About this report</p> <p>New indicators added to the report:</p> <ul style="list-style-type: none"> <li>• 102-38: Annual total compensation ratio</li> <li>• 102-39: Percentage increase in annual total compensation ratio</li> <li>• 301-1: Materials used by weight or volume</li> <li>• 301-2: Recycled input materials used</li> <li>• 302-2: Energy consumption outside the organisation</li> <li>• 403-1: Workers representation health and safety committees</li> <li>• 410-1: Security personnel trained in human rights policies or procedures</li> </ul> <p>The indicators of the 300 series were widened to include information on Worten Spain &amp; Sonae S&amp;F (including Losan and Salsa Spain).</p> <p>The indicators of the 200 and 400 series that were widened to include information on Worten Spain &amp; Sonae S&amp;F (including Losan and Salsa Spain) were as follows:</p> <ul style="list-style-type: none"> <li>• 102-43: Approach to stakeholder engagement</li> <li>• 102-44: Key topics and concerns raised</li> <li>• 403-2: Types and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</li> </ul> <p>The indicators of the 200 and 400 series that were widened to include information on the specifics of the Worten Canary Islands and Sonae S&amp;F Canary Islands, Losan and Salsa Spain were as follows:</p> <ul style="list-style-type: none"> <li>• 202-2: Proportion of senior management hired from the local community</li> </ul>	V		

		<ul style="list-style-type: none"> <li>• 401-1: New employee hires and employee turnover</li> <li>• 401-3: Parental leave</li> <li>• 404-1: Average hours of training per year per employee (Salsa Spain )</li> <li>• 404-3: Percentage of employees receiving regular performance and career development reviews (Salsa Spain and Losan)</li> <li>• 405-1: Composition of governance bodies and other indicators of diversity</li> <li>• 405-2: Ratio of basic salary and remuneration of men to women</li> <li>• 412-2: Employee training on human rights policies or procedures</li> <li>• 419-1: Non-compliance with laws and regulations in the social and economic area</li> </ul>			
102-47	<b>List of material topics</b>	Sustainability at the core of our DNA	V		
102-48	<b>Restatements of information</b>	About this report	V		
102-49	<b>Changes in reporting</b>	About this report	V		
102-50	<b>Reporting period</b>	About this report	V		
102-51	<b>Date of most recent report</b>	March 31 <sup>st</sup> , 2018	V		
102-52	<b>Reporting cycle</b>	Annual	V		
102-53	<b>Contact point for questions regarding the report</b>	About this report	V		
102-54	<b>Claims of reporting "in accordance" with the GRI Standards</b>	This report was prepared according to the GRI Standards: Core Option	V		
102-55	<b>GRI content index</b>	Present table	V		
102-56	<b>External assurance</b>	About this report	V		

SPECIFIC STANDARD CONTENTS						
Disclosures	Localisation		Verifi- cation	UNGC Principles	SDG	
GRI 200 – ECONOMIC DISCLOSURES						
GRI 201 – ECONOMIC PERFORMANCE						
201-1	Direct economic value generated and distributed	<b>Direct economic value generated and distributed (€)</b>	<b>2017</b>	<b>2018</b>	V	2 5 7 8 9
		Economic value generated	6,503,753,691	6,795,001,763		
		- Revenues	6,503,753,691	6,795,001,763		
		<b>Economic value distributed</b>	<b>6,301,803,089</b>	<b>6,543,216,569</b>		
		- Operational Costs	5,407,867,988	5,576,254,389		
		- Salaries and employee benefits	764,191,618	800,223,988		
		- Payments to investors	115,767,432	131,605,729		
		- Payments to the State	4,359,495	24,132,462		
		- Donations and other community investments	9,616,555	11,000,000		
	<b>Accumulated economic value</b>	<b>201,950,602</b>	<b>251,785,195</b>			
201-2	Financial implications and other risks and opportunities for the organisation due to climate change	CO <sub>2</sub> and climate change		V	13	
201-3	Defined benefit plan obligations and other retirement plans	Sonae does not have a pension fund.		V		
201-4	Financial assistance received from government	In 2018, Sonae received 36,389,926€. The figures indicated refer to amounts received in relation to tax credits.  It should be noted that the Government is not part of the shareholder structure of the company.		V		
202-2	Proportion of senior management hired from the local community	90% of Sonae, Sonae MC, Sonae S&F, Maxmat, Sonae RP, Sonae FS, Worten and Sonaecom (IM & Media) senior management are hired from the local community.		V	6 8	

GRI 203 – INDIRECT ECONOMIC IMPACTS (MATERIAL ASPECT)												
Management Approach	103-1	Explanation of the material topic and its Boundary	Sustainability at the core of our DNA									
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Indirect Economic Impacts ( <i>vide</i> chapters Nature and Biodiversity, Inequalities and Inclusive Development and Community Support).									
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of indicators associated with this aspect and reports them in this Report ( <i>vide</i> indicators presented below).									
203-1	Infrastructure investments and services supported	Sustainability at the core of our DNA Nature and Biodiversity Inequalities and Inclusive Development Community Support	V			2 5 7 9 11						
203-2	Significant indirect economic impacts	Sustainability at the core of our DNA Nature and Biodiversity Inequalities and Inclusive Development Community Support	V			1 2 3 8 10 17						
GRI 204 - PROCUREMENT PRACTICES (MATERIAL ASPECT)												
Management Approach	103-1	Explanation of the material topic and its Boundary	Sustainability at the core of our DNA									
	103-2	The management approach and its components	Sonae has promoted several initiatives related to <i>Procurement Practices</i> ( <i>vide</i> chapters Nature and Biodiversity, Inequalities and Inclusive Development and Charity and GRI Table Indicators 308-1; 407-1; 408-1; 409-1; 412-2, 412-3 and 414-1).	V								
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of indicators associated with this aspect and reports them in this Report ( <i>vide</i> indicators presented below).									
204-1	Proportion of spending on local suppliers	<table border="1"> <thead> <tr> <th colspan="2">2018</th> </tr> </thead> <tbody> <tr> <td>Costs with foreign suppliers (%)</td> <td>18%</td> </tr> <tr> <td>Costs with national suppliers (%)</td> <td>82%</td> </tr> </tbody> </table>	2018		Costs with foreign suppliers (%)	18%	Costs with national suppliers (%)	82%	V			12
2018												
Costs with foreign suppliers (%)	18%											
Costs with national suppliers (%)	82%											



GRI 205 – ANTI-CORRUPTION					
205-1	Operations assessed for risk related to corruption	Sonae implements the international methodology <i>Enterprise Risk Management - Integrated Framework (COSO)</i> in its risk management process, which enables the identification of different types of risks and threats to the development of the business, at both the strategic and operational level. As the risk of corruption was not identified as a priority risk for the business, no assessments were carried out in this regard.	V	10	16
205-2	Communication and training about anti-corruption policies and procedures	Sonae's Code of Conduct and Ethics for Portugal and Spain, which includes anti-corruption policies, is communicated in the induction training to 100% of the employees. Additionally, Sonae has a Suppliers' Code of Conduct and Ethics, which is an annex to the general supply contracts. The codes are available on Sonae's website.	V	10	16

Training on anti-corruption policies and procedures	2017	2018
No. of top executives who received training in anti-corruption training	17	62
No. of employees who received anti-corruption training	21,843	44,994

Note: all training participants were included, regardless of if they were active on December 31<sup>st</sup>, 2018.

205-3	Confirmed incidents of corruption and actions taken	There were no registered cases of corruption in 2018.	V	10	16
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#### GRI 300 - ENVIRONMENTAL DISCLOSURES

##### GRI 301 – MATERIALS

Management Approach	103-1	Explication of the materials topics and its Boundary	Sustainability at the core of our DNA			
	103-2	The management approach and its components	Sonae has promoted several initiatives related to the Materials ( <i>vide</i> chapters Nature and Biodiversity, CO <sub>2</sub> and Climate Change and Plastic).			
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).			
301-1	Materials used by weight or volume	Plastic Indicator reported for activity in Spain. Worten has subcontracted its logistics activity in Spain. In the case of MO and Zippy, logistics are managed from Portugal. Information is not available for Losan and Salsa.	V	7 and 8	8 12	
301-2	Recycled input materials used	Not applicable, considering indicator 301-1.				
301-3	Reclaimed products and their packaging materials	Plastic	V	8	8 12	

GRI 302 - ENERGY (MATERIAL ASPECT)						
Management Approach	103-1	Explanation of the material topic and its Boundary	Sustainability at the core of our DNA	V		
	103-2	The management approach and its components	Sonae has promoted several initiatives related to the Energy ( <i>vide</i> chapters CO <sub>2</sub> and Climate Change).			
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).			
302-1	Energy consumption within the organisation	CO <sub>2</sub> and Climate Change Notes: for the specific case of Salsa Spain the electricity consumption values were estimated based on the annual cost of electricity and a sample of invoices.	V	7 and 8	7 8 12 13	
302-2	Energy consumption outside the organisation	In Spain, Worten has subcontracted its logistics activity, with an electricity consumption of 665.7 MWh in 2018.				

302-3	Energy intensity	CO <sub>2</sub> and Climate Change	V	8	7 8 12 13
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Energy intensity	Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)		Sonae Sierra	
	2017	2018	2017	2018	2017	2018
Total energy consumption (GJ)	2,130,963	2,228,881	17,172	18,847	-	-
Business turnover (M€)	5,434	5,801	140	169.1	-	-
Energy intensity ratio (GJ/M€)	392	384	123	111	-	-
Shopping centres - Energy intensity ratio (kWh/m <sup>2</sup> of common areas)	-	-	-	-	698	676

302-4	Reduction of energy consumption	CO <sub>2</sub> and Climate Change	V	8 and 9	7 8 12 13
302-5	Reductions in energy requirements of products and services	CO <sub>2</sub> and Climate Change	V	8 and 9	7 8 12 13

GRI 303 – WATER						
Management Approach	103-1	Explanation of the material topic and its Boundary	Sustainability at the core of our DNA	V		

	103-2	The management approach and its components	Sonae has promoted several initiatives related to Water ( <i>vide</i> chapter Nature and Biodiversity).			
	103-3	Evaluation of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).			
303-1		Water withdrawal by source	Nature and Biodiversity	V	7 and 8	6

	Sonae MC, Sonae S&F, Sonae RP, Maxmat e Worten		Sonaecom (IM & Media)	
	2017	2018	2017	2018
<b>Water withdrawal by source</b>				
Underground withdrawal (m <sup>3</sup> )	11,333	13,030	-	-
Municipal water supply (m <sup>3</sup> )	718,059	747,409	4,608	5,278
<b>Total water consumption (m<sup>3</sup>)</b>	<b>729,392</b>	<b>760,439</b>	<b>4,608</b>	<b>5,278</b>
<b>Water consumption per store area</b>				
Store area (1,000 m <sup>2</sup> )	716	1,109	-	-
<b>Water consumption per store area (m<sup>3</sup>/m<sup>2</sup>)</b>	<b>1.03</b>	<b>0.69</b>	-	-
<b>Note:</b> Sonaecom (IM & Media) includes the water consumption of the offices where the supply services are provided directly to Sonae and for which we receive detailed consumption information for the payment of rent.				

	Sonae Sierra					
	2017		2018		2018	
Water withdrawal	Excluding tenants		Water reallocation for tenants		Total	
	Underground withdrawal (m <sup>3</sup> )	299,051	326,253	245,079	241,203	544,130
Rainwater (m <sup>3</sup> )	30,480	26,694	-	-	30,480	26,694
Public supply network (m <sup>3</sup> )	653,981	668,779	712,206	693,764	1,366,188	1,362,543
Other sources of withdrawal (m <sup>3</sup> )	338	476	-	-	338	476
Mix of water sources (m <sup>3</sup> )	76,122	78,540	4,493	17,006	80,615	95,546
Grey water (m <sup>3</sup> )	23,785	27,800	-	-	23,785	27,800
Treated wastewater (m <sup>3</sup> )	87,266	92,019	-	-	87,266	92,019
<b>Total water consumption (m<sup>3</sup>)</b>	<b>1,171,023</b>	<b>1,220,561</b>	<b>961,778</b>	<b>951,972</b>	<b>2,132,801</b>	<b>2,172,534</b>
<b>Water consumption per m<sup>2</sup> of shopping centre areas, bathrooms, own portfolio and number of visitors</b>						
Water consumption per mall and toilet area (m <sup>3</sup> /m <sup>2</sup> )	-	-	-	-	4.6	4.5
Water consumption per common area (excluding tenants) (m <sup>3</sup> /m <sup>2</sup> )	-	-	-	-	2.5	2.5
Water consumption by number of visits (l / visitor)	-	-	-	-	6	6
Water consumption by number of visits (excluding tenants) (l / visitor)	-	-	-	-	3.3	3.4
<b>Notes:</b> This includes all shopping centres owned by Sonae Sierra, operational throughout the reporting year. It was not possible to obtain the values for Portimão Retail Centre, in Portugal, so they were not included. The Albufeira Retail Park was also not included in the consumption indicators per visit, as there is no footfall system in place and the number of visitors is not known.						

303-3	Water recycled and reused	Nature and Biodiversity	V	8	6 8 12
<b>GRI 304 - BIODIVERSITY (MATERIAL ASPECT)</b>					
Management Approach	103-1	Explanation of the material topic and its Boundary	Sustainability at the core of our DNA	V	
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Biodiversity ( <i>vide</i> chapter Nature and Biodiversity).		
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this report ( <i>vide</i> the indicators presented below)		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Nature and Biodiversity  Sonae does not own any facilities in areas classified as habitats rich in biodiversity. It should be noted that, in the specific case of Sonae Sierra, it is committed to minimising the loss of biodiversity in developing projects and existing assets, promoting the use of previously developed land or industrialised land for new projects and protecting and improving biodiversity in existing installations.	V	8	6 14 15
304-2	Significant impacts of activities, products and services on biodiversity	Nature and Biodiversity	V	8	6 14 15
304-3	Habitats protected or restored	Nature and Biodiversity  In 2018, there were no operations carried out leading to changes in the surrounding habitats that would result in their restoration.	V	8	6 14 15
<b>GRI 305 - EMISSIONS (MATERIAL ASPECT)</b>					
Management Approach	103-1	Explanation of the material topics and its Boundary	Sustainability at the core of our DNA	V	
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Emissions ( <i>vide</i> chapters CO <sub>2</sub> and Climate Change chapters).		
	103-3	Evaluation of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).		

305-1	Direct (Scope 1) GHG emissions	CO <sub>2</sub> and Climate Change	V	7 and 8	3
					12
					13
					14
					15
305-2	Energy indirect (Scope 2) GHG emissions	CO <sub>2</sub> and Climate Change	V	7 and 8	3
					12
					13
					14
					15
305-3	Energy indirect (Scope 3) GHG emissions	CO <sub>2</sub> and Climate Change	V	7 and 8	3
					12
					13
					14
					15

	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)	
	2017	2018	2017	2018
<b>305 - 1 GHG Emissions (Scope 1), by source</b>				
Emissions associated with the consumption of natural gas – Stores (t CO <sub>2</sub> e)	674	908	0	0
Emissions associated with the consumption of propane (t CO <sub>2</sub> e)	110	62	0	0
Emissions associated with the consumption of diesel - Stores (t CO <sub>2</sub> e)	313	315	0	0
Emissions associated with the consumption of diesel - contracted fleet (t CO <sub>2</sub> e)	29,139	32,350	896	933
Emissions associated with the consumption of petrol - contracted fleet (t CO <sub>2</sub> e)	0	0	15	17
Emissions associated with the consumption of diesel - employees' vehicles (t CO <sub>2</sub> e)	7,224	7,750	0	0
Emissions associated with the consumption of petrol - employees' vehicles (t CO <sub>2</sub> e)	30	45	0	0
Emissions associated with the consumption of natural gas- supply fleet's vehicles	0	0	0	0
<b>Total direct GHG emissions (t CO<sub>2</sub>e)</b>	<b>37,491</b>	<b>41,430</b>	<b>911</b>	<b>950</b>
<b>305 – 2 GHG Emissions (Scope 2), by source</b>				
Emissions associated with electricity consumption (t CO <sub>2</sub> e) – <i>market based</i>	<b>220,684</b>	<b>174,146</b>	<b>269</b>	<b>332</b>
Emissions associated with electricity consumption (t CO <sub>2</sub> e) – <i>location based</i>	<b>126,753</b>	<b>128,918</b>	<b>381</b>	<b>470</b>

305 – 3 GHG Emissions (Scope 3), by source				
Emissions related to energy recovery (t CO <sub>2</sub> e)	102	179	-	-
Emissions related to organic recovery (t CO <sub>2</sub> e)	230	241	-	-
Emissions related to sanitary landfill (t CO <sub>2</sub> e)	7,955	8,454	-	-
<b>Total GHG emissions (Scope 3) (t CO<sub>2</sub>e)</b>	<b>8,287</b>	<b>8,875</b>	-	-

Emission Factors				
Energy	Unit	Factor 2017	Factor 2018	Source (2018)
Natural gas	kg CO <sub>2</sub> /GJ	56.1	56.1	<p><b>2017:</b> APA (2017) Portuguese National Inventory Report on Greenhouse Gases 1990-2015</p> <p><b>2018:</b> APA (2018) Portuguese National Inventory Report on Greenhouse Gases 1990-2016 (pg. 189)</p> <p><a href="https://unfccc.int/documents/65569">https://unfccc.int/documents/65569</a></p>
Propane	kg CO <sub>2</sub> /GJ	63.1	63.1	
Diesel	kg CO <sub>2</sub> /GJ	74.1	74.1	
Petrol	kg CO <sub>2</sub> /GJ	69.3	69.3	
Electricity - Market Based (Sonae MC, Sonae Sports & Fashion, Worten)	(kg CO <sub>2</sub> /GJ)	136.1	104.8	<p><b>2017:</b> Mix de: Endesa; Galp - <a href="http://www.galpenergia.com/PT/ProdutosServicos/Eletricidade-Gas-Natural-Livre/Centro-de-informacao/A-nossa-Energia/Paginas/Rotulagem_2017.aspx">http://www.galpenergia.com/PT/ProdutosServicos/Eletricidade-Gas-Natural-Livre/Centro-de-informacao/A-nossa-Energia/Paginas/Rotulagem_2017.aspx</a>; Elergone; EEM - <a href="https://www.eem.pt/media/323353/evol_mad_11_2017.pdf">https://www.eem.pt/media/323353/evol_mad_11_2017.pdf</a></p> <p><b>2018:</b> Mix de: Endesa; Galp - <a href="http://www.galpenergia.com/PT/ProdutosServicos/Eletricidade-Gas-Natural-Livre/Centro-de-informacao/A-nossa-Energia/Paginas/Rotulagem_2017.aspx">http://www.galpenergia.com/PT/ProdutosServicos/Eletricidade-Gas-Natural-Livre/Centro-de-informacao/A-nossa-Energia/Paginas/Rotulagem_2017.aspx</a>; Elergone; EEM - <a href="https://www.eem.pt/media/323353/evol_mad_11_2017.pdf">https://www.eem.pt/media/323353/evol_mad_11_2017.pdf</a></p>
Electricity - Market Based (Maxmat)	(kg CO <sub>2</sub> /GJ)	131.9	105.6	<p><b>2017:</b> Mix de: EDA - <a href="http://www.eda.pt/Regulacao/Rotulagem">http://www.eda.pt/Regulacao/Rotulagem</a>; EEM - <a href="https://www.eem.pt/me">https://www.eem.pt/me</a></p> <p><a href="https://www.eem.pt/media/323353/evol_mad_11_2017.pdf">https://www.eem.pt/media/323353/evol_mad_11_2017.pdf</a>; Elergone –</p> <p><b>2018:</b> Mix de: EDA - <a href="http://www.eda.pt/Regulacao/Rotulagem">http://www.eda.pt/Regulacao/Rotulagem</a>; EEM - <a href="https://www.eem.pt/media/323353/evol_mad_11_2017.pdf">https://www.eem.pt/media/323353/evol_mad_11_2017.pdf</a>; Elergone -</p>
Electricity - Market Based (Sonae RP)	(kg CO <sub>2</sub> /GJ)	137.2	105.6	<p><b>2017:</b> Elergone</p> <p><b>2018:</b> Mix de: EDA - <a href="http://www.eda.pt/Regulacao/Rotulagem">http://www.eda.pt/Regulacao/Rotulagem</a>; EEM - <a href="https://www.eem.pt/media/323353/evol_mad_11_2017.pdf">https://www.eem.pt/media/323353/evol_mad_11_2017.pdf</a>; Elergone -</p>
Electricity - Market Based (Sonaecom)	(kg CO <sub>2</sub> /GJ)	55.2	55.2	<p><b>2017:</b> EDP - <a href="http://www.edpsu.pt/pt/origemdaenergia/Pages/OrigensdaEnergia.aspx">http://www.edpsu.pt/pt/origemdaenergia/Pages/OrigensdaEnergia.aspx</a></p> <p><b>2018:</b> EDP - <a href="http://www.edpsu.pt/pt/origemdaenergia/Pages/OrigensdaEnergia.aspx">http://www.edpsu.pt/pt/origemdaenergia/Pages/OrigensdaEnergia.aspx</a></p>
Electricity - Spain based market	(kg CO <sub>2</sub> /GJ)	-	108.33	<b>2018:</b> Endesa emission factor assumed: 0.39 kg CO <sub>2</sub> /kWh
Electricity – Portugal based Portugal	(kg CO <sub>2</sub> /GJ)	78.2	78.2	International Energy Agency (2015). CO <sub>2</sub> Emissions from Fuel Combustion, 2015 Edition.
Electricity – Spain based location	(kg CO <sub>2</sub> /GJ)	-	122.2	<p><b>2018:</b> Defra (2018) UK Government GHG Conversion Factors for Company Reporting: <a href="https://www.carbonfootprint.com/docs/2018_conversion_factors_2018_full_set_for_advanced_users_v01-00.xls">https://www.carbonfootprint.com/docs/2018_conversion_factors_2018_full_set_for_advanced_users_v01-00.xls</a></p>



Type of Treatment	Unit	Factor 2017	Factor 2018	Source (2018)
Sanitary Landfill	t CO <sub>2</sub> /t waste	0.589	0.589	2017: DEFRA (2017). Greenhouse gas reporting - Conversion factors 2017 ( <a href="https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017">https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017</a> ) 2018: DEFRA (2017). Greenhouse gas reporting - Conversion factors 2017 ( <a href="https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017">https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2017</a> )
Energy Recovery	t CO <sub>2</sub> /t waste	0.0218	0.0214	
Organic Recovery	t CO <sub>2</sub> /t waste	0.0218	0.0214	

Sonae Sierra			2017	2018
<b>305-1 GHG Emissions (Scope 1), by source</b>				
Emissions associated with the consumption of natural gas (t CO <sub>2</sub> e)			9,227	8,723
Emissions associated with the consumption of LPG (t CO <sub>2</sub> e)			11	8
Emissions associated with the consumption of fuels by contracted fleet (petrol, diesel and ethanol) (t CO <sub>2</sub> e)			936	941
Emissions associated to leaks (t CO <sub>2</sub> e)			1,758	406
<b>Total direct (Scope 1) GHG emissions (t CO<sub>2</sub>e)</b>			<b>11,933</b>	<b>10,079</b>
<b>305-2 GHG Emissions (Scope 2), per source</b>				
Emissions associated with electricity consumption (t CO <sub>2</sub> e)			12,391	12,127
Emissions associated with electricity consumption for the cooling of water (t CO <sub>2</sub> e)			5,669	5,078
Emissions associated with electricity consumption for the heating of water (t CO <sub>2</sub> e)			1,210	1,111
<b>Total emissions (t CO<sub>2</sub>e)</b>			<b>19,271</b>	<b>18,316</b>
<b>305-3 GHG Emissions (Scope 3), by source</b>				
Emissions from tenant's electricity consumption (t CO <sub>2</sub> e)			115,405	12,1266
Emissions related to air travel (t CO <sub>2</sub> e)			1,699	2,040
Emissions related to train travel (t CO <sub>2</sub> e)			13	12
Emissions related to hotel stays (t CO <sub>2</sub> e)			137	83
Emissions related to employees' business trips (t CO <sub>2</sub> e)			1,094	1,082
Emissions from shopping centre visitors (t CO <sub>2</sub> e)			604,375	603,012
Emissions from waste (t CO <sub>2</sub> e)			2,428	2,393
<b>Total GHG emissions (Scope 3) (t CO<sub>2</sub>e)</b>			<b>725,150</b>	<b>729,887</b>
<b>Notes:</b> This includes all shopping centres owned by Sonae Sierra, operational during the full reporting year, with the exception of Portimão Retail Centre in Portugal, and all corporate offices with SHEMS (Lisbon, Maia and São Paulo), with the exception of fleet fuel, which included all corporate offices (Lisbon, Maia, São Paulo, Milan, Madrid, Dusseldorf and Bucharest), due to the materiality of these emissions. Emissions in tonnes of CO <sub>2</sub> , equivalent (t CO <sub>2</sub> e) refer to emissions from energy sources over which Sonae Sierra has financial control. For information on Sonae Sierra's 2017 and 2018 emission factors, please refer to Sonae Sierra's Sustainability Report for the respective years.				

305-4	GHG emissions intensity	CO <sub>2</sub> and Climate Change	V	8	13
					14
					15

	Sonae MC, Sonae S&F, Sonae RP, Sonae FS Maxmat and Worten		Sonaecom (IM & Media)	
	2017	2018	2017	2018
<b>GHG emissions intensity</b>				
Total GHG emissions (t CO <sub>2</sub> e)	266,460	224,452	1,180	1,282
Business turnover (M€)	5,435	5,801	140	169.1
<b>GHG emissions intensity ratio (t CO<sub>2</sub>/M€)</b>	<b>49</b>	<b>39</b>	<b>8</b>	<b>8</b>

Sonae Sierra		
	2017	2018
<b>GHG emissions intensity</b>		
Total GHG emissions (t CO <sub>2</sub> e)	756,353	758,282
<b>Excluding tenants (t CO<sub>2</sub>e/m<sup>2</sup>)</b>	<b>0.061</b>	<b>0.055</b>
<b>Including tenants (t CO<sub>2</sub>e/m<sup>2</sup>)</b>	<b>0.298</b>	<b>0.302</b>
<p><b>Notes:</b> This includes all shopping centres owned by Sonae Sierra, operational during the full reporting year, and corporate offices with SHEMS (Lisbon, Maia and São Paulo). For data that exclude tenants, the numerator includes the Scope 1 emissions (excluding emissions associated with natural gas consumed by cogeneration but including the emissions from the hot/cold water produced by cogeneration and consumed on-site), Scope 2 emissions and Scope 3 emissions associated with waste from shopping centres and corporate offices with SHEMS (Lisbon, Maia and São Paulo). As an exception, the emissions associated with the consumption of the fuel fleet are considered for the following corporate offices: Lisbon, Maia, São Paulo, Madrid, Düsseldorf, Bucharest and Milan. The denominator includes the common areas of the shopping centres and the area of the corporate offices with SHEMS (Lisbon, Maia and São Paulo). There is a slight maladjustment between the numerator and the denominator, as the energy consumption in technical areas and the hot/cold water supplied to some tenants is considered, but the consumption of the areas is not. For the data that includes tenants, the same assumptions as above apply but in addition the emissions associated with the consumption of the tenants are included.</p>		

305-5	Reduction of GHG emissions	CO <sub>2</sub> and Climate Change	V	8 and 9	13 14 15
305-6	Emissions of ozone-depleting substances	As in 2017, the value is zero.	V	7 and 8	3 12 13
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions		V	7 and 8	3 12 13 14 15

	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)	
	2017	2018	2017	2018
<b>Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions</b>				
NOx emissions – Diesel consumed - stores (t)	3.38	3.40	-	0.00
NOx emissions - Diesel consumed - contracted fleet (t)	314.59	349.26	9.67	10.07
NOx emissions - Petrol consumed - contracted fleet	0.00	0.00	0.13	0.15
NOx emissions - Diesel consumed - employees' vehicles (t)	78.00	83.68	-	0.00
NOx emissions - Petrol consumed - employees' vehicles (t)	0.26	0.39	-	0.00
<b>Total NOx emissions (t)</b>	<b>396.23</b>	<b>436.72</b>	<b>9.8</b>	<b>10.22</b>
SO <sub>2</sub> emissions - Diesel consumed - stores (t)	0.89	0.89	-	0.00

SO <sub>2</sub> emissions - Diesel consumed - contracted fleet (t)	82.58	91.68	2.54	2.64
SO <sub>2</sub> emissions - Petrol consumed - contracted fleet (t)	0.00	0.00	0.02	0.02
SO <sub>2</sub> emissions - Diesel consumed - employees' vehicles	204.74	21.96	-	0.00
SO <sub>2</sub> emissions - Petrol consumed - employees' vehicles	0.03	0.05	-	0.00
<b>Total SO<sub>2</sub> emissions (t)</b>	<b>288.23</b>	<b>114.59</b>	<b>2.56</b>	<b>2.66</b>

**Emission Factors:**

Energy	Unit	NO <sub>x</sub>	SO <sub>2</sub>	Source
Diesel	kg/GJ	0.8	0.21	IPCC 2006
Petrol	kg/GJ	0.6	0.075	IPCC 2006

Sonae Sierra does not report this indicator.

GRI 306 - EFFLUENTS AND WASTE (MATERIAL ASPECT)															
Management Approach	103-1	Explanation of the material topic and its Boundary	Sustainability at the core of our DNA												
	103-2	Management approach and its Components	Sonae has promoted several initiatives related to Waste and Effluents ( <i>vide</i> chapter Plastic).	V											
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this aspect and reports them in this Report ( <i>vide</i> indicators presented below).												
306-1		Water discharge by quality and destination	<p>Sonae does not have quantitative measurements for waste water in stores. For this reason, and in accordance with best Engineering practices, we operate on the basis that 80% of the consumed water results in waste water.</p> <table border="1"> <thead> <tr> <th>Volume of effluent discharged (m<sup>3</sup>)</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Sonae MC, Sonae S&amp;F, Sonae RP, Maxmat and Worten</td> <td>574,234</td> <td>608,351</td> </tr> <tr> <td>Sonaecom (IM &amp; Media)</td> <td>3,686</td> <td>4,222</td> </tr> </tbody> </table> <p>Sonae Sierra does not report this indicator.</p>	Volume of effluent discharged (m <sup>3</sup> )	2017	2018	Sonae MC, Sonae S&F, Sonae RP, Maxmat and Worten	574,234	608,351	Sonaecom (IM & Media)	3,686	4,222	V	8	3 6 12 14
Volume of effluent discharged (m <sup>3</sup> )	2017	2018													
Sonae MC, Sonae S&F, Sonae RP, Maxmat and Worten	574,234	608,351													
Sonaecom (IM & Media)	3,686	4,222													
306-2		Waste by type and disposal method	Plastic	V	8	3 6 12									

	Sonae MC, Sonae S&F, Sonae RP, Maxmat and Worten		Sonaecom (IM & Media)	
	2017	2018	2017	2018
<b>Waste by type and disposal method</b>				
<b>Hazardous waste (t)</b>	<b>2,134</b>	<b>3,097</b>	-	-
Recovery	2,134	3,097	-	-
Elimination	-	-	-	-
<b>Non-hazardous waste (t)</b>	<b>69,615</b>	<b>74,568</b>	-	-
Recovery	56,106	60,154	-	-
Elimination	13,509	14,414	-	-
<b>Total volume of waste (t)</b>	<b>71,749</b>	<b>77,665</b>	-	-

Waste generated by Sonae activity (t)	64,703	70,536	-	-
Waste deposited by the customers at the stores (t)	6,175	6,200	-	-
Energy Recovery (t)	-	8,378	-	-
Organic Recovery (t)	-	11,284	-	-
Sanitary Landfill (t)	-	14,414	-	-
<b>Total volume of waste (t)</b>	<b>71,749</b>	<b>77,665</b>	-	-
<b>Recovery rate</b>	<b>81%</b>	<b>81%</b>	-	-

Sonae Sierra		
	2017	2018
<b>Waste by type and disposal method</b>		
<b>Hazardous waste (t)</b>	<b>99</b>	<b>77</b>
Anaerobic digestion	0.1	-
Composting	-	-
Energy recovery from incineration	11	10
Incineration without energy recovery	1	1
Sanitary Landfill	1	1
Recycling	80	58
Reuse	-	-
Treatment/Elimination	5	7
Energy recovery	0.4	0.4
WWTP	-	-
<b>Non-hazardous waste (t)</b>	<b>46,550</b>	<b>47,691</b>
Anaerobic digestion	3,091	3,241
Composting	7,266	7,489
Energy recovery from incineration	3,584	3,582
Incineration without energy recovery	18	27
Sanitary Landfill	8,303	8,103
Recycling	19,622	20,769
Reuse	-	3
Treatment/Elimination	18	18
Energy recovery	4,339	4,319
WWTP	309	140
<b>Total waste (t)</b>	<b>46,649</b>	<b>47,768</b>
<b>Recycling rate – shopping centres (%)</b>	<b>64%</b>	<b>66%</b>
<b>Recycling rate – corporate offices with SHEMS (Lisbon, Maia and São Paulo) (%)</b>	<b>75%</b>	<b>87%</b>
<b>Waste disposal rate in sanitary landfill – shopping centres (%)</b>	<b>18%</b>	<b>17%</b>
<b>Waste disposal rate in sanitary landfill – corporate offices (Lisbon, Maia and São Paulo) (%)</b>	<b>8%</b>	<b>13%</b>
<b>Notes:</b> This includes all shopping centres owned by Sonae Sierra, operational during the reporting year, except Portimão Retail Centre in Portugal. This includes all corporate offices with SHEMS (Lisbon, Maia and São Paulo). The recycling rate includes waste sent for recycling, anaerobic digestion and composting.		

306-3	Significant Spills	In 2018, there was no significant spills.	V	8	3
					6
					12
					14
					15

GRI 307 – ENVIRONMENTAL COMPLIANCE						
Management Approach	103-1	Explanation of the material topics and its Boundary	Sustainability at the core of our DNA	V		
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Environmental Compliance ( <i>vide</i> chapters Nature and Biodiversity and CO <sub>2</sub> and Climate Change).			
	103-3	Evaluation of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).			
307-1		Non-compliance with environmental laws and regulations	<p>Sonae considers a fine to be significant when the 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<sup>th</sup>).</p> <p>In 2018, we received a fine of 22,000 euros, imposed on a Sonae Sierra centre, resulting from a process of misdemeanour filed by Seixal Town Council regarding non-compliance with the correct disposal of waste. This has been contested by the centre and there is still no final decision.</p>	V	8	16
GRI 308 - SUPPLIER ENVIRONMENTAL ASSESSMENT (MATERIAL ASPECT)						
Management Approach	103-1	Explanation of the material topics and its Boundary	Sustainability at the core of our DNA	V		
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Suppliers Environmental Assessment ( <i>vide</i> chapter Nature and Biodiversity).			
	103-3	Evaluation of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).			
308-1		New suppliers that were screened using environmental criteria	Nature and Biodiversity	V	8	

In 2018, the suppliers' assessment and qualification process of Sonae MC, Maxmat and Worten's own-brand products was reviewed. This consists of a mechanism that has the dual purpose of assessing and qualifying the suppliers who 'qualify' to work with Sonae, but also of using audits to identify areas for improvement in their operations.

For each supplier of an assessed brand, a Risk Index is created - composed of: Quality Index (IQ), which assesses quality indicators such as inspections, incidents, nonconformities, withdrawals and complaint rate, and the Vulnerability Index (IV). The latter is analysed according to geographical origin criteria and includes five criteria: legal & regulatory, labour relations, environment, corruption, child labour, and supplier guarantee through certification and/or audit.

Sonae S&F also reviewed its supplier assessment process by investing in the creation of a pool of local quality controllers specifically trained to carry out inspections and audits. At the same time, a supplier's manual consisting of a single document with all the rules to be complied with by the suppliers was developed. This also includes the revised version of Sonae's Code of Ethics and Conduct. The audit framework to be applied by the quality controllers has been reviewed in light of this Code, and includes a set of social, environmental and ethical criteria. This new model will be implemented in 2019.

Depending on the result obtained, in any of the methodologies, the supplier and product quality control processes can be adjusted to include the definition of a corrective action plan or, if necessary, supply may be suspended, or the supplier replaced. It is also worth noting that all suppliers receive the Suppliers' Code of Conduct and, in the qualification phase, depending on the products to be supplied, they may be subjected to pre-tests.

## GRI 400 - SOCIAL DISCLOSURES

### GRI 401 - EMPLOYMENT (MATERIAL ASPECT)

Management Approach	103-1	Explication of the materials topics and its boundary	Sustainability at the core of our DNA	V
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Employment ( <i>vide</i> chapter Inequalities and Inclusive Development).	
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).	
401-1	New employee hires and employee turnover	Inequalities and Inclusive Development		

#### Sonae MC, Sonae S&F, Sonae RP, Maxmat and Worten

##### Screened suppliers based on environmental criteria

	Fresh Products		Food retail		Non-food retail		Wells		S&F (MO, Zippy and Losan)		S&F (Deeply and Berg)		Worten		Maxmat	
	Total	New	Total	New	Total	New	Total	New	Total	New	Total	New	Total	New	Total	New
<b>Total suppliers (no.)</b>	<b>302</b>	<b>32</b>	<b>405</b>	<b>39</b>	<b>299</b>	<b>37</b>	<b>57</b>	<b>8</b>	<b>368</b>	<b>82</b>	<b>70</b>	<b>12</b>	<b>118</b>	<b>12</b>	<b>73</b>	<b>6</b>
National	260	31	213	17	109	9	23	2	148	30	28	2	8	0	42	5
Foreign	42	1	192	22	190	28	34	6	220	52	42	10	110	12	31	1
<b>Total qualified suppliers (no.)</b>	<b>271</b>	<b>5</b>	<b>379</b>	<b>22</b>	<b>237</b>	<b>9</b>	<b>42</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>98</b>	<b>0</b>	<b>29</b>	<b>0</b>
National	229	4	199	9	92	1	16	1	0	0	0	0	8	0	16	0
Foreign	42	1	180	13	145	8	26	2	0	0	0	0	90	0	13	0
<b>Percentage of qualified suppliers (%)</b>	<b>90%</b>	<b>16%</b>	<b>94%</b>	<b>56%</b>	<b>79%</b>	<b>24%</b>	<b>74%</b>	<b>38%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>83%</b>	<b>0%</b>	<b>40%</b>	<b>0%</b>
National	88%	13%	93%	53%	84%	11%	70%	50%	0%	0%	0%	0%	100%	0%	38%	0%
Foreign	100%	100%	94%	59%	76%	29%	76%	33%	0%	0%	0%	0%	82%	0%	42%	0%
<b>Total audits conducted (no.)</b>	<b>81</b>	<b>1</b>	<b>78</b>	<b>3</b>	<b>186</b>	<b>3</b>	<b>26</b>	<b>1</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64</b>	<b>0</b>	<b>13</b>	<b>0</b>
National	77	1	55	3	46	0	7	0	0	0	0	0	0	0	5	0
Foreign	4	0	23	0	140	3	19	1	10	0	0	0	64	0	8	0

No.	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten			Sonaecom (IM & Media)			Sonae Sierra		
	Total	New hires	Departures	Total	New hires	Departures	Total	New hires	Departures
Male	13,844	9,094	8,751	996	231	185	511	64	65
Female	27,193	13,394	12,720	492	98	58	546	74	77
<b>Total</b>	<b>41,037</b>	<b>22,488</b>	<b>21,471</b>	<b>1,488</b>	<b>329</b>	<b>243</b>	<b>1,057</b>	<b>138</b>	<b>142</b>
<30 years old	15,485	17,963	16,118	375	160	89			
From 30 to 50 years old	20,958	4,194	4,749	982	160	144			
>50 years old	4,594	331	604	131	9	10			
<b>Total</b>	<b>41,037</b>	<b>22,488</b>	<b>21,471</b>	<b>1,488</b>	<b>329</b>	<b>243</b>	<b>0</b>	<b>0</b>	<b>0</b>
< 35 years old							291	94	74
From 35 to 44							425	36	49



From 45 to 54							247	8	15
From 55 to 64							88	0	2
> 64 years old							6	0	2
<b>Total</b>							<b>1,057</b>	<b>138</b>	<b>142</b>
Portugal	38,935	21,193	20,027	958	189	126	465	44	44
Brazil	0	0	0	76	4	4	325	50	54
Spain	2,086	1,295	1,440	340	97	84	86	6	5
The rest of the world	17	0	0	114	39	29	181	38	39
<b>Total</b>	<b>41,037</b>	<b>22,488</b>	<b>21,471</b>	<b>1,488</b>	<b>329</b>	<b>243</b>	<b>1,057</b>	<b>138</b>	<b>142</b>
<b>Percentage %</b>	<b>Sonae, Sonae MC, Sonae S&amp;F, Sonae RP, Sonae FS, Maxmat and Worten</b>			<b>Sonaecom (IM &amp; Media)</b>			<b>Sonae Sierra</b>		
	<b>Total</b>	<b>New hires</b>	<b>Departures</b>	<b>Total</b>	<b>New hires</b>	<b>Departures</b>	<b>Total</b>	<b>New hires</b>	<b>Departures</b>
Male	34%	22%	21%	67%	16%	12%	48%	6%	6%
Female	66%	33%	31%	33%	7%	4%	52%	7%	7%
<b>Total (%)</b>	<b>100%</b>	<b>55%</b>	<b>52%</b>	<b>100%</b>	<b>22%</b>	<b>16%</b>	<b>100%</b>	<b>13%</b>	<b>13%</b>
<30 years old	38%	44%	39%	25%	11%	6%			
30-50 years old	51%	10%	12%	66%	11%	10%			
>50 years old	11%	1%	1%	9%	1%	1%			
<b>Total (%)</b>	<b>100%</b>	<b>55%</b>	<b>52%</b>	<b>100%</b>	<b>22%</b>	<b>16%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
< 35 years old							28%	9%	7%
From 35 to 44							40%	3%	5%
From 45 to 54							23%	1%	1%
From 55 to 64							8%	0%	0.2%
> 64 years old							1%	0%	0.2%
<b>Total</b>							<b>100%</b>	<b>13%</b>	<b>13%</b>
Portugal	95%	51.6%	48.8%	64%	13%	8%	44%		
Brazil	0%	0%	0%	5%	0%	0%	31%		
Spain	5.1%	3.2%	3.5%	23%	7%	6%	8%		
The rest of the world	0.04%	0%	0%	8%	3%	2%	17%		
<b>Total (%)</b>	<b>100%</b>	<b>55%</b>	<b>52%</b>	<b>100%</b>	<b>22%</b>	<b>16%</b>	<b>100%</b>		

No.	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)		Sonae Sierra	
	2017	2018	2017	2018	2017	2018
Total Employees	39,004	41,037	1,301	1,488	1,061	1,057
New hires	20,257	22,488	257	329	136	138
Percentage of new employee hires (%)	31%	55%	19.8%	22%	13%	13%
Departures	18,992	21,471	214	243	144	142
Percentage of turnover (%)	31%	52%	16.4%	16%	14%	13%

**Notes:** Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten's 2017 category data do not include Worten Canary Islands, MDS Brazil, Salsa, Losan and Go Natural Restaurants. This does not include the members of the Board of Directors.  
Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten's 2018 category data do not include MDS Brazil and GO NATURAL Restaurants. This does not include the members of the Board of Directors.  
Sonae Sierra: This includes all of Sonae Sierra's direct employees, at the end of the report period.

401-3	Parental Leave	V	6	5 8
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2018	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten			Sonaecom (IM & Media)		
	No.	Male	Female	Total	Male	Female
Total employees entitled to parental leave (no.)	13,844	27,193	41,037	36	18	54
Total employees who benefitted from parental leave (no.)	619	1,569	2,188	36	18	54
Total employees who returned to work after completion of Parental leave (no.)	606	1,484	2,090	36	18	54
Total employees who returned to work after completion of parental leave and continued to work for the Company 12 months after returning (no.)	515	1,156	1,671	16	11	27
<b>Take-up rate (%)</b>	4%	6%	5%	100%	100%	100%
<b>Rate of return (%)</b>	98%	95%	96%	100%	100%	100%
<b>Rate of retention (%)</b>	83%	74%	76%	44%	61%	50%

**Notes:** Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten's category data do not include MDS Brazil, and GO NATURAL Restaurants. It does not include the members of the Board of Directors. Employees who benefitted from parental leave in 2017 and continued to work 12 months after returning are not included. For this reason, the retention rate may be over 100%, since the denominator refers to the take-up rate in 2018 and not in 2017.

No.	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)	
	2017	2018	2017	2018
<b>Take-up rate (%)</b>	5%	5%	100%	100%
<b>Rate of return (%)</b>	95%	96%	100%	100%
<b>Rate of retention (%)</b>	85%	76%	0%	50%

GRI 403 – OCCUPATIONAL HEALTH AND SAFETY					
Management Approach	103-1	Explanation of the material topic and its boundary	Sustainability at the core of our DNA	V	
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Occupational Health and Safety ( <i>vide</i> chapter Inequalities and Inclusive Development).		
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).		
403-1	Workers representation health and safety committees	There are no health and safety committees at Sonae.			
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities		V		3 8

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities									
2018	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten			Sonaecom (IM & Media)			Sonae Sierra		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Workable hours by all employees (h)	25,076,732	49,776,891	74,853,623	1,840,608	909,216	2,749,824	-	-	1,825,192
Total deaths (no.)	0	1	1	0	0	0	-	-	0
Total accidents in the workplace (no.)	466	732	1,198	0	0	0	-	-	4
Total accidents during the commute between home and work (no.)	47	143	190	1	2	3	-	-	2
<b>Total accidents (no.)</b>	<b>513</b>	<b>875</b>	<b>1,388</b>	<b>1</b>	<b>2</b>	<b>3</b>	-	-	<b>6</b>
<b>Rate of accidents (%)</b>	<b>0.002%</b>	<b>0.002%</b>	<b>0.002%</b>	<b>0.000%</b>	<b>0.000%</b>	<b>0.000%</b>	-	-	<b>3.29</b>
Total days of absence due to occupational accidents (d)	7,929	13,320	21,249	5	243	248	-	-	38
<b>Rate of days lost due to occupational accidents (%)</b>	<b>0.032%</b>	<b>0.027%</b>	<b>0.028%</b>	<b>0.000%</b>	<b>0.027%</b>	<b>0.009%</b>	-	-	<b>20.82</b>
Total days of absence due to occupational diseases (d)	220	613	833	0	0	0	-	-	0
<b>Rate of occupational diseases (%)</b>	<b>0.001%</b>	<b>0.001%</b>	<b>0.001%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	-	-	<b>0%</b>
Total number of days lost (d)	8,149	13,933	22,082	5	243	248	-	-	38
<b>Rate of lost days (%)</b>	<b>0.032%</b>	<b>0.028%</b>	<b>0.030%</b>	<b>0.000%</b>	<b>0.027%</b>	<b>0.009%</b>	-	-	<b>20.82</b>
Total hours of absence (h)	815,937	52,752,510	3,574,999	7,317	16,617	23,934	-	-	32,507
<b>Absenteeism rate (%)</b>	<b>3.25%</b>	<b>5.45%</b>	<b>4.72%</b>	<b>0%</b>	<b>2%</b>	<b>1%</b>	-	-	<b>2%</b>

**Notes:** it is not possible to present the information of indirect employees. For the calculation of lost days, the "working days" were considered to be the days in which the victims were effectively absent from work. Counting of lost days starts on the 1<sup>st</sup> day of absence following the accident, usually from the following day. In the case of accidents, all were considered (accidents involving communication to insurance companies, non-participating accidents that did not involve insurance companies, accidents not in the presence of someone and accidents in the presence of someone).

%	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)		Sonae Sierra	
	2017	2018	2017	2018	2017	2018
<b>Rate of accidents</b>	0.002%	0.002%	0%	0%	3.45	3.29
<b>Rate of days lost due to occupational accidents</b>	0.03%	0.028%	0.007%	0.009%	-	-
<b>Rate of occupational diseases</b>	0.001%	0.001%	0%	0%	-	-
<b>Rate of lost days</b>	0.03%	0.03%	0.007%	0.009%	41.46	20.82
<b>Absenteeism rate</b>	5%	4.72%	1%	1%	2%	2%

403-3	<b>Workers with high incidence or high risk of diseases related to their occupation</b>	Sonae has no employees involved in occupational activities with a high incidence or high risk of specific/serious diseases.  Sonae Sierra does not report this indicator.	V		3 8
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**GRI 404 - TRAINING AND EDUCATION (MATERIAL ASPECT)**

Management Approach	103-1	Explanation of the material topic and its boundary	Sustainability at the core of our DNA	V			
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Training and Education ( <i>vide</i> chapter Inequalities and Inclusive Development).				
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).				
404-1	Average hours of training per year per employee	Inequalities and Inclusive Development	V	6	4	5	8

	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten			Sonaecom (IM & Media)		
	Male	Female	Total	Male	Female	Total
<b>Total Employees (no.)</b>						
Top Executive	68	18	86	2	0	2
Management	551	313	864	289	77	366
Middle Management	973	1,207	2,180	628	314	942
Technicians/highly specialised technicians	1,079	1,866	2,945			
Middle Management, Technicians/highly specialised technicians – SALSA	20	42	62			
Representatives	10,956	23,441	34,397	77	101	178
<b>Total</b>	<b>13,627</b>	<b>26,845</b>	<b>40,472</b>	<b>996</b>	<b>492</b>	<b>1,488</b>
<b>Total hours of training (h)</b>						
Top Executive	2,103	441	2,545	6	0	6
Management	16,849	10,849	27,698	4,413	1,476	5,889
Middle Management	35,100	60,191	95,291	9,326	4,825	14,151
Technicians/highly specialised technicians	27,722	46,748	74,470			
Representatives	353,100	601,515	954.615	4	5	8.82
Total hours Spain*	0	0	29,718			
<b>Total</b>	<b>434,874</b>	<b>719,744</b>	<b>1,184,336</b>	<b>13,749</b>	<b>6,306</b>	<b>20,055</b>
<b>Average hours of training by category and gender (h/employee)</b>						
Top Executive	31	25	30	3	0	3
Management	31	35	32	15	19	16
Middle Management	36	50	44	15	15	15
Technicians/highly specialised technicians	26	25	25			
Representatives	32	26	27	0	0	0
<b>Total</b>	<b>32</b>	<b>27</b>	<b>29</b>	<b>14</b>	<b>13</b>	<b>13</b>

**Notes:** This includes all training participants, regardless of if they are active on December 31<sup>st</sup>, 2018.  
The average hours by functional group is only in relation to Portugal's employees. In 2018, the number of employees and training hours of Salsa in Spain was considered, however this was not considered in 2017.

Sonae Sierra			
Total Employees (no.)			
	Number of Employees	Number of hours of training	Average number of hours of training for year, per employee, by category
Global Senior Executive, Senior Executive, Executive	29	1,070	37
Senior Manager	60	2,087	35
Manager	108	2,858	26
Team Leader	124	3,670	30
Project Team Specialist	177	5,868	31
Team Member	559	10,732	19
<b>Total</b>	<b>1,057</b>	<b>26,285</b>	<b>25</b>
Female	546	12,731	23
Male	511	13,554	27
<b>Total</b>	<b>1,057</b>	<b>26,285</b>	<b>25</b>

	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)		Sonae Sierra	
	2017	2018	2017	2018	2017	2018
Total employees (no.)	40,905	40,472	1,301	1,488	1,061	1,057
Total training hours (h)	1,022,325	1,184,336	32,246	20,055	32,728	26,285
<b>Average number of hours of training (h/employee)</b>	25	29	25	13	31	24.9

**Note:** This includes all of Sonae Sierra's direct employees, at the end of the report period.

404-2	Programmes for upgrading employee skills and transition assistance programmes	Inequalities and inclusive development	V		8
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Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		
Programmes for upgrading employee skills and transition assistance programmes 2018		
Training Programmes	Total Actions (no.)	Total Hours (h)
Conferences & Seminars	278	16,417
Schools/Academies	101,999	614,011
Spain	0	29,927
Management	34	2,488
Management & Leadership	4,195	60,701
Continuous Improvement	4,144	22,978
Occupational Health and Safety	31,037	118,667
Sustainability	7,510	8,058
Technical	51,786	238,279
Transversal	36,971	43,496

**Notes:** This includes all training participants, regardless of if they are active on December 31<sup>st</sup>, 2018.

Sonaecom (IM & Media)		
Programmes for upgrading employee skills and transition assistance programmes 2018		
Training Programmes	Total Actions (no.)	Total Hours (h)
Behavioural	13	866
Conferences & Seminars	32	1,299
Management & Leadership	12	764

Continuous Improvement	9	416
Occupational Health and Safety	24	297
Sustainability	1	19
Technical	254	16,028
Transversal	39	366
<b>Notes:</b> This includes all training participants, regardless of if they are active on December 31 <sup>st</sup> , 2018.		

Sonae Sierra		
Programmes for improving employee skills 2018		
Training Programmes	Total Hours (h)	Total Hours (%)
Behavioural	4,351	17%
Conferences & Seminars	2,746	10%
Management & Leadership	19,188	73%
<b>Total</b>	<b>26,285</b>	<b>100%</b>

404-3	Percentage of employees receiving regular performance and career development reviews	At Sonae, Sonae MC, Sonae S&F, Worten, Maxmat, Sonae RP, Sonae FS, 100% of the employees received performance assessment and career development reviews. At Sonae S&F Spain, 18% of the employees received performance assessment. At Sonaecom (IM) the value was 82%. Sonae Sierra does not report this indicator.	V	6	58
GRI 405 - DIVERSITY AND EQUAL OPPORTUNITIES - (MATERIAL ASPECT)					
GRI 406 - NON-DISCRIMINATION (MATERIAL ASPECT)					
Management Approach	103-1	Explanation of the material topic and its boundary	Sustainability at the core of our DNA	V	
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Diversity and Equal Opportunities ( <i>vide</i> chapter Inequalities and Inclusive Development and Community Support).		
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).		
405-1	Diversity of governance bodies and employees	Inequalities and Inclusive Development	V	6	58

	Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten				Sonaecom (IM & Media)			
	Age Group	Male	Female	Total	Age Group	Male	Female	Total
<b>Percentage of employees by functional category (%)</b>								
Top Executive (%)	< 30 years old	0%	0%	0%	< 30 years old	0%	0%	0%
	From 30 to 50 years old	40%	13%	52%	From 30 to 50 years old	50%	0%	50%
	≥ 50 years old	40%	8%	48%	≥ 50 years old	50%	0%	50%
	<b>Total</b>	<b>79%</b>	<b>21%</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>
Management (%)	< 30 years old	0%	0%	0%	< 30 years old	1%	0%	1%
	From 30 to 50 years old	47%	29%	77%	From 30 to 50 years old	67%	18%	85%
	≥ 50 years old	15%	7%	23%	≥ 50 years old	11%	3%	14%
	<b>Total</b>	<b>63%</b>	<b>37%</b>	<b>100%</b>	<b>Total</b>	<b>79%</b>	<b>21%</b>	<b>100%</b>
Middle Management (%)*	< 30 years old	4%	6%	10%				
	From 30 to 50 years old	34%	44%	78%				
	≥ 50 years old	6%	6%	12%				
	<b>Total</b>	<b>44%</b>	<b>56%</b>	<b>100%</b>				
Technicians/highly specialised technicians (%)	< 30 years old	9%	16%	25%	< 30 years old	25%	12%	36%
	From 30 to 50 years old	24%	41%	66%	From 30 to 50 years old	41%	20%	61%

	≥ 50 years old	3%	6%	9%	≥ 50 years old	1%	2%	3%				
	<b>Total</b>	36%	64%	100%	<b>Total</b>	67%	33%	100%				
<i>*includes Middle Management , Technicians/highly specialised technicians (%) - SALSA</i>	< 30 years old	6%	18%	24%								
	From 30 to 50 years old				-	-	-	-				
	≥ 50 years old	26%	50%	76%	-	-	-	-				
	<b>Total</b>	0%	0%	100%								
Representatives (%)	< 30 years old	16%	25%	42%	< 30 years old	7%	11%	18%				
	From 30 to 50 years old	13%	34%	47%	From 30 to 50 years old	25%	29%	54%				
	≥ 50 years old	3%	8%	11%	≥ 50 years old	12%	16%	28%				
	<b>Total</b>	32%	68%	100%	<b>Total</b>	43%	57%	100%				
Governance bodies (%)	< 30 years old	0%	0%	0%	< 30 years old	0%	0%	0%				
	From 30 to 50 years old	33%	0%	33%	From 30 to 50 years old	37.5%	12.5%	50%				
	≥ 50 years old	67%	0%	67%	≥ 50 years old	50,0%	00%	50%				
	<b>Total</b>	100%	0%	100%	<b>Total</b>	88%	13%	100%				
<b>Sonae, Sonae MC, Sonae S&amp;F, Sonae RP, Sonae FS, Maxmat and Worten</b>							<b>Sonacom (IM &amp; Media)</b>					
2017			2018			2017			2018			
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Top Executive (%)	83%	17%	100%	79%	21%	100%	100%	0%	100%	100%	0%	100%
Management (%)	63%	37%	100%	63%	37%	100%	78%	22%	100%	79%	21%	100%
Middle Management (%)	45%	55%	100%	45%	55%	100%	-	-	-			
Technicians/highly specialised technicians (%)	37%	63%	100%	36%	64%	100%	-	-	-	67%	33%	100%
Representatives (%)	32%	68%	100%	32%	68%	100%	66%	34%	100%	43%	57%	100%
Governance bodies (%)	100%	0%	100%	100%	0%	100%	46%	54%	100%	88%	13%	100%

**Notes:** Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten's category data do not include MDS Brazil and GO NATURAL Restaurants. This does not include the Board of Directors.

<b>Sonae Sierra</b>				
<b>Percentage of employees by functional category (%)</b>				
	<b>Age Group</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
<i>Global Senior Executive, Senior Executive, Executive</i>	< 35 years old	0%	0%	0%
	From 35 to 44 years old	3%	17%	21%
	From 45 to 54 years old	10%	38%	48%
	From 55 to 64 years old	3%	21%	24%
	> 64 years old	0%	7%	7%
	<b>Total</b>	<b>17%</b>	<b>83%</b>	<b>100%</b>
<i>Senior Manager</i>	< 35 years old	0%	0%	0%
	From 35 to 44 years old	2%	17%	18%
	From 45 to 54 years old	13%	33%	47%
	From 55 to 64 years old	7%	25%	32%
	> 64 years old	0%	3%	3%
	<b>Total</b>	<b>22%</b>	<b>78%</b>	<b>100%</b>
<i>Manager</i>	< 35 years old	1%	2%	3%
	From 35 to 44 years old	18%	22%	40%
	From 45 to 54 years old	17%	29%	45%
	From 55 to 64 years old	1%	10%	11%
	> 64 years old	0%	1%	1%



	<b>Total</b>	36%	64%	<b>100%</b>
<i>Team Leader</i>	< 35 years old	5%	7%	12%
	From 35 to 44 years old	27%	28%	55%
	From 45 to 54 years old	16%	11%	27%
	From 55 to 64 years old	2%	2%	5%
	> 64 years old	0%	1%	1%
	<b>Total</b>	50%	50%	<b>100%</b>
<i>Project Team Specialist</i>	< 35 years old	11%	20%	31%
	From 35 to 44 years old	26%	21%	47%
	From 45 to 54 years old	7%	10%	17%
	From 55 to 64 years old	1%	5%	5%
	> 64 years old	0%	0%	0%
	<b>Total</b>	45%	55%	<b>100%</b>
<i>Team Member</i>	< 35 years old	24%	15%	39%
	From 35 to 44 years old	24%	15%	38%
	From 45 to 54 years old	11%	5%	16%
	From 55 to 64 years old	4%	3%	6%
	> 64 years old	0%	0%	0%
	<b>Total</b>	62%	38%	<b>100%</b>

405-2	Ratio of basic salary and remuneration of women to men	V	6	5
				8
				10

	CC, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten		Sonaecom (IM & Media)	
	2017	2018	2017	2018
<b>Ratio of average basic salary by functional category (F/M)</b>				
<i>Top Executives</i>	0.93	1.04	-	0.00
<i>Management &amp; Senior Management</i>	0.91	0.91	0.9	0.89
<i>Middle Management*</i>	0.9	0.91	0.9	0.92
<i>Technicians/highly specialised technicians</i>	0.87	0.87	-	-
<i>* Includes Middle Management, Technicians/highly specialised technicians – SALSAs</i>	-	0.96	-	-
<i>Representatives</i>	1	1.00	0.89	0.90
<b>Total</b>	<b>0.92</b>	<b>0.98</b>	<b>0.79</b>	<b>0.80</b>
<b>Average pay ratio by functional category (F/M)</b>				
<i>Top Executives</i>	0.89	0.99	-	0.00
<i>Management &amp; Senior Management</i>	0.9	0.90	0.9	0.89
<i>Middle Management*</i>	0.89	0.96	0.9	0.92
<i>Technicians/highly specialised technicians</i>	0.86	0.85	-	-
<i>* Includes Middle Management, Technicians/highly specialised technicians – SALSAs</i>	-	1.00	-	-
<i>Representatives</i>	0.99	1.00	0.89	0.90
<b>Total</b>	<b>0.89</b>	<b>0.96</b>	<b>0.79</b>	<b>0.80</b>

**Note:** The monthly base salary (converted to full-time equivalent) includes:  
All fixed remuneration as of December 31<sup>st</sup>, 2018. Based on 12 months.  
Total remuneration included (converted to full-time equivalent):  
- Monthly base salary;  
- Performance bonus, discrepancy allowance and shift allowance as of December 31<sup>st</sup>, 2018;  
- Variable components calculated based on the last 12 months (January to December 2018);

Sonae, Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten's category data do not include MDS Brazil and GO NATURAL Restaurants. This does not include the Board of Directors.

Sonaecom (Sonae IM & Media)								
Ratio of average basic salary by functional category by country (F/ M)								
	Brazil	Spain	Egypt	USA	Mexico	Colombia	Malaysia	England
Management	0.90	1.06	0.00	0.87	1.14	0.00	0.32	0.00
Middle Management	0.89	0.97	0.91	0.78	1.01	1.29	0.40	-
<b>Total</b>	<b>0.90</b>	<b>1.04</b>	<b>0.16</b>	<b>0.84</b>	<b>1.10</b>	<b>0.29</b>	<b>0.33</b>	<b>0.00</b>

**Notes:** In Australia and England, we only have one employee (one per country), so the calculation of the ratio is not applicable. Also in Ireland, there are only male employees, so, likewise, the calculation of the indicator is not applicable.

406-1	Incidents of discrimination and corrective actions taken	There were no cases of discrimination.	V	6	5 8 16
<b>407 - FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	At Sonae, there are no operations involving risks in the right to freedom of association and collective bargaining agreements. In the specific case of Sonae MC, Maxmat and Worten, according to the audit reports, all suppliers have "Freedom of association: they can be members of institutions / associations that represent their rights" accordingly. Sonae Sierra does not report this indicator.	V	3	8
<b>408 - CHILD LABOUR</b>					
408-1	Operations and suppliers at significant risk for child labour incidents	At Sonae, as a rule, minors are not admitted into the company. Only exceptionally are minors between the ages of 16 and 18 admitted, and always in compliance with the law. At Sonae MC, Maxmat and Worten if it is found that a supplier is at significant risk for child labour incidents, the supplier is placed on stand-by and only re-enters after an SA8000 audit has been carried out by an accredited institution.  Due to both the locations where we are present and to the technical/technological complexity of the type of activities performed by our employees, Sonaecom has residual risks in terms of child labour.  Sonae Sierra does not report this indicator.	V	5	8 16
<b>409 - FORCED OR COMPULSORY LABOUR</b>					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	At Sonae, there is no forced labour. At Sonae MC, Maxmat and Worten if it is found that a supplier is at significant risk for incidents of forced or compulsory labour, the supplier is placed on stand-by and only re-enters after an SA8000 audit has been carried out by an accredited institution. Due to both the locations where we are present and to the technical/ technological complexity of the type of activities performed by our employees, Sonaecom has residual risks in terms of forced or compulsory labour.  Sonae Sierra does not report this indicator.	V	4	8

410 – SECURITY PRACTICES														
410-1	Security personnel trained in human rights policies or procedures	In both Spain and in Portugal, all security staff who work through security companies must have a professional identification, which requires obtaining and renewing training that includes matters of constitutional/fundamental rights, ethics and deontology.												
412 - HUMAN RIGHTS ASSESSMENT														
412-1	Operations that have been subject to human rights reviews or impact assessments	In 2018, no operation that has been subject to a reassessment of human rights and/or impact assessment was registered in this regard.	V	1										
412-2	Employee training on human rights policies or procedures	<p>In 2018, Sonae, Sonae MC, Sonae S&amp;F, Worten, Maxmat, Sonae RP and Sonae FS employees received training related to human rights practices and policies, according to the following table:</p> <table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Total employees that received formal training on the policies and procedures of the organisation regarding Human Rights issues (no.)</td> <td>21,883</td> <td>43,596</td> </tr> <tr> <td>Total hours dedicated to training on policies and procedures relative to Human Rights aspects that are relevant to operations (no.)</td> <td>228,485</td> <td>307,817</td> </tr> </tbody> </table> <p>Notes: Includes all training participants, independent of if they were active on the 31<sup>st</sup> December 2017.</p>		2017	2018	Total employees that received formal training on the policies and procedures of the organisation regarding Human Rights issues (no.)	21,883	43,596	Total hours dedicated to training on policies and procedures relative to Human Rights aspects that are relevant to operations (no.)	228,485	307,817	V	1	
	2017	2018												
Total employees that received formal training on the policies and procedures of the organisation regarding Human Rights issues (no.)	21,883	43,596												
Total hours dedicated to training on policies and procedures relative to Human Rights aspects that are relevant to operations (no.)	228,485	307,817												
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	In Sonae MC, Sonae S&F, Worten and Maxmat, supply contracts include a supplier obligation clause that mentions "Comply with all applicable norms and legislation on work carried out by minors, human rights and prohibition of discrimination against their workers, for whatever reason."	V	6	5 8 16									

GRI 413 - LOCAL COMMUNITIES (MATERIAL ASPECT)					
Management Approach	103-1	Explanation of the material topic and its boundary	Sustainability at the core of our DNA	V	
	103-2	The management approach and its components	Sonae has promoted several initiatives related to local communities ( <i>vide</i> chapter Inequalities and Inclusive Development and Community Support).		
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).		
413-1	Operations with local community engagement, impact assessments and development programmes	<p>Inequalities and Inclusive Development and Community Support</p> <p>From the moment a new unit is installed, Sonae ensures the necessary conditions so that it has the minimum negative impact on communities. During operation, it develops numerous activities of support to the local community, meeting their different needs. The activities are often carried out in partnership with local entities.</p>	V	1	

GRI 414 - SUPPLIER SOCIAL ASSESSMENT (MATERIAL ASPECT)						
Management Approach	103-1	Explanation of the material topic and its boundary	Sustainability at the core of our DNA	V		
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Supplier Social Assessment ( <i>vide</i> chapter Nature and Biodiversity).			
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).			
414-1	New suppliers that were screened using social criteria			V	8	

Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten																
Screened suppliers based on social criteria - labour practices, human rights, with an impact on society																
2018	Fresh Products		Food Retail		Non-food retail		S&F (MO, Zippy and Losan)		S&F (Deeply & Berg)		Well's		Worten		Maxmat	
	Total	New	Total	New	Total	New	Total	New	Total	New	Total	New	Total	New	Total	New
Total suppliers (no.)	302	32	405	39	299	37	368	82	70	12	57	8	118	12	73	6
National	260	31	213	17	109	9	148	30	28	2	23	2	8	0	42	5
Foreign	42	1	192	22	190	28	220	52	42	10	34	6	110	12	31	1
Total qualified suppliers (no.)	271	5	379	22	235	9	0	0	0	0	42	3	98	0	29	0
National	229	4	199	9	90	1	0	0	0	0	16	1	8	0	16	0
Foreign	42	1	180	13	145	8	0	0	0	0	26	2	90	0	13	0
Percentage of qualified suppliers (%)	90%	16%	94%	56%	79%	24%	0%	0%	0%	0%	74%	38%	83%	0%	40%	0%
National (%)	88%	13%	93%	53%	83%	11%	0%	0%	0%	0%	70%	50%	100%	0%	38%	0%
Foreign (%)	100%	100%	94%	59%	76%	29%	0%	0%	0%	0%	76%	33%	82%	0%	42%	0%
Total audits performed on suppliers (no.)	81	1	78	3	186	3	10	0	0	0	26	1	64	0	13	0
National	77	1	55	3	46	0	0	0	0	0	7	0	0	0	5	0
Foreign	4	0	23	0	140	3	10	0	0	0	19	1	64	0	8	0

Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat e Worten															
Screened suppliers based on social criteria - labour practices, human rights, with an impact on society															
2018	Fresh Products		Food Retail		Non-food Retail		S&F		Well's		Worten		Maxmat		
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	
Total suppliers (no.)	369	302	291	405	305	299	-	70	48	57	133	118	77	73	
Total qualified suppliers (no.)	357	271	288	379	219	235	-	0	35	42	106	98	17	29	
Percentage of qualified suppliers (%)	97%	90%	99%	94%	72%	79%	-	0%	73%	74%	80%	82%	22%	40%	
Total audits performed on suppliers (no.)	99	81	67	78	167	186	-	10	22	26	99	64	10	13	

GRI 416 - CUSTOMER HEALTH AND SAFETY (MATERIAL ASPECT)					
416-1	Assessment of the health and safety impacts of products and services			V	

2018	Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten							
	Categories of significant products and services assessed in terms of health and safety impacts							
	Fresh Products	Food Retail	Non-food Retail	Well's	S&F (MO, Zippy and Losan)	S&F (Deeply & Berg)	Worten	Maxmat
Total categories of significant products and services (no.)	2	1	2	1	7	4	1	1
Total categories of significant products and services that are assessed in terms of health and safety impacts (no.)	2	1	2	1	7	4	1	1
Percentage of significant products and services assessed in terms of health and safety impacts (%)	100%	100%	100%	100%	100%	100%	100%	100%

**Note:** We take into consideration the health and safety impacts of products at various stages of their life cycle. In terms of electronic products, for example, we carry out product image, packaging and instruction development in cooperation with the manufacturer. The entire manufacturing process of this type of product is subjected to various inspections. In terms of food products, we carry out R&D on the products through, for example, the optimisation of their nutritional profile.

Sonae Sierra			
Categories of significant products and services assessed in terms of health and safety impacts	New Building	Management	Development/ Redevelopment
Percentage of significant products and services assessed in terms of health and safety impacts (%)	100%	100%	100%

**Note:** This includes all shopping centres owned by Sonae Sierra, operational in the reporting period and all projects under development during the reporting period.

GRI 417 - MARKETING AND LABELLING (MATERIAL ASPECT)			
417-1	Requirements for product and service information and labelling	V	12 16

	Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten						
	Categories of significant products and services assessed in terms of health and safety impacts						
	Fresh	Food Retail	Non Food	Well's	S&F	Worten	Maxmat
Origin of the product or service	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Composition, with particular attention to potentially harmful substances to the environment or to society	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Safe use of the product or service	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Product elimination and underlying environmental and social impacts	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total categories of products with specific labelling (no.)	-	-	65	120	11	10	10
Total product categories (no.)	-	-	252	148	11	44	89
Percentage of product categories with specific labelling (%)	0%	0%	26%	81%	100%	23%	11%

Sonae FS is responsible for issuing and managing *Cartão Universo*, and its credit facility is secured by a credit facility granted and managed by BNP Paribas Personal Finance, S.A.

In the area of "Pricing and Legal Information" of the *Universo* site, various documents can be consulted and/or downloaded in order to guarantee total transparency and complete information on the procedures associated with *Cartão Universo*: European Standardised Information Sheet regarding consumer credit; Credit Agreement for the opening of a credit line associated with *Cartão Universo*; Agreement for the Provision of Payment and Issuing of Electronic Currency Services; Terms and Conditions of Loyalty Programmes; Prices; Pre-Contractual Information on Credit Intermediation; Complaints; Sonae FS and BNP Bank's Privacy Policies; Sonae's Code of Ethics and Conduct; Procedure for access and use of *Universo* Online; Precontractual Information Documents and General Conditions of *Universo*'s Insurance.

GRI 419 - SOCIOECONOMIC COMPLIANCE (MATERIAL ASPECT)					
Management Approach	103-1	Explanation of the material topic and its boundary			
	103-2	The management approach and its components	Sonae has promoted several initiatives related to Socioeconomic Compliance ( <i>vide</i> chapters Nature and Biodiversity and Inequality and Inclusive Development).	V	
	103-3	Evolution of the management approach	Sonae carries out the measurement and monitoring of the indicators associated with this topic and reports them in this Report ( <i>vide</i> indicators presented below).		
419-1	Non-compliance with laws and regulations in the social and economic area			V	16

Non-compliance with laws and regulations in the social and economic area	Sonae MC, Sonae S&F, Sonae RP, Sonae FS, Maxmat and Worten	Sonae com (Sonae IM & Media)	Sonae Sierra
Total monetary value of significant fines - Economic area (€)	44,178	There were no non-compliance issues with laws and regulations of this nature.	There were no non-compliance issues with laws and regulations of this nature.
Total number of non-monetary sanctions (no.)	0		
Total monetary value of significant fines - Social area (labour) (€)	0		
Total number of non-monetary sanctions (no.)	0		

Table Key:

V – Verified

UNGC Principles – United Nations Global Compact

SDG – Sustainable Development Goals

## 8. Non-financial information requirements

The report of the activity responds to the legal requirements imposed by Portuguese Decree-Law no. 89/2017, published on July 28, 2017 and Spanish law no. 11/2018, of December 28, as it is subsequently shown.

TABLE OF CORRESPONDENCE TO DL 89/2017 of July 28 <sup>th</sup>	
Contents of the Decree-Law no. 89/2017 of July 28 <sup>th</sup>	Location
Article no. 3 (refers to Article no. 66-B and no. 508-G of the CSC): The non-financial statement must contain enough information for an understanding of the development, performance, position and impact of its activities, relating at least to environmental, social and worker-related issues, equality between men and women, non-discrimination, respect for human rights, combating corruption and bribery, including:	
a) A brief description of the company's business model	<b>Sustainability Report 2018:</b> 7. GRI Supplement
b) A description of the company's policies in relation to these issues, including the due diligence procedures duly applied	<b>Sustainability Report 2018:</b> 1. Sustainability at the core of our DNA 2. CO <sub>2</sub> and climate change 3. Nature and biodiversity 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement
c) The results from these policies	<b>Sustainability Report 2018:</b> 2. CO <sub>2</sub> and climate change 3. Nature and biodiversity 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement
d) The main risks associated to these issues, related to the company's activities, including, if relevant and proportionate, its business relations, its products or services that may have negative impacts on these areas and how these risks are managed by the company	<b>Sustainability Report 2018:</b> 7. GRI Supplement  <b>Corporate Governance Report 2018</b> C. Internal Organisation: III- Internal Control and Risk Management: 53-55.; IV- Investor Relations: 56-58
e) Key performance indicators relevant to its specific activity	<b>Sustainability Report 2018:</b> 2. CO <sub>2</sub> and climate change 3. Nature and biodiversity 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement
Article no. 4 (refers to Article no. 245- no. 1 r) and no. 2 of the CVM): Description of the Diversity Policy applied by the company with respect to its management and supervisory bodies, namely, in terms of age, sex, qualifications and professional background, the objectives of this diversity policy, how it was applied and the results in the period of reference.	<b>Sustainability Report 2018:</b> 1. Sustainability at the core of our DNA 5. Inequalities and inclusive development 7. GRI Supplement Information about Corporate Governance can be found: <a href="#">here</a> .



TABLE OF CORRESPONDENCE TABLE TO THE SPANISH LAW 11/2018 of December 28<sup>th</sup>

Contents of the Spanish Law 11/2018 of December 28 <sup>th</sup>	Material issue in materiality analysis	Location
<b>Global</b>		
<p>The consolidated statement of non-financial information will include the information necessary to understand:</p> <ul style="list-style-type: none"> <li>▪ The development,</li> <li>▪ The results and situation of the group and</li> <li>▪ The impact of its activity;</li> </ul> <p>In relation to:</p> <ul style="list-style-type: none"> <li>▪ Environmental issues,</li> <li>▪ Social issues,</li> <li>▪ Respect for human rights,</li> <li>▪ Respect for combating corruption and bribery, as well as regarding employees, including measures that, if applicable, have been adopted to comply with the principle of equal treatment and opportunities for women and men, non-discrimination and the inclusion of people with disabilities and universal accessibility.</li> </ul>	Yes	<p><b>Management Report and Financial Statements 2018:</b> An overview of Sonae Portfolio performance</p> <p><b>Sustainability Report 2018:</b> 2. CO<sub>2</sub> and climate change 3. Nature and biodiversity 4. Plastic 5. Inequalities and inclusive development 6. Community support</p>
<b>Business Model</b>		
<p>Brief description of the group's business model, which will include:</p> <ol style="list-style-type: none"> <li>1.) The business environment,</li> <li>2.) The organisation and structure,</li> <li>3.) The markets in which it operates,</li> <li>4.) The goals and strategies,</li> <li>5.) The main factors and trends that may affect its future development.</li> </ol>	Yes	<p><b>Management Report and Financial Statements 2018:</b> An overview of Sonae Portfolio performance</p> <p><b>Sustainability Report 2018:</b> 1. Sustainability at the core of our DNA 7. GRI Supplement</p>
<b>Policies</b>		
<p>A description of the policies that the group applies to these issues, including:</p> <ol style="list-style-type: none"> <li>1.) due diligence procedures applied to the identification, assessment, prevention and mitigation of significant risks and impacts.</li> <li>2.) verification and control procedures including the measures that have been adopted.</li> </ol>	Yes	<p><b>Sustainability Report 2018:</b> 1. Sustainability at the core of our DNA 2. CO<sub>2</sub> and climate change 3. Nature and biodiversity 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement</p> <p><b>Corporate Governance Report 2018</b> C. Internal Organisation: III- Internal Control and Risk Management: 53-55.; IV- Investor Relations: 56-58</p>
<b>Results of the policies and key performance indicators</b>		
<p>The results of those policies, including key performance indicators of relevant non-financial results that allow:</p> <ol style="list-style-type: none"> <li>1.) the monitoring and assessment of progress and</li> <li>2.) that favour comparability between sectors, according to the national, European or international benchmarks used for each area.</li> </ol>	Yes	<p><b>Sustainability Report 2018:</b> 2. CO<sub>2</sub> and climate change 3. Nature and biodiversity 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement</p>
<b>Risks</b>		
<p>The main risks related to these issues with respect to the activities of the group, including, when relevant, their business relations, products or services that may have negative effects on them, and</p> <ul style="list-style-type: none"> <li>▪ how the group manages these risks,</li> </ul>	No	<p><b>Sustainability Report 2018:</b> 7. GRI Supplement</p> <p><b>Corporate Governance Report 2018</b> C. Internal Organisation: III- Internal Control and Risk Management: 53-55.; IV- Investor Relations:</p>

<ul style="list-style-type: none"> <li>▪ explaining the procedures used to detect and assess risks, according to the national, European or international benchmark structures for each area.</li> <li>▪ Information should be included on the impacts detected, detailing the main risks in the short, medium and long-term.</li> </ul>		56-58
<b>Key performance indicators</b>		
<p>Key non-financial performance indicators that are relevant to the business activity and that meet the comparability, materiality, relevance and reliability criteria.</p> <p>In order to allow the comparison of information, both over time and across entities, standard key non-financial indicators will be used that can be generally applied and that comply with the European Commission's guidelines on this subject and the standards of the Global Reporting Initiative, mentioning in the report the national, European or international scope used for each area.</p> <p>The main indicators of non-financial results should be applied to each of the non-financial information topics. These indicators should be useful, taking into consideration the circumstances, and consistent with the parameters used in their internal assessment and risk management procedures. In any event, the information presented must be accurate, comparable and verifiable.</p>	Yes	<p><b>Sustainability Report 2018:</b></p> <p>2. CO<sub>2</sub> and climate change 3. Nature and biodiversity 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement</p>
<b>Environmental issues</b>		
<b>Global environment</b>		
<p>1.) Detailed information on the current and possible effects of the company's activities on the environment and, when applicable, health and safety procedures, environmental assessment or certification;</p> <p>2.) Resources dedicated to the prevention of environmental risks;</p> <p>3.) The application of the precautionary principle, the quantity of provisions and guarantees for environmental risks.</p>	Yes	<p><b>Sustainability Report 2018:</b></p> <p>2. CO<sub>2</sub> and climate change 3. Nature and biodiversity 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement</p> <p><b>Corporate Governance Report 2018</b></p> <p>C. Internal Organisation: III- Internal Control and Risk Management: 53-55.; IV- Investor Relations: 56-58</p>
<b>Contamination</b>		
<p>1.) Measures to prevent, reduce or repair damage from carbon emissions, which seriously affect the environment;</p> <p>2.) Taking into consideration any form of air pollution, which is activity-specific, including noise and light pollution.</p>	Yes	<p><b>Sustainability Report 2018:</b></p> <p>2. CO<sub>2</sub> and climate change 7. GRI Supplement</p> <p>Sonae's activity, due to its nature, does not have significant impacts on the level of noise and light pollution.</p>
<b>Circular economy and waste management and prevention</b>		
<p><b>Circular economy</b></p> <p>Waste: prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste</p>	Yes	<p><b>Sustainability Report 2018:</b></p> <p>3. Nature and biodiversity 4. Plastic 7. GRI Supplement</p>

<b>Sustainable use of resources</b>		
Water consumption and water supply according to local restrictions;	Yes	<b>Sustainability Report 2018:</b> 2. CO <sub>2</sub> and climate change 3. Nature and biodiversity 7. GRI Supplement
Consumption of raw materials and the measures adopted to improve the efficiency of use;		
Energy consumption, direct and indirect, measures adopted to improve energy efficiency and the use of renewable energy.		
<b>Climate change</b>		
The important elements of greenhouse gas emissions released as a result of the company's activities, including the use of goods and services it produces;	Yes	<b>Sustainability Report 2018:</b> 2. CO <sub>2</sub> and climate change 7. GRI Supplement
Measures taken to adapt to the consequences of climate change;		
The voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions and the measures implemented to achieve this.		
<b>Biodiversity protection</b>		
Measures taken to preserve and restore biodiversity;	Yes	<b>Sustainability Report 2018:</b>  3. Nature and biodiversity 7. GRI Supplement  Sonae does not own any facilities in areas classified as habitats rich in biodiversity. In 2018, there were no operations carried out leading to changes in the surrounding habitats that would result in their restoration.
Impacts caused by the activities or operations in protected areas.		
<b>Employment</b>		
Total number and distribution of employees by gender, age, country and professional category	Yes	<b>Sustainability Report 2018:</b>  5. Inequalities and inclusive development 7. GRI Supplement  <b>Corporate Governance Report 2018</b> D. Remuneration: I- Power to establish: 66; II- Remuneration Committee: 67-68; III- Remuneration Structure: 69-76; IV- Disclosure of Remuneration: 77-82; V- Agreements with Remunerative Implications: 83-84; VI- Share Attribution Plans or Stock Options: 85-88; E. Relevant Transactions with Related Parties: I- Mechanisms of control procedures: 89-91; II- Elements related to transactions: 92
Total number and distribution of work contract modalities,		
Annual average of undefined contracts, temporary contracts and part-time contracts by gender, age and professional category,		
Dismissal numbers by gender, age and professional category,		
The average remuneration and its evolution disaggregated by gender, age and professional category or equal value;		
Salary difference, the remuneration of equal or average positions in the company,		
The average remuneration of managers and executives, including variable remuneration, allowances, compensation, payment to systems for forecasting long-term savings and any other situation disaggregated by gender		

Implementation of labour disconnection policies,		When employees disconnect compliance to the legal requirements applicable to these situations is ensured.
Employees with disabilities		At Sonae, we continuously work to provide an inclusive, non-discriminatory work environment. Our facilities are developed to ensure universal accessibility.
<b>Organisation of work</b>		
Organisation of workable hours	Yes	<b>Sustainability Report 2018:</b> 5. Inequalities and inclusive development 7. GRI Supplement
Number of hours of absence		
Measures to facilitate parental leave and encourage joint responsibility by both parents		
<b>Health and Safety</b>		
Health and safety conditions at work;	No	<b>Sustainability Report 2018:</b> 5. Inequalities and inclusive development 7. GRI Supplement
Work accidents, in particular their frequency and severity,		
Occupational diseases; disaggregated by gender.		
<b>Social Relations</b>		
Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them;	Yes	<b>Sustainability Report 2018:</b> 5. Inequalities and inclusive development 7. GRI Supplement
Percentage of employees covered by collective bargaining agreements by country;		
The balance of collective bargaining agreements, especially in the field of health and safety at work		<b>Sonae's Code of Ethics and Conduct for Employees</b>
<b>Training</b>		
The policies implemented in the field of training;	Yes	<b>Sustainability Report 2018:</b> 5. Inequalities and inclusive development 7. GRI Supplement
Total number of hours of training by professional category		
<b>Universal accessibility for people with disabilities</b>		At Sonae, we continuously work to provide an inclusive, non-discriminatory work environment. Our facilities are developed to ensure universal accessibility.
<b>Equality</b>		
Measures taken to promote equal treatment and opportunities between men and women;	Yes	<b>Sustainability Report 2018:</b> 1. Sustainability at the core of our DNA

<p>Equality Plans (Chapter III of the Organic Law 3/2007, of March 22<sup>nd</sup>, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender harassment, integration and universal accessibility for people with disabilities;</p> <p>The policy against all types of discrimination and, when appropriate, the management of diversity.</p>		<p>5. Inequalities and inclusive development 7. GRI Supplement <b>Equality Plans</b></p>
<b>Human Rights</b>		
<p>Application of the due diligence procedures in the field of human rights Prevention of the risks of human rights violations and, when appropriate, measures to mitigate, manage and repair possible abuses committed;</p> <p>Reports on cases of human rights violations;</p> <p>Promotion and enforcement of the provisions of the fundamental conventions of the International Labour Organization concerning the respect for freedom of association and the right to collective bargaining; The elimination of employment and occupational discrimination;</p> <p>The elimination of forced or compulsory labour;</p> <p>The effective abolition of child labour.</p>	Yes	<p><b>Sustainability Report 2018:</b> 1. Sustainability at the core of our DNA 5. Inequalities and inclusive development 7. GRI Supplement <b>Sonae's Code of Ethics and Conduct for Employees</b> <b>Sonae's Code of Conduct for Suppliers</b></p>
<b>Corruption and bribery</b>		
<p>Measures taken to prevent corruption and bribery;</p> <p>Measures taken to combat money laundering;</p> <p>Contributions to foundations and non-profit entities.</p>	Yes	<p><b>Sustainability Report 2018:</b> 1. Sustainability at the core of our DNA 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement <b>Sonae's Code of Ethics and Conduct for Employees</b> <b>Sonae's Code of Conduct for Suppliers</b></p>
<b>Society</b>		
<b>The company's commitment to sustainable development</b>		
<p>The impact of the company's activity on employment and local development;</p> <p>The impact of the company's activity on the local population and territory;</p> <p>The relations maintained with the representatives of the local communities and the modalities of dialogue with them;</p> <p>Association and sponsorship actions.</p>	Yes	<p><b>Sustainability Report 2018:</b> 1. Sustainability at the core of our DNA 5. Inequalities and inclusive development 6. Community support 7. GRI Supplement <b>Sonae's Code of Ethics and Conduct for Employees</b> <b>Sonae's Code of Conduct for Suppliers</b></p>

Subcontracting and suppliers		
The inclusion in the purchasing policy of social issues, gender equality and environmental issues; Consideration in relations with suppliers and subcontractors of their social and environmental responsibility;		<b>Sustainability Report 2018:</b> 3. Nature and biodiversity 7. GRI Supplement <b>Sonae's Code of Ethics and Conduct for Employees</b> <b>Sonae's Code of Conduct for Suppliers</b>
Supervisory systems and audits and their results.		
Consumers		
Measures for the health and safety of consumers;	No	<b>Sustainability Report 2018:</b> 3. Nature and biodiversity 4. Plastic 7. GRI Supplement
Complaints systems, complaints received and their resolution.		
Tax information		
Benefits obtained by country	Yes	<b>Sustainability Report 2018:</b> 7. GRI Supplement <b>Management Report and Financial Statements 2018</b>
Taxes on benefits paid		



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## **INDEPENDENT LIMITED ASSURANCE REPORT**

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

**To the Board of Directors of  
Sonae SGPS, S.A.**

### **Introduction**

We were engaged by the Board of Directors of **Sonae SGPS, S.A.** (“Sonae”) to provide limited assurance on the information included in the Sustainability Report of Sonae (“the Report”) for the year ended 31 December 2018.

### **Board of Directors’ responsibilities**

The Board of Directors of Sonae is responsible for:

- The preparation and presentation of the information included in the Report in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI Standards), for the level Core, as described in the chapter “About this report” of the Report, and the information and assertions contained within it; and,
- Establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

### **Our responsibilities**

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed.

We have applied International Standard on Quality Control 1 and accordingly we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In the course of our work, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.





## **Scope**

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether anything came to our attention that causes us to believe that the information included in the Report for the year ended 31 December 2018 is not prepared, in all material aspects, in accordance with the GRI Standards, for the level Core.

A limited assurance engagement on sustainability information consists of making inquiries, primarily of persons responsible for the preparation of the sustainability information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries with the responsible persons to gain an understanding of Sonae's processes for determining the material issues for Sonae's key stakeholder groups;
- Interviews with relevant staff, at the corporate and business unit level, responsible for providing the sustainability information in the Report;
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report; and,
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Sonae.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## **Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the information included in the Report of Sonae for the year ended 31 December 2018 is not presented, in all material respects, in accordance with the GRI Standards, for the level Core.



### **Restriction of use and distribution of our report**

In accordance with the terms of our engagement, this independent limited assurance report has been prepared for Sonae and is not intended to be used for other purpose or in any other context. Any party other than the intended addressees who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. We accept or assume no responsibility and deny any liability to any party other than Sonae for our work, for this independent limited assurance report, or for the conclusions we have reached.

1 April 2019

SIGNED ON THE ORIGINAL

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**KPMG & Associados**  
**Sociedade de Revisores Oficiais de Contas, S.A. (nr. 189)**  
represented by  
Pedro Manuel Bouça de Morais Alves da Costa (ROC nr. 1466)