

# SUSTAINABILITY REPORT 2011



**SONAE**

IMPROVING LIFE









# SUSTAINABILITY REPORT

## \* 2011 \*



IMPROVING LIFE







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## OUR REPORT

Every year Sonae publishes its Sustainability Report through which stakeholders\* are informed about the strategy, management system, performance and economic, social and environmental commitments of its activity.

This Sustainability Report relates to the financial year of 2011. It was drawn up following the guidelines defined by Global Reporting Initiative (GRI)\*, in its version 3.1, self-declaring the A level, whose compliance was verified by KPMG, SROC, SA, through an external verification, allowing to obtain the A + level. The information contained in this Report refers to Sonae's activity, with particular emphasis on its Retail business area.

The Report is organised into 4 main chapters:

**1. A Greater World to Invest** – includes information on strategy and the Company's overall activity, incorporating consolidated performance indicators;

**2. A Greater World to Involve** – presents the Group's consolidated information, describing the Sonae Group's corporate governance model, risk management and the enhancement of its human capital. Furthermore, it includes information about relationships with stakeholders and the results of the annual process to sound out their views;

**3. A Greater World to Discover** – integrates information on Retail-specific management approaches and respective social and environmental performances as well as the state of compliance with those commitments assumed publicly by this business area and the presentation of commitments for 2012. These commitments have also been published in the REAP – Retail Environmental Action Plan\* of the Retail Forum for Sustainability, an initiative of the European Commission and EuroCommerce. It also has a summary of the performance of the core partnerships of Sonae: Sonaecom and Sonae Sierra. Both companies have independent and detailed Sustainability Reports available in the fields of Corporate Responsibility of the respective sites: [www.sonae.com](http://www.sonae.com) and [www.sonaesierra.com](http://www.sonaesierra.com).

**4. A Greater World to Evolve (annexes)** – sets out Sonae's indicators in accordance with the Global Reporting Initiative (GRI) guidelines, the GRI table index and also the declaration of verification by an independent external entity.

Note: Whenever the scope of reported information does not encompass all of Sonae's activities, this will be mentioned in the Annexes.

The relevant themes to be included in this document were identified via a benchmark\* analysis and by a process whereby the opinions of the company's main stakeholders were heard carried out in 2011.

\* See Glossary



Should you require any further clarification about the information published in this Report or about Sustainability at Sonae, please contact:

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The Sonae Sustainability Report 2011 is also available online at: [www.sonae.pt](http://www.sonae.pt) – Sustainability area.

## CEO'S MESSAGE

The impact of the sovereign debt crisis and the ensuing austerity measures taken by the Iberian Peninsula governments have been harsh indeed. Private consumption has been on a downward spiral – particularly in Portugal – and the banking system is facing major challenges. Companies have been subject to severe credit restrictions and this, in conjunction with the high cost of financing, have placed constraints on growth strategies, making economic recovery an even stiffer task. A slow recovery is expected in the confidence of agents on the Iberian Markets and improvements in economic activity beyond the 2012 horizon.

We are still positioning the company for international growth and for value creation. We hope to attain this by making the most of the management experience and leading position we have attained on the domestic market.

We have continued to show renewed interest into expanding to new markets abroad, seeking to counterbalance the negative impacts of the domestic economy. However, we have been forced to scale down and adapt our international growth strategy in order to meet the sharp falls observed on non-food markets in the Iberian Peninsula and the difficulties encountered in accessing credit in the Portuguese banking system.

Our international growth efforts have been maintained solely thanks to the resilience shown by the majority of our businesses, keeping EBITDA\* margins up and generating cash flows capable of ensuring the financing of these investments, a reduction debt and the payment of dividends. We are still firmly committed to the communities where we are located.

We are also committed to sustainability and we believe that our investors recognise this as a fundamental strategic force for organisational growth. We care about our employees and our customers and we also measure our success by the well-being of the former and the satisfaction of the latter. We are a demanding company guided by the principle of meritocracy, rewarding top performers and developing a strong, unified culture for success. In 2011 our teams managed to overcome major tests on their capacity and resilience – in 2012 that we will once again be put to the test.

We are approaching the short-term evolution in retail sales both in Portugal and in Spain with some caution owing to the economic uncertainty and the low levels of consumer confidence which are set to continue throughout 2012.

We wish to continue to be seen as a growing, well-reputed company which is highly valued by the customers, but also by the communities we serve, by our employees and by our shareholders and partners.

We have firm belief in our commitment to sustainability and in the value added aspects we have to offer our customers by striking up long-lasting relations with our business partners.

In the context of our sustainable development mission, we are continuing to undertake various actions and initiatives to support the Community, with such endeavours being of paramount importance in the current economic context, amounting to a total of 10.1 million euros invested. These supports have benefitted 3,051 organisations which aid communities and families nationwide, allowing the undertaking of actions in various areas such as welfare, culture, education, sports and the environment.

Here at Sonae we are working to take on the current challenges whilst simultaneously constructing potential for the future.

Paulo Azevedo  
CEO Sonae

\* See Glossary







1.

# A Greater World to Invest





"At Sonae we view sustainability as value creation for all our stakeholders in permanent fashion over time, meeting the highest ethical standards. In this regard, in 2011 we continued to implement our mission, remaining by the side of all our stakeholders. We increased salaries, cut debt, improved our efficiency and cooperated with our suppliers and partners. All of this in a difficult climate in which each and every one of us is asked to make a greater effort, but it is also more rewarding."

Ângelo Paupério, *Executive Board Member*

## 1.1 CORPORATE STRATEGY

### 1.1.1 Corporate Profile

Our mission is to create long-term economic and social value, taking the benefits of progress and innovation to a growing number of people and guiding our actions by values resulting in ethical, responsible behaviour.

### Trust and Integrity

We are committed to creating economic value in the medium and long term, built on relationships founded on integrity and trust.

### People at the centre of our success

Setting constant challenges and being open to change are crucial in attracting ambitious people. Our people are a determining factor in the markets where we operate and, for that reason, we invest in developing their capabilities and skills, and thereby further enrich our culture.

### Ambition

Ambition is born from continuously establishing goals which will stretch us to our limits, stimulating our energy and reinforcing our determination. Ambition drives us and keeps us dissatisfied with the status quo, forcing us to go beyond our past successes.

### Innovation

Innovation is at the heart of our businesses. Innovation involves risks, but we are aware of the importance of identifying and managing these risks, so as to maintain them within reasonable limits. We know that only by innovating can we grow sustainably.

### Social Responsibility

We have an active sense of social responsibility, and try to contribute to improving the communities within which we operate. Our behaviour takes into account the most recent environmental concerns and sustainable development policies.

### Frugality and Efficiency

We aim to optimize the use of resources and maximize their return, seeking cost efficiency, and avoiding any waste or extravagance. As a priority, we focus on achieving operating efficiency, promoting healthy competition, and delivering high impact projects.

### Cooperation and Independence

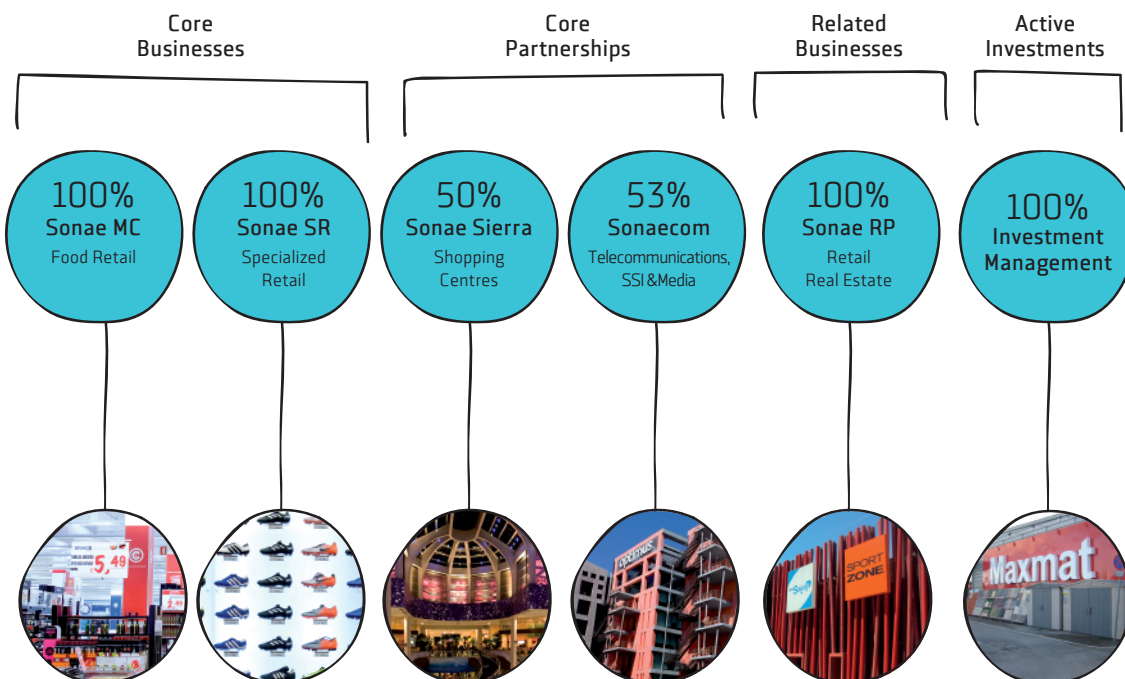
We are willing and ready to cooperate with central and local governments, in order to improve regulatory, legal and social frameworks, and to ensure the best solutions for the communities within which we operate, but we also take care to maintain our independence in relation to all such entities.

## Business Areas

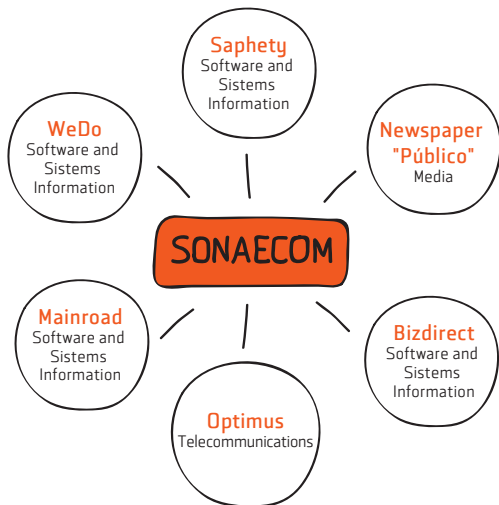
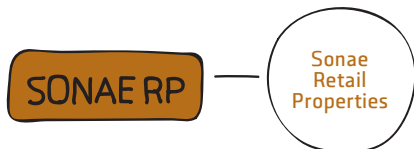
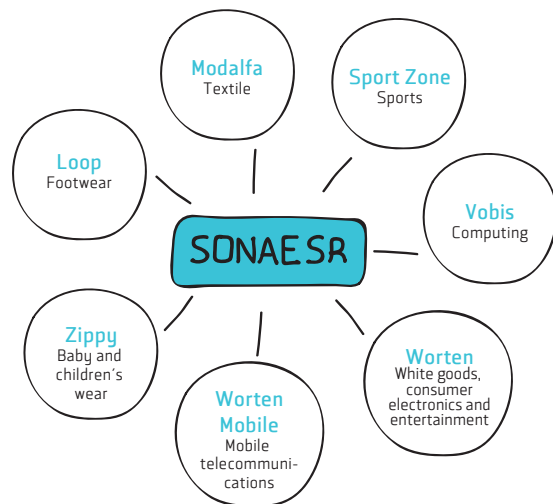
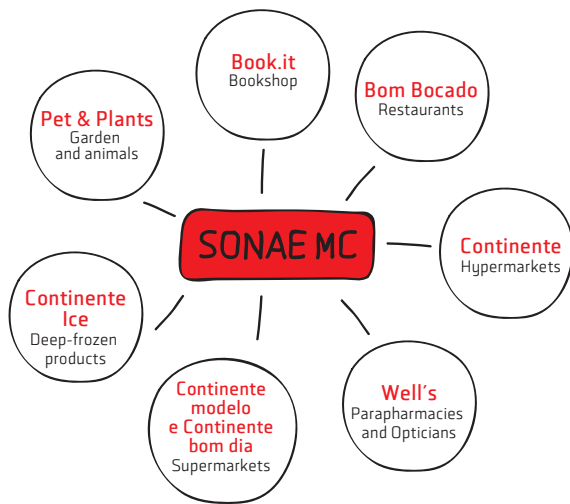
Sonae is a Retail company with two major partnerships in the fields of Telecommunications, Software and Information and Media Systems (Sonaecom) and Shopping Centres (Sonae Sierra). It also has two business areas in Retail Properties (Sonae RP) and Investment Management.

It carries out its activity in a total of 42 countries, including operations, provision of services to third parties, representation offices, franchising and partnerships. In the countries where it operates it is recognised as an organisation with a strong value-based culture which contributes to social and economic development.

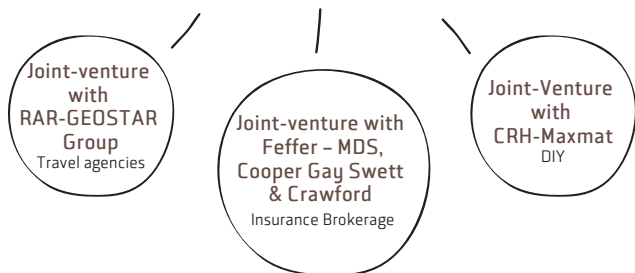
### % Stakes and Business Areas





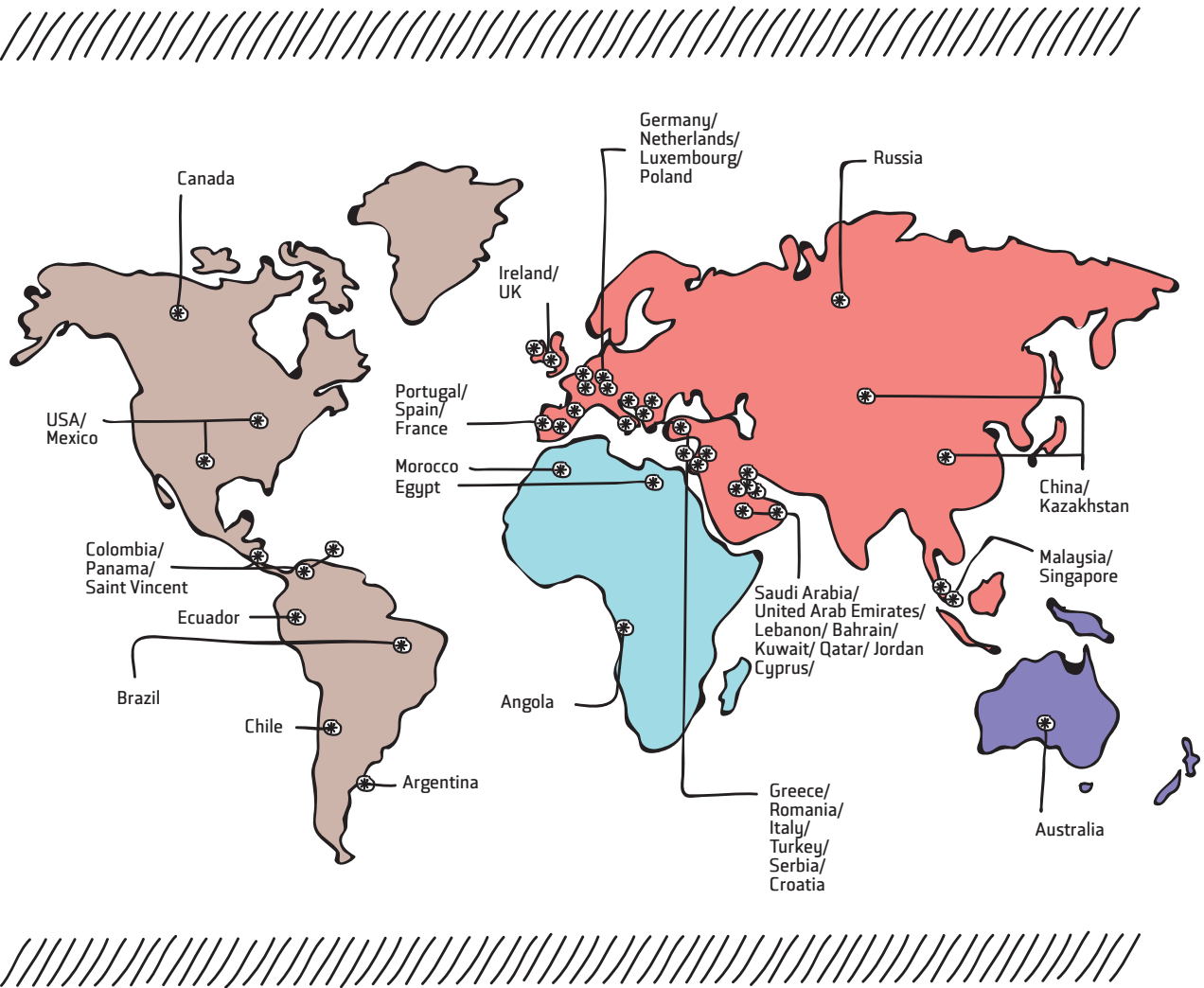


## INVESTMENT MANAGEMENT



## Where we are

In December 2011 Sonae was present in 42 countries. The markets covered include operations, provision of services to third parties, representative offices, franchising agreements and partnerships.





## SONAE MC

Sonae MC is a leader on the national market in the food retail area. It has 454 stores out of a total of 564,000m<sup>2</sup> of sales' area under the brands: Bom Bocado (restaurants), Book.it (bookshop/stationers), Continente (hypermarkets), Continente modelo, Continente bom dia (supermarkets), Continente Ice (deep-frozen products), Pet & Plants (garden and pets) and Well's (parapharmacies and opticians).

**Operating markets:** Portugal, Angola and China

### Some performance indicators in 2011

- ▽ Turnover: 3.327 million euros
- ▽ EBITDA: 235 million euros

## SONAE SR

Sonae SR operates in the specialized retail area. It has a total of 562 stores (124 outside Portugal) representing a total sales' area of 423,000m<sup>2</sup> under the brands: Loop (footwear); Modalfa (textile); Sport Zone (sports); Vobis (computing); Worten (white goods, consumer electronics and entertainment); Worten Mobile (mobile telecommunications) and Zippy (baby and children's wear).

**Operating markets:** Portugal, Spain, Saudi Arabia, United Arab Emirates, Lebanon, Bahrain, Kuwait, Kazakhstan, Qatar, Jordan, Egypt, Turkey

### Some performance indicators in 2011

- ▽ Turnover: 1.235 million euros
- ▽ EBITDA: 1 million euros

## SONAE SIERRA

Sonae Sierra is an international specialist in shopping centres. Owned in 50%, through a joint venture, by Grosvenor, it operates nationwide and worldwide holding in its portfolio a total of 49 shopping centres and also the management of 17 shopping centres owned by third parties. In total, its portfolio has a gross leasable area of 2.2 million m<sup>2</sup>. It has 5 projects under construction and a further 6 at different stages of development.

**Operating markets:** Portugal, Spain, Brazil, Italy, Germany, Greece, Romania, Colombia, Serbia, Cyprus, Netherlands, Luxembourg, Morocco and Croatia.

### Some performance indicators in 2011

- ▽ Turnover: 194 million euros
- ▽ EBITDA: 92 million euros

## SONAE COM

Sonaecom acts in three main business areas: Telecommunications (Optimus); Media (Público) and Software and Systems Information (Bizdirect, Mainroad, WeDo and Saphety).  
In the telecommunications' service it has around 3.6 million clients.

**Operating markets:** Portugal, Spain, Netherlands, Brazil, Ireland, United Kingdom, Poland, Australia, USA, Mexico, Singapore, Chile, Malaysia, Panama, Egypt, France.

### Some performance indicators in 2011

- ▽ Turnover: 864 million euros
- ▽ EBITDA: 213 million euros

## SONAE RP

The main operating areas of Sonae Retail Properties are the management and valuation of real estate assets, commercial gallery management (management of real estate interests with over one hundred commercial galleries, all endowed with a Continente store as the main anchor) and the management of three real estate investment funds through the holding company which is its affiliate, Sonaegest.

**Operating markets:** Portugal.

### Some performance indicators in 2011

- ▽ Turnover: 119 million euros
- ▽ EBITDA: 104 million euros

## Investment Management

The Investment Management area is the business area responsible for the mergers and acquisitions of Sonae. It is based on the implementation of corporate and business strategy, maximizing the shareholder return in its company portfolio which includes Maxmat (DIY and construction materials), Geostar (travel agencies) and MDS (insurance brokerage), companies in which it is considered that mergers and acquisitions have an important role to play in value creation.

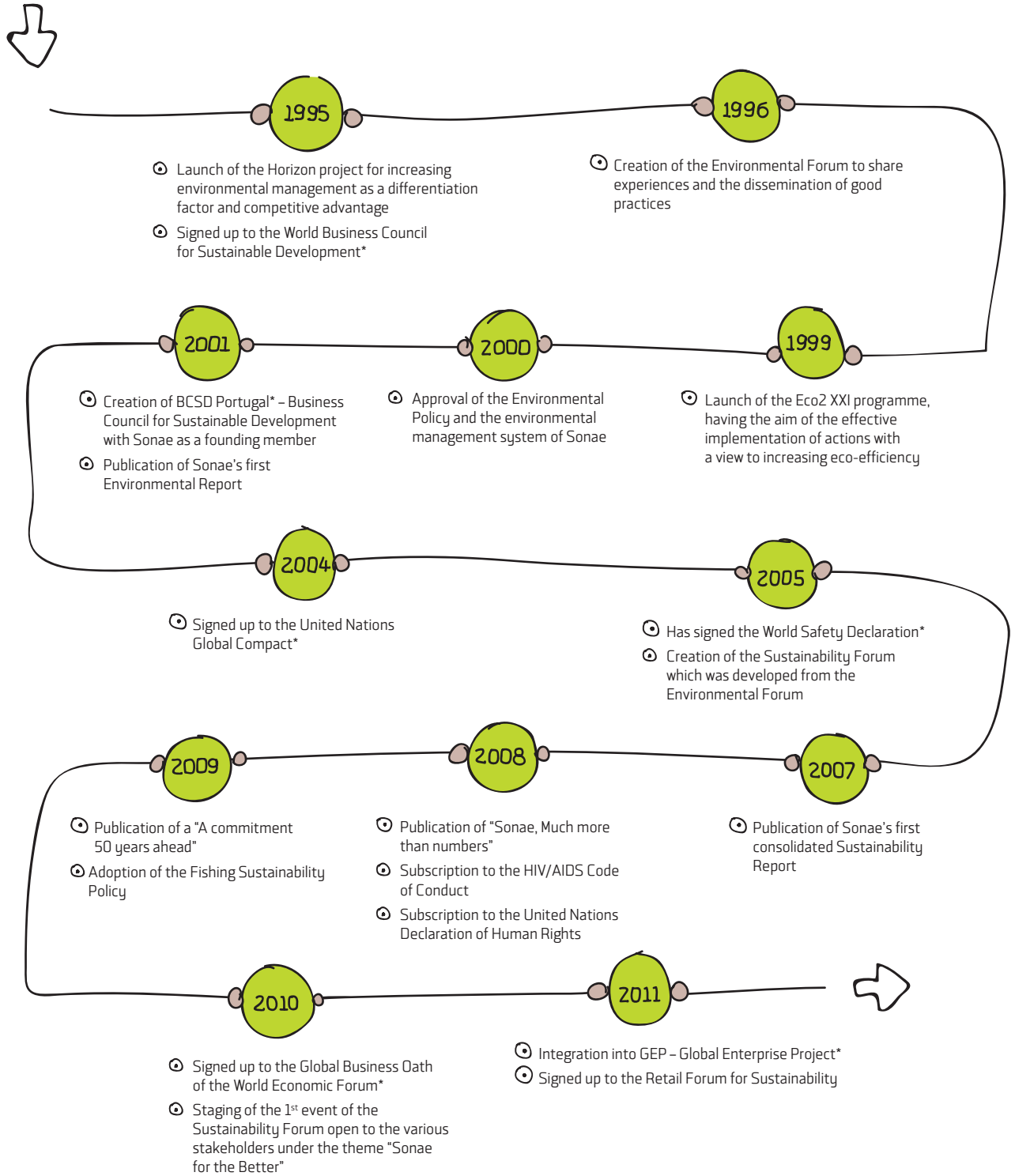
**Operating markets:** Portugal, Spain, Brazil, United Kingdom, Australia, USA, Canada, Mexico, Singapore, Chile, France, Kazakhstan, China, Russia, Ecuador, Argentina, Saint Vincent, Germany, Colombia.

### Some performance indicators in 2011

- ▽ Turnover: 130 million euros
- ▽ EBITDA: 3 million euros



## 1.1.2 Main Sustainability Landmarks



\* See Glossary

## Highlights 2011:

We are the only Portuguese company involved in the **Global Enterprise Project**, a European platform to promote entrepreneurialism amongst secondary school pupils in Europe. This initiative involves the Junior Achievement – Young Enterprise Europe, an association specialized in training in entrepreneurialism, the European Round Table of Industrialists (ERT\*), an organisation which brings together the main European business leaders (including the CEO of Sonae, Paulo Azevedo) and European Schoolnet, a network which brings together the Ministries of Education of 30 European countries with a view to innovating in education and training.

We signed up to the **Retail Forum for Sustainability**, an initiative of the European Commission and EuroCommerce to promote consumer models which are more sustainable from an ecological perspective.

This Forum only accepts Retailer Associations or companies which, inter alia, have signed up to the REAP – Retail Environmental Action Plan. This is an environmental action plan which identifies individual commitments in terms of the retail companies that sign up.

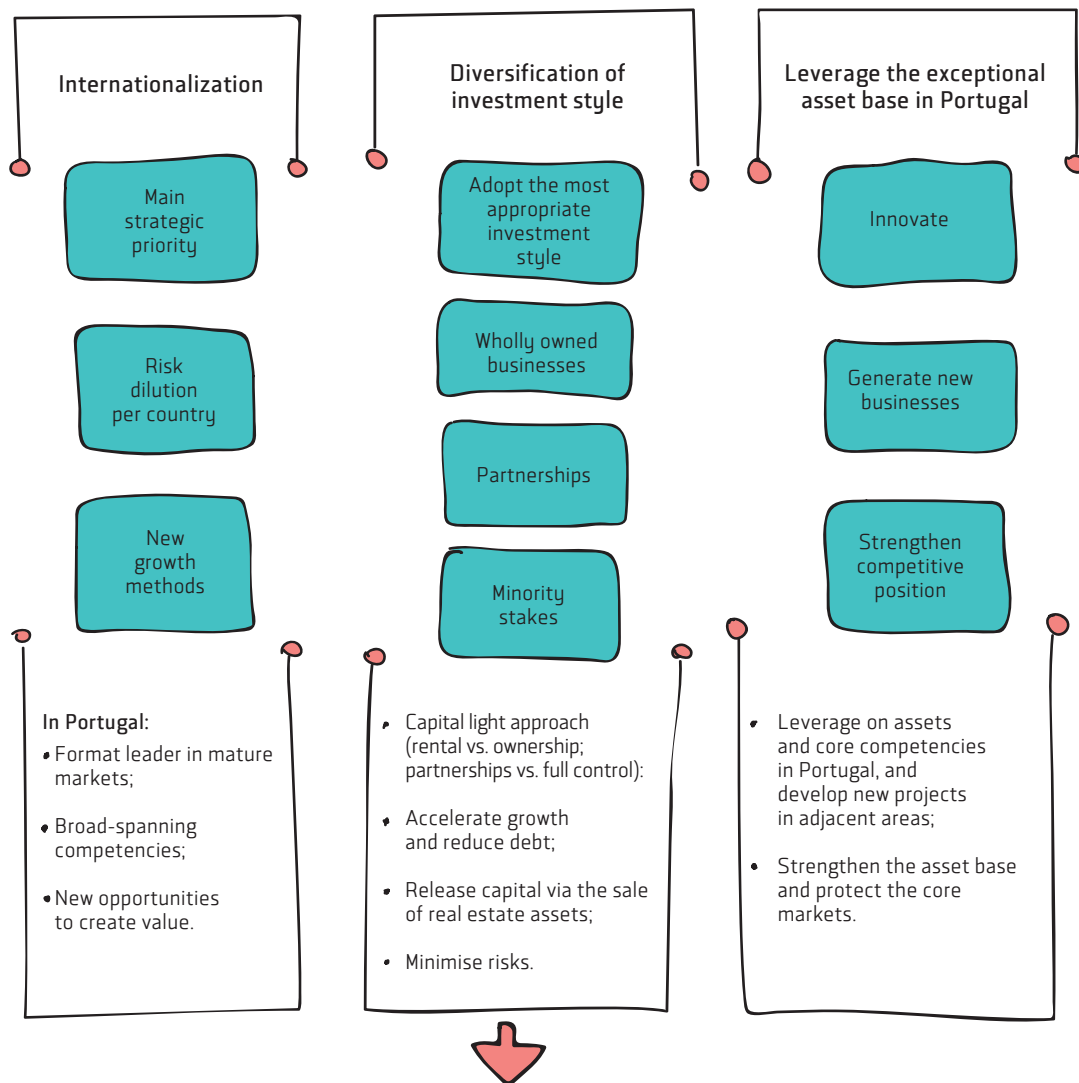
This involvement entails the dissemination of sustainability commitments assumed annually by Companies/Associations as well as the annual monitoring of respective compliance (the state of compliance of these commitments is stated in chapter 3).

\* See Glossary

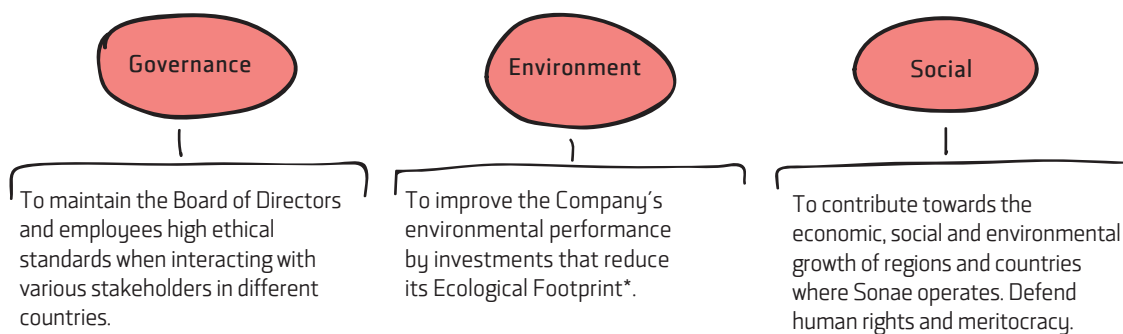
### 1.1.3 Strategic Guidelines

#### Where we are going and why

Sonae's corporate strategy is based on value creation through three strategic aspects, to wit, internationalization, diversification of the investment style and leverage of the asset base in Portugal.



To achieve the strategic objectives, our activity is based on 3 performance pillars:



\* See Glossary



## Internationalization

Internationalization focused on core businesses and adjacent business areas, will become the main future growth vector during the course of the coming years. Due to this being the main strategic priority, all necessary resources will be allocated to it, because it grants the opportunity to increase the company's presence abroad and to transform Sonae into a great multinational Company.

## Diversification of the investment style

The intention is to leverage Sonae's resources and the efficiency of the implementation strategy, adopting a style or mix of styles most suited to each business, ranging from detaining the entire capital to detaining several majority ownerships, but also including minority interests with or without special rights. Sonae may participate in the share capital of companies over which it has no control, in situations where it does not have the necessary resources or when third-party contribution may serve as a factor for creating superior economic value. Under these circumstances, consolidation processes will be promoted in addition to other restructuring movements in the sectors involved, such as entering new territories as partners with the capacity to bring technical expertise and develop the necessary network of high-level professional relationships.

## Levering the exceptional asset base in Portugal

To continue to explore new business opportunities that derive from the exceptional asset base that Sonae holds in Portugal, as a means in which to create a set of options for future growth.

These projects must possess the majority of the following characteristics:

- (i) clear internationalization potential;
- (ii) attractive levels of potential profitability;
- (iii) enable them to take advantage of great global trends;
- (iv) represent the strengthening of competitive position;
- (v) have the potential to become large business in the medium term.

A significant portion of capital will be allocated to these new projects, depending on their capacity to generate growth and economic value.

Similarly, special attention will be given to detect as early as possible, signs of success or failure of these investments, so as to, in a timely manner, make decisions regarding further investments, mergers or divestments.

## Application of the strategy in the different businesses:

### 1. Focus on leadership and profitability

This global strategy is applied to each and every Retail business area, individually and according to their specific characteristics. In the food retail business(Sonae MC), the strategy is directly related to consolidating market leadership in Portugal; studying new adjacent business areas and managing the business in Portugal as a cash-flow generators, whilst at the same time dedicating efforts to seek international opportunities.

Sonae Sierra intends to maintain its main focus on shopping centres, continuing to include the ownership, development and management of shopping centres as well as the customer services. The Company's goal is to create unique shopping centres, developing innovative concepts that bring together the right mix, architecture, environment, services, continuing to focus on assets in its area of influence and to associate with retailers and other partners of selected industries in order to develop new shopping experiences.

Sonaecom is a growth-oriented company which has set its sights on being the best provider of communications services in Portugal, creating an environment of choice for the development of the best professionals' potential. It specifically commits to creating products, services and innovative solutions which meet the needs of the markets and generate greater economic value.

## 2. Focus on growth and internationalization

Regarding Specialized Retail (Sonae SR), the focus is on growth via internationalization, namely in the Spanish market by the continuous investment and strengthening of Sonae's presence in Spain. The management of business opportunities in new territories, based on franchise agreements and joint-ventures, is also part of the accelerated growth strategy, as well as the consolidation of the leadership position in the Portuguese market and the increase in profitability.

Sonae Sierra intends to continue its international growth and get into new and emerging markets, where the retail industry is experiencing strong growth and the consumers' purchasing power has a significant potential for growth. Greater growth in operations is expected in the Mediterranean Basin and Latin America. It is also analysing potential markets in Eastern Europe and Asia, especially China, based on the rendering of services to third parties.

## 3. Monetization of real estate assets

In the Retail Real Estate business (Sonae RP), additional sale and leaseback asset transactions are planned, with the objective of freeing up capital invested in real estate assets to finance growth.

Notwithstanding, the current macroeconomic and financial scenarios have lead Sonae to concentrate the majority of its assets in generating and preserving capital, which alters the Company's plans and tactics significantly, but no its outlook on the future.

Sonae Sierra is committed to dynamic portfolio management and it is seeking to improve capital intelligence and follow unleveraged investment strategy. This strategy includes rendering services to third parties and taking up minority interests in new partnerships. It envisages a reduction in capital stakes and, in some cases, the disposal of non-strategic shopping centres on mature markets; this will release capital to finance the development portfolio on growing markets.

# 1.2 SONAE PERFORMANCE 2011

## 1.2.1 Main Indicators

In 2011, **Sonae MC** consolidated its leadership on the Portuguese market through a rapid, effective adaptation of its offer to the consumption habits of its clients and it has continued to explore new adjoining business opportunities. Sonae MC has expanded its presence in Portugal, opening up 5.5 thousand m<sup>2</sup> and it concluded the brands unification process under the "Continente" brand. It was selected as the "Trusted Brand" by the Portuguese in 2011, for the 9<sup>th</sup> consecutive time.

**Sonae SR** continued its internationalization process, expanding its main brands in Spain. Concurrently, it continued to consolidate its leadership on the Portuguese market, assuming it as the basic market for new brand and format development tests. In 2011 it has opened up 44 specialized Retail stores (under brands Worten, Sport Zone, Modalfa and Zippy), totalling over 46 thousand m<sup>2</sup>.

**Sonae Sierra** has continued to grow on emerging markets, particularly in Brazil and in service companies. It has also grown in terms of services to third parties, taking advantage of the experience acquired as a retail real estate and real estate asset management promoter.

**Sonaeecom** achieved a record year in 2011 in terms of profit and cash flow generation, having distributed the first dividends in its history. It maintained its focus on the growth of the mobile business, obtaining gains in mobile market share, particularly in the mobile data segment and in cash flow generation, strengthening its efficiency programmes.

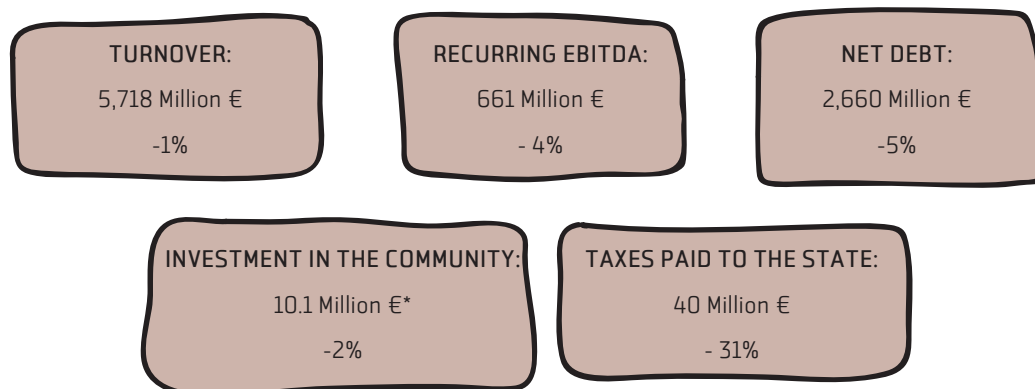
The **Sonae RP** business, management and development of real estate assets continued in 2011 to actively manage the Retail real estate assets with a view to increasing Sonae's capacity to achieve its growth objectives.

In 2011 the **Investment Management** area continued its value creation work for Sonae through support to the implementation of corporate and business strategies, the maximisation of returns to shareholders, active support to the planning and implementation of mergers and acquisitions as well as strengthening business relationships with players from industry, consultants and investment banks.

Further information, about Sonae's economic performance, is available in the annual report and accounts (vide [www.sonae.pt/en/investors/financial-data/](http://www.sonae.pt/en/investors/financial-data/)).

## Economic Indicators – Highlights

In 2011, we were faced with different macroeconomic environments in the countries where we operate. Despite the difficult climate in the Iberian Peninsula, our turnover remained virtually stable at 5.7 billion euros<sup>1</sup>, a major achievement which was only possible thanks to gains in market share in the main business areas during the course of this period.



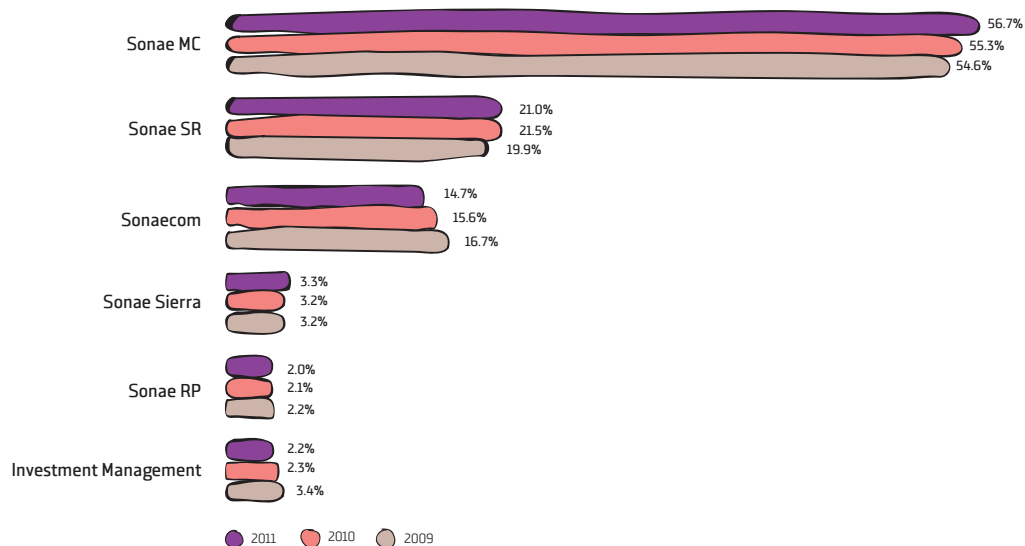
<sup>1</sup> The remit of the analysis excludes sales relating to petrol stations (insofar as the company has transferred the operation of 8 stations to third parties in the 2nd quarter of 2010) and incorporates the re-statement of turnover for 2010 of Geostar, bearing in mind the analysis of practices in the sector.

\*The investment value in the community excludes direct contributions from clients. If client donations raised through our actions are included, the value would be 10.8 Million €.



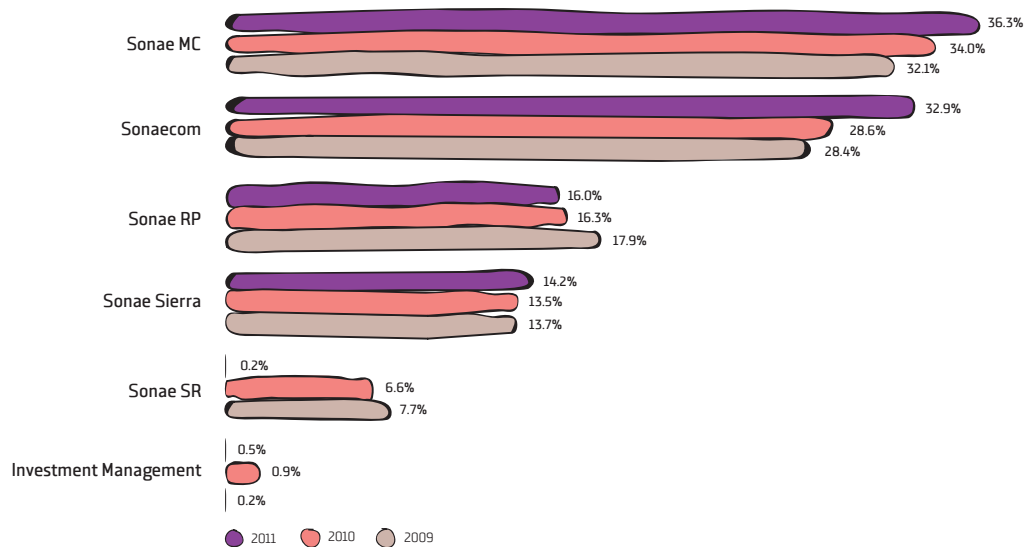
## Evolution of the business units' contribution to turnover

Evolution of the business units' contribution to turnover



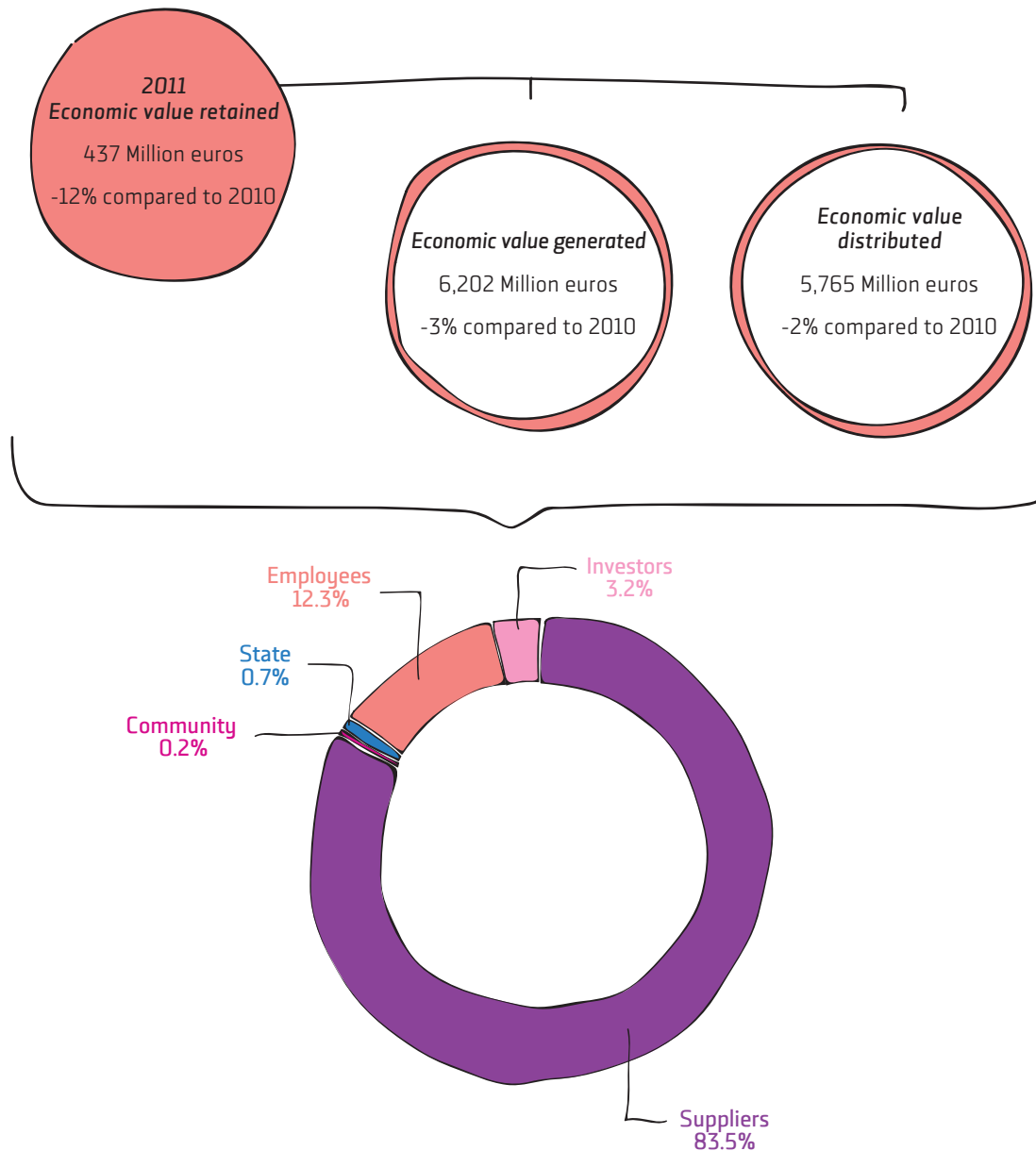
## Evolution of business units' contribution to EBITDA

Evolution of business units' contribution to EBITDA



## Creation and distribution of economic value

Evolution in the economic value generated, retained and distributed



In 2011 the economic value generated fell by 3% on a year-on-year basis, attaining 6.2 billion euros, with 5.8 billion having been distributed amongst the various stakeholders, particularly in operating costs, followed by the payments of salaries and benefits to employees, payments to investors, the State and donations and investments in the community. State subsidies were also received for the sum of 4.9 million euros, there having been a reduction of around 41% on the 2010 figure<sup>2</sup>.

<sup>2</sup> The amount received in 2011 relating to State subsidies does not consider the SIFIDE value (Tax Incentive Systems to Business R&D).

## Environmental and social indicators – Highlights

Despite the fact that each of Sonae's business areas has specific impacts on the respective activities, transversal social and environmental impacts were identified.

### Environmental and social impacts

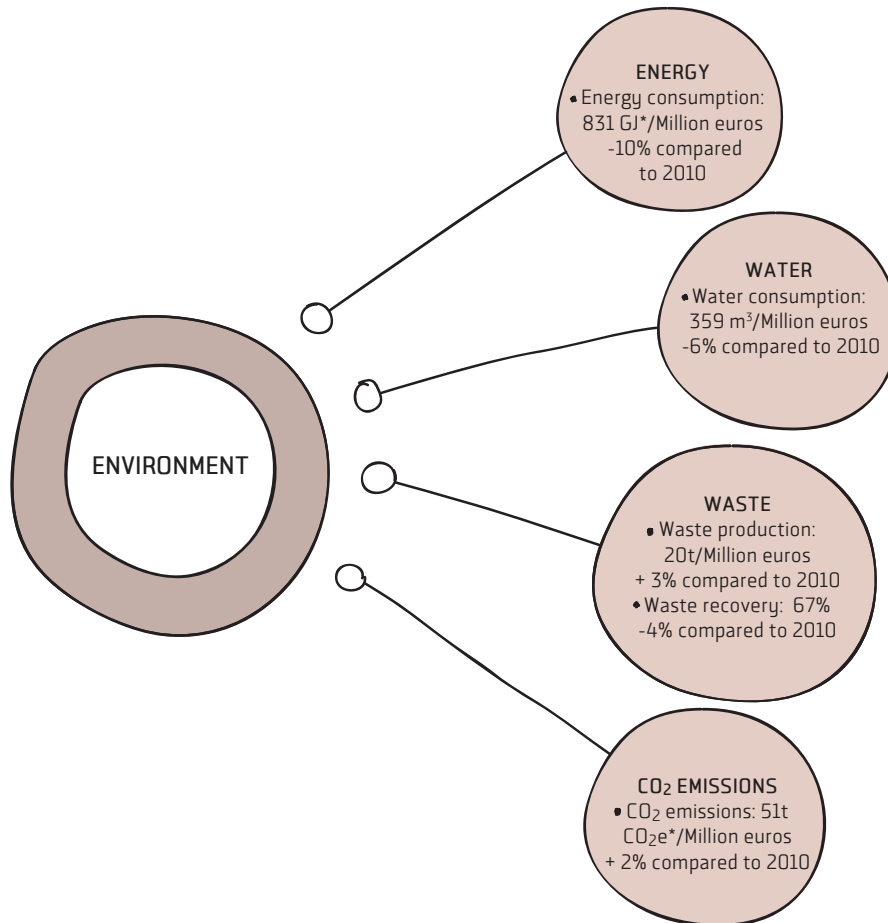
	SONAE MC AND SONAE SR	SONAE RP AND SONAE SIERRA	SONAE COM	INVESTMENT MANAGEMENT
<b>ENVIRONMENTAL IMPACTS</b>				
Energy and Emissions	•	•	•	•
Waste*	•	•	•	•
Water consumption	•	•	•	•
Transport	•			•
Supply chain impacts	•			
Biodiversity* and habitats		•		
Electromagnetic fields			•	
<b>SOCIAL IMPACTS</b>				
Creation of direct and indirect employment	•	•	•	•
Satisfaction and investment in employees	•	•	•	•
Health and safety of stakeholders	•	•	•	•
Involvement with the community	•	•	•	•
Value chain	•	•		
Food safety	•			
Digital inclusion/information society			•	

\* See Glossary

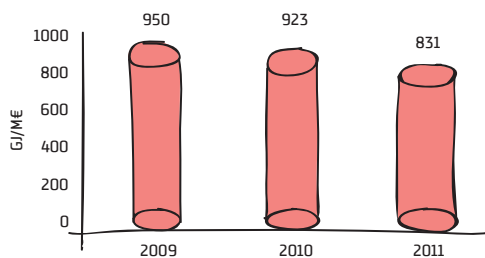


In 2011 we achieved the following consolidated social and environmental performance results:

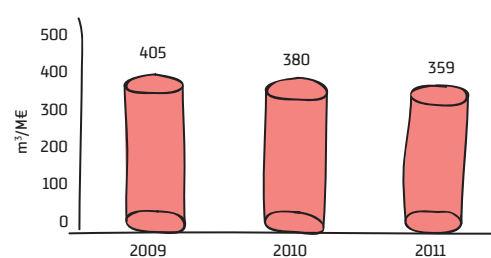
### Evolution of the main consolidated social and environmental performance indicators (2011)



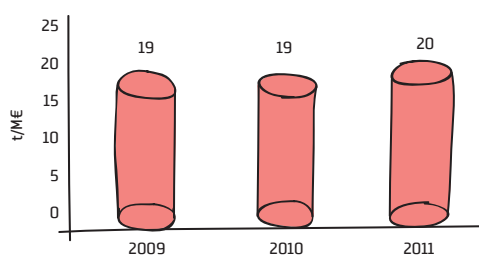
Energy consumption by millions of euros of turnover



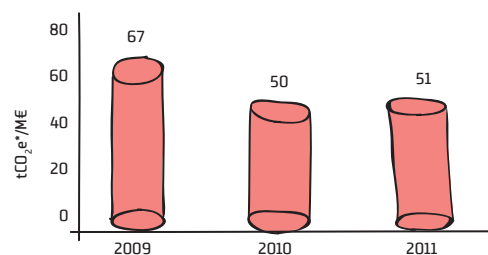
Water consumption by millions of euros of turnover



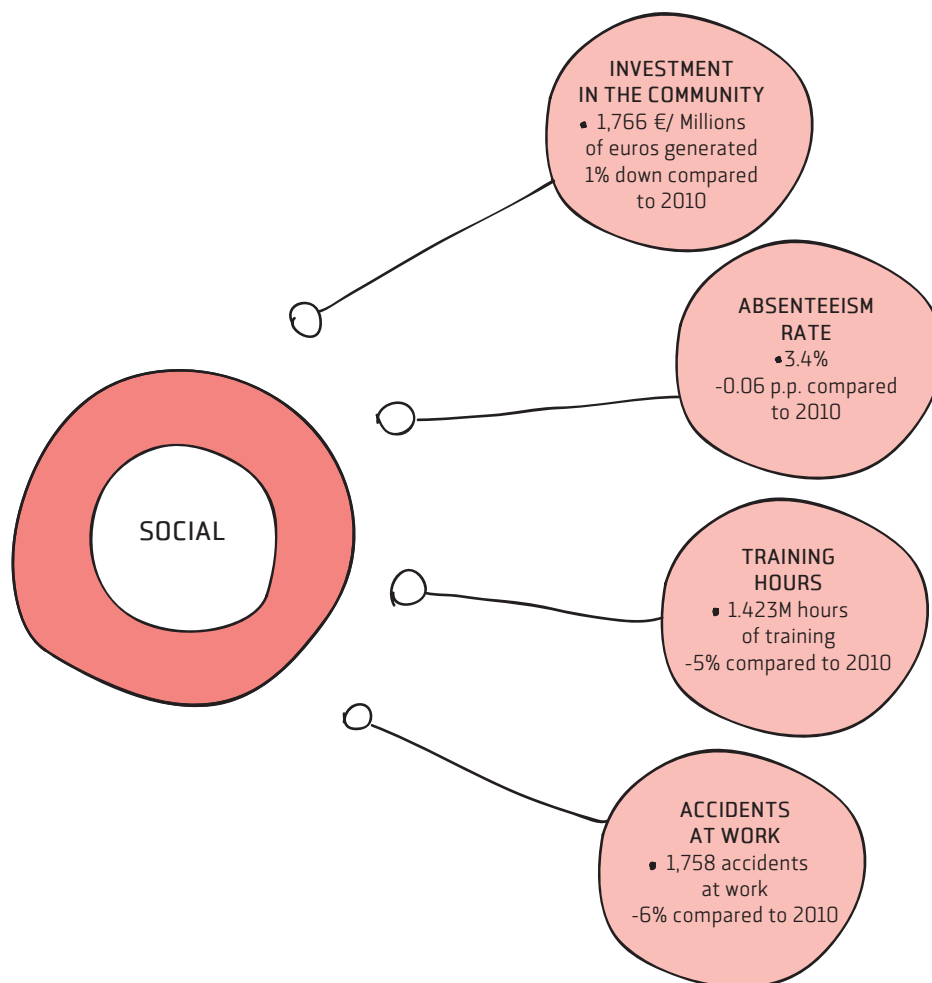
Waste production by millions of euros of turnover



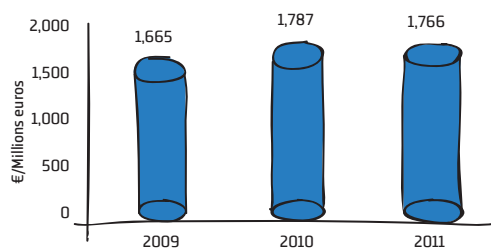
CO<sub>2</sub>e emissions by millions of euros of turnover



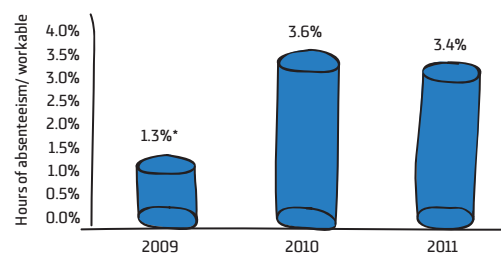
\* See Glossary



Investment in community by turnover

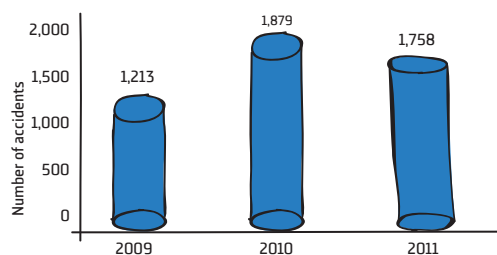


Absenteeism rate
















\* In 2009 the Retail area did not report the absenteeism rate.

Number of accidents



## 1.2.2 External Recognition and Awards

In 2011 we were recognised in the following areas:

We were regarded as one of the most ethical companies worldwide in 2011, having been the only Portuguese company to win an award according to the Ethisphere Institute	
In accordance with the Carbon Disclosure Project*, and in conjunction with Sonaecom, we led environmental performance amongst the main Portuguese companies which have formed part of the study "CDP Iberia 125 Report 2011"	
We were ranked first in the study Best Companies for Leadership Portugal 2011 - Hay Group under the category "Best School of Leaders"	
European Good Practice Award (European Agency for Health and Safety at Work)	
We were elected "Company of the Year" by Junior Achievement Portugal for providing the largest number of volunteers nationwide.	
The Annual Report & Accounts 2008 was distinguished under the category Graphis 100 Best Annual Reports with a Platinum Award.	
Mobile Portal recognised at the IDC CIO Awards 2011	
Design Media & Advertising '11 Award under the "Rebranding" and "Integrated Project" category	
Bronze - Portugal Creatives Club Festival (Brochures and Rebranding)	
Golden Lion - Cannes Lions International Festival of Creativity - Design - Consumer Services	
Red Dot in the Communication Design category	
According to the MyBrand Reputation Index 2011 Study, Sonae is the company with the best reputation in Portugal	
Eurobest - Bronze: Design category	

\* See Glossary



In 2011 we were recognised by the **Ethisphere Institute** as one of the **World's Most Ethical Companies** for the implementation of transparent business practices and initiatives which benefit to the community, raising the bar of ethical standards among all our stakeholders. For the first time a Portuguese company was awarded that distinction. This recognition confirms the commitment of Sonae as regards the creation of economic value based on ethical principles and sustainable development\* in a long term horizon, based on trust relationships.

#### Testimony:

"At a time when companies strive to maintain a competitive advantage, good practices mean better business and better business means profits. Sonae recognises the important role played by practices in brand reputation, which ultimately is the company most valuable asset. The Ethisphere Institute congratulated Sonae for being one of the World's Most Ethical Companies in 2011"

Alex Brigham, Executive Director, Ethisphere Institute

In 2011, we received the distinction of **"Best School of Leaders"** in Portugal, reaching the first ranking of the Best Companies for Leadership study in Portugal, an initiative of the Hay Group consultancy, worldwide, which distinguishes the best companies in training leaders. The international study, which in 2011 had its second edition in Portugal, was based on the vote of our country business leaders and once more has placed Sonae on top of Talent Management and Leadership Development. This award is a recognition of the perseverance, determination and the company's ongoing commitment to develop its talents, by adopting the best practices in managing its human resources, leading innovation in attracting and retaining talent.

#### Testimony:

"This award reflects Sonae's recognition in the Portuguese market, as leadership school. "The focus on sustainable development of its leaders at all levels of the organization is an integral part of its DNA and it is an undeniable part in how it generates competitive advantage in everything it does. Sonae apply the best global practices of leadership development so tenacious, determined and continuous, that in the opinion of its peers, becomes an example to follow.

Rui Luz, Partner, Hay Group

\* See Glossary

In 2011 the various business units of Sonae obtained external recognition from many sources, highlighting the following:

## Sonae MC

- ⊙ **Reputation Awards 2010 (APECOM\*)**: the "Causa Maior" Project obtained the Reputation Award under the corporate social responsibility\* category and the "Pic Nic" Project obtained an honourable mention in the event category.
- ⊙ **Continente** obtained the following distinctions:
  - ⊙ **Trusted Brand** for the 9<sup>th</sup> consecutive year.
  - ⊙ **Brand of excellence at Superbrands 2011**,
  - ⊙ **Hipersuper Award 2011**, under four categories: Best Retailer, Best DPH, Best Grocery Store and Best Food Retailer and
  - ⊙ Best Brand 2010 in the **Media & Advertising Awards 2011**.
- ⊙ **The Awards for Communication Efficiency VII** assigned various acknowledgements in the following categories:
  - ⊙ Bronze – the Continente Online Paediatrics initiative (Corporate Social Responsibility category);
  - ⊙ Silver – the Mega Pic Nic Continente project 2011 (Activation and Sponsorship category) and the Continente Smile Mission 2010 (Corporate Social Responsibility category);
  - ⊙ Gold – the Wells brand (Health, Hygiene and Beauty category).
- ⊙ Sonae MC also obtained a Portuguese Red Cross Plaque of Honour for the important services it has provided under a partnership in place since 2007 and which has taken the form of various corporate social responsibility actions such as "Causa Maior" and the campaign "Together We give more".

## Sonae SR

- \* Worten obtained the following distinctions:
  - \* **Hipersuper Awards 2011** – Worten distinguished as having the Best Non-food Retail Marketing.
  - \* **Trusted Brand** for the 9<sup>th</sup> consecutive year and
  - \* **"PC Guia" Reader Award** for the best point of sale for computer material.
- \* The "Arredonda" project (Worten/Ajuda de Berço) was awarded a gold medal in the **Communication Efficiency Awards VII** under the corporate social responsibility category.
- \* The Zippy brand went into the **Guinness Book of Records** for the biggest logo comprising 4,000 t-shirts.

\* See Glossary

## Sonaecom

- ▽ Sonaecom was distinguished under the **Energy Efficiency Awards Portugal 2010** as the **"Most Efficient Company"**.
- ▽ According to the **Global Ranking ACGE\* 2011**, Sonaecom is the highest ranked company in terms of climate responsibility. This index, promoted by Euronatura, awarded Sonaecom first place in the ICT sector (Information and Communication Technologies) and sixth place in the overall ranking.
- ▽ Optimus Clix won an award under the Telecommunications' category at the **APCC\* Portugal Best Awards 2010**, having been regarded as the **Best Customer Service and the Best Customer Service in Portugal**.
- ▽ Optimus was regarded as the **Best in Customer Service – EMEA** at the **Contact Center World 2011 Awards**.

## Sonae Sierra

- ✂ Sonae Sierra was recognised at the **European Risk Management Awards 2010** in the **Most Innovative Use of IT or other;** category and at the **Construir Awards 2011** as the **Best Real Estate Developer**.
- ✂ Sonae Sierra was also successful at the **Euromoney Real Estate Awards** as the **Best Retail Developer Award for Portugal, Brazil and Latin America and the Best Developer Overall**.
- ✂ **Norte Green (Norteshopping + Sport Zone)** won the **Silver Award** at the **ICSC Jean Louis Solal Marketing Awards 2011** under the **Cause Related Marketing** category.
- ✂ The **Colombo Shopping Centre** won the **Real Estate Award** at the **National Real Estate Awards 2011** in the **Special Magazine Award** category; and was regarded as the **Best Shopping Centre** at the **Workmedia Hipersuper Awards 2011**.
- ✂ **LeiriaShopping** was recognised under the **Real Estate Oscar – Retail Developments** category at the **National Real Estate Awards 2011 – Real Estate Review**, winning the **Eurohypo Award**.
- ✂ **Loop5** was recognised under the **large new development** category at the **ICSC European Shopping Centre Awards**.

\* See Glossary

## 1.2.4 Signing up to Principles, Associations and Partnership with Organisations





# 2. A Greater World to Involve





"At the present time we need to look towards the future and understand in what way our country and companies can act to promote economic growth and generate wealth for society. We have a commitment to sustainability as a whole and our mission is to create economic and social value. As the largest private employer in Portugal, we are a company for people meaning that the development of the potential of our asset is strategic. By contrast, we are still committed to promoting a culture involving active participation in society."

Luís Filipe Reis, Chief Corporate Center Officer

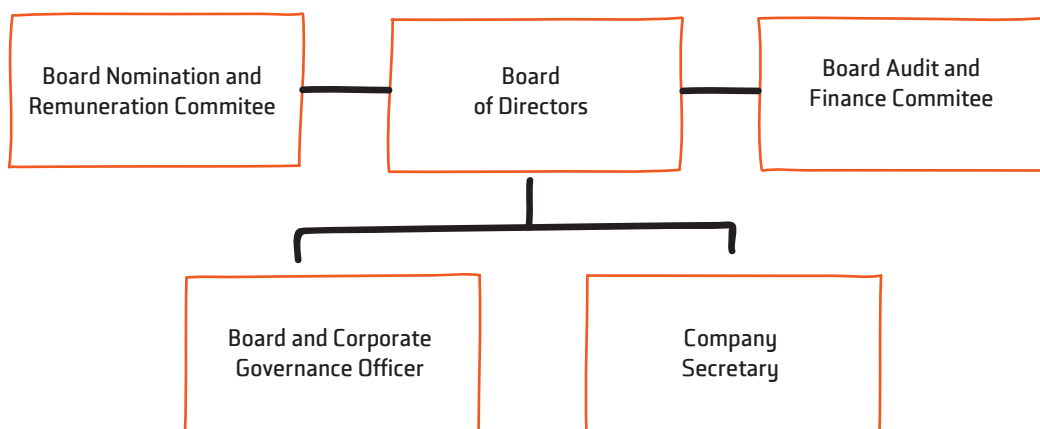
## 2.1 GOVERNANCE MODEL

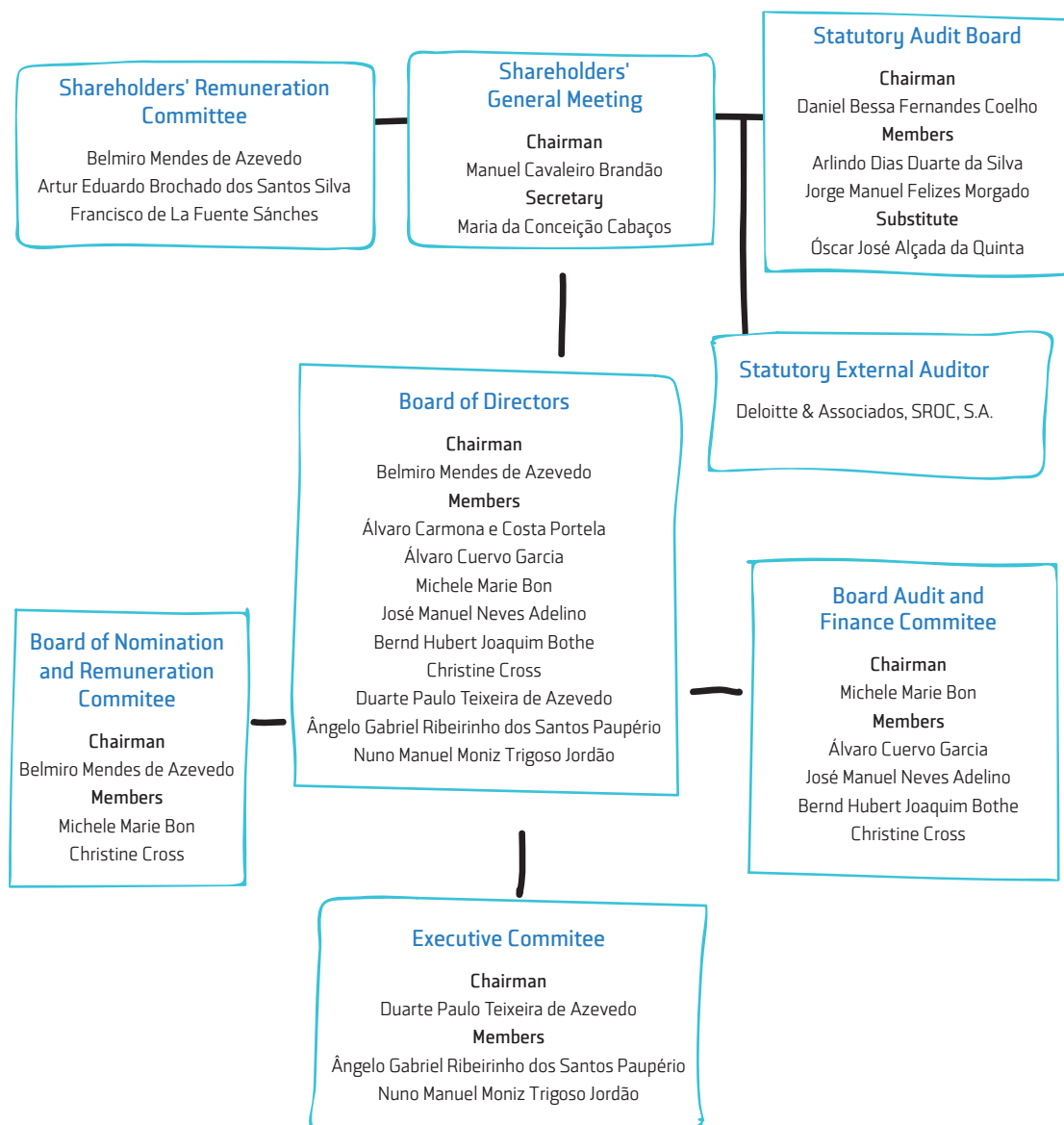
Sonae's Corporate Governance structure is made up of the Board of Directors, the Audit Committee and the Statutory External Auditor, all of whom are elected by the General Shareholders Meeting.

The Board of Directors (CA), comprising 9 directors, 3 of whom are executive and 6 non-executive, delegated the Company's day-to-day management to an Executive Committee, regulating its operation and the way in which it will exercise the powers bestowed upon it.

The members of governing bodies, the General Meeting Board and the Remuneration Committee are elected for four year periods and may be re-elected after that period.

### Governing Bodies



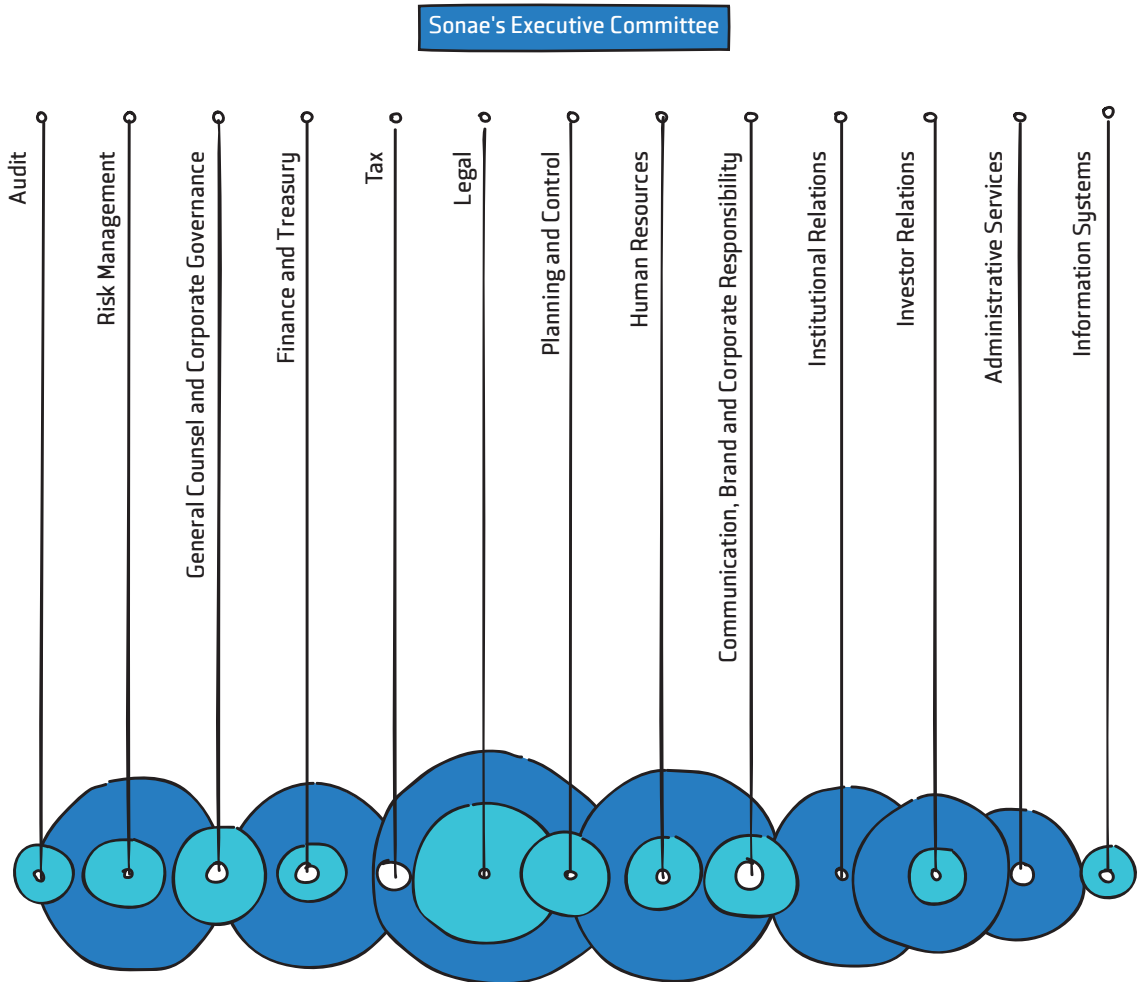


Further information is available about the workings of corporate governance in the annual Corporate Governance Report (vide [www.sonae.pt/en/investors/corporate-governance/](http://www.sonae.pt/en/investors/corporate-governance/)).



The organisational departments of Sonae are answerable to the Executive Committee in accordance with the structure whereby employees may provide guidelines and recommendations to the governance bodies.

#### Organisational Structure



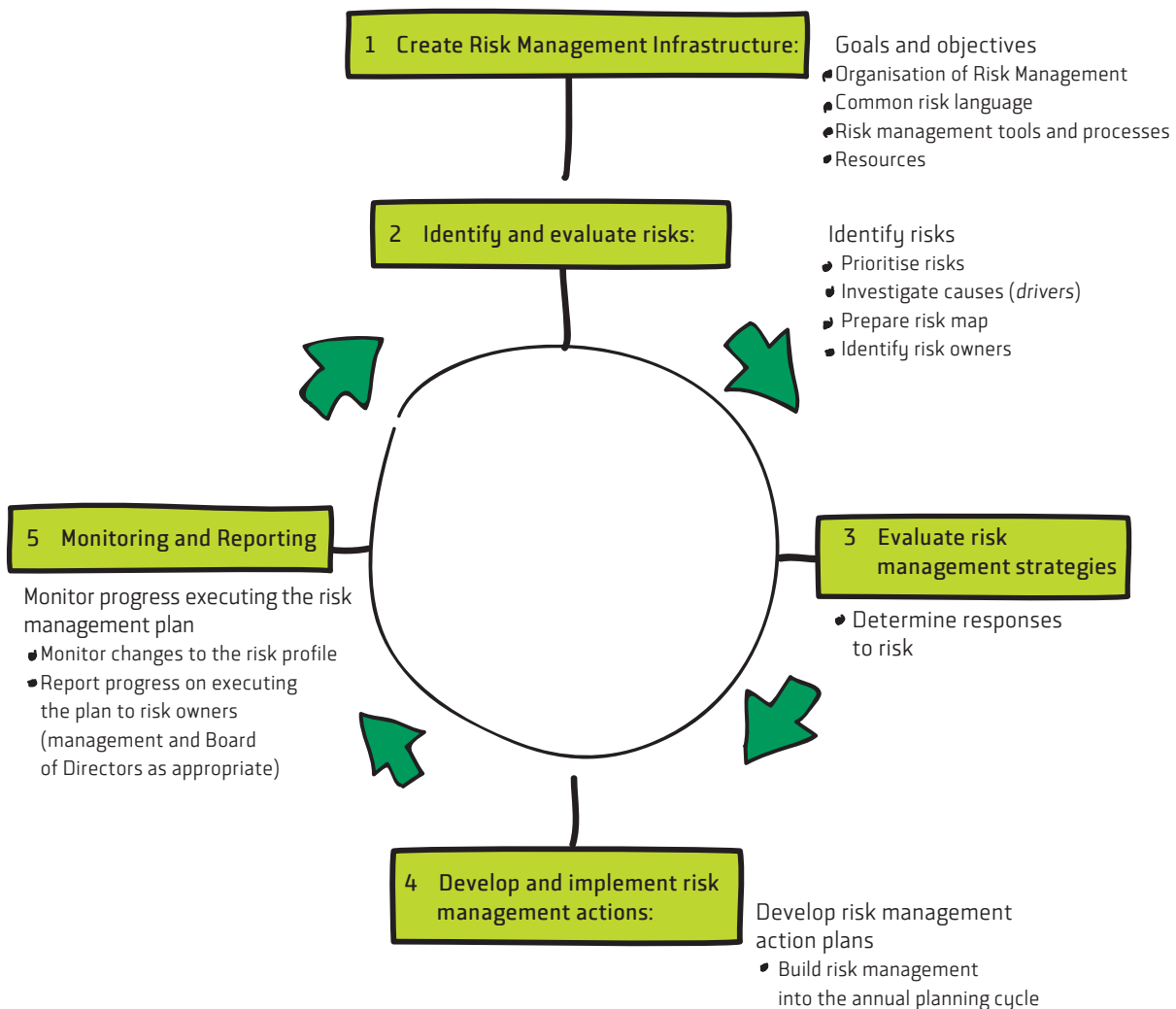
## 2.2 RISK MANAGEMENT

Risk Management is one of the organisational culture components and is a mainstay of Corporate Governance; it can be found in all management processes and is the responsibility of all employees at the different levels of the organisation.

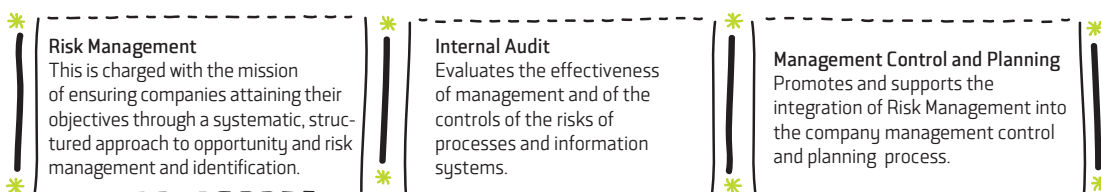
The objective of risk management is to create value by managing and controlling the threats and opportunities that can affect the business objectives and companies in terms of keeping the latter as going concerns.

Along with Environmental Management and Social Responsibility, it is also one of the pillars of sustainable development, contributing to the continued, sustainable development of businesses through better knowledge and more effective management of the risks and opportunities which can impact organisations.

Risk Management Model



Risk Management activity in terms of governance and business is supported by functions involving Risk Management, Internal Audit and Management Control and Planning departments through especially dedicated teams which report directly to the respective Boards of Directors of the business areas.

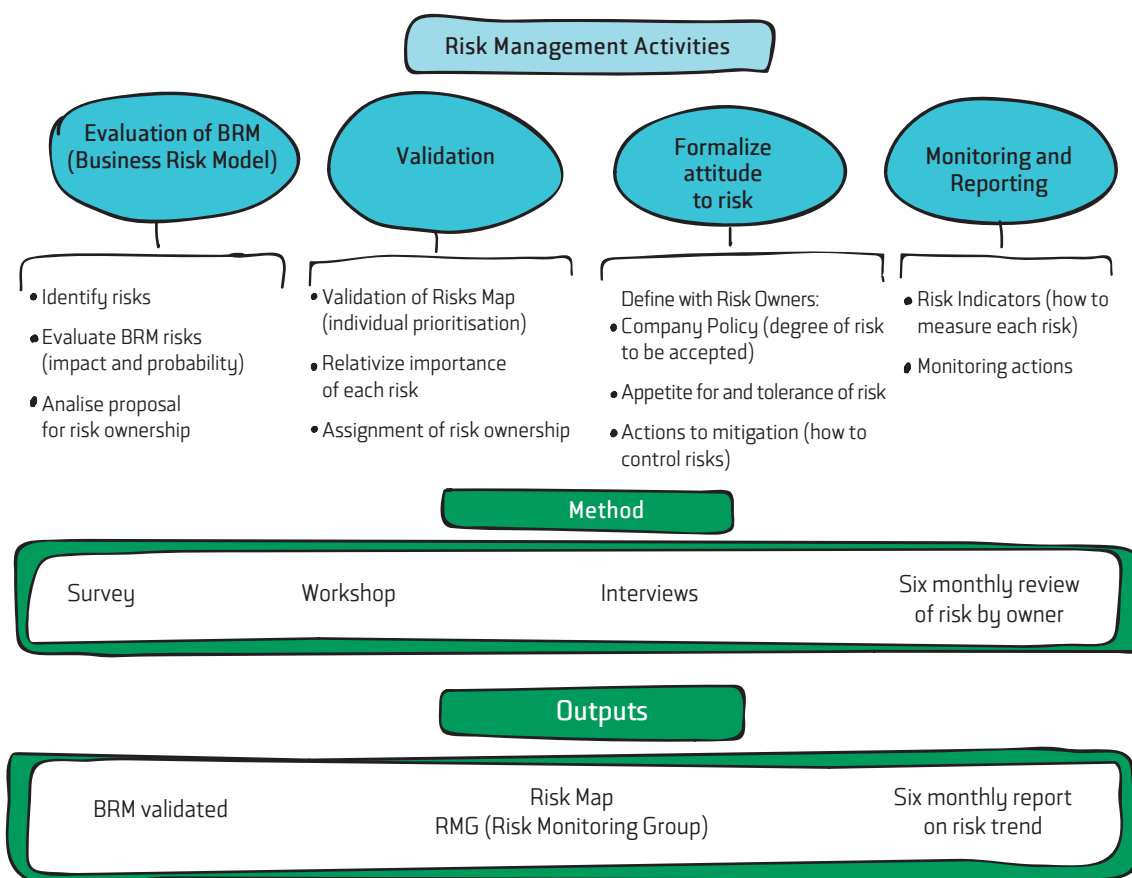


The Board of Directors and the Auditing and Finance Committee are responsible for monitoring Risk Management activities.

The risks of the reliability and integrity of the financial and accounting information are also assessed and reported by an External Audit unit.

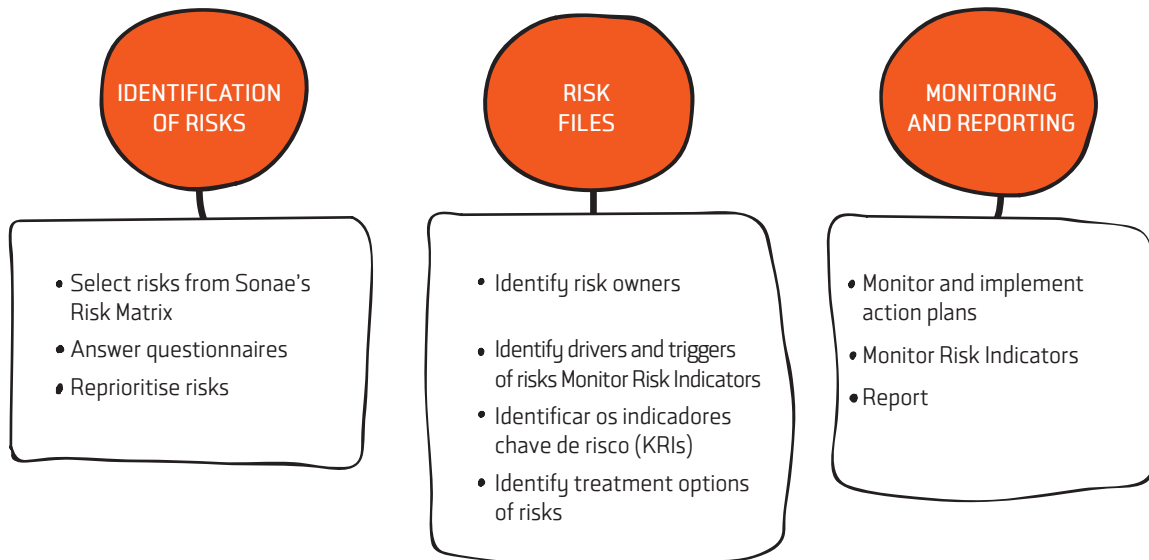
At the end of May 2011, the Internal Audit and Risk Management department was separated into two separate departments as a way of strengthening the teams and increasing the focus on each of the respective areas so that they can meet Sonae's requirements in the best way possible nationally and internationally and it was thus opted to present the information of both areas individually.

In 2011 the Risk Management Department continued with the de **Enterprise Wide Risk Management (EWRM\*)** with the involvement of the Risk Monitoring Groups (GAR) formed by members of the Executive Committees of Sonae MC, Sonae SR and Sonae RP, in accordance with the activities described below:

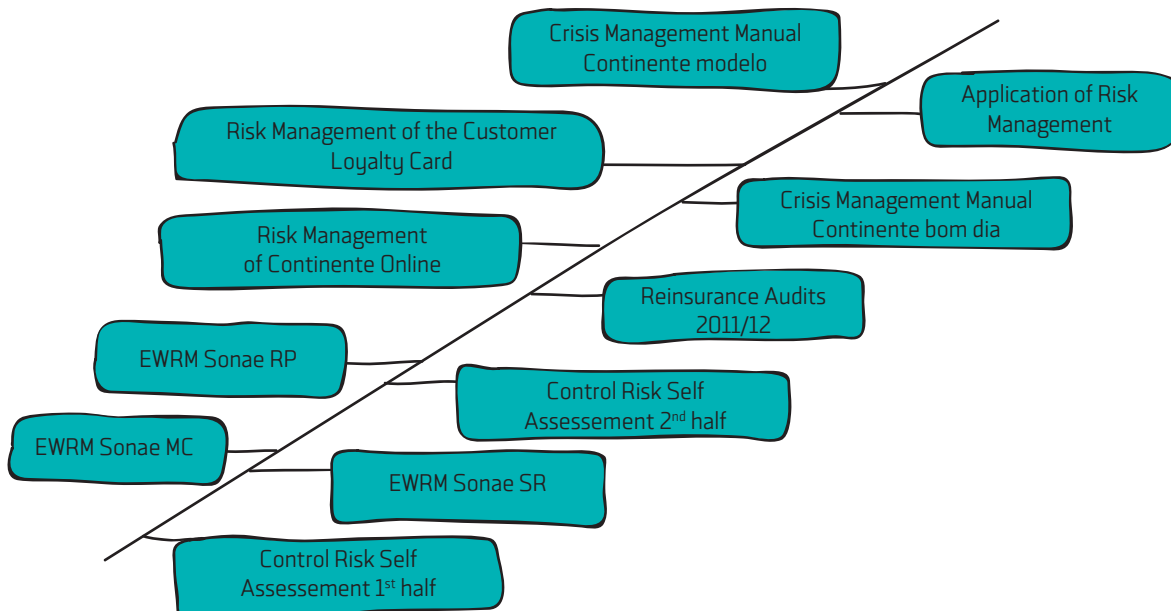


\* See Glossary

In order to support this activity throughout Sonae, in 2011 the internal development of an applicational tool was concluded based on the international Committee of Sponsoring Organizations of the Treadway Commission (COSO)\* which encompasses the following stages:



### Main milestones of Risk Management activity in 2011



\* See Glossary

The following Risk Management activities have been planned for 2011:

- \* Implementation of Enterprise Wide Risk Management programmes in the businesses of Sonae MC, Sonae SR and Sonae RP.
- \* Risk management and analysis in the projects structuring the various businesses.
- \* Drawing up of business continuity and crisis management manuals for the main business units.
- \* Management of the annual insurance programme.

## 2.3 HUMAN CAPITAL

Our Human Resources' policy is carried out with a view to attaining the sustainable creation of value in alignment with business strategy. As the largest private employer in Portugal in 2011, we have had a major impact on the qualification and development of our staff.

### 2.3.1 Human Capital Distribution

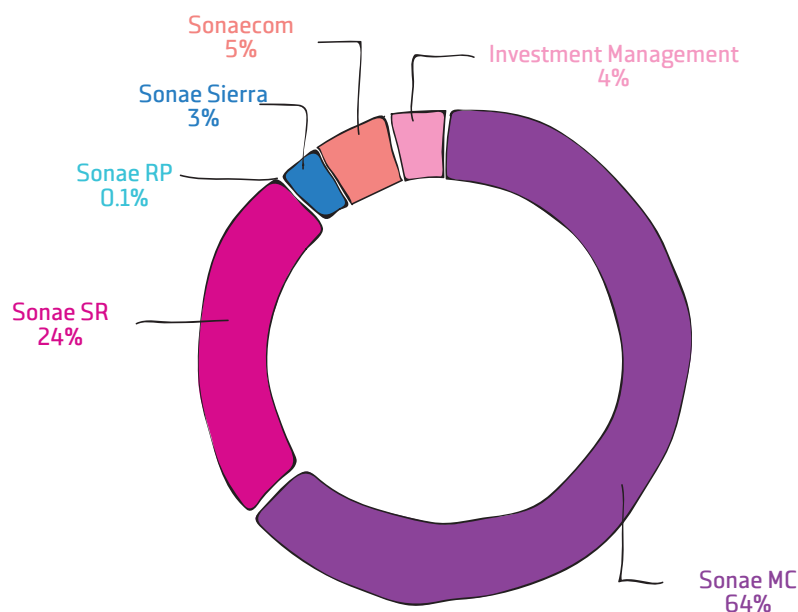
At Sonae we set out to maintain a working environment which is balanced, healthy and safe, respecting the rights of equality of opportunity and non-discrimination in recruitment and development opportunities and career advancement.

At the end of 2011 our headcount stood at 39,819. Of the latter around 77% have open-ended contract, 59% are young people aged under 35 and 65% are women.

#### Types of Contracts of Employment



#### Distribution of employees by business area





## 2.3.2 Internal Culture

We are an international organisation with an ethical, behavioural legacy based on the wide variety of paths and individual profiles of our staff, spread around the wide range of geographical locations where we can be found. This legacy of values is the basis for growth and success and, in 2011, it was laid down in writing in a document called "our way" which sums up our attitude in life and business.



This document describes the attitudes and behaviour expected from employees and addresses to each the responsibility, in their relationship with the various groups of stakeholders on a day-to-day basis, for ensuring that this constitutes a true reflection of the organisation.

Sonae has already been recognised abroad for its best practices, intrinsically related with our values. An example is the fact that we are now on the list of the 100 most ethical companies in the world, an acknowledgement of our commitment to create economic value based on ethical, trusting relations. We cultivate these relations and we believe that they promote a good working environment. Cyclically, we monitor the internal social climate through diagnostic studies which allow us to identify opportunities for improvement.

The employees also have a "Sonae Ombudsman" who ensures the management and communication of their complaints, claims or suggestions.

### 2.3.3 Talent Management

In 2011 we promoted a study aimed at the public and employees of Sonae, Sonaecom and Sonae Sierra to sound out their perceptions and opinions about the theme of Employer Brand (EB – organisation's image as an employer) and Employment Value Proposition (EVP – set of attributes perceived as a value gained by employment with the organisation).

Based on an appraisal of the drivers, Compensations, Opportunities, Organisation, Work and People, it was sought to pinpoint the strengths and opportunities for improvement in terms of attracting and holding onto employees according to the following analysis perspectives:



#### Study target segments:

**Internal public:** Sonae employees (Sonae MC; Sonae SR; Corporate Centre), Sonaecom and Sonae Sierra to discharge duties in Portugal, Spain and Brazil.

**External public:** New graduates looking for their first job and graduates who have been working for over 3 years residing in the areas of Greater Lisbon and Madrid.



## 2.3.4 Performance Management

Against a backdrop of business growth and internationalization, the investment in the development of our best people forms an integral part of the implementation of our strategy. In this regard, the correct identification, evaluation and boosting of the development of the best talents has become a priority.

2011 was characterised by a major investment in the revision of the process to manage the performance of our permanent employees, creating a new performance management model – **Improving Our People**. This new model sets great store by the broad range of employee backgrounds and profiles, accommodating the wide range of businesses and locations where we can be found.

### Improving Our People

The new performance management model is based on continuous interaction and accountability shared between the superior and the employee, fostering a commitment by our teams to their own development. Based on the merit and added value that employees bring to their jobs and to Sonae, it defends a clearness of purpose, thoroughness of results and openness as regards recognition.

It is against this backdrop that **Improving Our People GT (Growth Toolkit)** arises, associated with the Improving Our People process. This talent management tool is geared towards the more senior employees of the organisation, as well as those employees identified as having the greatest potential for growth.

In 2011, around 40 Senior Executives were involved in this process and in 2012 it is set to integrate around 60 employees with great potential.

## 2.3.5 Development and Training

Here at Sonae we are endowed with a career model whose general objective consists of supporting the management of the talent pipeline in the organisation, promoting an alignment between business priorities and the professional development expectations of employees. It reveals and clarifies the set of functional requirements, mobility criteria and natural trajectories to evolution, boosting the vertical, horizontal and zig-zagging mobility of our employees, as well as the transversality and broadness of their competences by way of intra and/or inter functional areas and inter company experiences.

This model reflects two management approaches: an initial approach, focused on the human resources' planning needs of the organisation and a further approach was more aimed towards the employee as an actor in his own professional and personal development.

Emphasising and valuing the proactive, enterprising role of our people in terms of the management of their own careers, the model seeks to support the optimisation of their potential and the acquisition of a clear vision about the different development options provided by the organisation both at the company and at the other companies of Sonae.

### Training

Training at Sonae plays a major role in the personal and professional development of our employees, stressing as the main benefits the exposure to up-and-coming themes and current trends; the discussion and debating of the challenges and problems of the business with top experts, as well as the creation of discussion fora and networking with peers from other organisations.

In this way we have sought to provide our employees with diversified, differentiating training programmes at renowned national and international schools which enable the strengthening of key competences: management and leadership competences as well as personal and interpersonal competences.

As well as each business unit having its own training and development system, since 2004 we have been endowed with the Sonae Learning Centre (SLC), a space dedicated to the ongoing training of senior managers. In 2011 this executive training structure had 1,356 participants, totalling 11,652 hours of training.

### **Programa Contacto (Contact Programme) 2011**

#### **Rede Contacto (Contact Network)**

The Rede Contacto (Contact Network), created in 2010, was one of the first world networks launched by an economic group with a view to detecting and recruiting talent. It constitutes a way of Sonae companies contacting participants, thereby narrowing the relationship with the university community. After registering at [www.programacontactosonae.com](http://www.programacontactosonae.com), students have the chance to test their knowledge by taking innovative challenges and quizzes. They also have the chance to be kept up-to-date about the special offers and what's new at Sonae Companies. Their participation is scored and the best ones will access the Contact Day. At the end of 2011 the Network had around 15,000 registered users.

#### **Dia Contacto (Contact Day)**

The Dia Contacto (Contact Day) consists of an initiative aimed at the best Higher Education final-year students in Portugal, selected by means of the Rede Contacto (Contact Network). During the day participants have the chance to be in direct contact with Belmiro de Azevedo, the Chairman of Sonae and Paulo Azevedo, CEO of Sonae, and to find about the businesses of the Sonae Companies, the development plans and strategy for the future. In total almost 4,000 young people took part in the Dia Contacto (Contact Day).

The Dia Contacto (Contact Day) event was distinguished as one of the good practices of Sonae by EuroCommerce.

### **Call For Solutions Universities**

This initiative is an open innovation program for Masters finalists which takes place once a semester. Candidates attend internships in various areas of Sonae, contacting directly with business reality. It lasts for 4 or 5 months and its main purpose is to achieve creative solutions for the challenges posed by business, identifying and detecting talent among the participants. At the end, the solution is turned into a thesis or a final course project.

In 2011, the 3<sup>rd</sup> and 4<sup>th</sup> Call for Solutions Universities were carried out, with the participation of 22 and 20 trainees, respectively.

### **Call for You 2011**

Call for You consists of a Sonae traineeship programme aimed at knowing and training young talents in the various business areas.

It is aimed at those who have graduated from higher education recently (preferably 2nd Cycle – Masters), with no more than 2 years' professional experience. This is a programme where there is room for the curiosity of those who wish to learn quickly and the generosity of those who make sharing a further mainstay of constant innovation.

The selection of some of the "Call For You" applicants occurred via Rede Contacto (Contact Network). In 2011, 27 trainees had the opportunity to develop its competences and start professional activity under this Programme, with 18 subsequently joining the Sonae teams.

## Novas Oportunidades (New Opportunities) Programme

In 2011, 958 employees frequented the Novas Oportunidades Programme, with 310 having obtained the respective skills' certification.

### Knowledge-sharing at Sonae

We periodically promote the carrying out of various fora with a view to sharing opinions, knowledge and the promotion of good practices amongst the various businesses, promoting innovation, sharing and the adoption of good practices.

#### Sustainability Forum

- ☒ **Purpose:** To share knowledge of Sustainability and the best practices, raising awareness at Sonae about matters with regard to which synergies need to be fostered and cohesion to deal with the various challenges in this area. This work group meets every 2 months and it comprises representatives from all Sonae companies. It sets out to make an active contribution to improving processes and procedures which are performance-enhancing in terms of Sustainability (e.g.: paper reduction; consumption optimisation and many other themes).

#### FINOV – Forum dedicated to innovation

- ☒ **Purpose:** To stimulate and support a culture geared towards innovation at Sonae, capable of withstanding high levels of value creation

#### Management Control and Planning Methodologies Forum

- ☒ **Purpose:** To promote and discuss the implementation of the best control methodologies throughout the company

#### Legal Forum

- ☒ **Purpose:** To share experiences and knowledge between legal teams, promoting a broad discussion about fundamental legal topics and fostering a common approach to legal interpretations and procedures.

#### Marketing and Communication Forum

- ☒ **Purpose:** To coordinate negotiations with Media companies and promote the sharing of best practices in the Marketing area.

#### Engineering, Construction and Safety Forum

- ☒ **Purpose:** To discuss the implementation of the best practices, particularly focusing on areas and matters related with health and safety

#### Negotiation Forum

- ☒ **Purpose:** To analyse and discuss negotiation strategies, identify joint negotiation opportunities and share experiences and knowledge.

In addition to the fora, we have three advisory groups, which meet frequently with a view to sharing information and coordination (internal training organization), including the ongoing review of existing organisational policies in these areas, and two committees aimed to serve as a platform for sharing knowledge and experiences:

Advisory Groups	Committees
Human Resources	Audit
Risk Management	Finance
Information Technologies	



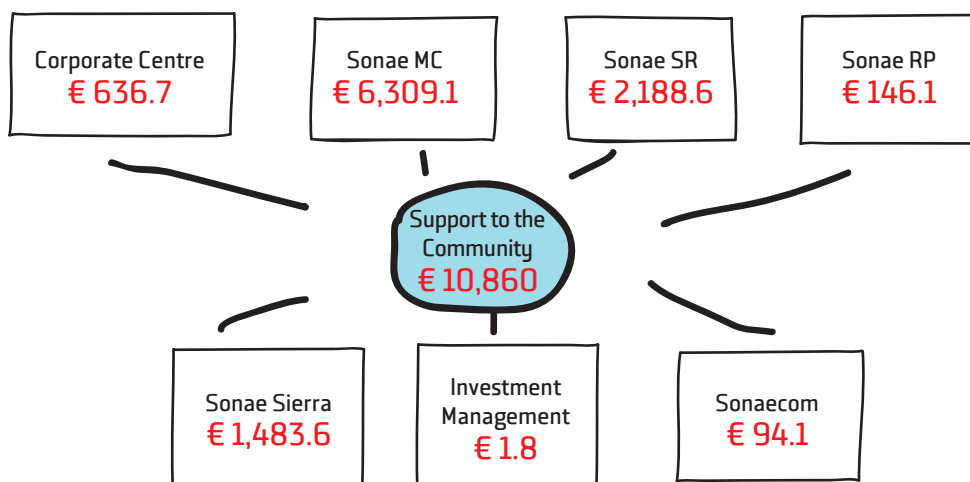
## 2.4 INVESTMENT IN THE COMMUNITY

Over the years, we have been promoting well-being and the development of knowledge and culture in partnership with other organisations by supporting various projects and actions.

**In 2011, we supported 3,051 organisations.**

In 2011, 10,134 thousand euros were invested in initiatives to support the community. Additionally, through our initiatives, customers donated directly about 726,000 euros to the community through projects such as "Missão Sorriso" (Smile Mission).

Support to the Community 2011 (in thousands of euros)



### Volunteering

Business volunteering is also an important component of Corporate Responsibility which we intend to increasingly develop with our employees. Volunteering enriches our employees and benefits the communities where it is carried out and we have thus continued to promote a culture involving an active participation in society, incentivising and developing new volunteering initiatives.

In 2011 our employees dedicated over 6 thousand hours to volunteering actions with the involvement of around 1,350 participants.

Our volunteers have supported over 125 institutions in Portugal in actions which have included technical and social support to third sector organisations such as the Agrupamento Escolar do Cerco (Cerro School Grouping), Acreditar, the Gil Foundation, the Sol Association, the SOS Villages, Casa do Caminho, Doctors of the World, the Lavoisier Association, the Humanities' Association, the Banco Alimentar Contra a Fome (Food Bank) and many more.

### Cultural Support

#### Casa da Música (House of Music)

In 2011 we maintained the patronage agreement with Casa da Música with a view to cultural dissemination and the stimulation of innovation. Under the terms of this agreement support was lent to the initiatives "País-Tema" (Country-Theme), "Residências Artísticas" (Artist Residencies) and "3ª Fim de Tarde" (Tuesday Afternoon) which form part of the musical scheduling of Casa da Música.

## Serralves

Concurrently with patronage support, we have joined forces with the Serralves Foundation to launch, for the first time, an Artistic Residence Programme, an innovative, pioneering project in Portugal based on cooperation between two different worlds: companies and cultural agents.

The Sonae/Serralves Project has enabled the invited artists to undertake their work in Oporto and contact cultural agents, students and the community. This action, fitting in with our Corporate Responsibility policy, set out to promote creativity, innovation and approximation between the arts and the surrounding communities, namely through the discovery and development of young talents.

## Support to Young People

We have a commitment to the education of younger people and the development of an enterprising society capable of generating wealth. The promotion of entrepreneurialism is thus one of the priorities we have set in the context of our social corporate responsibility policy and which has led us to foster the volunteering of our employees in the promotion of innovation, creativity and entrepreneurialism.

### Junior Achievement Portugal – “Learning to be enterprising”

2011 saw our fifth year of participation in Junior Achievement Portugal (JAP), a non-profit-making association committed to taking programmes to the schools which develop a liking for entrepreneurialism amongst children and young people. In the context of the partnership we have set up, employees provide training at schools in the fields of entrepreneurialism and personal finance, with a view to preparing young people to succeed in a global economy through entrepreneurship education, skills for employability and financial literacy.

In the academic year 2010/2011 we had 209 employees involved who gave their time to help implement the programmes, having affected over 2,750 students. The programme with the most enrolments was Braço Direito (Right Arm), a programme in which students follow a professional for one day in his/her working environment, acquiring knowledge about culture, work ethics and the various career options available.

In total, the Sonae volunteer group undertook 1,342 hours of volunteering in Junior Achievement Portugal actions. Since 2009, around 430 employees have joined this project, with an impact on approximately 7,300 students. All the volunteers considered the experience to be very positive, and would do it again, also stating that they will incentivise other people to be JAP volunteers.

Some testimonies:

Sonae's support has been vital in terms of the sustainable growth of JAP, with a particular emphasis on the number of volunteers involved in the various actions nationwide. The connection to JAP and the commitment demonstrated to cover an increasing number of students has enabled us, over these five years' work, to reach around 112,000 students in Portugal. We are deeply grateful for this partnership which will undoubtedly produce more enterprising young people.

**Junior Achievement Portugal**

In my opinion, volunteering forms part of our civic duty as members of a community, but rather than a sense of duty, what really drives me on is the opportunity to make the difference in the life of someone, putting at the disposal of others all my enthusiasm, experience and knowledge. It's a great experience which is really rewarding!

**Filipa Oliveira (Sonae Sierra), elected the Volunteer of the Year by Junior Achievement for the academic year 2010/2011**

In 2011 Sonae was elected the "Company of the Year" for having been the company which provided the greatest number of volunteers nationwide.

#### "Porto de Futuro"

This challenge was laid down by Oporto City Council to companies, with a view to supporting the management and development of 17 school groupings in the region by bringing the school and business communities closer together. During 2011 we continued to support this initiative at Agrupamento Escolar do Cerco (Cerro School Grouping) by means of:

- ✘ advisory support to general school management;
- ✘ logistical support (including works' management and supplier control);
- ✘ support to underprivileged students;
- ✘ promotion of entrepreneurialism and creativity;
- ✘ professional/ongoing training; and
- ✘ rewarding the cases of excellence.

By dint of its nature which is decisive for the development of a sustainable society, education is a task which must mobilise us all as there is no doubt that all the measures implemented today will be vital for the future of new generations.

In the context of the Sonae/Cerro partnership, some of the projects supported by us were:

- ✘ **Junior Achievement**, with the presence of the Sonae volunteers to train in the context of the classroom, on different themes: "The Family", "The Community", "Economics for Success" and "The Company".
- ✘ **Tag rugby**, sports promotion project and training of young people through the values of rugby – team work, responsibility and integrity.
- ✘ **Mundo das Profissões (World of Professions)**, with study visits and promotion of employees of partner companies going to schools so that children have a sense of the different professions.
- ✘ **Braço Direito (Right Arm)**, a volunteering action in the context of the Porto de Futuro Project in which Sonae employees host secondary school students from Agrupamento Escolar do Cerco (Cerro School Grouping) to follow their daily duties in a real work context for a day.

#### Global Enterprise Project

Sonae is one of the 19 founding companies of "The Global Enterprise Project" (GEP), an initiative which sets out to promote entrepreneurialism amongst young secondary school students throughout Europe. GEP involves the Junior Achievement-Young Enterprise Europe, an association specialized in training in entrepreneurialism, the European Round Table of Industrialists, an organisation which brings together the main European business leaders and the European Schoolnet, a network which brings together the Ministries of Education of 30 European countries with a view to innovating in education and training.

During the three years of the initiative, 40 thousand young Europeans aged between 15 and 18 will have the chance to create and manage a real company, to discuss globalisation, strike up partnerships with colleagues from other countries, learn entrepreneur competences and apply the knowledge acquired.

With the support of teachers and volunteers young people will be challenged to work with different professionals and be challenged to "learn on the job".

## 2.5 STAKEHOLDERS ENGAGEMENT

In 2011 we continued the strategy of dialogue and involvement with our stakeholders so as to ensure the satisfaction of their needs in the long-term and to identify the attendant risks and opportunities in due time.

In this context, we believe that we have a role to play in terms of finding solutions, but we know that we need to work in partnership with our strategic stakeholders. As such, in addition to the publication of annual Sustainability Report, we are endowed with a series of mechanisms for periodically communicating with each stakeholder group.

CLIENTS	Websites
	Suggestions and complaints system
	Sonae's Ombudsman
	Stakeholders engagement survey
EMPLOYEES	Social climate studies
	News on the Internet
	In-house publications
	Sonae's Ombudsman
	Knowledge-sharing Fora
INVESTORS	Stakeholders engagement survey
	General Meetings
	Quarterly financial reports
	Stakeholders engagement survey
SUPPLIERS	Response to specific questionnaires
	Supplier portals
	Visits and audits
	Reciprocal training
	Stakeholders engagement survey
GOVERNMENTAL AND REGULATING ENTITIES	Performance appraisal
	Relationship in the planning and projecting of new opportunities
	Participation in various sectorial associations
COMMUNITY	Partnerships with representative institutions
	Community involvement projects
	Stakeholders engagement survey
MEDIA	Conferences
	Presentations
	Interviews
	Response to specific questions
TENANTS*	Written communications
	Meetings
	Training
	Stakeholders engagement survey
VISITORS*	Websites
	Suggestions and complaints systems
	Sierra's Ombudsman
	Stakeholders engagement survey

\* Specific stakeholders from shopping centres

## Clients

### Complaints and Suggestions Management System

As it is a priority for us to listen to and understand our clients, we are constantly concerned with and focused on meeting their needs. Our brands are permanently focused on orientation towards the client – who is increasingly demanding and better informed – so as to be able to anticipate his expectations and develop innovative solutions.

In 2011, bearing testimony to our dedication and commitment to ongoing improvement, the food Retail area maintained International Certification of the Complaints' Management System in accordance with NP EN 10002:2007, awarded by SGS\* ICS – International Certification Services. It should be pointed out that Sonae MC was the first company in Europe to receive this Certification in 2010.

Also in the Food Retail area, we published the Complaints and Suggestions' Management Policy. This policy stands out for the implementation of a single customer approach method, the systematisation of the whole of the complaints' management process, the provision of a base/structure for the analysis and ongoing revision of the complaints' processing procedure and of the improvements made by setting objective and indicators and the monitoring of customer satisfaction. All these factors promote greater credibility with the client as regards the skill at resolving complaints in consistent, systematic and uniform fashion as well as motivating employees to fine-tune their skills in terms of customer contact.

This policy sets out the suggestions and complaints management system objectives, to wit:

- ⊙ To obtain the satisfaction of consumers at the time when they express their dissatisfaction and share their suggestions as a reason behind the success of the business;
- ⊙ To ensure that the development of a complaints and suggestions' management system is the upshot of an ongoing concern to comply with all the requirements, following careful procedures, so as to fit them in with their objectives;
- ⊙ To ensure a more professionalised organisation which allows an improvement in the quality of the service rendered, ensuring the company has greater productivity and that Employees have greater satisfaction in the performance of their professional activity;
- ⊙ To achieve closer relations with Clients with a view to establishing more relations built on confidence;
- ⊙ The strict compliance with applicable regulations in all our fields of action.

In 2011 Worten also officially received Certification of the Iberian Complaints' Management System. In this way, a further step was ensured in the commitment to offer our customers quality service, to wit in the context of the way in which suggestions and complaints are dealt with.

### Sonae Ombudsman

We pay special attention to all the contacts addressed to us. In this regard, we provide our employees, clients, suppliers and the general public with access to the Sonae Ombudsman which is intended to ensure appropriate follow-up to any complaints, claims or suggestions addressed to it.

The Ombudsman will answer any contact addressed to our business areas (Sonae MC, Sonae SR, Sonae RP, Investment Management, Sonae Sierra, Sonaecom) as well as of Sonae Indústria and Sonae Capital, duly forwarding it and controlling the responses.

The Sonae Ombudsman is directly answerable to the Chairman of the Board of Directors of Sonae.

### Customer satisfaction

In addition to the complaints and suggestions management system and the Sonae Ombudsman, with a view to improving our products and services, we undertake various customer satisfaction studies in line with the themes to be assessed (e.g.: image, quality of the product, customer service) and appraisal methodologies (e.g.: quarterly report, mystery client, online panels). Each of these studies has individualised results which are analysed in such a way as to ensure the best possible response to customer needs.

\* See Glossary



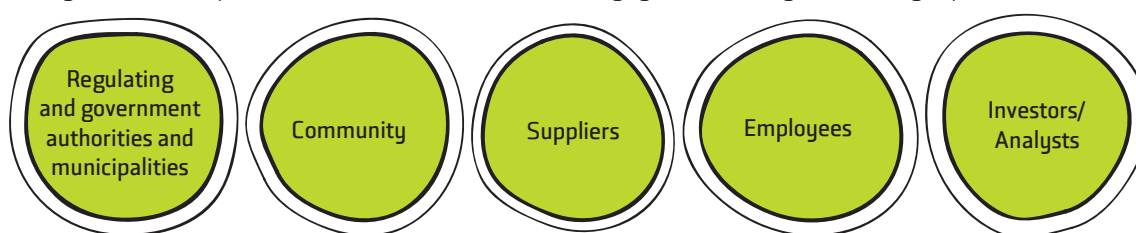
In 2011 we undertook a study into corporate social responsibility<sup>3</sup> with a view to establishing the environmental and social practices that the clients consider to be most important in the Retail area as well as measuring the popularity of the social initiatives undertaken whose main results we have highlighted:

- ▽ The products provided to clients with the least income are considered to be the most important in all brands, with the exception of Continente bom dia where the products provided to promote a healthy diet are highlighted. This practice is regarded as the second most important in the other brands.
- ▽ The most popular social initiatives promoted by Sonae MC and Sonae SR amongst clients are: "Missão Sorriso", "Troca de Lâmpadas", "Causa Maior" and "Pilha de Livros" (Continente); "Campanha Arredonda" (Worten); "Nós" (Modalfa e Zippy) and sports' events "Corrida da Mulher" and "Meia Maratona" (Sport Zone).
- ▽ The clients expressed interest in finding out more about the activities undertaken by the 8 brands in the context of environmental protection and support to the community.

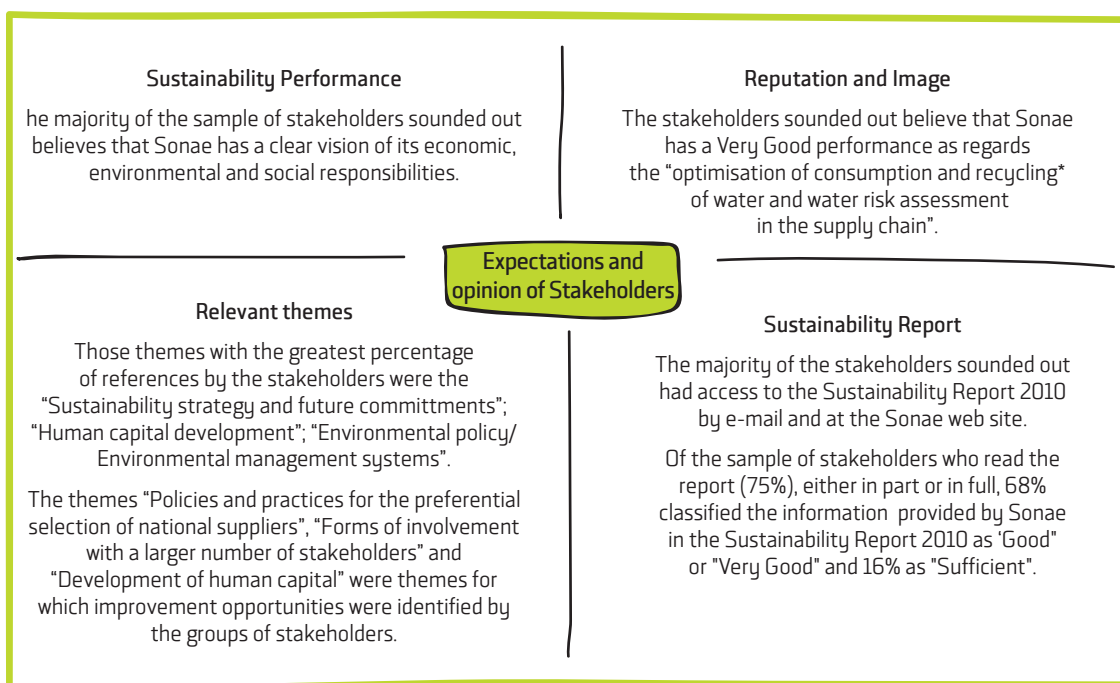
## Annual stakeholders' dialogue process

In order to identify stakeholders' expectations and consequently set sustainability priorities and objectives, in 2011 we undertook the annual stakeholders' dialogue process. This consultation allowed the identification of the main material themes and opportunities for improvement which allow a direct connection to be created between the sustainability challenges which are faced and the business strategy.

The selection of stakeholders to dialogue was based on the identification of strategic stakeholders in the Retail area. This being the case, a sample of 171 stakeholders was identified, belonging to the following stakeholder groups:



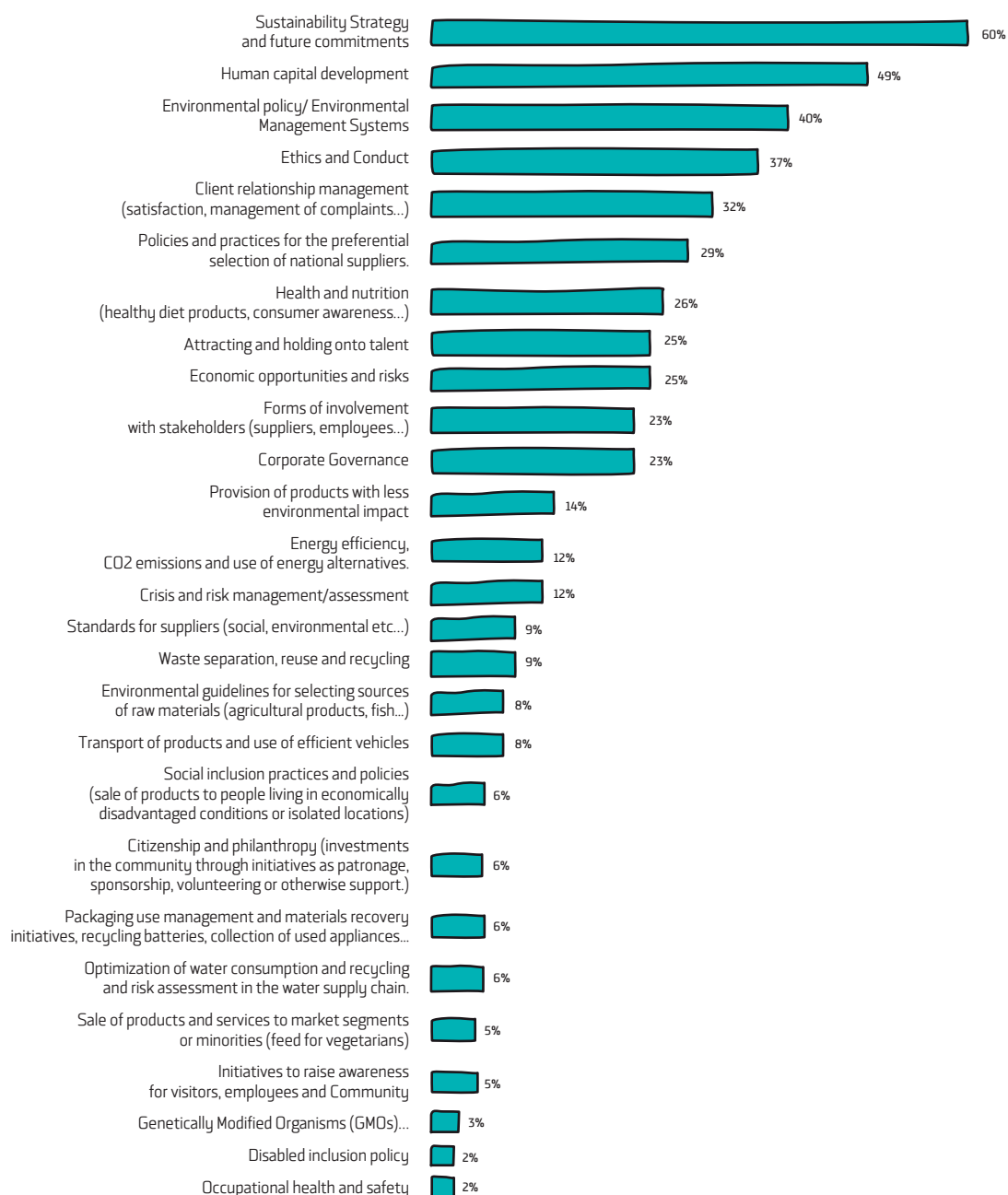
The process ran off by means of a questionnaire via an online platform for suppliers and employees and via a phone conference for the rest, feedback was obtained from five stakeholder groups, totalling 89 replies. The questionnaire was structured into four main sections with the following main conclusions:



<sup>3</sup> 610 surveys were conducted on customers: Continente (507), Continente modelo (247), Continente bom dia (92), Worten (382), Vobis (45), Sport Zone (231), Modalfa (215) and Zippy (105). The collected sample is predominantly female, between 25-44 years old and belonging to the Lower Middle Class.

\* See Glossary

## Percentage of references by theme



The graphic above illustrates that the following themes were selected most by the stakeholders:

Themes	Corresponding Subchapter/Chapter
Sustainability Strategy and future commitments	3.1 Retail 3.1.8 Commitments and forthcoming steps in Retail
Human capital development	2.3 Human Capital 3.1.2 Human capital development
Environmental Policy/ Management Systems Environmental	3.1.3 Environmental Responsibility in Retail
Ethics and Conduct	2.3.2 Internal culture
Customer relationship management	2.5 Involvement with Stakeholders
Policies and practices for the preferential selection of national suppliers	3.1.5 Sustainability on the supplier chain in Retail
Health and Nutrition	3.1.4 Health and Nutrition
Attracting and holding on to talent	2.3.3 Attracting and Holding on to Talent 3.1.2 Human capital development
Economic opportunities and risks	2.2 Risk Management
Forms of involvement with Stakeholders	2.5 Involvement with Stakeholders
Corporate Governance	2.1 Governance Model



# 3. A Greater World to Discover





"Against an adverse economic backdrop Sonae has stood by its clients and those who need it most, helping to relieve the difficulties facing families. We have a firm commitment to sustainable development and this also involves providing our clients with the best products at the lowest prices, particularly in scenarios such as that which we went through in 2011."

Luís Moutinho, CEO of Sonae MC

"2011 proved to be a period of consolidation of the internationalization strategy of Sonae with the entry onto new dynamic markets which are interesting to our brands and where our formats are making their mark as they stand out and where consumers recognise our plus points and we expect to keep up a good rate of openings."

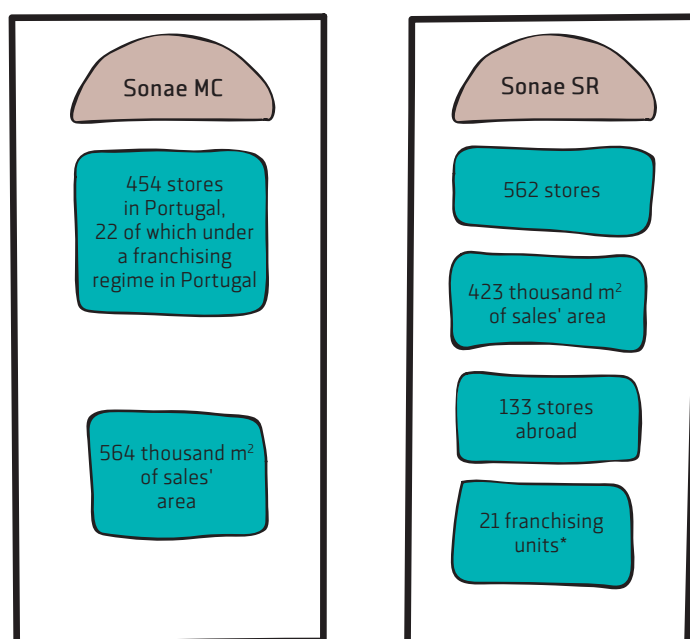
Miguel Mota Freitas, CEO of Sonae SR

## 3.1 RETAIL

In 2011 we strengthened our position as leaders on the food and specialized Retail market in Portugal. In the case of Sonae MC, this reinforcement was based on a rapid, effective adaptation of the offer to the alterations in consumer habits in Portugal whilst in the case of Sonae SR, the strategy to explore franchising and joint-ventures opportunities was continued as a way of speeding up growth internationally.

Sonae RP continued its activity of actively managing the Retail real estate assets of Sonae with a view to increasing the Company's ability to achieve its growth objectives.

In 2011 the Retail business increased the number of stores to a total of 1.016, corresponding to a total sales' area of around 1 million m<sup>2</sup>.



\* 11 in Portugal; 5 in Saudi Arabia; 3 in Spain; 1 in Kazakhstan and 1 in Egypt

The joint sales of our retail units – Sonae MC and Sonae SR – increased by 0.3p.p in 2011 to 4,562 million euros.

In 2011 Sonae MC managed to strengthen its leading position on the food market in Portugal by around 1p.p of share, with a 2p.p increase in sales to 3,327 million euros.

The contribution of the own brands' portfolio and first prices for sale continued to increase, accounting for around 30p.p in the relevant categories during 2011.

Sonae SR achieved 1,235 million euros and it is worth stressing the 43% growth in sales on international markets, with sales in Spain already accounting for 25% of total sales of the unit, 5p.p above the amount recorded in 2010.

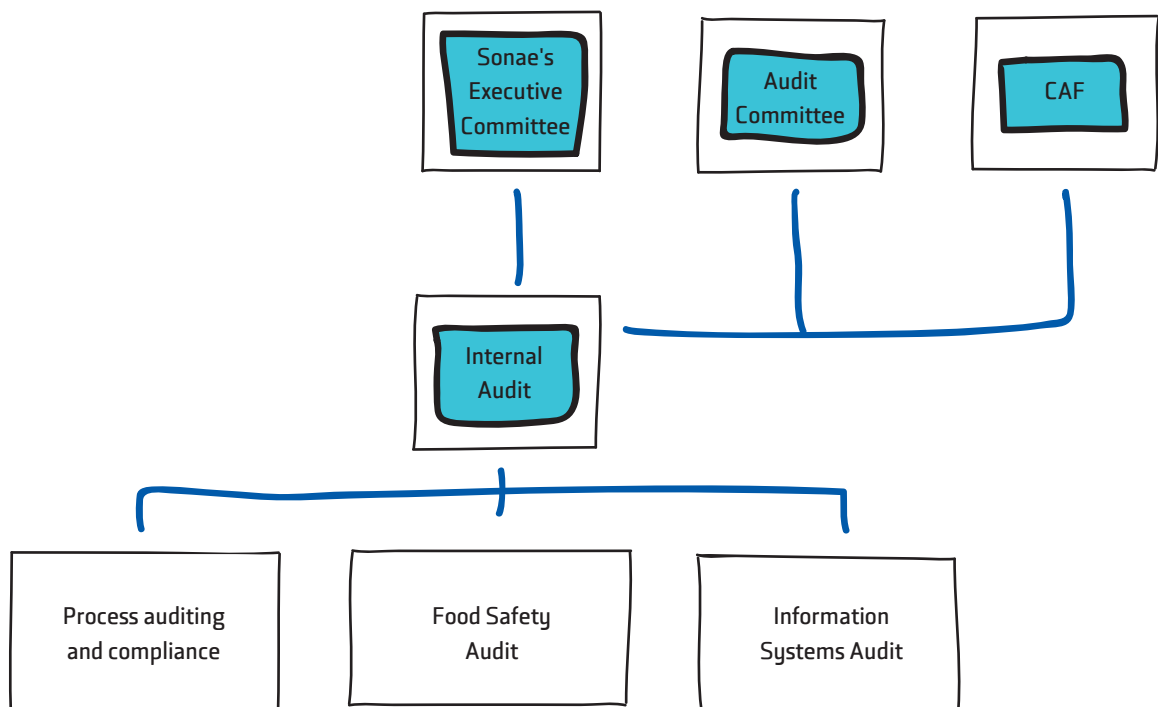
Retail business areas' turnover (in millions of euros)

	2011
Sonae	4,562
Sonae MC	3,327
Sonae SR	1,235
Sonae RP	119
Investment Management	130

### 3.1.1 Internal Audit in Retail

The Internal Auditing Department aims to make an effective contribution to the achievement of the organisation's objectives by carrying out audits on those processes which are most critical and relevant to the business, the implementation of audits to verify compliance with internal procedures and legislation, the carrying out of food safety audits and the auditing of those systems which support the activities of the various areas.

#### Organisation of the Internal Auditing Department



The Internal Auditing Department is made up of 30 employees and it carries out its activity in the companies Sonae MC, Sonae SR, Sonae RP and the Corporate Centre.

The annual activity plan for Auditing duties has as its main inputs the strategic lines of the various businesses, the biggest risk areas and the demands of the various Management levels.

Internal Auditing reports regularly to the Audit Committee and to the non-statutory body the CAF (Audit and Finance Committee).

There is also a body to coordinate internal audit activity of Internal Audit in Retail, the Audit Committee, to which it makes a quarterly report.

#### Main responsibilities of the Internal Auditing Department:

- ✗ To audit the most critical and relevant processes of the businesses;
- ✗ To audit compliance with legislation and procedures;
- ✗ To audit the information systems;
- ✗ To audit compliance with legislation and procedures in the food safety area;
- ✗ To coordinate Retail auditing activity at Sonae companies and;
- ✗ To support the Audit Committee in operational terms.

## International certification programmes:

As regards the carrying out of Internal Auditing duties in 2011, we are still consistently sponsoring those employees who apply for international certification in various programmes.

In the Retail area, Sonae is one of the organisations which has the largest number of employees certified in internal auditing in Portugal. Furthermore, it has teams certified in the auditing information systems auditing and food safety auditing.

In 2012, Sonae will continue to sponsor this important programme for the training, development and international certification of its auditing employees in accordance with the best international practices.

## Main actions implemented in 2011

### Process Auditing and Compliance

In 2011, 450 audits were carried out to verify compliance with legislation and internal procedures at Sonae MC and Sonae SR in the fields of Procurement, Sales, Brochure Product Stock Breaks and Inventories.

The main aims of these audits are the reduction of fraud risks and breaches of rules and procedures, a reduction in financial losses and verification of the control level at the Organisation, as well as an increase in the customer satisfaction level and to contribute to the maintenance of the image and reputation of the company.

Audits were also carried out on a series of critical processes at Sonae MC, at Sonae SR and at the Corporate Centre with the aims of pinpointing the main associated risks, the potential impacts on business and the controls which need to be implemented or improved so as to ensure the mitigation of said risks.

In addition, we carry out a series of key indicators monitoring measures in critical business areas (in 2011, around 500 audits were carried out on 30 indicators).

### Information Systems Audit

During the course of 2011, 16 audits were carried out on the information systems which support the Retail critical processes with a view to identifying and correcting any potential vulnerabilities which may have a negative impact on the business and on information security.

### Food Safety Audit

Worthy of special note is the implementation and consolidation of a food safety audit programme on stores, cafeterias, depots and manufacturing centres, highlighting the surveying and reporting of the main conclusions in terms of the company and orientation towards the taking of corrective actions.

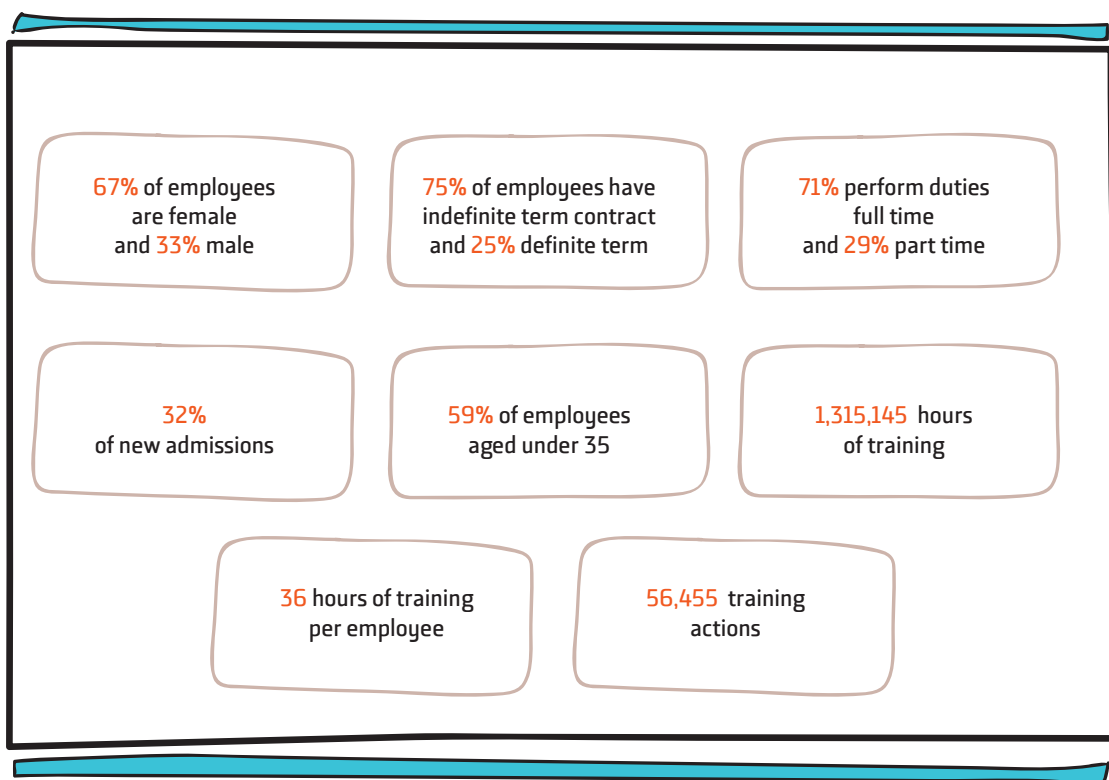
This audit programme sets out to systematically verify compliance with the legal standards and internal rules regarding food safety.

In 2011, around 300 food safety audits were carried out.

### 3.1.2 Human Capital Development in Retail

At the end of 2011 the Retail area team was made up of 36,713 employees whereof 90.7% are carrying out duties in Portugal, 7.75% in Spain, 1.44% in Brazil, 0.1% in China and 0.05% in Turkey. Just like in the previous year, of the set of top managers only 1 is not in his country of origin. This reality reflects Retail recruitment policy in terms of operational duties which is based on recruiting locally, thereby contributing the employability of those regions where the organisation is to be found.

#### Main Retail area indicators



#### Professional development

In 2011, in addition to the performance appraisal process applicable to 100% of Retail employees, a further edition of Upward Feedback was staged. This is a 180° appraisal tool whereby employees give feedback to their Direct Superiors with regard to their action as team managers in a series of relevant areas: Work organisation, Motivation and Development and Communication.

Upward Feedback is a personal and professional development tool which intends to serve as an anchor for an ongoing process of change and individual growth.

## Sonae Retail School

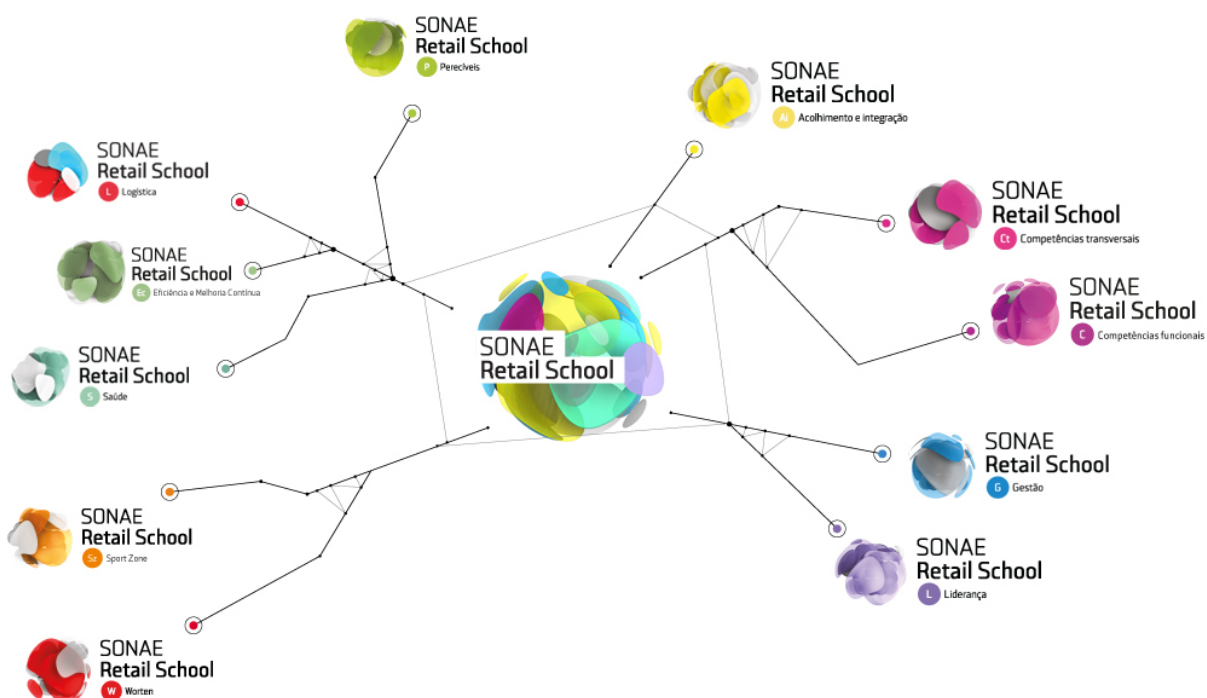
In 2011, the Sonae Retail School provided over 1.2 million hours of training out of a total of 56,455 actions, making the team more active in the identification of new challenges and improvement areas and it rapidly designed programmes to disseminate the best practices transversally to the organisation.

Investment in people is our starting point. In this regard, our programmes are designed in conjunction with national and international reference partners. We believe that the content, methodologies and resources which we supply are amongst the best on the market.

We encourage internal training, currently having 2,295 internal trainers available.

### Sonae Retail School

Sonae Retail School consists of a series of schools and academies with training processes structured into sustained functional profiles, illustrating the alignment with the business, bearing in mind the strategic lines defined in the Retail area.





## Health and Safety at Workplace

Health and Safety at Work (HSW) is an important aspect for sustainable development and corporate social responsibility, thereby constituting an essential mainstay, as it allows the optimisation of all the potential of our human resources, a differentiating aspect and the engine behind all our success, strengthening the respect for Employees, their families and society as a whole.

Our concern with Safety at Work is reflected by a strong commitment to the adoption of a preventive programme which includes the carrying out of audits on workplaces and emergency drills, the existence of an HSW training programme and the carrying out of raising awareness actions with a view to reducing accident and absenteeism rates.

We are also committed to Medicine at Work based on the appraisal of occupational risks and the consequent evaluation of health and well-being associated with the duties and activities of workers. We develop miscellaneous internal campaigns to raise the awareness of everyone about prevention in the Health area and the adoption of healthy lifestyles.

Sonae has set April 28<sup>th</sup>, the World Day for Safety and Health at Work, as a day of reflection and the starting point to strengthen all the proactive – attitudes which allow the achievement of the main objectives: "Zero Accidents" and "Zero occupational illnesses". As a way of commemorating this day, we give all employees a gift commemorating Health and Safety at the Workplace.

## Main Health and Safety at the Workplace (HSW) Indicators

- ⊙ 78,893 participants in raising awareness and training actions in the context of Health and Safety at the Workplace (HSW) with a total of 105,000 hours of training;
- ⊙ Existence of an HSW course catalogue with 75 different courses;
- ⊙ HSW communication campaigns carried out during the course of the year have involved the active participation of a total of 236,144 employees<sup>4</sup>;
- ⊙ Over 100 health professionals;
- ⊙ Carrying out of 30,000 medical examinations;
- ⊙ Safety inspections and audits at 903 units;
- ⊙ 47,178 employees consulted in the context of Health and Safety at the Workplace
- ⊙ Implementing of 256 emergency/evacuation drills.
- ⊙ Active partnership with the Authority for Working Conditions (National Prevention and Safety Day and European Working Conditions Week)

75

HSW  
training  
actions

78,893

participants  
in HSW  
training actions

12

advisory  
actions

236,144

participants  
in advisory  
actions

<sup>4</sup> Some of the advice actions involved employees and clients.

#### Main distinctions in terms of hygiene, safety and health at the Retail area in 2011:

	<p>We obtained recognition at the <b>European Good Practice Awards</b>, awards given by the European Agency for Safety and Health at the Work which distinguish the best practices in health and safety at organisations. The distinction results from the set of good practices followed by Sonae, namely of the ongoing actions with a view to reducing the risk of accident in all the processes which involve maintenance and repair works.</p>
	<p>The Continente store in Guia (Algarveshopping) was rewarded for good practices in Health and Safety at the Workplace. The raising awareness action about the "Safety, a matter of attitude" theme, undertaken by this store, was the basis for the awarding of this prize.</p> <p>This award is part of the initiative launched by Sonae Sierra to promote Health and Safety at its shopping centres worldwide and they seek to reward those storekeepers with the best practices in Health and Safety.</p>
	<p>Continente in Cascais obtained renewal of the Certification in the Health, Safety and Hygiene at the Workplace Management System in accordance with the Standard OHSAS* 18001/NP 4397:2001. This certification recognises the quality of the Health, Safety and Hygiene at the Workplace Management System and the good practices implemented by the parent company in this area.</p>

### 3.1.3 Environmental Responsibility in Retail

In 2011 in the Retail area we continued our Environmental Certifications' programme in accordance with the International Standard ISO\* 14001, having attained 4 new environmental certifications:

- ☒ Continente Modelo in Tomar;
- ☒ Continente Bom Dia in Massarelos;
- ☒ Worten ArrabidaShopping;
- ☒ Worten in Aveiro;

Concurrently, Corporate Environmental Certification for the Retail area was maintained, having also attained the renewal/maintenance of the 17 Environmental Certifications for installations achieved in previous years – 11 food stores (3 Continente; 7 Continente modelo; 1 Continente bom dia), 2 specialized retail stores (2 Worten), 3 depots and 1 manufacturing centre (Meat Processing Centre – Carnes Continente).

The series of certifications of installations obtained allows us to have at our disposal at least one certified store at each Operations' Department of the food stores, the same being the case with regard to the Worten stores located in Portuguese territory. This set of certified installations, which covers all the types of installations run by Sonae's Retail area, to wit, food and non-food stores, depots and manufacturing centres, demonstrates the Company's environmental management capabilities.

In addition, in 2011, Building Research Establishment (BRE\*) officially approved the Building Research Establishment Environmental Assessment Method (BREEAM\*) Certification report of the Azambuja Eco-Industrial Park (Certification level: GOOD). In this way the buildings of this logistics' pool – where the Plaza 1 and Plaza 2 warehouses are installed – have become the first buildings endowed with BREEAM Certification in Portugal and the first industrial buildings to obtain this certification in the Iberian Peninsula.

\* See Glossary

## Climate Change\*

Our activity impacts climate change and there is a concern and an endeavour is made to mitigate such change. In the context of the Retail area these impacts may be direct, resulting from fuel\* consumption in the transport of goods – diesel is the fuel used by the main fleet – and indirect i.e. associated with energy consumption at stores and warehouses. This is why we are concerned with obtaining a contracted fleet which is fuel efficient in accordance with Euro\* standards. A computer tool is being applied to optimise the supply routes of the stores and the cargo volumes transported.

In the context of the regulatory framework for electrical micro and minigeneration, photovoltaic energy production plants have been installed at some of our stores (39 production plants and 19 minigeneration plants) and one of the things we are committed to is the promotion of the use of energy from renewable sources.

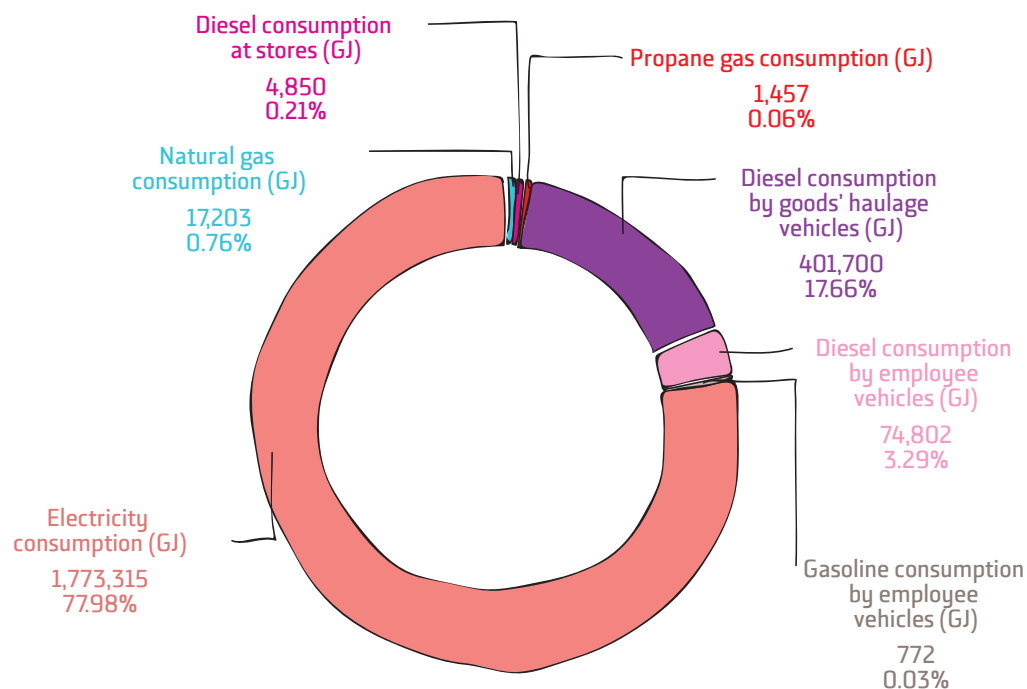
In view of the fact that we consider the involvement of our stakeholders essential (employees, clients, suppliers), we invest in the dissemination of information and raising awareness about the questions related with emissions and energy consumption through campaigns, promoting day-to-day management and efficiency. In terms of the indirect impact through our consumers, opportunities were identified which may alter their behaviour, mainly in the consumption of electronic and electrical products. The campaigns carried out promote the acquisition of new, more efficient products.

Finally, we are also aware that climate changes may affect the agricultural production level which may have consequences in terms of the availability and quality of food goods and other products of organic origin. The quantification of these impacts is difficult meaning that we remain attentive and position ourselves in proactive fashion to minimise potential impacts on the Retail business.

## Energy and Emissions

Energy consumption is one of the main environmental impacts deriving from the Retail activity. The main form of energy we consume is electricity which represents around 78% of total energy consumed by the Retail area, followed by fuel consumption (essentially, gasoil associated with transport by the contracted fleet). Total energy consumption, in 2011, corresponded to 2,274,098 GJ.

### Distribution of energy consumption (GJ)

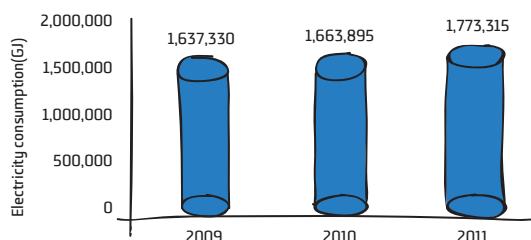


\* See Glossary

As regards electricity consumption, in 2011, this stood at 492.6 GWh\*, corresponding to 1,773,315 GJ and emission of 181,977 tonnes of CO<sub>2</sub>e.

### Evolution of electricity consumption (GJ)

Electricity consumption



Compared with the previous year, there was an increase in electrical energy consumption of 6.6%, the reflection of a series of concurrent factors:

- \* Increase in the number of installations, with special focus on Specialized Retail stores;
- \* Accounting for annual electricity consumption of the most recent stores, opened at the end of last year, and these partially contributed to the total consumption of electricity in 2010;
- \* Extension of opening hours to Sundays and Bank Holidays of Continente hypermarkets.

Notwithstanding, bearing in mind the comparable universes at the series of food installations and depots, which represent 77% of the electrical energy consumed by the Retail business, a 1.9% reduction was recorded.

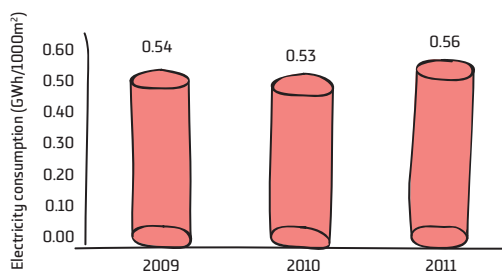
This performance, which we regard as very positive – since it counters the trend towards the growth in energy consumption deriving from the growing cold production needs for food upkeep as well as from the comfort conditions thermally and in terms of lighting, of our clients – results from the consolidation of a vast set of measures systematically implemented in previous years, as well as the contribution of new measures implemented during the course of 2011 whereof we highlight:

- ✂ The replacement of normal T8 and T5 bulbs with T8 and T5 “Eco” bulbs;
- ✂ The optimisation of lighting levels in different Store areas;
- ✂ The installation of new temperature control technology in the cooling units (E-Cube), with a direct impact on production needs/the supply of refrigeration to these units.

The specific consumption of electrical energy by sales' area which, in 2011, stood at 0.56 GWh/1000 m<sup>2</sup>, remaining at a level identical to that of previous years, denoted, even so, a slight increase deriving from the influence of the consolidation of annual consumption of a set of stores with very reduced sales' areas, to wit from the brands Well's and Bom Bocado.

### Evolution of electricity consumption by sales' areas

Electricity consumption by sales' areas

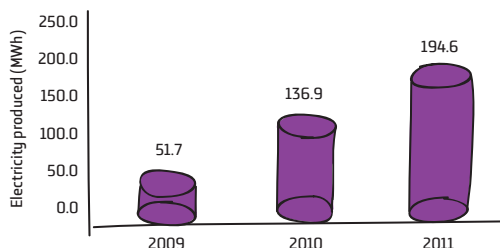


\* See Glossary

Also in the field of electrical energy, 2011 was also characterised by an increase in the autonomous production of energy deriving from renewable sources, as well as by an increase in the installed production capacities. In actual fact, the 39 Production Plants under a microgeneration system (37 photovoltaic and 2 aerogenerators) installed along previous years, produced and injected into the National Network 194.6 MWh\*, corresponding to 42% growth on the production recorded in 2010 and resulting in avoided emission of 91.5 tonnes of CO<sub>2</sub>e.

### Evolution of electricity produced through renewable energy source

Evolution of electricity produced through renewable energy source

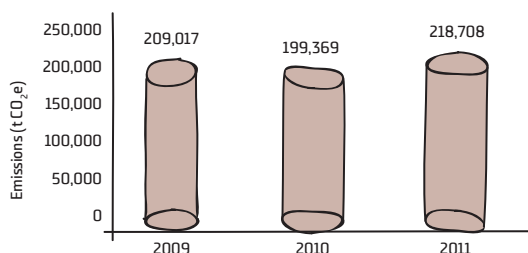


Furthermore, we have strengthened our production capacities, with the installation in the last two months of 2011 of nineteen of 19 kWp\* photovoltaic plants under a minigeneration system which results in total installed power of around 500 kWp.

As regards global Greenhouse Gas (GHG)\* Emissions associated with the total consumption of energy by Retail which includes electricity (stores, depots, offices and manufacturing centres) and fuels used at Stores and in the transport of goods and employees, these stood at 218,708 tonnes of CO<sub>2</sub>e, representing an increase of around 10% on 2010. This increase is in the main related with the emissions associated with electricity consumption which, in 2011, represented 181,977 tonnes of CO<sub>2</sub>e. Also in the context of the calculation of Greenhouse Gas Emissions, the gasoil and petrol emission factors used in 2010 were updated.

### Evolution of total emissions of CO<sub>2</sub>e (tonnes of CO<sub>2</sub>e)

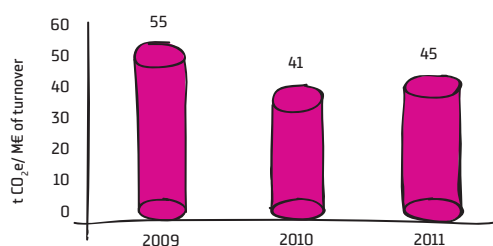
Total emissions



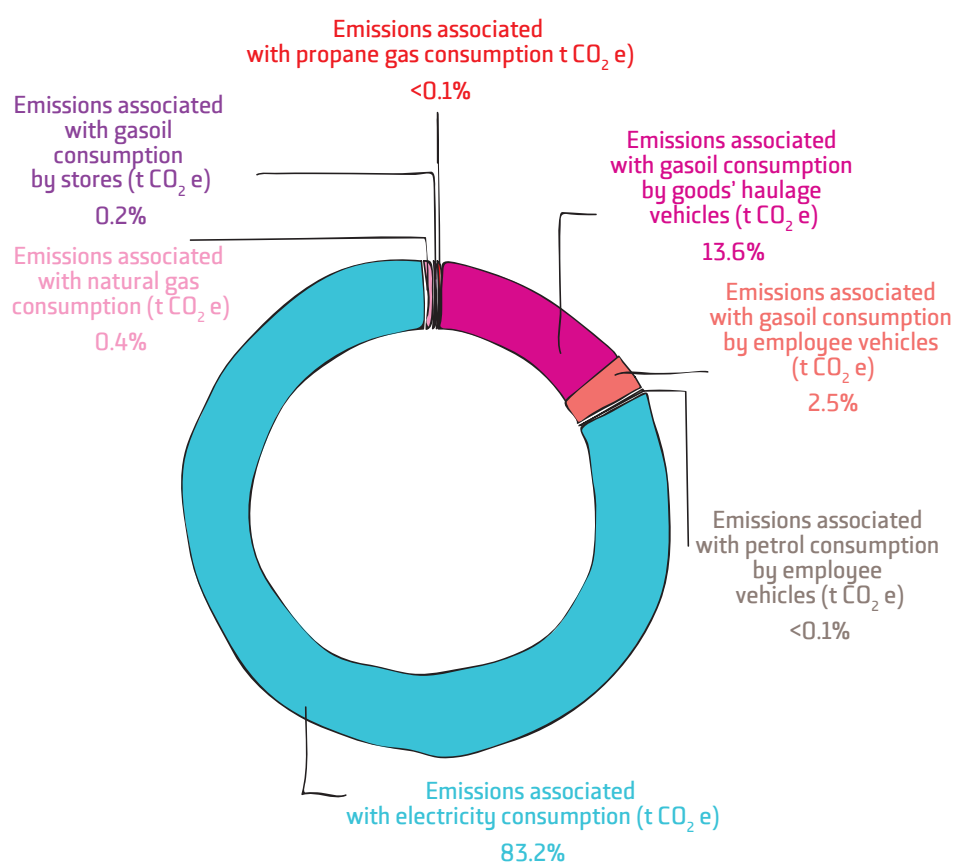
In 2011 carbonic intensity recorded an increase of 4 tonnes of CO<sub>2</sub>e and per million euros of turnover. This increase was contributed to by the increase in electricity consumption in the Retail area and an increase in the respective emission factor which, in the current year, recorded the value of 0.369 kg CO<sub>2</sub>/kWh\* (7% greater than the electricity emission factor in 2010). The updating of conversion factors for propane gas, diesel and gasoline also influence, though on a lesser scale, the increase in carbonic intensity, compared with 2010.

\* See Glossary

Evolution in carbonic intensity (tonnes of CO<sub>2</sub>e/Millions of euros of Turnover)<sup>5</sup>



Distribution of emissions in 2011 (t CO<sub>2</sub>e)



<sup>5</sup> For calculation purposes, the turnover of Sonae MC, Sonae SR, Sonae RP and Investment Management was considered.



## Transport and logistics

In 2011, the contracted fleet travelled around 37 million kilometres, representing an emission of 29,726 tonnes of CO<sub>2</sub>e, reflecting a reduction of around 9% compared with the previous year. The reduction in Greenhouse Gas Emissions is directly influenced by the updating of the gasoil emission factor in 2011.

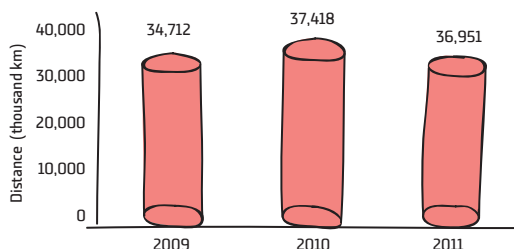
	2009	2010	2011
Contracted fleet emissions (t CO <sub>2</sub> e)	28,751	32,754	29,726

We have maintained our requirements with the haulage companies with a view to improving the vehicle pool put at the service of the contracted fleet, wholly managed by our logistics' area. At the end of 2011, 87% of the vehicles put at the service of the contracted fleet complied, at least, with Standard Euro 4, representing year-on-year growth of 5p.p.

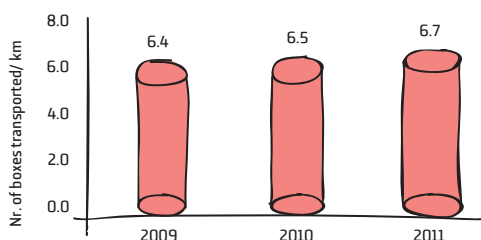
As illustrated by the two specific activity indicators, to wit, by the number of boxes transported per kilometre travelled and the equivalent emission of CO<sub>2</sub>e by box transported, the aim to improve logistical efficiency was wholly achieved. There was an 11% reduction in CO<sub>2</sub> emissions per 1000 boxes transported and a 3% increase in the number of boxes transported per km travelled.

### Evolution in indicators relating to transport and logistics

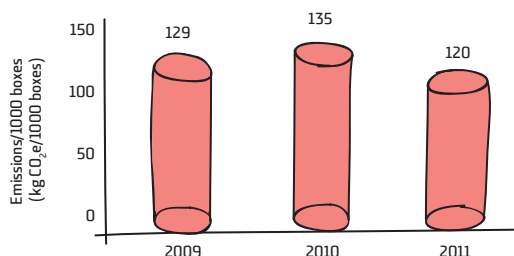
Distance travelled



No. of boxes transported/km travelled



kg CO<sub>2</sub>e/1000 boxes transported



## Refrigerant gases\*

In 2011, we continued with the programme defined to replace cooling plants defined previously, with a view to improving their efficiency and, simultaneously, reducing the use of refrigerant gases which are potentially more harmful to the environment. Hence, various plants with R 427a and a plant with R22 were replaced by plants using R404.

### Evolution in the type of coolant fluids used at the cold production plants

Type of coolant fluids used at the plants



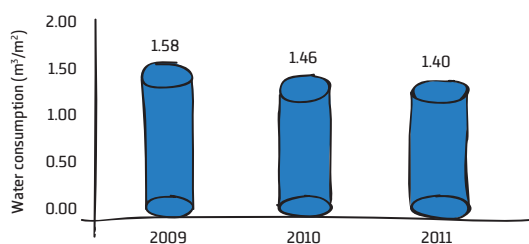
## Water consumption

In 2011, there was total drinking water consumption at Continente hypermarkets and supermarkets of 724,414 m<sup>3</sup>, representing a 4,4% reduction on the total consumption observed in 2010 (the water consumption observed in 2010 stood at 757,734 m<sup>3</sup>).

As regards the comparable store universe, a 5.8% year-on-year reduction was observed. In turn, in 2011, specific consumption by sales area stood at 1.40 m<sup>3</sup>/m<sup>2</sup>, representing a 4.1% reduction compared to 2010.

### Evolution of the public water supply consumption by sales' area (m<sup>3</sup>/m<sup>2</sup>)

Evolution of the public water supply consumption by sales' area (m<sup>3</sup>/m<sup>2</sup>)



The consistent improvement in performance with regard to water consumption which has occurred, year after year, at food stores derives not only from strict monitoring, but also from the ongoing implementation of wastage control measures, using more efficient equipment and the behavioural measures of the store teams and also the speed of resolving accidental leakages.

The water consumed is essentially deriving from the public system, though there are boreholes at some stores whose water is used for the irrigation and washing of outdoor paving. We still don't have a systematic means for controlling the consumption associated with the use of underground water.

\* See Glossary

As regards waste water treatment, the majority of liquid effluent generated at our installations is discharged at public collectors with the exception of 3 stores where this condition does not occur owing to an absence of public infrastructures. In order to ensure that the effluents meet the applicable legislation, these stores are endowed with waste water treatment plants which have biological treatment (secondary treatment).

We do not have measurements of the quantity of effluents discharged, though we estimate that, in 2011, the stores have generated around 579.531m<sup>3</sup> of liquid effluents (a 5% reduction on 2010), applying the factor used in engineering for these cases which assumes that 80% of consumed water results in liquid effluents.

## Waste

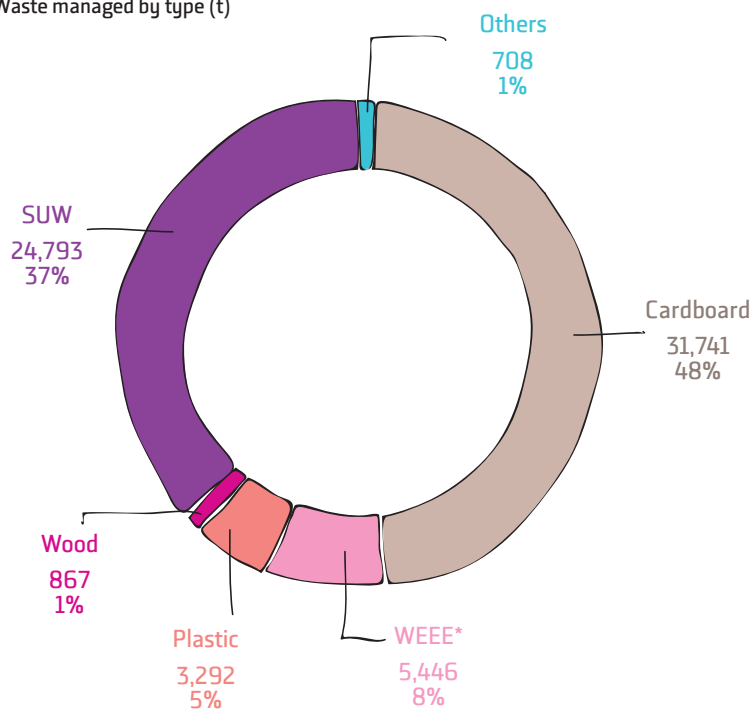
Waste management in the Retail area encompasses not only the waste produced in the context of its activity but also the waste dumped by some clients at our stores, a consequence of the promotion which we have carried out for responsible environmental citizenship.

Hence, in 2011, the waste managed by the Retail area attained 66,848 tonnes, up 1.5% on the previous year. Of this total, only 3% corresponds to hazardous waste.

In line with previous years, paper/cardboard waste represents 48% and the solid urban waste (SUW\*) represents 37% of the total waste managed, corresponding to the largest fractions of the different waste types managed by the Retail area.

### Waste managed/type in 2011 (t)

Waste managed by type (t)



In terms of the specific flows of waste and compared with the previous year we would highlight: 129% increase in the collection of the coffee capsules (Worten stores), which in 2011 stood at 188 tonnes; the 50% increase in the collection of cork stoppers (Continente stores) which attained 37 tonnes; the 10% increase in the collection of WEEE – Waste Electrical and electronic equipment (Worten and Continente stores), having collected 5,446 tonnes.

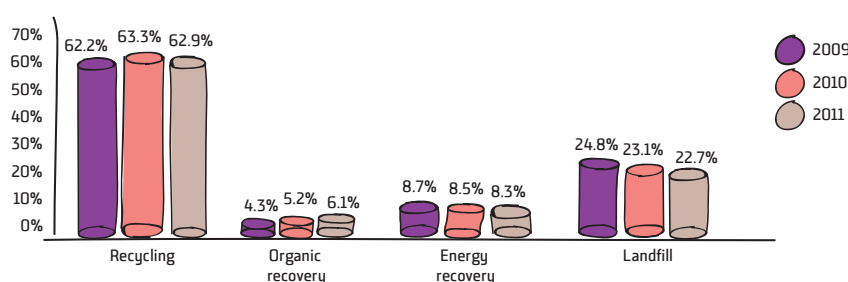
\* See Glossary

2011 was also marked by the onset of widespread collection of used cooking oil to customers in around 100 stores Continente, where the logistical and security conditions so allow. As a result of this process there was a very significant increase in the quantity of such waste, which amounted in 2011 to 9.8 tonnes, showing a growth of 240% compared to 2010.

As a whole, the waste recovery rate attained 77.3 % in 2011, having registered a 0.4 p.p. increase on 2010. The lower growth in the value of this indicator compared with previous years reflects the efforts made both by the company and by our suppliers to reduce the packaging materials, with impacts on the quantities of cardboard and plastic waste managed by our stores.

The main destinations of our waste are recycling\*, landfill, energy recovery and organic recovery, highlighting, compared with 2010, a 20% increase in sending waste off for organic recovery.

Final destination of waste



To mark the International Year of Forests, Continente, in partnership with Quercus, launched the initiative "Rolhas que dão folhas" ("Corks make sheets"). This project, in progress until April 2012, has the aim of raising the awareness of school, family and friends' communities for the recycling of cork stoppers and for the support of reforestation in Portugal.

The corks collected are sent off for recycling and the amount raised will allow Quercus to carry out reforestation actions through the Green Cork project. This project sets out to promote the reforestation and the cork as ecological material.

### 3.1.4 Health and Nutrition in Retail

#### Promotion of healthy food

In the context of the commitments assumed and the objectives of the European strategy for illness prevention and health promotion, we have been adopting a series of educational initiatives with a view to promoting the adoption of healthy lifestyles and keeping consumers informed, ensuring them the clarifications required so they can make nutritionally balanced choices.

In terms of the provision of products, in 2011 we saw to the optimisation of the nutritional profile of the products of certain categories of the Continente brand, reducing the contents of at least one of the following nutrients: fatness, saturated fat, sugar and salt.

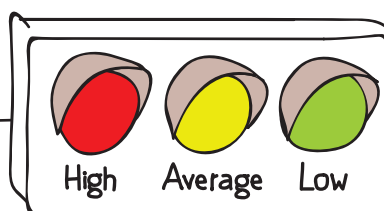
Concurrently, we maintained our product ranges which promote a healthy diet:

- ☑ "Equilíbrio" (Balance) range, a healthier alternative for equivalent products to be found on the market.
- ☑ "Área Viva" (Living Area) range which includes products intended to meet the specific nutritional needs and other food standards such as, for example, vegetarianism.

As regards the offer of Private Label products in the "Equilíbrio" and "Biológico" ranges, there was a growth in both ranges, in the main as regards the offer of products of the "Equilíbrio" range. We put on sale 199 items in Continente Equilíbrio and 56 in Continente Bio, spread amongst the various commercial departments.

	2010	2011	
Continente Equilíbrio	123	199	+62%
Continente Bio	49	56	+14%

In terms of the labelling of products using the "Nutritional Traffic Light" system, we provide consumers with simplified information about the nutritional characteristics of Continente brand food products. Seeking to extend the applicability of this system, we provide a converter card with reference values of the nutrients considered in the Nutritional Traffic Light, thereby allowing a comparison with the other products available at the store.



The "Nutritional Traffic Light" was developed in accordance with the criteria defined in the Front of Pack Traffic Light Signpost Labelling of the Food Standards Agency. This system is to be found on the front of Continente product packaging.

Each circle colour corresponds to a different concentration of the nutrients present in food. If a nutrient is green, this means that its concentration in the food is low, thereby constituting a healthier option. If it is orange, its concentration is average, though it is still a good option, and if it is red its concentration is high, having to be consumed occasionally or in lesser quantities.

To complement this system the corresponding percentages were associated to the daily reference values (DRV\*) for these nutrients.

Finally, we also act in terms of raising awareness and information to the population, consumers and employees, having undertaken the following initiatives in 2011;

- \* Carrying out of clarification sessions about food and healthy lifestyles at various schools, from the north to the south of the country, including themes like **"Nutritional Traffic Light"** to aid the clarification about the nutritional labelling and the campaign to promote the consumption of fruit and vegetables "Prova dos 5" (The 5 Test).
- \* Provision, at various Continente stores, of a **free nutritional advice service**, ensured by qualified nutritionists/ dieticians who provide clarifications to facilitate daily choices in terms of healthy diet.
- \* Promotion of the **"Food Fortnight"** initiative during October which takes place at the Continente stores from the north to the south of the country and includes activities such as the carrying out of consultations and blood pressure screening, body mass index, fat mass index and also weight, making speeches about healthy diet and fruit and vegetable tasting and other activities which incentivise the consumption of fruit and vegetables.
- \* **Internal raising awareness actions** through the making of speeches about diet, health and nutritional screening undertaken in partnership with Medicine at Work.
- \* **Promotion of physical activity** in the communities where we operate, to wit through the rehabilitation of urban spaces in the open air intended to practice physical exercise as a family (Continente Parks and HiperNatura Gardens), as well as the donation of sports' equipment to schools.

\* See Glossary

#### **Advertising aimed at childrens**

When we advertise products aimed at children on the various media – TV, internet and the written Press – in campaigns whose content is specifically aimed at the under-12's and whenever over 50% of the audience thereof is actually made up of children from this age bracket, we refrain from advertising food products with nutrients which show high values of fat, saturated fat, sugar or salt (in other words, Continente products or others which correspond to the nutrients marked in red in accordance with the "National Traffic Light" system").

In addition, we do not carry out commercial communication related with food products at first cycle schools, unless specifically requested or agreed with the school, with this being for educational purposes.

### **Hiper Saudável (Hyperhealthy) Project**

In 2011 we went ahead with the Hiper Saudável project which includes the following activities.

#### **Nutritional advice in store**

In 2011, we continued to advise the Portuguese to have a healthier diet through the team of nutritionists at Continente Stores which was extended to three nutritionists/dieticians, with the space in store having been uniformised. Under the terms of this activity we have already advised over 19,000 clients.

#### **Relaunch of the nutrition microsite**

The microsite – [www.hipersaudavel.continente.pt](http://www.hipersaudavel.continente.pt) – provides miscellaneous information about health, diet and healthy lifestyles. We have started the option of making on-line appointments for nutritional advice and actions with schools.

#### **Launch of the Hyper Healthy Movement**

The Hyper Healthy Movement is an initiative which sets out to promote an improvement in the dietary habits of Portuguese families and motivate them to have a more active lifestyle through different platforms: "Minuto em TV", a specific site of the [www.movimentohipersaudavel.continente.pt](http://www.movimentohipersaudavel.continente.pt) movement and the Facebook page of the movement.

#### **3<sup>rd</sup> edition of the Hiper Saudável Fortnight**

In 2011 we maintained the focus on children through an invitation to various schools to be present at our stores where we were able to liven up various educational games. We also carried out screening and nutritional advice as well as fruit and vegetable tasting.



#### Drawing up of contents for Magazine

Every month the nutrition team draws up a text about healthy diet and proceeds to choose a list of healthy products commercialised at our Stores.

#### Fruit distribution on the Algarve Beaches

In August 2011 Hyper Healthy was on various beaches of the Algarve promoting the consumption of fruit by giving away nectarines and peaches (15,000 pieces of fruit). The prime aim of this initiative was the promotion and raising awareness of the importance of consumption of at least five pieces of fruit or vegetables per day as recommended by the World Health Organisation and the Continente campaign "Prova dos 5".

#### Workshops for clients

We started various cycles of workshops for clients about the themes: Healthy summer; Child/youth diet; Edible Seeds; Buying Healthy; Healthy Diet at an adult age and Celiac Disease

#### Expansion of gluten-free products

In 2011 we proceeded with the insertion of the Portuguese Celiac Association. At present we have over 20 products marketed under this logo and other products have already been approved by this Association.

The Private Label product range has continued to use the "A healthy choice" logo of the Portuguese Cardiology Foundation.

#### Optimisation of Nutritional Profile

In 2011 we continued to reduce sugar, fat and salt levels in some Private Label products, to wit:

- 8 tonnes per year of sugar in various yoghourts;
- 1.7 tonnes per year of fat and 7.5 tonnes of saturated fat in the toast range;
- Switch from palm oil to olive oil in the bread snacks range.

**Tasks of the Nutritionist/Dietician in store:**

- \* Staging of consultations (nutritional advice)
- \* Carrying out of screening (BMI – body mass index)
- \* Provision of clarifications about the nutritional and functional characteristics of the products
- \* Nutritional Personal Shopper – a free accompanying service during our clients' shopping, helping out with the healthiest food choices and the interpretation of labels.
- \* School Actions – fostering of actions to raise the awareness of the importance of the adoption of healthier diet with children and young people. Around 200 actions have already been boosted which focused on our main campaigns such as the Nutritional Traffic Light and "Prova dos 5", depending on the target public.

**Educational Programme "Passaporte para uma vida Hiper Saudável" (Passport for a Hyper Healthy Life)**

For the second year running we took the Educational Programme "Passaporte para uma vida Hiper Saudável" to the schools, free and aimed at 1st cycle students. These actions included the presentation of the theme deploying dynamic techniques, practical application through educational activities and games and guided tours to the store "back office" (warehouses and cameras).

**Partnerships established in the context of the promotion of a healthy diet**

Various entities are our partners in these initiatives which make an active contribution to the success of the Hyper Healthy Movement, to wit:

- ▽ Directorate-general of Health/Platform against Obesity
- ▽ Portuguese Nutritionists' Association
- ▽ Higher School of Biotechnology, Universidade Católica
- ▽ Faculty of Human Motricity
- ▽ Higher Institute of Health Science Egas Moniz
- ▽ Portuguese Society for Studying Health at School
- ▽ Universidade Atlântica and Universidade Fernando Pessoa

### 3.1.5 Sustainability on the Supplier Chain in Retail

**Supplier qualification and selection**

In order to integrate sustainability into the supply chain and align the Retail practices of suppliers with Sonae's policies, we develop supplier qualification and selection mechanisms, bearing in mind sustainability requirements, including aspects related with the environment, working conditions, human rights, safety and quality. Whenever possible, we continue to prefer national suppliers and in 2011, similarly to the previous year, they represented 80% of the amount purchased from suppliers.

Our supply contracts include environmental, employment and human rights' clauses, applicable to national and international suppliers. Complementing the General Supply Contracts, all suppliers are given the Sonae Environmental Policy.

In the context of the contracts with suppliers under the management of Commercial Department for Perishables, there are requirements in the General Supply Contracts which promote sustainability along the supply chain, to wit:

- ⊙ To respect and comply with the maximum legal fishing catch quotas and act in accordance with the sustainable fishing policy;
- ⊙ To only supply products from fish caught exclusively on vessels which are not on the Greenpeace black list;
- ⊙ To comply with all the applicable standards and legislation about the work rendered by minors, human rights and the prohibition to discriminate between workers.

Depending on the degree of risk and origin of suppliers, certifications may be required of production, quality, environmental, hygiene and safety and/or social systems, suitable for the type of products to be supplied, also, in complementary fashion, having carried out supplier qualification and selection audits in accordance with Retail own check-list.

We seek to maintain demanding criteria meaning that, whenever necessary, and as occurred in 2011, we proceeded to update and strengthen the evaluation and control plan on the supply chain in the context of suppliers/product safety and environmental risk in accordance with the European directives CE\* and REACH\*.

Qualification audits seek to evaluate whether suppliers comply with or continue to respect our rules and this may or may not result in their qualification and integration in our supplier group. Further to these audits, various improvement and correction actions were implemented in conjunction with suppliers.

In the case of international suppliers, the International Trade Department is responsible for the international supplier qualification and evaluation programme, applicable in the process to select potential suppliers, as well as in the process to qualify the current supplier base. The qualification and selection audits applicable to international suppliers are based on a questionnaire with 286 questions, grouped into 20 sections. The number of audited international suppliers has increased year after year. Since 2009 the amount registered is 1.244 audited suppliers, located at over 30 different countries.

#### **International Trade Management Audits (2011)**

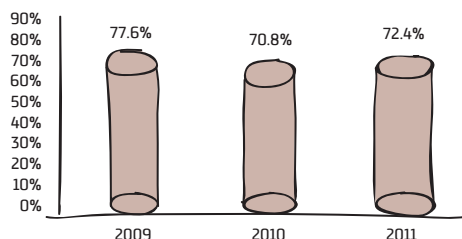
- ☒ 116 suppliers subject to selection audits
- ☒ 114 suppliers subject to qualification audits
- ☒ 10% active suppliers
- ☒ Total relative proportion of suppliers audited as value of purchases: 12%
- ☒ Relative proportion of international suppliers audited as value of purchases: 26.32%
- ☒ 22 suppliers audited with level C (not acceptable!) – 11% of those audited

\* See Glossary

## Food area audits

In view of the nature of our activity, the food area is worthy of particular mention and the rate of supplies of this type subject to audit is thus significant, standing at around 72%, in 2011. Notwithstanding, last year we extended the scope of the supplier audits to other areas, having audited around 3% of suppliers from the textile area and 1% of electronics' suppliers

Evolution of percentage of food area suppliers audited



Evolution of percentage of national and international food area suppliers audited



## Continente Producers' Club

In 2011 we saw to an alteration of the name of the Sonae Producers' Club to Continente Producers' Club (CPC).

Created in 1998 with a view to promoting the national products in accordance with high quality and safety standards, CPC supports members in consistent, structured fashion. The producers thus have ensured a route for the runoff of its production, with Sonae having the certainty that it is offering its clients Portuguese products of tried and tested origin and quality.

The basic principles of the Continente Producers' Club are:

- ✘ **Planning:** promotes the runoff of national production by optimising production capacity, technical support and access to miscellaneous protocols;
- ✘ **Certification:** ensures the standardisation of the quality and food safety of products, promotes the self-appraisal of production system, communicates and discusses future challenges of the market, ensures traceability to the consumer and promotes environmental responsibility;
- ✘ **Knowledge sharing:** analyses the production systems and the national production needs, the consumer profile, market trends and the commercialisation strategy, promotes the innovation of products and processes, training and information, with fluidity of communication, bearing in mind a common goal – competitiveness.

In 2011, the Continente Producers' Club was certified by SGS, complying with the requirements laid down in the Technical Specifications of the Continente Producers' Club. This specification, unique on the market, recognises the innovative nature of this association and reveals a proactive attitude vis-à-vis clients, demonstrating high, tried and tested quality and safety standards. This certification has recognised the commitment to an ongoing improvement policy of the Continente Producers' Club so as to combine the wealth of genuinely national products with the great strength of a hypermarket chain with millions of consumers nationwide.

#### Main figures:

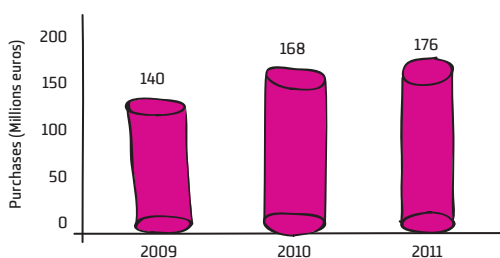
244 members

2,974 Individual Producers

176 Million € in purchases from Club members (5% up on the 2010 figure)

#### Evolution of the purchases value from members of the Continente Producers' Club (millions euros)

Purchases from member



In 2011 the Continente Producers' Club was represented at various events whereof we would highlight:

- ✗ PORTO.COME II in the Edifício da Alfândega (former Customs Building) which was aimed at promoting the tips and tastes of the North of Portugal;
- ✗ "Mega Pic-Nic Continente" held in Lisbon which 500,000 visitors went through;
- ✗ «Flavours Market» with around 35 thousand participants and whereby Producers from the Algarve and the Alentejo distributed 1.2 tonnes of products.
- ✗ Flavours Market Continente II staged in Lisbon;
- ✗ Over 60 producers' stands of the Continente Producers' Club allowed national delicacies to be tried and tasted at various events.

In the context of this programme we are also developing the Continente Producers' Club Innovation Award which is already in its 2nd year where we distinguish members for their commitment to and compliance with Retail policies.

#### Fishing Sustainability Policy

Under the Fishing Sustainability Policy published in 2009 we assumed the commitment to promote the non-commercialisation of threatened species as well as to select their suppliers in accordance with the fishing methods used in order to contribute to the protection of marine biodiversity.

In addition, Fishing Sustainability Policy has defined, monitored objectives with a view to minimising the fishing effects on the diversity of some species which are under threat or under extinction.

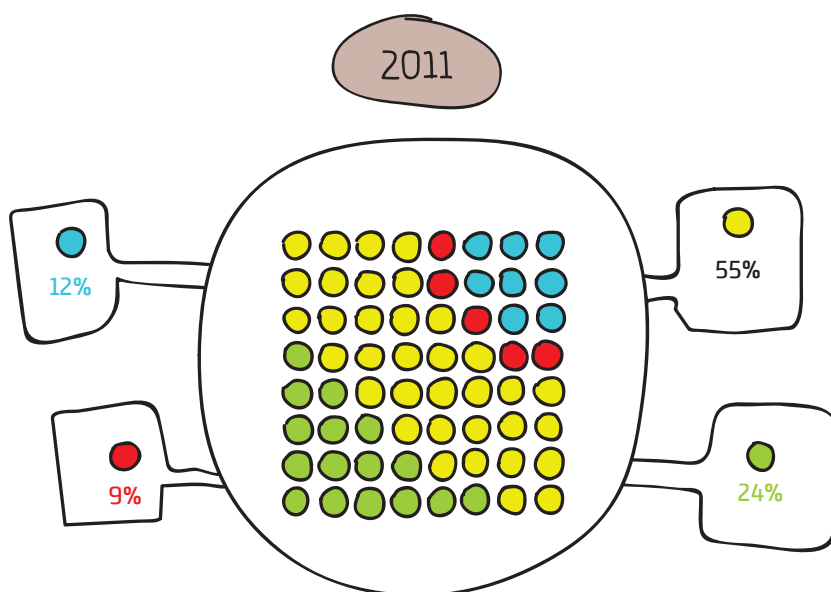
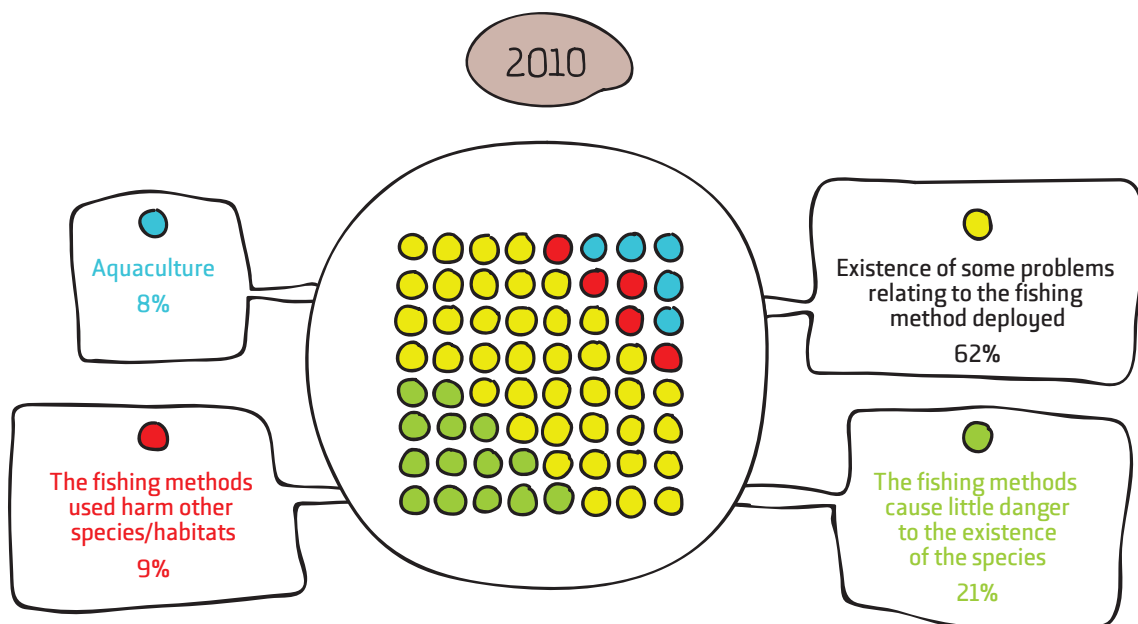
In 2011 we invested in the following actions:

- \* Raising awareness of cod suppliers so that they are certified by MSC – Certified Sustainable Seafood\*;
- \* Major increase in the total volume of purchases on the fish market compared with 2010;
- \* 68% reduction in the commercialisation volume of Guinean sole;
- \* 13% reduction in the commercialisation volume of Red Fish;
- \* 27% reduction in the commercialisation volume of White Scabbard Fish;
- \* 23% reduction in the commercialisation volume of Flounder;
- \* 48% increase in the commercialisation volume of Hake caught using the Hooking method.

\* See Glossary

2011 was also a year of consolidation of the actions commenced in previous years, to wit:

- ⊙ Provision of information at the corporate website about fishing sustainability;
- ⊙ Inclusion of this theme in the training programmes;
- ⊙ Inclusion clause about this theme in the General Supply Contracts;
- ⊙ Elimination of the commercialisation of marine species at risk of extinction;
- ⊙ Increase in the commercialisation of line fishing product;
- ⊙ Greater control and access to information about the fish commercialised through its traceability monitoring;
- ⊙ Verification of the presence of Sonae suppliers on Greenpeace black lists; and
- ⊙ Fishing Decision System (Traffic Light System), which identifies by means of a colour system the fishing methods used, which allows a decision to be taken about the best alternatives to be commercialised:





### 3.1.6 Sustainable Products in Retail

We are concerned with providing consumers with sustainable products. In this regard, in 2011 we saw the implementation and consolidation of a series of activities so as to ensure compliance with our commitments in this regard.

#### Product Safety

In the Retail area we verify whether the national and international suppliers have certifications of food management and/or quality management systems (ISO\* 9001, ISO 22000, IFS, BRC, inter alia).

In 2011, in the Food Retail area, the following initiatives were undertaken with regard to product safety:

##### Supplier management:

- ▽ Audits of suppliers of acceptance of European Union suppliers certified in Food Safety Systems and/or Quality Management Systems;
- ▽ Audits carried out on the stores Continente, Continente Modelo and Continente Bom Dia by outsourced entities such as external Laboratories and Vets by Quality Technicians and the Food Safety Audit Directorate.

##### Product handling/quality:

- ▽ Microbiological analyses carried out on surfaces and equipment where food products are handled at the Stores of said 3 brands;
- ▽ Microbiological analyses of the store products handled at the 3 Continente brands;
- ▽ Microbiological and physical-chemical analyses carried out on Continente brand products either for their launch onto the market or routine (complying with an annual, predefined schedule); and
- ▽ Laboratory analyses on Private Label product safety so as to ensure their compliance before making available for sale.

##### Product labelling:

- ▽ Private Label product labelling complies with various requirements so as to ensure safety, their proper use, information about the products appropriate destination\* at the end of their working life and information about the post-sale service.

#### Sustainable products – Specific requirements of each product type

- ☒ The food products are endowed with miscellaneous additional information about various aspects:
  - ☒ nutritional composition – by means of the nutritional traffic light;
  - ☒ allergens;
  - ☒ preparation and storage;
  - ☒ Seal of the Portuguese Cardiology Foundation "A healthy choice" and also
  - ☒ "Prova dos 5" logo.
- ☒ In the **textile area** there is mandatory control of substances which may generate an environmental or social impact and safe use of the product to ensure that they fall within the required limitations. Also in this area we give preference to suppliers that hold Oeko-Tex\* certification which ensures the absence of substances which are harmful to health and the environment, with the tests being carried out in random fashion on the presence of forbidden substances. All the catalogues of the textile brands continued to be produced on paper with FCS certification (Forest Stewardship Council)\*.
- ☒ In the field of **Childcare**, the information is marked on the products and on their labels, respecting the standards and alerting consumers, in particular, about safety issues during use
- ☒ In the **Footwear** area we maintained part of the range with Biocalce Certification\*, highlighted on a label placed on the items.

\* See Glossary

- ☒ In the Sports' area all products have maintenance instructions for the items on the labels and/or on the packaging. All our pamphlets have the PEFC seal (Programme for Endorsement of Forest Certification)\*, which ensures that it is a product originating in forests with sustainable forest management and controlled sources.
- ☒ In the field of Electrical Appliances and Consumer Electronics, the products are subject to an initial assessment whose objective is to ensure compliance with the mandatory internal/external requirements including, inter alia, certifications such as standard ISO 9001 and the information requirements on the packaging which include an indication that all the packaging material is recyclable and an indication, through signs, as to which ecopoint is appropriate for the packaging waste. In addition, there is an assessment of requirements related with energy efficiency, electrical safety, electromagnetic compatibility as well as the requirements of the RoHS\* directives (heavy metals) and REACH (hazardous substances)\*. Compliance with the requirements minimises the impacts that our products may have in terms of the health and safety of their users.

## Private Label products

As regards Private Label we would highlight the following launches in 2011:

- ☒ **Launch of the new First Price Brand – “É Continente”:** In order to provide help with budget management of Portuguese families with an assurance of trustworthy products at lower prices, in 2011 we created a new brand for products with first price positioning and the Continente brand.
- ☒ **Relaunch of the MYLABEL Beauty Brand:** There was an overhaul of the MYLABEL brand image, making it more modern, up-to-date and appealing, repositioning the products of this market segment in accordance with their quality.

## Consumer electronics (Worten and Vobis)

In 2011 we carried out several initiatives in the field of Consumer Electronics aligned with the three operating axes we have defined:

- a) **To promote environmental citizenship through the incentive to collect and forward WEEE (Waste Electrical and electronic equipment)**

We undertook various campaigns related with the protection of the Environment whereof we would like to highlight:

- ☉ **Equipa Worten Equipa (EWE)** – In 2011 we collected 5,446 tonnes of WEEE, concerted into the supplying of new equipment to over 300 Portuguese welfare institutions nationwide with an investment in excess of 320,000 euros. In November and December 2011 Worten launched a special edition of EWE whereby it doubled the support provided to welfare institutions. In this special edition, instead of the customary 50€, for each tonne of old equipment collected Worten offered 100€ in new equipment, having considered 14 institutions from the districts of Faro, Lisbon, Oporto, Setúbal, Viseu and Leiria, with the delivery of 312 new items of equipment. The deliveries of equipment supplied, from the collection of WEEE from January to October, will be carried out by April 2012.

- ☉ **Recycling of CRT\*** – Worten challenged the Portuguese to hand in their old TV sets at its stores. With the delivery of used equipment the client gained a 25€ discount on every 250€ of the new item in the range of LCD'S\*, LED'S and plasmas at the store.
- ☉ **Recycling of large electrical appliances:** Under this initiative, by handing in their used electrical appliances (large electrical appliances), the client acquires a 25€ discount on every 250€ of value of the new item.
- ☉ **Recycling of photos + IPOD + GPS + Portable DVD Reader:** By handing in their used electronic equipment, the client acquired a 10€ discount on every 100€ of value of the new item.

\* See Glossary

- ⊙ **Energy Efficiency** – Worten once again opted to promote efficient energy consumption, launching the “Energy Efficiency” campaign in which it offered immediate discounts on the purchase of washing machines and fridges with energy classes A+, A++ and A+++ on the basis that the larger the energy class of the product, the larger the discount.
- ⊙ **Hi tech recycling** – Vobis offered discounts on the acquisition of pamphlet items when handing in an old one for brochure items.
- ⊙ **Inkjet cartridge campaign** – Vobis launched a campaign to discount 3€ from receipts when handing in used inkjet cartridges.

b) To promote the acquisition of more efficient equipment

The aforementioned initiatives, related with CRT monitor recycling (Cathode Ray Tube) and replacement with LCD monitors, recycling of large electrical appliances and energy efficiency, were initiatives also dedicated to the acquisition of equipment with better energy efficiency levels.

As regards the percentages of more efficient equipment, year-on-year growth of 75% was observed (from 88.5% to 96%) for Class A or Superior items.

A reduction was also observed in Class A electrical and electronic equipment (EEE) and an increase in the superior classes, expressing a tendency towards the acquisition of ever more efficient equipment. By contrast, this situation indicates that the efforts made by Worten in this area have been effective

Percentage of products sold at Worten by energy efficiency class (2011)

	2009	2010	2011	Var. 2010/2011
A+++	—	—	1%	1 p.p.
A++	1%	1%	10%	9 p.p.
A+	20%	22%	41%	19 p.p.
A	67%	66%	42%	-24 p.p.
B				
C	13%	12%	6%	-6 p.p.
D				

c) To promote reuse

In 2011, 11,102 inkjet cartridges were recognised, denoting notable year-on-year growth of 162%.

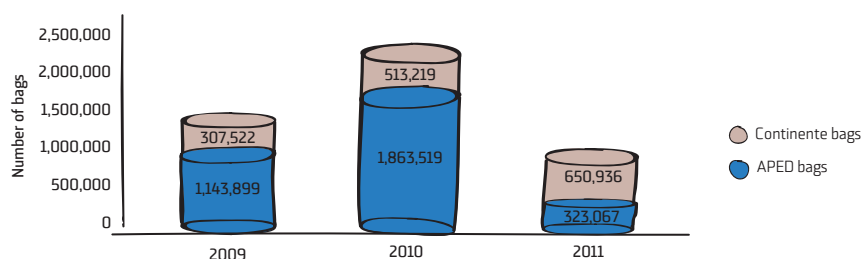
As regards EEE recovery, in 2011 it was observed that a total of 596,083 items were recovered (573,202 customer items; 22,881 recovered internally and sold at the Outlet), thereby avoiding their potential transformation into WEEE.

## Reusable bags

In 2011 there was a sharp fall of about 59% in the sale of all reusable bags compared with 2010. This reduction is closely related not only with the negative economic environment experienced in 2011, but also, and first and foremost, with the alteration to the reusable bag of the APED\* (Portuguese Distribution Companies' Association) which, owing to the use of a new, more resistant material, reduced substitution requirements, with its price also having concurrently increased by 0.1€/unit to 0.7€/unit.

By contrast, the sale of Continente reusable bags maintained the growth trend recorded, year after year, since its introduction into the new stores and in 2011 there was year-on-year growth of 27%.

Evolution of the sale of reusable bags (APED Bags + Continente Bags)



## Incentive to Saving by Portuguese families

In 2011 we strengthened the low pricing policy, the upshot of a specific commitment by Sonae to be by the side of Portuguese families in a particularly difficult economic period. Clients in the Retail area benefitted from a 23% increase in the volume of discounts granted on cards and receipts for a total of 330 million euros.

The volume of discounts resulted in an effective savings for all customers of the Food Retail brands (3.1 millions) and Specialized Retail, who enjoyed discounts on cards and receipts.







## 3.1.7 Citizenship and Social Coehsion in Retail


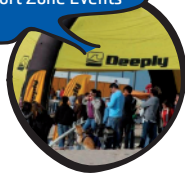



We are committed to the promotion of the social well-being of those communities in which we made our mark, believing that our businesses may make a major contribution to the strengthening of citizenship and social cohesion. For this reason, we continued In this regard, we continued with partnerships and support to 3<sup>rd</sup> sector organisations.

In total the Retail area contributed 9.3 million euros to the community by means of support to various projects in fields like education, health, culture, innovation, the environment and welfare. Through some initiatives clients also made their direct contribution for a total amount of around 726,000 euros.

\* See Glossary

## Examples of projects developed

Area	Project	Objective	Earnings in 2011
Continente			
Health	<p>Missão Sorriso (Smile Mission)</p> 	Equipment and materials given away to paediatric wards of hospitals so that the children have the best conditions during their stays at these units.	665,000 euros spent on equipment and materials for paediatric wards at 16 hospitals.
Environment	<p>Hipernatura</p> 	Support, reconversion and maintenance of the urban green spaces in place and incentives to the adoption of a healthier life style.	31,503,000 euros was invested in the reconversion of 3 new spaces.
Social	<p>Causa Maior</p>  <p>The Big Hand</p>  <p>Juntos damos + (Together we give +)</p> 	<p>Combating the social exclusion of senior citizens, promoting their insertion into society and contributing to active aging.</p> <p>Remote adoption programme based on which the impact that a donation has on the life of a child (godchild) in Mozambique can be followed by exchanging letters and photos with the child.</p> <p>To support underprivileged Portuguese families through an initiative to collect food and essential goods from clients. Continente committed to equalling the clients' contribution.</p>	<p>401,000 euros was raised and given to the Portuguese Red Cross. It involved 625 employees and benefitted around 66,000 people with a total of 78 actions carried out.</p> <p>21 actions were carried out which involved the participation of 687 employees.</p> <p>Food was distributed in over 97 towns and cities, involving 704 employees in a total of 176 actions carried out, with products having been donated for the value of around 392,000 euros.</p>
Environment, Health and Social	<p>Continente Parks</p> 	To motivate local populations to do regular physical exercise and family activities in the open air.	A Continente park was implemented as well as various interventions with an investment of 100,000 euros which benefitted around 49,000 people.

Area	Project	Objective	Earnings in 2011
Modalfa			
Social	Portugal mais Feliz (Happier Portugal) 	Portugal mais Feliz project by the Portuguese Red Cross supports families which are underprivileged and vulnerable to crisis in the reconstruction of their life projects and the fight against poverty and social exclusion. Every scarf bought helps Portuguese families to have decent meals, ensuring school transport, buying medication and dreaming about a better future. This year Modalfa was supported by RTP and Radio Comercial.	In 2011 the Portugal mais Feliz campaign sold a total of 192,000 scarves and raised 384,000 euros
Sport Zone	Sport Zone Events 	Organisation of the Sport Zone Half Marathon, Women's Race, Marginal à Noite Sport Zone, Corrida das Lezírias Sport Zone and much more.	These races, for the sum of around 800,000 euros, involved the participation of 62,000 people.
	Sport Zone Events to promote children's sport 	To promote youth sport by organising events like the Sport Zone Kids Cup, Street Basket Sport Zone, Deeply - National Surf Circuit juniors, Gira Vólei project.	These events, which raised around 300,000 euros, were participated in by a total of 28,000 people.
	Sponsorships 	Sponsorships of various sports' federations and associations, to wit: Portuguese Olympic Committee, Portuguese Paralympic Committee, Portuguese Disabled Sports' Federation, Portuguese Gymnastics' Federation, Portuguese Canoeing Federation, Portuguese Surfing Federation, Portuguese Cycling Federation, the Portuguese Marathon Club and the Madrid Athletics Federation.	The sponsorships totalled 150,000 euros.
Worten			
Environment and Social	Equipa Worten Equipa (EWE) 	For every tonne of Waste Electrical and electronic equipment (REEE) collected the Equipa Worten Equipa project is offering 50 euros in new equipment to 3 <sup>rd</sup> sector organisations from the north to the south of the country. In 2011 a special Christmas edition of EWE was promoted at which the amount offered in the months of November and December for the collections undertaken doubled (100 euros in new equipment and not the customary 50 euros offered in the other months of the year).	In 2011 EWE collected 5,446 tonnes of WEEE, having invested 323,000 euros in new equipment which was give away to over 300 Portuguese institutions.

## 3.1.8 Commitments and forthcoming steps in Retail

Commitments for 2008/2012

### Commitment to healthier food habits and products

#### Clients

- Promotion of information, with a view to:
- The introduction of healthier food habits;
  - The introduction of healthier consumption habits.

### Extension of commitments to quality, the environment and society throughout the value chain. To help suppliers comply with market demands.

#### Suppliers

- To increase the number of audited visits of factories;
- To progressively implement more demanding eco-efficiency requirements in all the areas covered by the Continente Producers.

### Reduction of Ecological Footprint, complying with the Environmental Policy

#### Environment

- To reduce electrical energy consumption by over 6% on a comparable basis;
- To provide sustained investment in the installation of autonomous energy production systems based on renewable sources;
- To progressively reduce the emission potential of Greenhouse Gas (GHG) Emissions;
- To reduce the environmental impact deriving from waste production;
- To reduce the potential consumption of water at stores;
- To expand environmental certifications and raise the population's awareness about good environmental practices.

### To contribute to the education of citizenship and social cohesion

#### Community

- To invest in raising the awareness of society so as to bring about citizenship behaviour in terms of social cohesion and sustainability.

### To be a reference company

#### Employees

- Ongoing strengthening of the Company as a space for personal and professional development and fulfilment;
- To increase the employee qualification level.










## Commitments for 2011






### Commitments for 2011

### What we did in 2011









#### Commitment to healthier food habits and products

Clients	To maintain the extended offer of Private Label products in the "Equilíbrio" and "Bio" segments.	<ul style="list-style-type: none"> <li>• 199 items in Continente Equilíbrio (62% compared to 2010)</li> <li>• 56 in Continente Bio (+14% compared to 2010)</li> <li>• 28 gluten-free items with the logo of the Portuguese Celiac Association</li> </ul>	
	Maintenance of ISO 9001 Certification, the Private Label product launch process and the guarantee of applying the procedures defined in the context thereof.	<ul style="list-style-type: none"> <li>• Monitoring audit carried out in March 2011 by an accredited external entity – SGS, with the maintenance of system certification having been granted.</li> </ul>	
		<ul style="list-style-type: none"> <li>• We continued to reduce sugar, fat and salt levels in some Private Label products, to wit: <ul style="list-style-type: none"> <li>• 8 tonnes per year of sugar in various yoghourts;</li> <li>• 1.7 tonnes per year of fat and 7.5 tonnes of saturated fat in the toast range;</li> <li>• Switch from palm oil to olive oil in the range of bread snacks;</li> </ul> </li> <li>• Continuation of the Hiper Saudável project;</li> <li>• Continuation of the Educational Programme "Passport to a Hyper Healthy Life". 146 educational actions were undertaken with over 3,150 participants, with 1,800 being children and young people of school age. Around 2,300 are children and young people of school age.</li> <li>• 3<sup>rd</sup> edition of the Food Fortnight – with the staging of screening, nutritional advice, tasting of a healthy breakfast and activities involving the Prova dos 5 with the children.</li> <li>• Around 15,000 nectarines and peaches were distributed on various Portuguese beaches with a view to raising the population's awareness about the importance of sufficient consumption of fruit and vegetables and disseminating the hyper healthy project and the Prova dos 5.</li> </ul>	
	To promote healthier food dietary habits, focusing on the provision of more and better information about healthy eating and product attributes.		

	Commitments for 2011	What we did in 2011	
<u>Clients</u>		<ul style="list-style-type: none"> <li>Launch of the Movimento Hiper Saudável (Hyper Healthy Movement) and its 8 commitments to a healthier lifestyle with the staging of 32 educational spots of TV entitled Minuto Hiper Saudável (Hyper Healthy Minute) featuring the actress Catarina Furtado as the endorser and the participation of the Continente nutrition team and other Health Professionals.</li> </ul>	
	<p>Commitment to more ecological products:</p> <ul style="list-style-type: none"> <li>To promote campaigns to incentivise the use of equipment with less energy consumption.</li> <li>Reduction /elimination of packaging material in Private Label product ranges where it is possible to print labelling directly onto the product, doing away with the use of the paper label (e.g. Private Label range for camping and sleeping bags.</li> <li>To incentivise usage and provide a broad range of reusable bags.</li> </ul>	<ul style="list-style-type: none"> <li>Several campaigns carried out during the year, highlighting Equipa Worten Equipa (EWE) which collected 5,446 tonnes of WEEE converted into the offering of new equipment to Welfare Institutions.</li> <li>In Private Label camping ranges replacement of labels with direct printing on the products, doing away with the need for these packaging materials (Promaster, Pack.it we reduce the number of packaging colours to 1)</li> <li>Expansion of reusable bag range</li> </ul>	
	<p>Improvement and expansion to the Quality control and certification processes:</p> <ul style="list-style-type: none"> <li>Improvement in the non-food product monitoring and development processes.</li> <li>Extension to non-food producers of certification of the development of Continente Private Labels and Monitoring of Product and Suppliers after Development/Launch, in accordance with the standard ISO 9001.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of the quality management system applied to the product development process.</li> <li>However, the audit for the granting of an expansion of certification of the development of Continente Private Labels and Monitoring of Product and Suppliers after Development/ Launch in accordance with the standard ISO 9001 was put back to the first quarter of 2012.</li> </ul>	  
<p><b>Extension of commitments to quality, the environment and society throughout the value chain. To help suppliers comply with market demands.</b></p>			
<u>Suppliers</u>	<p>To maintain the plan to increase the number of suppliers audited, qualification and selection audits</p>	<p>2011 saw an increase in the number of suppliers audited (over 1,400 suppliers audited)</p>	

	Commitments for 2011	What we did in 2011	
<u>Suppliers</u>	<ul style="list-style-type: none"> <li>To implement progressively more demanding eco-efficiency requirements in all the areas covered by the Continente Producers' Club</li> <li>To start certification of the Continente Producers' Club for its members</li> </ul>	<ul style="list-style-type: none"> <li>During 2011 a review was carried out of the CPC checklist (version 3.3) which includes new check points.</li> <li>In May SGS certified the Continente Producers' Club in accordance with a Producers' Club technical specification.</li> </ul>	
	<p>To contribute to fishing Sustainability</p> <ul style="list-style-type: none"> <li>To make available more alternative species to endangered species.</li> <li>To increase the sale of hake originating in Aquaculture.</li> <li>To reduce the sale of hake originating in trawl fishing.</li> <li>To improve the traceability and information about suppliers (current and new) and the origin of the fish.</li> <li>To improve consumer information about the fishing methods deployed.</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of the Grenadier species in the range as an alternative to Hake.</li> <li>A 3% increase on the 2010 figure with regard to the sales deriving from Aquaculture.</li> <li>Purchases at the fish market using the trawling method fell significantly, with the purchase of the results of craft fishing having risen.</li> <li>Ongoing updating of the data base with supplier information</li> <li>Introduction of "CCL" plaques – Proof Of Purchase at Fish Market* with the catching method.</li> </ul>	
<b>Reduction of Ecological Footprint, complying with the Environmental Policy</b>			
<u>Environment</u>	<ul style="list-style-type: none"> <li>To reduce electrical energy consumption by over 1% in the same universe of higher consuming (food) stores.</li> </ul>	<ul style="list-style-type: none"> <li>There was a 1.9% reduction in electrical energy consumption in the same universe of higher consuming (food) stores.</li> </ul>	
	<ul style="list-style-type: none"> <li>To maintain the focus on the installation of new autonomous energy production plants based on renewable sources, taking due account of the new legislation about the Micro and Mini Generation of energy.</li> </ul>	<ul style="list-style-type: none"> <li>A further 5 production plants (photovoltaic) came on line under a Microgeneration regime, totalling 39 plants under production in said regime at the end of 2011; 19 new production plants (photovoltaic) with 20 kWp each were installed under a Minigeneration regime.</li> </ul>	
	<ul style="list-style-type: none"> <li>To ensure that over 85% of the contracted fleet vehicles meet standard EURO 4 or superior.</li> </ul>	<ul style="list-style-type: none"> <li>87% of the vehicles of the contracted fleet met the Euro 4 Standard or superior (Euro 5 or 6 Standards)</li> </ul>	

\* See Glossary

	Commitments for 2011	What we did in 2011	
<u>Environment</u>	<ul style="list-style-type: none"> <li>To maintain the refrigerant gas R22 at refrigeration plants which have not yet been subject to replacement.</li> </ul>	<ul style="list-style-type: none"> <li>A refrigeration plant operating with R22 was replaced. At the end of 2011 there were only 6 plants operating with R22, accounting for 1.7% of the universe of refrigeration plants in operation.</li> </ul>	
	<ul style="list-style-type: none"> <li>To provide an expanded supply of reusable bags.</li> </ul>	<ul style="list-style-type: none"> <li>During 2011 an extended offer of reusable bags was maintained, having been launched with new designs with a view to boosting Clients' interest.</li> </ul>	
	<ul style="list-style-type: none"> <li>To surpass the waste recovery rate achieved in 2010 by at least 0.5%.</li> </ul>	<ul style="list-style-type: none"> <li>A growth was observed in the waste recovery rate of 0.4 pp compared with the previous year (from 76.9% to 77.3%), corresponding to a 0.5% increase.</li> </ul>	
	<ul style="list-style-type: none"> <li>To reduce drinking water consumption by over 2% in the same universe of stores.</li> </ul>	<ul style="list-style-type: none"> <li>There was a reduction in drinking water consumption by 5.8% in the same universe of stores.</li> </ul>	
	<ul style="list-style-type: none"> <li>To increase the number of installations holding Environmental Certification in accordance with the Standard ISO 14001.</li> </ul>	<ul style="list-style-type: none"> <li>4 new Environmental Certifications were obtained in accordance with standard ISO 14.001 at commercial premises (stores): 2 in Food Retail and 2 in Specialized Retail.</li> </ul>	
	<ul style="list-style-type: none"> <li>To draw up an International Environmental Management Guide to support operations outside Portugal.</li> </ul>	<ul style="list-style-type: none"> <li>The 1<sup>st</sup> draft of this document has been drawn up.</li> </ul>	
<b>To contribute to the education of citizenship and social cohesion</b>			
<u>Community</u>	<ul style="list-style-type: none"> <li>To go ahead with projects that have positive social impacts on the community in the fields of health, education, the environment, culture, sports and entertainment activities.</li> </ul>	<ul style="list-style-type: none"> <li>The green light was given to symbolic projects with a great social scope such as "Smile Mission", "Equipa Worten Equipa" and "Sport Zone Races". A series of new projects was also implemented in these support areas, such as, The Big Handsponcership programme.</li> </ul>	
<b>To be a reference company</b>			
<u>Employees</u>	<ul style="list-style-type: none"> <li>Formalisation of the Sonae Human Resources Policy (adapted to the new corporate organisational structure).</li> </ul>	<ul style="list-style-type: none"> <li>HR' policy formalised.</li> </ul>	

## Commitments for 2012

### Commitment to healthier food habits and products

#### Clients

- To commit to Sensory Analysis with a view to promoting, monitoring and ensuring the superior quality of Continente products during their working life period, seeking to adjust them to the needs of each client.
- To continue to promote a healthy lifestyle, providing more and better information and acting in the community.
- To continue to provide a broad range of products with an optimised nutritional profile and adjusted to the different nutritional needs.

### Extension of commitments to quality, the environment and society throughout the value chain. To help suppliers comply with market demands.

#### Suppliers

- Extension to non-food producers of certification of the development of Continente Private Labels and Monitoring of Product and Suppliers after Development/Launch, in accordance with the standard ISO 9001.
- Optimisation of transport boxes with a view to reducing packaging materials.
- To develop and start the Sonae Suppliers' International Certification process.
- Social, Ethical and Environmental Certification of the majority of textile suppliers (80% target).
- Maintenance of Certification of the Continente Producers' Club.
- To maintain the plan to increase the number of suppliers audited, qualification and selection audits.
- To contribute to fishing Sustainability:
  - To raise the awareness of consumers about the problem of sustainability.
  - To lend greater prominence to those products deriving from more sustainable catching methods.
  - To raise the awareness of cod suppliers about the certification of sustainable fishing.
  - To increase purchases at the fish market.
  - To carefully select new suppliers with aquaculture fish.
  - To implement progressively more demanding sustainability requirements.

## Reduction of Ecological Footprint, complying with the Environmental Policy

### Environment

- To reduce electrical energy consumption by over 1% in the same universe of higher consuming (food) stores.
- To maintain the focus on the installation of new autonomous energy production plants based on renewable sources, taking due account of investment availabilities and the legislation about the Micro and Mini Generation of energy.
- To ensure the maintenance of a high level of eco-efficiency of the vehicles used in the contracted fleet achieved in 2011, in other words, that at least 87% of the vehicles of said fleet comply with the EURO 4 standard or higher.
- To maintain the refrigerant gas R22 at refrigeration plants which have not yet been subject to replacement (continuous action).
- To provide an expanded offer of reusable bags.
- To surpass the waste recovery rate achieved in 2011.
- To reduce drinking water consumption by 2% in the same universe of stores.
- To increase the number of installations holding Environmental Certification in accordance with the Standard ISO 14001.
- To publish an International Environmental Management Guide to support operations outside Portugal.

## To contribute to the education of citizenship and social cohesion

### Community

- To continue with projects that have positive social impacts on the community in the fields of health, education, the environment, culture, sport and entertainment activities.
- To involve employees in volunteering activities.

## To be a reference company

### Employees

- Strategic medium-long term HR Planning
- Internationalization of HR processes and policies
- Making the HR structure more flexible with a view to greater efficiency and a response closer to business needs.

## 3.2 SONAECOM

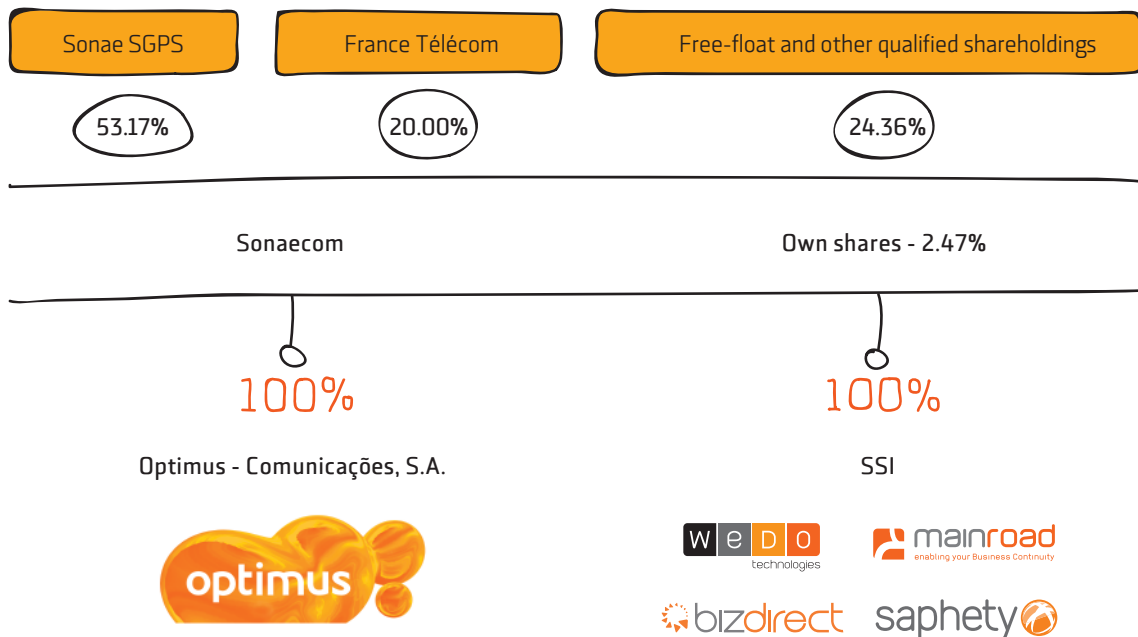
"In 2011 Sonaecom achieved historic results. Against an adverse backdrop we were able to comply with the main goals we had set ourselves, both from a financial and economic and social perspective. In terms of sustainability, it should be stressed that we reduced energy consumption by 11%, we expanded the range of "green" products and increased our participation in the community. We also saw our efforts recognised under Engagement Rating 2011 which distinguished us as the most transparent company Iberian wide in our sector and through ACGE and CDP as one of the Portuguese companies with the best performance in climate responsibility.

In close collaboration with our stakeholders, we defined the main guidelines for our future strategy: Responsible life, Green life and e-Life. We are convinced that the ambition, seriousness and determination with which we apply ourselves in these matters will be a differentiating element in the current context".

Miguel Almeida, Vice-President Sonaecom

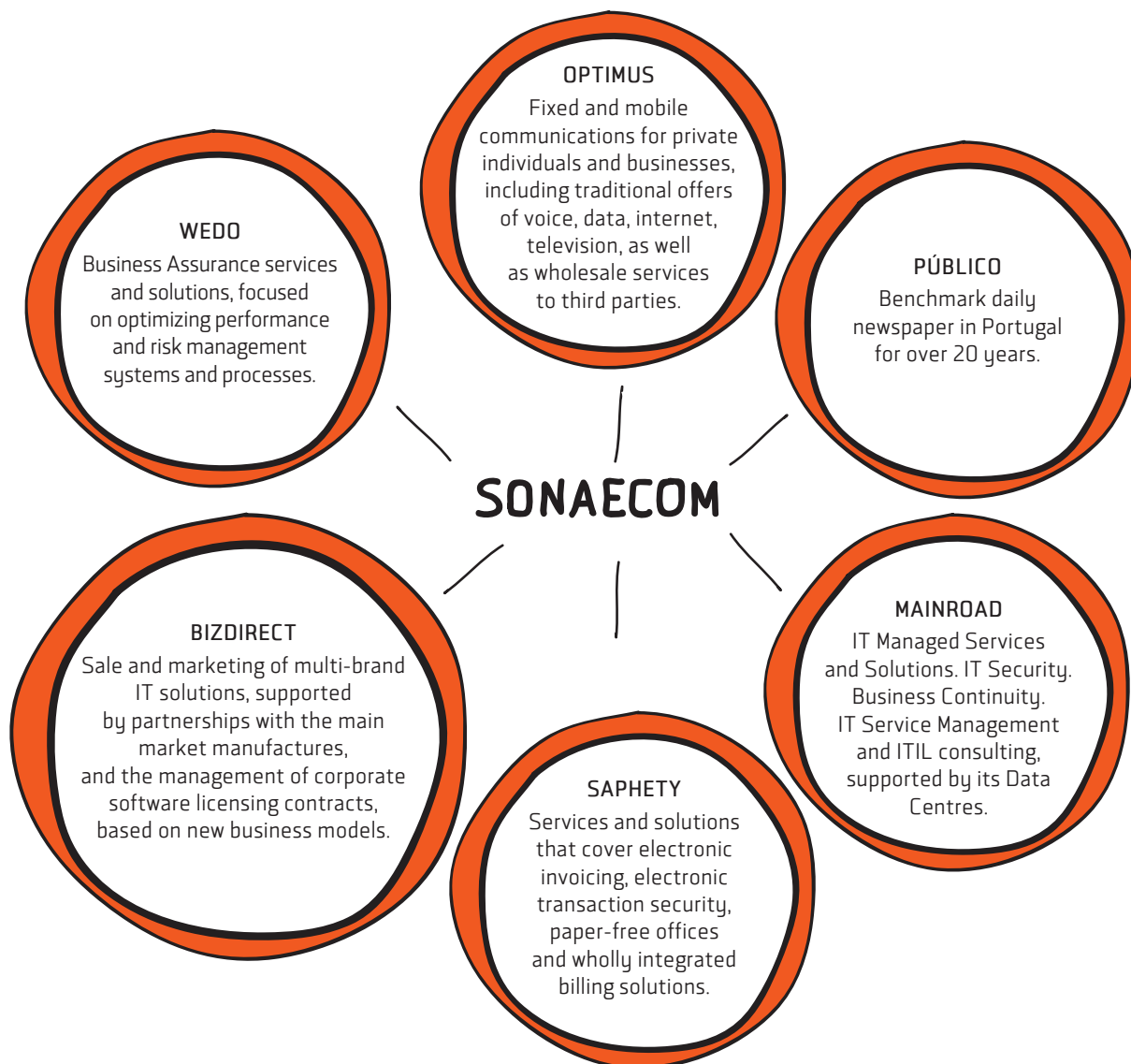
### Organisational Structure

Sonaecom's simplified structure





## Business Areas



## Mission

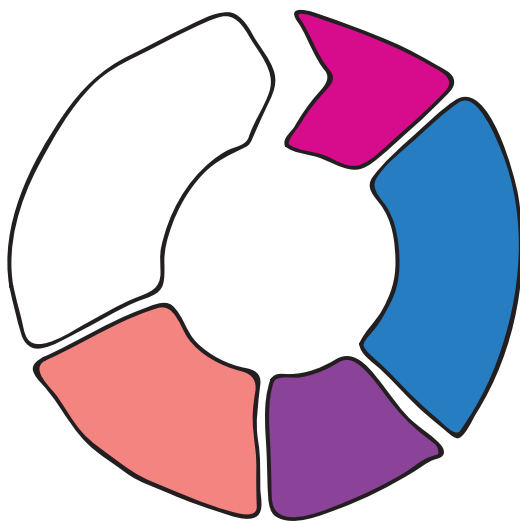
Sonaecom is an entrepreneurial growth company whose ambition is to be the best Portuguese communication services provider and the company of choice for exceptional people to work and discover their full potential.

Sonaecom relentlessly pursues the creation of innovative products, services and solutions that fulfil the needs of its markets and generate superior economic value.

## Sustainability Strategy

For Sonaecom, 2011 represented the beginning of a new strategic cycle which enabled us to start planning the strategy for the next three years (2012-2015). The 2<sup>nd</sup> strategic cycle was preceded by the 1<sup>st</sup> strategic cycle<sup>7</sup> for the quarter 2008-2011 which we concluded in 2011.

### Strategic Cycle

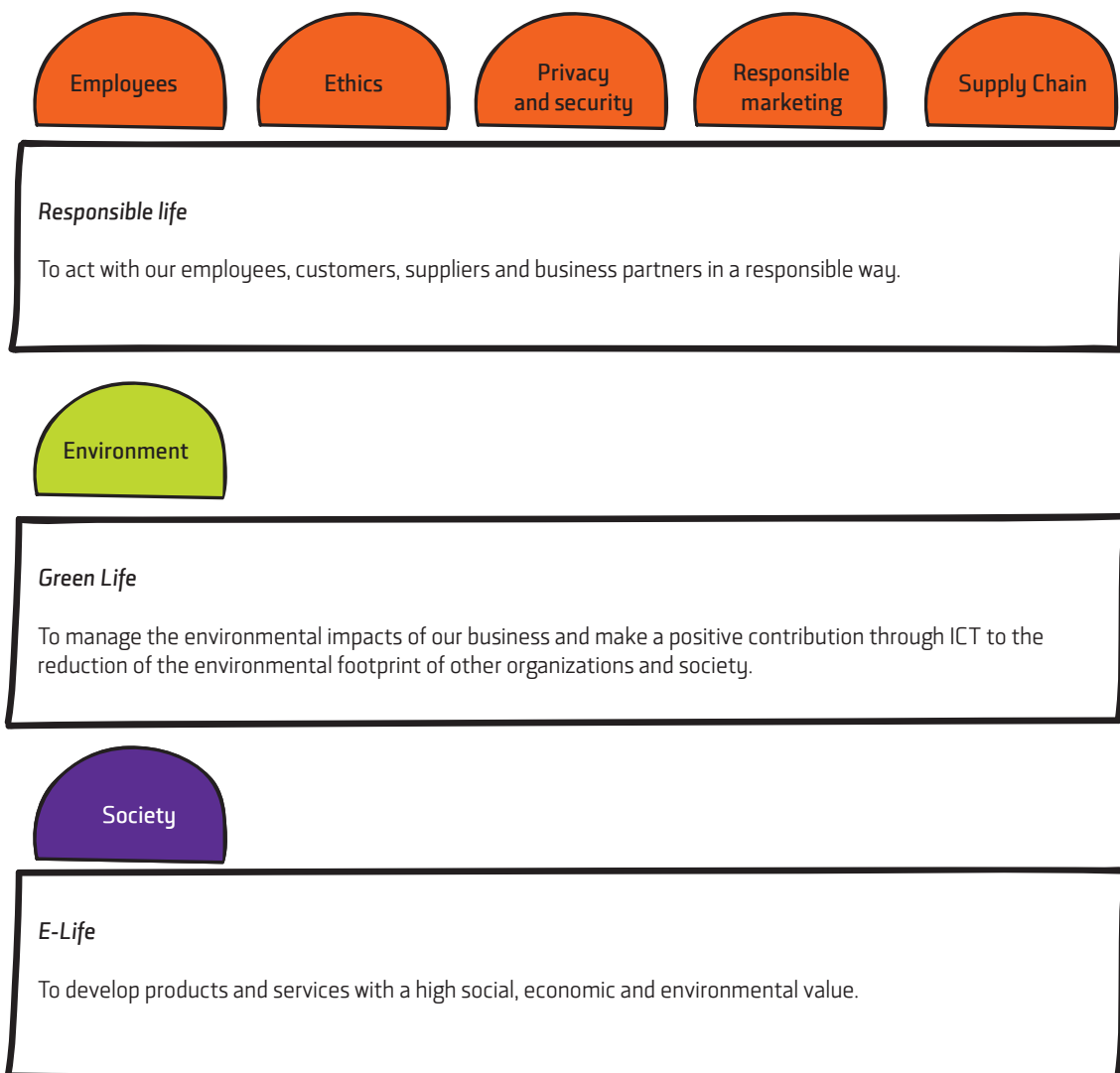


- Analysis of internal and sector data
- Listening to Sonaecom stakeholders
- Analysis of internal key indicators and external variables, conclusions about stakeholder concerns (Sustainability Bureau, Manager and those responsible for data quality control)
- Frontline managers workshop: definition of guidelines and commitments. Executive Committee: approval of guidelines and commitments

<sup>7</sup> Consult previous sustainability reports to obtain more detailed information about the 1<sup>st</sup> strategic cycle of Sonaecom.

## Sustainability Challenges

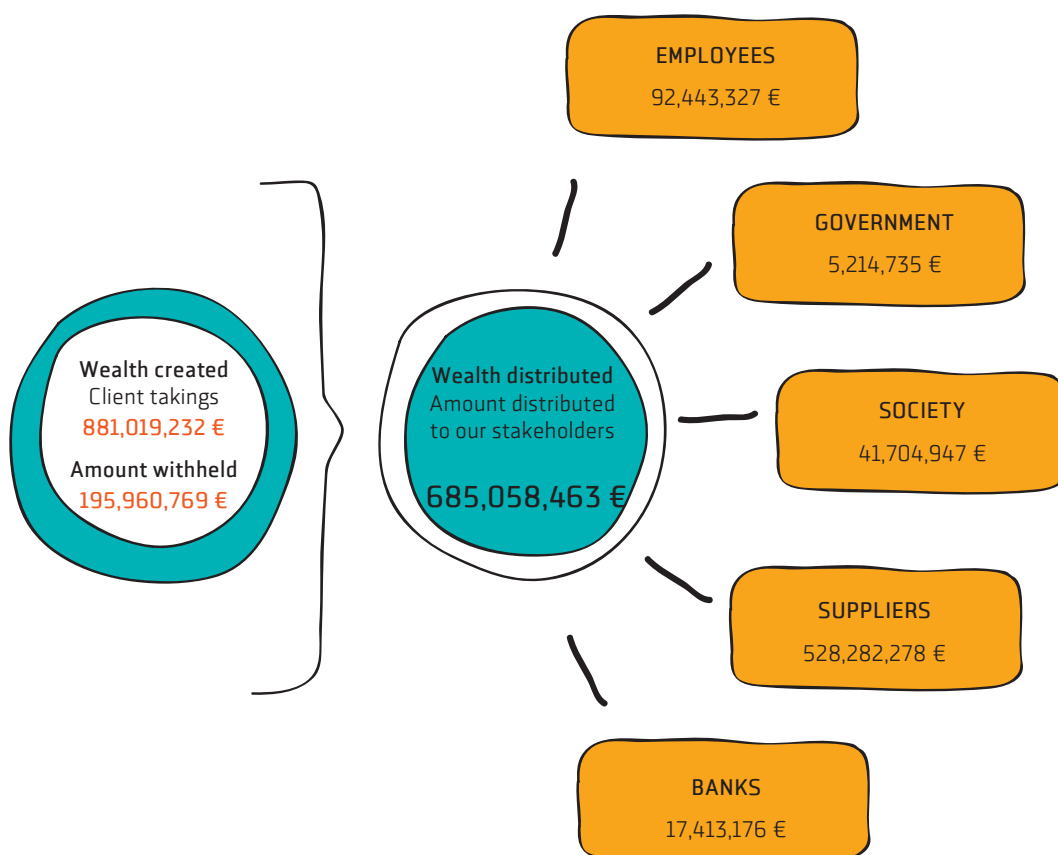
The conclusions of the stakeholders consultation and the issues identified at internal and sectorial level allowed the identification of areas to be improved and list the actions needed to achieve the proposed objectives. Seven themes were identified and defined the three challenges of sustainability in Sonaecom for the next three years:



2011

	Turnover	EBITDA	Net earnings	Mobile clients	Revenue from IT service per employee <sup>8</sup>	Employees
2010	920.7 M€	194.0 M€	41.3 M€	3,604.1	133.8	2,073
2011	863.6 M€	231.0 M€	62.6 M€	3,639.4	135.3	2,035
Variation 2011-2010	-6.2 %	9.8%	51.3%	1.0%	1.1%	38%

In 2011 Sonaecom generated 881.0 million euros, with 685 million euros having been distributed amongst the employees (13%), State (1%), society (6%), suppliers (77%) and banks (3%).

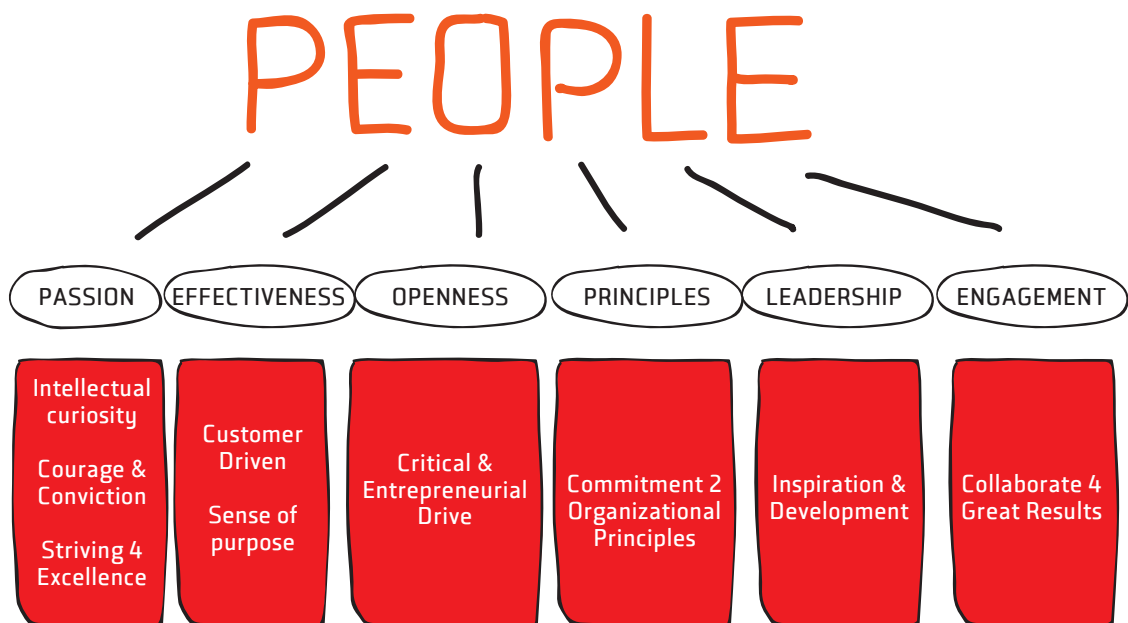


<sup>8</sup> Excludes employees dedicated to equipment sale.

## Responsible Life

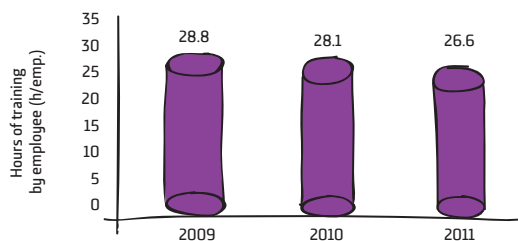
The Responsible Life sustainability challenge sets out to act with our employees, clients and suppliers in a responsible way, encompassing five themes: Employees, Ethics, Privacy and Safety, Responsible Marketing and Supply Chain.

Performance appraisal and the actions for career development of employees at Sonaecom constitute one of most important processes for the organisation. In 2011 our performance management model was revisited so as to make it more effective and adapted to business requirements. Career development and performance appraisal (ADDC) evolved into IOP – Improving Our People, deriving from the process implemented throughout Sonae. In order for the implementation of the new model to be effective, a series of measures was developed, highlighting the training and certification of all management units with appraisal duties (395 management units out of a total of more than 2,700 hours of training). The other employees learnt of the new appraisal model under the e-learning regime.



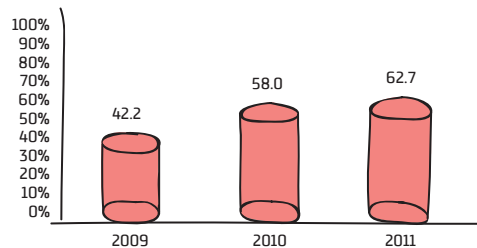
The training hours fell slightly on the 2010 figure (6.9%), attaining a total of 54,144 hours, corresponding to 26.6 hours of training per employee.

Training by employee



Furthermore, the quality of the services and products acquired is essential to maintain and improve Sonaecom's position on the market. For this reason, certified procedures are in force for the selection and appraisal of suppliers in accordance with the Environment and Quality Management System.

Percentage of major suppliers assessed



## Case Studies

How to awaken the sense of responsibility of employees and make them active agents and committed to the company information security process?

The idea consisted of turning the company employees into Sonaecom agents. A James Bond from the world of telecommunications entrusted with a highly important mission: to protect information from external attacks (such as computer viruses, for example) and to ensure total data security and confidentiality.

In order to have success, they had to deploy some "arms", essentially full compliance with the standards set out in the Sonaecom Information Security Policy.

Through this campaign, Sonaecom employees were able to understand that their individual day-to-day actions are vital for compliance with such a wide-ranging mission: to ensure the security of company information.

### Optimus Mundo

To meet the specific requirements of the immigrant community in Portugal, representing 5% of the population, Optimus launched the Mundo tariff which includes national and international calls.

Complementing this, we have created the Minutos Mundo voucher which enables Mundo customers to get top-ups easily without going to an ATM. Each voucher has a PIN and costs €5 which is converted into a balance when the Customer activates his PIN.

### Contact Center World 2011

Optimus has won international recognition for the "Best Customer Service" in Europe, the Middle East and Africa, obtaining the awards Contact Center World 2011, adjudicated by Contact Center World - The Global Association for Contact Center Best Practices & Networking. This award crowned Optimus' recognition after having been awarded several national prizes.

### APCC\* Portugal Best Awards 2011

Optimus won the "Best Customer Service in Portugal" award in all the categories assessed. Optimus Clix was given the award for the "Best Customer Service" in the Telecommunications' category.

## Green life

The Green Life sustainability challenge sets out to reduce the environmental impact of the business and develop innovative products and services that help to reduce the footprint of other organisations and society.

It should be pointed out that Sonaecom operates in a sector with strong potential to reduce the environmental impact of its clients and of society as a whole. The services are essentially based on digital technologies, providing information and communication solutions which promote dematerialisation, the reduction of the impact in terms of the consumption of natural resources and the consumption of direct and indirect energy.

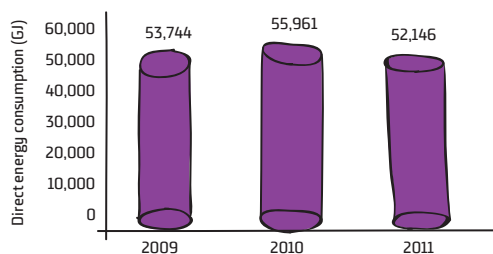
In 2011, the total consumption of energy associated with Sonaecom's activity stood at 412,962 GJ, 11% down on 2010, corresponding to total GHG emissions of around 37,107 t CO<sub>2</sub>e.

Despite the reduction in energy consumption, there has been an increase in associated GHG emissions owing to the increase in the carbonic intensity of electricity consumed at the installations, the upshot of more adverse hydrological conditions, which were borne out by a reduction in renewables in the energy mix of the electricity suppliers of Sonaecom and the change in the calculation methodology<sup>9</sup>. If said alterations had not occurred, Sonaecom would have reduced its GHG Emissions by 8%.

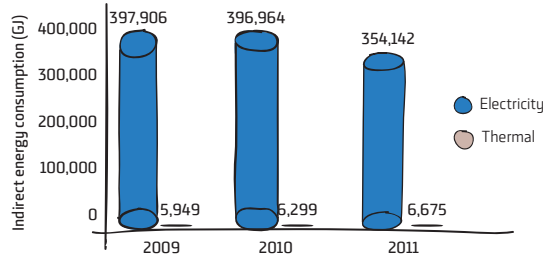
During 2011 some initiatives were implemented which allowed a reduction in energy consumption and CO<sub>2</sub>e emissions, to wit:

- ▽ 18% reduction in the electricity consumption of Optimus through the modernisation of the GSM North network (Saving of 5,069,171 kWh which is equivalent to 1,191 tCO<sub>2</sub>);
- ▽ Reduction in energy consumption of the computer pool (Saving of 526,000 kWh which is equivalent to 124tCO<sub>2</sub>);
- ▽ LED\* lighting at Optimus stores (Saving of 102,272 kWh which is equivalent to 24tCO<sub>2</sub>);
- ▽ Energy Efficiency at the Público installations (Saving of 111,400 kWh which is equivalent to 45tCO<sub>2</sub>).

Direct energy consumption



Indirect energy consumption

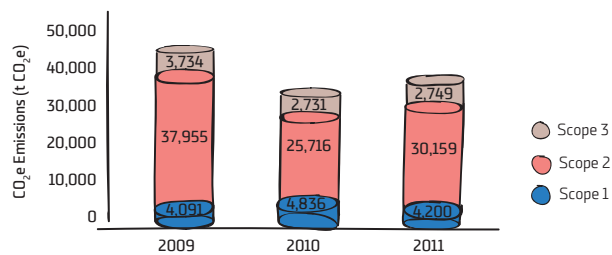


<sup>9</sup> The methodology deployed by the Greenhouse Gas (GHG) Emissions study associated with each Sonaecom business unit was altered. By 2010 we only used the emission factor of EDP Universal Service when determining the emissions associated with electricity. In 2011, and in order to be more accurate, in addition to the EDP Universal Service component which supplied around 60% of energy, we included the component supplied by EDP Comercial.

\* See Glossary

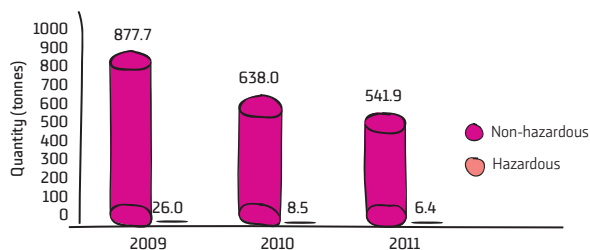


## CO<sub>2</sub>e Emissions

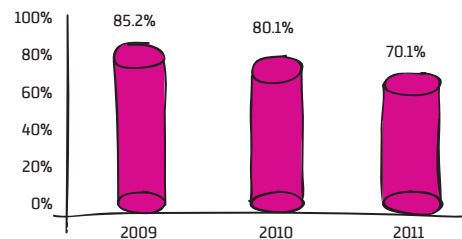


In 2011 the total waste produced by Sonaecom suffered a very significant reduction of around 18%. As regards waste, the recovery percentage stood at 70.1%, there having been a reduction justified by the fact that the SUW of the NS and MSC installations of Senhora da Hora are now collected and routed to a landfill by a private company.

## Total waste



## Recovered waste



## Case Studies

### WisEnergy

This Optimus Connect solution, in partnership with LMIT, Innovation & Technology, is aimed at companies in the industrial and services' sectors and it sets out to support strategies designed to increase energy efficiency, the sustained reduction in consumption and the efficiency of buildings and infrastructures. The whole service would not work out without being based on communications, with major requirements in the data acquisition process.

This differentiating product represents a change in model when comparing to the traditional form of energy management and it involves a series of opportunities in terms of the optimization and efficiency, which meets current company requirements.

From the perspective of the corporate client, a potential saving in the energy invoice of 15% to 20% is envisaged without resorting to second investments and, consequently, a reduction in CO<sub>2</sub> emissions.

## E-Life

The e-Life sustainability challenge sets out to develop products and services which impact the quality of life of society.

Sonaecom recognises the importance of the role of Telecommunications and Information Technologies in the improvement in social inclusion, the assignment of power to people and the stimulation of a knowledge society.

Based on this premise, e-life was defined as a strategic mainstay which is based on the commitment to develop products and services with an impact on the quality of life of people and which seeks to meet three objectives:

- \* To ensure access for all clients regardless their age, capacity, language, culture and literacy in information technologies through the development of products and services with a high social and environmental value;
- \* To contribute to an increase in those activities which generate economic value in the local community (local recruitment, investments in the community, local suppliers etc.);
- \* To make ICT into an innovation factor and contribute to the information society.

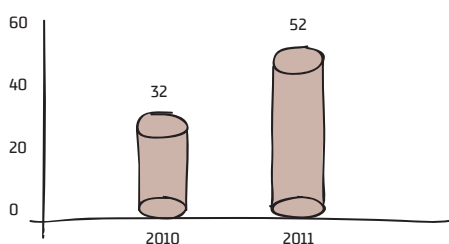
### SMILE – Community Intervention Programme

This programme intends to contribute to literacy, to wit Information and Communications' Technologies (ICT), ensuring access and training civilian society in the use of ICT, regardless the age, incapacity, language, culture and literacy in ICT.

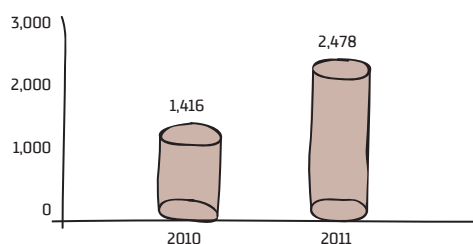
Smile Operating areas:

- ☉ **Smile Competências (Competencies):** Involvement and support to the community through what are our professional skills as a Company – ICT.
- ☉ **Smile Intervenção (Intervention):** Promotion of occasional actions to resolve specific problems facing organizations such as the recovery and reorganization of infrastructures or the restructuring of administrative services.
- ☉ **Smile Team Building:** Integration of volunteer actions in the context of Team Building, reconciling the intra and interpersonal skills' development component of employees with participative involvement in the community.
- ☉ **Smile Causas (Causes):** Raising awareness of major social and environmental issues and covering actions such as blood and bone marrow collections, participation in the actions undertaken by partners from the third sector, inter alia.

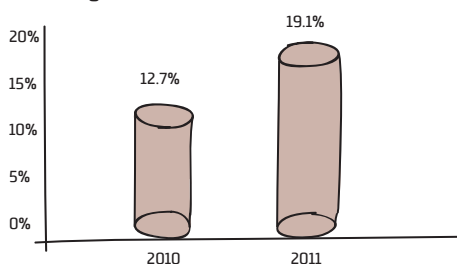
Number of Smile initiatives



Number of Smile hours



Percentage of Smile volunteers



#### **One Care – An Optimus partnership**

Optimus is the operator chosen for providing the new health care model developed by ISA Intellicare, One Care. Centred on the user and focused on prevention, this service sets out to monitor users in permanent, effective and economically advantageous way, in particular those suffering from chronic illnesses. The solution, which intends to find answers in the context of an aging population, is based on communication between machines for remote monitoring of the elderly, allowing the early diagnosis and prevention of risk situations, as well as a more efficient management of care provision and an improvement in the response capacity of health units.

With the implementation of One Care, trips to the Health Centre can be reduced by up to 40% and the number of calls made directly to the Health Centre by around 30%.

The pilot-project was started in 2011 in partnership with the Family Health Unit CelaSaúde, in Coimbra, which involved the installation of the One Care solution at 5 homes, monitoring 7 users aged between 30 and 92.

#### **Project K – The corporate responsibility of Optimus**

Since 2010, Optimus has developed a corporate responsibility programme based on the supply and offer to special public groups of all-in telecommunications' solutions.

The programme allows distances to be cut through the intelligent deployment of new technologies, simultaneously contributing to education and the fight against infoexclusion and promoting the responsible and correct use of equipment, which it provides to such a special public group.

This programme derives from partnerships between Optimus, Acreditar, SOL Association, Gil Foundation and Salvador Association. By the end of 2011, Optimus had provided 69 latest generation laptops with Kanguru mobile Internet, free communications and maintenance support. About 21 thousand hours use of this equipment and communications by users from the organizations was recorded, which generated 1,278 GB, accounting for around 32 thousand euros.

\* See Glossary

## 3.3 SONAE SIERRA

"The success of our activity involves the constant appraisal of the interaction between economic, social and environmental objectives. We believe that this balance is vital for the sustained development of the company. We continue to be an international reference for sustainability in the Shopping Centre sector as was borne out recently by our funds being ranked as the most sustainable in Europe in accordance with the Global Real Estate Sustainability Benchmark."

Fernando Guedes Oliveira, CEO Sonae Sierra.

Sonae Sierra is the international shopping centre specialist that is passionate about bringing innovation and excitement to the shopping industry. Incorporated in Portugal in 1989, Sonae Sierra is owned by Sonae, SGPS (Portugal) and Grosvenor (United Kingdom) both with 50%.

It has an integrated business which encompasses owning, developing and managing shopping centres as well as the provision of services to third parties in geographies as diverse as Europe, South America and North Africa.

Owned Shopping Centres	Gross Lettable Area (GLA) under management	Shopping centres under construction	Direct employees worldwide	Number of tenant contracts under management
49	2,2 million m <sup>2</sup>	5	1,090	8,495

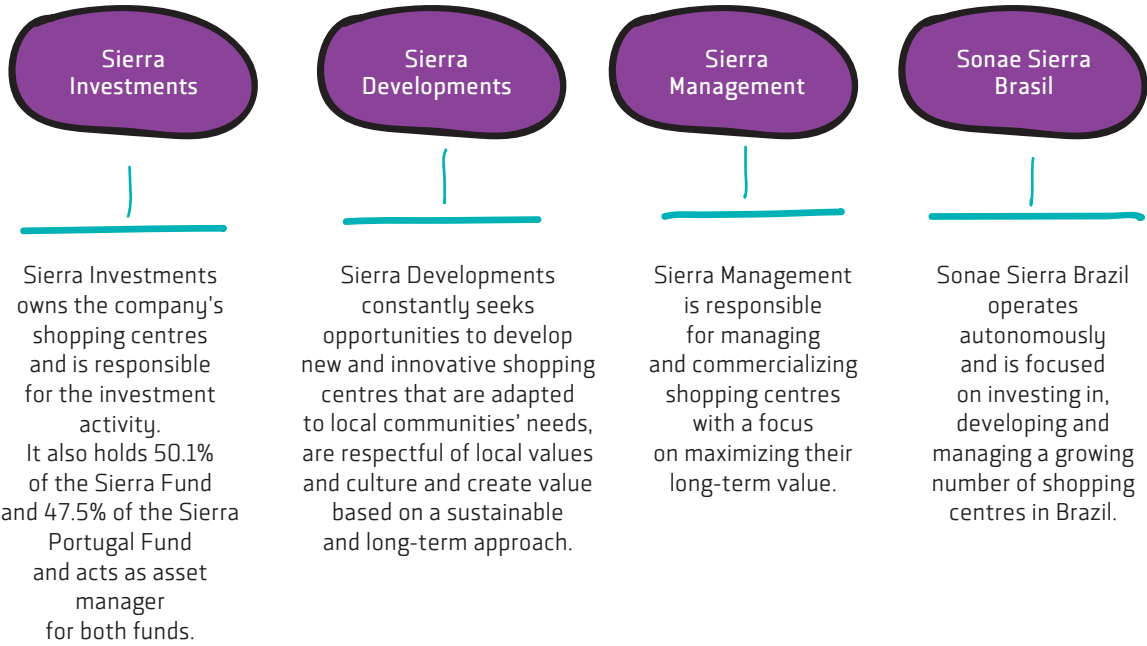
### Mission

Sonae Sierra aims to be the leading international specialist in shopping centers. Sonae Sierra's mission is to provide ultimate shopping experiences to its customers, creating outstanding value for shareholders, investors, tenants, communities and employees, while contributing to sustainable development.

Sonae Sierra's vision and mission are underpinned by a set of core values and principles regarding its business culture, responsibility towards its staff, the environment and local communities where it operates and independence from political power.

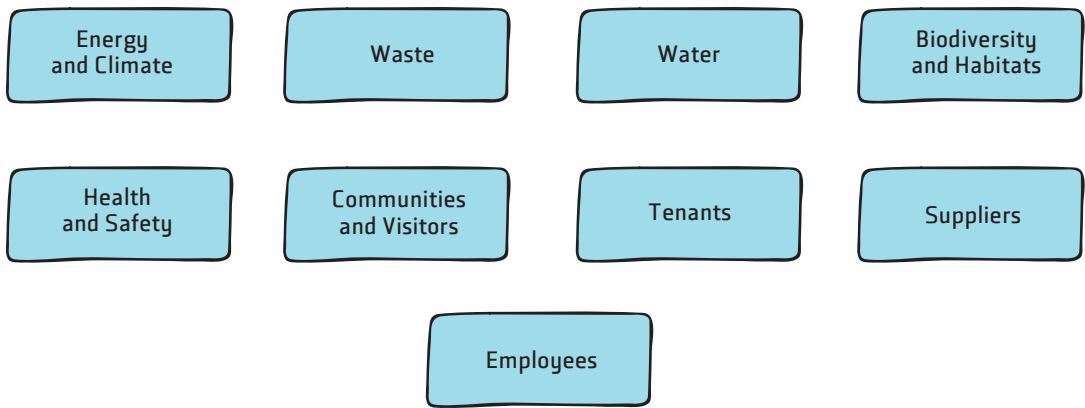
Business Areas

Sonae Sierra is a holding company for four separate Sonae Sierra businesses: Sierra Investments, Sierra Developments, Sierra Management and Sonae Sierra Brasil. Our businesses, with the exception of Sonae Sierra Brasil, also act as knowledge and service providers to third parties.



Strategic Areas and Corporate Responsibility Management

Sonae Sierra has its own Corporate Responsibility (CR) management system, responsible for the monitoring and on-going improvement of its performance in the nine most important impact areas of its business.



The values and principles embodied in Sonae Sierra's vision are developed into policies and strategies which allow the company to translate their commitments into practical actions. Sonae Sierra tracks and evaluates the progress against key performance indicators and targets on an annual basis to ensure that achieves their long-term objectives.

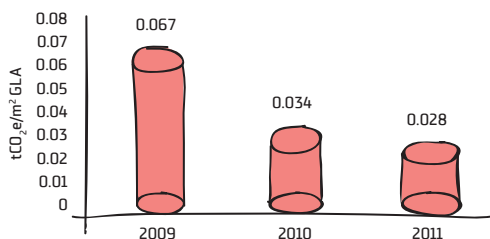
## 2011

The integrated approach to owning, developing and managing shopping centres allows Sonae Sierra to have an impact on the economy which goes beyond their own direct financial action and the remuneration of their shareholders. The company creates jobs, stimulates the local markets and contributes to economic growth in the communities where it operates.

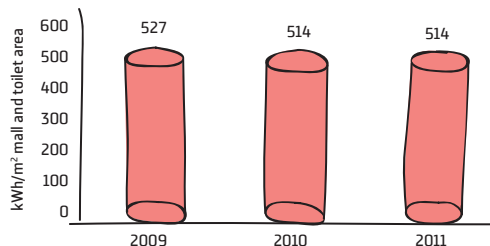
Some of the highlights of Sonae Sierra for 2011:

- ▽ Direct net profit of 61.1 million euros, up by 6% in comparison with 2010;
- ▽ Loan-to-value ratio reduced from 46.4% to 43.7%;
- ▽ Global rental income increased to €431.8 million, up by 1% in comparison with 2010;
- ▽ Successful Initial Public Offering (IPO) of Sonae Sierra Brazil;
- ▽ ISO 14001 certification achieved for a further three shopping centres and two construction works;
- ▽ OHSAS 18001 certifications achieved for a further five shopping centres and two construction works. Le Terrazze in Italy was the first shopping centre in the world to simultaneously achieve ISO 14001 and OHSAS 18001 certifications for the Safety, Health and Environment Management System (SEMS) of its construction works;
- ▽ Sonae Sierra property funds ranked as the most sustainable in Europe and third worldwide by the Global Real Estate Sustainability Benchmark (GRESB);
- ▽ Sonae Sierra ranked as the leader of the Corporate Climate Responsibility Index published by ACGE in Portugal for the sixth time;
- ▽ Maintained high levels of satisfaction among tenants, visitors and employees; and
- ▽ Reduced the rate and severity of work accidents in our workforce in comparison with 2010.

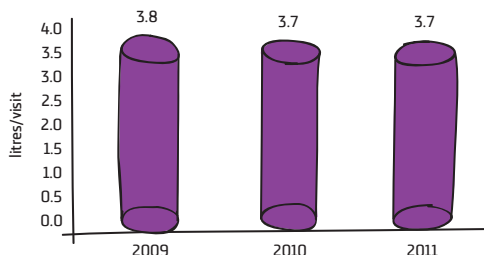
Greenhouse Gas Emissions (GHG)  
of owned portfolio and corporate offices



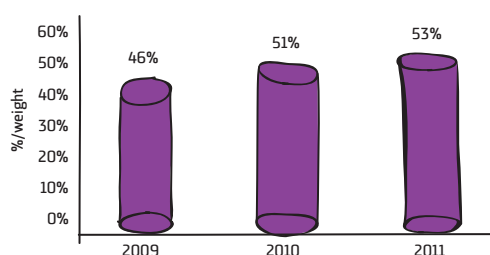
Electricity Efficiency  
(excluding tenants) of owned portfolio



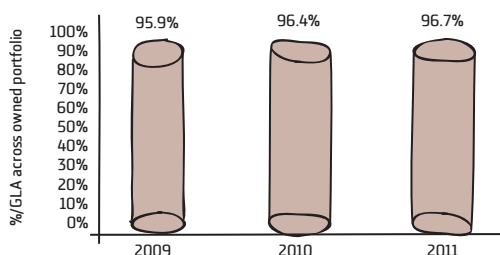
Water consumption efficiency (excluding tenants)  
of owned portfolio



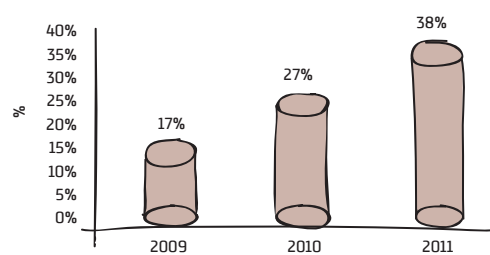
Total waste recycled as proportion  
of the waste produced



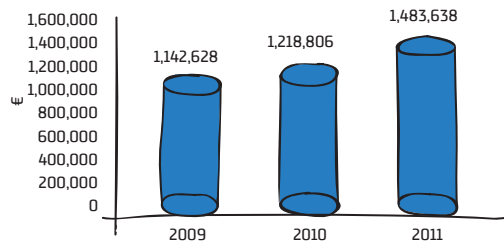
Average Occupancy Index



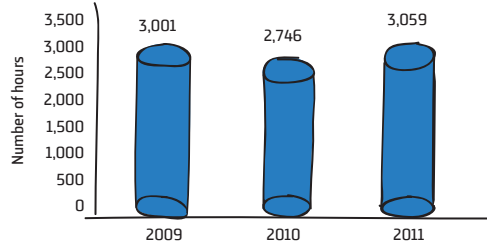
Proportion of suppliers with ISO 14001 certification



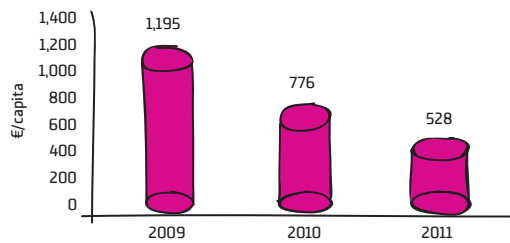
Marketing investments in CR and other contributions to the community



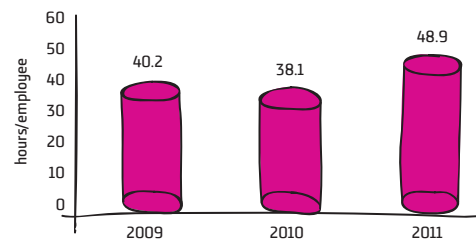
Number of hours spent by employees in charity organizations



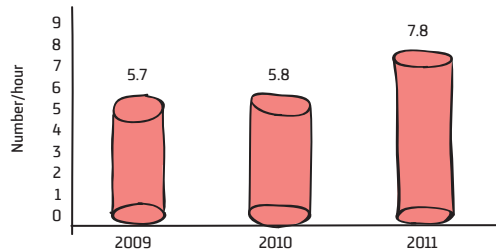
Investment in employee training and development



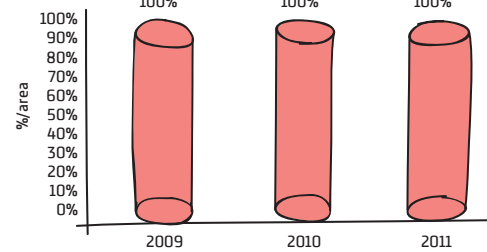
Average hours of training per employee



Number of non-conformities per hour of SPO (Safety, Health and Environment Preventive Observations)



Proportion of completed development on previously developed land (% by area)





## Case Studies

### Luz del Tajo saves 7,000kWh of electricity with a lighting solution for lifts

Lighting is responsible for a significant amount of electricity consumption in our shopping centres. A report from the International Energy Agency highlights that switching to efficient lighting could cut the world's electricity bill by 10% and save 16,000 megatonnes of CO<sub>2</sub> in the years up to 2030.

Improving electricity efficiency is one of Sonae Sierra's public commitments, and with this in mind Luz del Tajo in Spain recently introduced an innovative measure to avoid wasteful consumption.

The team identified that lighting was not needed in the shopping centre's lifts when they were not in use, and therefore decided to install presence sensors that would automatically switch the lights on and off. Fluorescent light bulbs were also substituted by more efficient LED bulbs by the maintenance contractor, Schindler.

The team calculated that the hours of operation would drop from 22 hours a day (on average) to eight hours; representing savings of almost 7,000kWh per year. This is equivalent to the annual electricity consumption of a large household, and allows us to save costs of €1,386 per year after a payback period of 3.2 years to cover the investment costs – a major accomplishment considering that this is achieved through changes to three lifts and four hoists!

All light bulbs that need replacing at Luz del Tajo will from now on be substituted with LED light bulbs.

### Efficient equipment and creative campaigning save water at GranCasa

Sonae Sierra's shopping centres in Spain are among the most water efficient in the portfolio – using 2.3 litres of water on average per visit in 2011. GranCasa decided to implement a programme to reduce visitors' water consumption in the shopping centre even further by acting on two different fronts: awareness raising and technical measures.

Between March and June 2011, the shopping centre organised five campaigns, at a total investment of €2,130. With the theme of saving water in everyday activities, these campaigns used different media such as awareness messages; television; leaflets with water saving tips and even a competition to incentivize shopping centre visitors to take shorter showers. Furthermore, improvement works being undertaken in the shopping centre toilets were seen as an opportunity to procure and install waterless urinals which would allow significant water savings. These works arose, however, some challenges: the work had to be done outside of business hours and the necessary investment had to fit within our existing budget. We were able to complete the work by spreading it between January and September 2011 and by rationalising costs, managing to fund the whole project for €7,000 in total.

Overall in 2011, GranCasa reduced its total water consumption by 0.5% in comparison with 2010.

### **GaiaShopping mobilizes the local community to protect the forests**

Forest fires can cause extensive damage to human life and the natural environment. In Portugal, where forest cover occupies around 38% of the total land surface and various forest products are important contributors to the export market, forest fires present a significant risk and can be devastating.

Like other shopping centres which have a Community Advisory Panel (CAP) in place, in 2011 GaiaShopping in Portugal held a discussion with CAP members on the International Year of the Forest. Inspired to take action to protect local woodlands, the CAP members decided to work together to reforest an area that had been previously burned down in a forest fire.

With little budget and a lot of people to involve, the GaiaShopping team made great efforts to organise the reforestation day. The nature conservation organization Quercus, which is represented on the GaiaShopping CAP, identified the area where the work should be done and advised on the particular species which should be planted taking into account the conditions of the soil and climate, and the need to mitigate the risk of forest fires from spreading in the future. A total of 53 people volunteered, including staff from tenants' shops and shopping centre service suppliers and representatives from local entities which are part of the GaiaShopping CAP, such as the forestry department, local firemen, the local council and charitable organizations which support social and environmental causes.

The day was a great success. Everyone collaborated as a team and all stakeholders involved were very pleased to have the opportunity to make a positive contribution to their community and the environment.

### Engagement with suppliers at Le Terrazze brings positive results

In January 2010, we began the construction at Le Terrazze in Italy. With 38,600 m<sup>2</sup> of Gross Lettable Area (GLA), 80% of which is already let, Le Terrazze will be the biggest shopping centre in La Spezia province.

Since the beginning of the construction works, we have been implementing our SHEMS on site to reduce risks for workers and the community, and lower our impact on the environment. We have faced several difficulties: on a practical side, the relatively small size of the site made it difficult to store some materials or install some equipment needed to implement the good practices prescribed by the SHEMS, and the characteristics of the site made it prone to flooding. We also had to challenge the conventional habits and attitudes of our suppliers, presenting SHE practices which were new to them.

All worked hard to solve these challenges, rationalising the available space, implementing water run-off improvements and continuously engaging with our suppliers and assessing their SHE performance. We delivered extensive training every month, totalling 1,876 man hours since 2010, to ensure that all new staff were appropriately informed about different SHE aspects.

The water and power consumption and waste production associated with construction activities were monitored and considerable efforts were made to minimise the amount of waste sent to a landfill. For example, the soil removed from the construction site was used for nearby areas' construction works and waste separation was improved thanks to clearer instructions on waste compactors. The team installed a rainwater collection system to spray roads for dust prevention and reused water to wash trucks.

A series of measures were adopted to minimise safety risks and hazards and carried out observation exercises every month to establish and report on potential non-conformities with Sonae Sierra's SHEMS.

After inspecting the construction site in July 2011, auditors from Lloyds Register Quality Assurance recommended Le Terrazze for ISO 14001 and OHSAS 18001 certification, and Le Terrazze became the first construction site in the world to simultaneously obtain this double certification.

### On-going commitments to investing in education benefits over 70 students in Brazil

Investment in education is recognized as an important factor in the reduction of social problems. It increases the opportunities that citizens have to enter the labour market, broadens their perspectives and strengthens both personal and professional values.

Two of Sonae Sierra's shopping centres in Brazil have implemented a pioneering programme that offers free classes to the public and the possibility for students to complete their high school graduation. The idea was developed by Shopping Metr pole which had identified the need to empower employees and service providers who had the potential and willingness to learn, but were unable to complete their studies owing to financial limitations, a lack of family support or their working hours.

In 2006, Metr pole Educa was launched. Based on this model, Shopping Penha set up the 'Penha Educa' programme in December 2008. Access to the programme was extended to local residents after a survey conducted by the centre indicated that there was also an interest and demand for this type of scheme in the community. Since its implementation, Shopping Penha has invested more than R\$175,000 ( 75,360) in the programme. This covers classroom infrastructure; furniture; audio-visual resources; the periodic purchase of educational materials such as books and school supplies; the contract with the department for industrial social services (SESI) for the payment of qualified teachers; an academic advisor and the organization of graduation and publicity. The approximate annual investment is R\$56,000 ( 24,110).

Both Shopping Metr pole and Shopping Penha point to the testimonials of its students as evidence of the success of the project.

Many of them have stated that they feel more prepared for the labour market, have greater self-esteem and are highly motivated to continue; with a good number of students staying on to complete the second level of studies. This year the Metr pole Educa programme enrolled an initial class of 18 students and a second group of 15 students are preparing for graduation. Currently there are 38 students enrolled in the Penha Educa programme.

### Stimulating creativity and initiative to build a culture of innovation

Sonae Sierra believes that innovation training can bring real benefit to the business.

CLICK (Creative Learning, Innovation and Continuous Knowledge) is a programme designed to enhance Sonae Sierra's innovation capacity. First launched in 2009 with a focus on developing creativity, in 2011 we held the second part of the programme, CLICK2, to promote an initiative with the strapline "Become the change you want to see". It is our view that combining creativity with initiative is the formula for creating innovation.

The content of the CLICK2 programme was developed by the Innovation Office, in co-operation with Sonae Sierra's Human Resources Department and sponsored by the CEO and all Executives. It consisted of one day workshops in small groups and was facilitated by Sonae Sierra's own 'Innovation Champions', selected staff from all business functions and levels who have been trained by external consultants to deliver the programme.

CLICK2 received good feedback from employees at all levels of the business, with an 84% participation rate and an average evaluation of 3.7 on a scale of 1 to 4. It also increased the satisfaction and motivation of the Innovation Champions and allowed them to work closely with people from other departments to share their knowledge about innovation and help embed an innovation culture across our organization.

# 4. A Greater World to Evolve





## 4.1 ANNEXES

### 4.1.1 Declaration of verification



**KPMG & Associados – Sociedade de Revisores  
Oficiais de Contas, S.A.**  
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#### Independent Limited Assurance Report

**(This Report is a free translation to English from the Portuguese version.  
In case of doubt or misinterpretation the Portuguese version will prevail)**

**To the Executive Board of Directors of**  
SONAE S.G.P.S., S.A.

#### Introduction

1. We have been engaged by the Executive Board of Directors of Sonae S.G.P.S., S.A. (Sonae) to provide limited assurance on the sustainability information included in the Sustainability Report 2011 ("the Report") of Sonae for the year ended 31 December of 2011.

#### Responsibilities

2. The Executive Board of Directors of Sonae is responsible for:
  - The preparation and presentation of the sustainability information included in the Report in accordance with the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative (GRI), as described in the chapter "Our Report" in the Sustainability Report and for the information and assertions contained within it; and,
  - For establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.
3. Our responsibility is to perform a limited assurance engagement and to express a conclusion based on the work performed. We conducted our 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. That Standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance whether nothing came to our attention that causes us to conclude that the sustainability information included in Annual Report for the year ended 31 December 2011, is not free from material misstatement.

#### Scope

4. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:
  - Inquiries of management to gain an understanding of Sonae processes for determining the material issues for Sonae key stakeholders groups;



- Interviews with relevant staff, at corporate and business units, 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 data derived from such underlying sources has been included in the Report; and
  - Reading the information presented in the Report to conclude if it is in line with our overall knowledge of, and experience with, the sustainability performance of Sonae.
5. The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement. Accordingly, we do not express an audit opinion or a reasonable assurance conclusion.

#### **Conclusion**

6. Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the sustainability information included in the Report of Sonae for the year ended 31 December 2011 is not presented fairly, in all material respects with the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative (GRI) as described in the chapter "Our report" of the Sustainability Report.
7. Our limited assurance report is made solely to Sonae in accordance with the terms of our engagement. Our work has been prepared only with the objective of reporting to Sonae those matters for which we were engaged in this limited assurance report and for no other purpose. We do not accept or assume responsibility to any third party than Sonae for our work, for this limited assurance report, or for the conclusions we have reached.

Oporto, 29 June 2012

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**KPMG & Associados,**  
**Sociedade de Revisores Oficiais de Contas, S.A. (n.º 189)**  
represented by  
Adelaide Maria Viegas Clare Neves (ROC n.º 862)



## 4.1.2 GRI Indicators

### Economic Indicators (EC)

#### EC1: Direct economic value generated and distributed

	2010	2011
<b>Direct economic value generated (€)</b>	<b>6,402,000,000</b>	<b>6,201,728,204</b>
Revenue	6,402,000,000	6,201,728,204
<b>Economic value distributed (€)</b>	<b>5,904,400,000</b>	<b>5,765,089,971</b>
Operating Costs	4,967,000,000	4,816,621,956
Employee Salaries and benefits	693,000,000	711,949,603
Payments to Investors	176,000,000	186,484,747
Payments to the State	58,000,000	39,899,298
Donations and other invest. in the community	10,400,000	10,134,366
<b>Accumulated economic value (€)</b>	<b>497,600,000</b>	<b>436,638,233</b>

Scope of reporting: Sonae

#### EC3: Coverage of obligations relating to the benefits' plan defined by the organisation

The Sonae Retail area has no pension funds.

#### EC4: Major financial support received from the government

The support received from the State through operating subsidies, investment subsidies and tax benefits stood at 4,909,544 euros. This amount does not include the amount obtained through the SIFIDE (Tax Incentives' System for Business R&D).

Scope of reporting: Sonae

#### EC6: Policies, practices and proportion of costs with local suppliers at important operating units

	2009	2010	2011
Total costs with suppliers (€)	4,000,000,000	4,337,000,000	4,270,509,809
Total costs with foreign suppliers (€)	696,000,000	852,000,000	871,909,644
Total costs with national suppliers (€)	3,304,000,000	3,485,000,000	3,398,600,165
<b>Proportion of costs with national suppliers (%)</b>	<b>83%</b>	<b>80%</b>	<b>80%</b>

Scope of reporting: Retail (Purchases of goods of Sonae MC and Sonae SR – this does not include the investment and costs value which go directly to the operating account (e.g. specialized, outsourced work etc.).

#### EC7: Local contracting procedures and proportion of top management posts taken up by individuals from the local community at the most important operating units.

Similarly to last year, 96% of top managers belong to the local community. The company contracting policy is based on the taking up of operational posts by members of the community where the business units are located, thereby contributing to the employability levels of the regions.

Scope of reporting: Retail

## EC8: Development and impact of investments in infrastructures and services which are essentially aimed at the public benefit through commercial involvement in kind or pro bono

Support to the community includes donations made by Sonae to the community, in the main for the public good, with 3,051 actions having been carried out which represented an investment of 10.1 million euros. In 2011 it was not possible to post the amount invested by Sonae in infrastructures for the public good.

Scope of reporting: Sonae

## Environmental Indicators (EN)

### EN1: Materials used by weight or volume.

Although the Retail trade is an eminently commercial activity, it has a high number of employees and associated administrative processes and consequently the consumption of paper is significant. Hence, we have been implementing measures to economise on this material such as, for example:

- Control and efficiency of printing by replacing internal procedures and equipment;
- Dematerialisation of internal processes and interaction with suppliers; and
- Promotion of the use of recycled paper.

	2009	2010	2011	Variation 2010-2011
Number of reams of A4 consumed (no.)	256,890	168,570	166,985	-1%
<b>Total paper consumption (t)</b>	<b>642,225</b>	<b>421,425</b>	<b>417,463</b>	<b>-1%</b>

Scope of reporting: Retail – Portugal

### EN2: Percentage of materials used which derive from recycling

	2009	2010	2011	Variation 2010-2011
Number of reams of recycled A4 paper consumed	140,755	78,852	73,112	-7%
Weight of recycled paper consumed (t)	351,888	197,130	182,780	-7%
<b>Percentage of recycled paper consumed (%)</b>	<b>55%</b>	<b>47%</b>	<b>44%</b>	<b>-3 p.p.</b>

Scope of reporting: Retail – Portugal

### EN3: Direct energy consumption by primary energy source

#### Evolution of direct energy consumption by type

	2009	2010	2011
Natural gas consumption (m³)	393,570	421,033	447,294
Propane gas consumption (t)	110	56	30
Diesel consumption by stores (litres)	177,039	143,095	130,165
Diesel consumption by goods haulage vehicles (litres)	10,175,786	10,753,972	10,779,887
Diesel consumption by employee vehicles (litres)	1,751,127	1,994,297	2,007,367
Gasoline consumption by employee vehicles (litres)	51,210	44,429	22,967

Scope of reporting: Retail – Portugal

## Evolution of direct energy consumption by type (GJ)

	2009	2010	2011 a)	Variation 2010-2011
Natural gas consumption (GJ)	15,137	16,193	17,203	6%
Propane gas consumption (GJ)	5,097	2,609	1,457	-44%
Diesel consumption by stores (GJ)	6,421	5,190	4,850	-7%
Diesel consumption by goods haulage vehicles (GJ)	388,007	442,025	401,700	-9%
Diesel consumption by employee vehicles (GJ)	63,508	72,328	74,802	3%
Gasoline consumption by employee vehicles (GJ)	1,698	1,473	772	-48%
<b>Total direct energy consumption (GJ)</b>	<b>479,868</b>	<b>539,817</b>	<b>500,783</b>	<b>-7%</b>

Scope of reporting: Retail – Portugal

a) The diesel and petrol conversion factors were updated in the calculations relating to 2011.

## Conversion factors

Energy	Unit	Factor (2011)	Source (2011)
Natural Gas	PCI (GJ/m <sup>3</sup> )	0.038	Values table for Inferior Calorific Power, Emission Factor and CO <sub>2</sub> Oxidation Factor used in the National Greenhouse Gas Inventory published in 2008
Propane Gas	PCI (GJ/t)	48.55	Values table for Inferior Calorific Power, Emission Factor and CO <sub>2</sub> Oxidation Factor used in the National Greenhouse Gas Inventory published in 2008
Diesel	Density (kg/l)	0.86	Galp Energia – Safety Data Sheet Gasoline
	PCI (GJ/t)	43.33	APA – Portuguese National Inventory Report on Greenhouse Gases 1990-2009, 2011
Gasoline	Density (kg/l)	0.75	Galp Energia – Safety Data Sheet Gasoline
	PCI (GJ/t)	44.79	APA – Portuguese National Inventory Report on Greenhouse Gases 1990-2009, 2011

Scope of reporting: Retail – Portugal

#### EN4: Indirect energy consumption by primary energy source

##### Electrical energy production through renewable energy source

	2009	2010	2011	Variation 2010-2011
Electricity produced through renewable energy source (MWh)	51.7	136.9	194.6	42%
Electricity produced through renewable energy source (GJ)	186	493	701	42%

Scope of reporting: Retail – Portugal

Sonae sells all the electricity produced through renewable energy sources to the National Grid.

##### Evolution of indirect energy consumption by primary source

	2009	2010	2011	Variation 2010-2011
Electricity consumption at stores (MWh)	454,814	455,418	485,675	7%
Electricity consumption at manufacturing centres (MWh)	ND	6,775	6,912	2%
Electricity consumption (MWh)	454,814	462,193	492,587	7%
<b>Electricity consumption (GJ)</b>	<b>1,637,330</b>	<b>1,663,895</b>	<b>1,773,315</b>	<b>7%</b>

Scope of reporting: Retail – Portugal

##### Conversion factors

Energy	Unit	Factor (2011)	Source (2011)
Electricity	(GJ/MWh)	3.6	International Energy Agency

##### Electricity consumption by store area (GWh/1000m<sup>2</sup>)

	2009	2010	2011	Variation 2010-2011
Store area (1000 m <sup>2</sup> )	835	858	872	2%
Electricity consumption by store area (GWh/1000m <sup>2</sup> )	0.54	0.53	0.56	5%

Scope of reporting: Retail – Portugal

The number of stores has varied over the years. In 2009, 2010 and 2011, 836 stores, 869 stores and 902 stores were considered, respectively.

## Electricity by primary source in 2011 (GJ)

	Total
Water	396,673
Water PRE	17,373
Wind	138,373
Cogeneration* and microproduction PRE	200,314
Natural Gas	579,398
Fueloil	21,273
Coal	283,716
Nuclear	115,097
Geothermics	2,506
Diesel	144,901
Others	26,195

Scope of reporting: Retail – Portugal

Source: ERSE – Energy Services Regulatory Authority (considering EDP Universal Service providers, Electricity Company of Madeira and Union Fenosa) and Endesa.

## EN8: Water consumption by source

### Evolution in public system water consumption (m<sup>3</sup>)

	2009	2010	2011	Variation 2010-2011
Total water consumption (m <sup>3</sup> )	797,011	757,734	724,414	-4%

Scope of reporting: Retail – Portugal – The total water consumption value includes the Continente, Continente Modelo and Continente Bom Dia units.

### Evolution of the public system water consumption by store area (m<sup>3</sup>/m<sup>2</sup>)

	2009	2010	2011	Variation 2010-2011
Store area (1000m <sup>2</sup> )	504	517	516	-0.3%
Evolution of the public system water consumption by store area (m <sup>3</sup> /m <sup>2</sup> )	1580	1464	1404	-4%

Scope of reporting: Retail – Portugal

## EN10: Percentage and total volume of recycled and reused water

At present there are no water recovery and reuse processes at our operating facilities, to wit at shops and depots. We only have one experience in this regard, to wit at the Sonae Business Centre Tower in Maia where the effluents from the wash stands and bathing facilities are recovered and reused in the toilets and urinals of said building. In this building there is also a rainwater reuse system, being deployed for the irrigation of the existing green area.

Scope of reporting: Retail – Portugal

\* See Glossary

**EN11: Location and size of the sites belonging to, rented or administered by the organisation in protected areas or with a high value for biodiversity or adjoining them**

The Retail business has no facilities in areas classified as habitat areas rich in biodiversity.

**EN12: Description of significant impacts of activities, products and services on areas which are protected or which have a high value for biodiversity**

The Retail business has no facilities in areas classified as habitat areas rich in biodiversity. The impact which Sonae may have will be in terms of the products it commercialises. As such, in 2009 it proceeded with the publication of its Fishing Sustainability Policy in which it undertakes to act with a view to reducing or minimising negative effects on fish species which are endangered or at risk of extinction. Through the Continente Producers' Club too Sonae promotes the implementation of agricultural processes with less impact on the environment and biodiversity. Further information about this theme can be found in the chapter "Promotion of sustainability in the supply chain".

**EN13: Protected or recovered habitats**

In 2011 there were no operations leading to alterations to the surrounding habitats which involved the restoration thereof. The impact which Sonae may have will be in terms of the products it commercialises. See reply to indicator EN12.

**EN16: Total direct and indirect emissions of gases with a greenhouse effect by weight**

Evolution of emissions of CO<sub>2</sub> and by source

	2009	2010	2011 a)	Variação 2010-2011
Emissions associated with natural gas consumption (t CO <sub>2</sub> e)	849	908	965	6%
Emissions associated with propane gas consumption (t CO <sub>2</sub> e)	377	193	92	-52%
Emissions associated with diesel consumption by stores (t CO <sub>2</sub> e)	476	385	359	-7%
Emissions associated with diesel consumption by goods' haulage vehicles (t CO <sub>2</sub> e)	28,751	32,754	29,726	-9%
Emissions associated with diesel consumption by employee vehicles (t CO <sub>2</sub> e)	4,706	5,359	5,535	3%
Emissions associated with gasoline consumption by employee vehicles (t CO <sub>2</sub> e)	116	101	53	-47%
Total GHG emissions associated direct energy consumption (t CO <sub>2</sub> e)	35,275	39,701	36,730	-7%
Emissions associated with electricity consumption (t CO <sub>2</sub> e)	173,742	159,669	181,977	14%
<b>Total GHG emissions (t CO<sub>2</sub>e)</b>	<b>209,017</b>	<b>199,369</b>	<b>218,708</b>	<b>10%</b>

Scope of reporting: Retail - Portugal

a) The calculation of this indicator includes those amounts reported in the indicators EN3 and EN4. The CO<sub>2</sub> emission factors of diesel and petrol were updated when calculating emissions for 2011.

#### Emission factors

Energy	Unit	Factor (2011)	Source (2011)
Natural Gas	(kg CO <sub>2</sub> /GJ)	56.10	APA – National Greenhouse Gas Inventory published in 2008
Propane Gas	(kg CO <sub>2</sub> /GJ)	63.10	
Diesel	(kg CO <sub>2</sub> /GJ)	74.00	APA – Portuguese National Inventory Report on Greenhouse Gases 1990-2009, 2011
Gasoline	(kg CO <sub>2</sub> /GJ)	69.20	
Electricity	(g CO <sub>2</sub> /kWh)	369.43	ERSE + ENDESA

#### Proportion of electricity consumed deriving from different suppliers relating to 2011

Electricity Suppliers	%	CO <sub>2</sub> (g/kWh)	Observation
EDP SU	11.1%	233.88	(average annual value SOURCE: ERSE)
EEM	2.5%	506.44	(average annual value SOURCE: ERSE)
UNION FENOSA	43.5%	370.33	(average annual value SOURCE: ERSE)
ENDESA	42.9%	395.89	(average annual value SOURCE: ENDESA)
<b>TOTAL</b>	<b>100.0%</b>	<b>369.43</b>	

#### EN17: Other relevant and indirect emissions of gases with a greenhouse effect by weight

##### Evolution of emissions of contracted fleet

	2009	2010	2011	Variation 2010-2011
Distance travelled (km)	34,711,757	37,418,198	36,951,470	-1%
Diesel consumption by contracted fleet (GJ)	388,007	442,025	401,700	-9%
Emissions by goods' haulage vehicles (tCO <sub>2</sub> e)	28,751	32,754	29,726	-9%

Scope of reporting: Retail – Portugal

## Conversion factors

	Unit	2011	Source (2011)
Diesel	FE (kg CO <sub>2</sub> /GJ)	74.00	APA - Portuguese National Inventory Report on Greenhouse Gases 1990-2009, 2011

## Detailed information about % of vehicles complying with Standards Euro 4; Euro 5 and Euro 6

	2010	2011	Variation 2010-2011
Standard Euro 4	47%	50%	3 p.p.
Standard Euro 5	34%	36%	2 p.p.
Standard Euro 6	1%	1%	0 p.p.
<b>Total vehicles complying with Standards Euro 4,5 and 6</b>	<b>82%</b>	<b>87%</b>	<b>5 p.p.</b>

Scope of reporting: Retail - Portugal

## EN19: Emissions of ozone-layer destroying substances by weight

### Evolution in the type of coolant fluids used at the cold production plants

	2009	2010	2011
R 404	69%	78%	79%
R427a	9%	10%	9%
R22	5%	2%	2%
Glycol	17%	10%	10%

Scope of reporting: Retail - Portugal

From the perspective of emissions of substances which deplete the Ozone Layer, only emissions resulting from R22 leakage will be considered.

We closed 2011 with only 6 plants at 3 Stores with said kind of coolant fluid (gas): Continente in Braga, Continente CoimbraShopping and Continente in Cascais. According to information provided by the Stores (in the respective ES's Environmental Scorecards) the total emission of R 22 owing to accidental leakage in 2011 stood at 3,540 kg (Braga - 240 kg; CoimbraShopping - 1,200 kg and Cascais - 2,100 kg).

It is estimated that leakage represents around 0.195 equivalent tonnes of CFC-11.

Calculation formula:

An ODP value is applied (Ozone Depletion Potential) which transforms R22 into CFC 11, corresponding to 0.055. (Source: The Montreal Protocol on Substances that Deplete the Ozone Layer).



## EN20: NOx, SOx and other emissions

### Evolution of emissions of NOx and SOx by source

	2009	2010	2011 a)
NOx Emissions – Diesel consumption by stores (t)	NR	NR	104
NOx Emissions – Diesel consumption by goods haulage vehicles (t)	310	354	321
NOx Emissions – Diesel consumption by employee vehicles (t)	51	58	60
NOx Emissions – Gasoline consumption by employee vehicles (t)	1	1	<1
<b>TOTAL NOx EMISSIONS (t)</b>	<b>362</b>	<b>412</b>	<b>486</b>
SO <sub>2</sub> Emissions – Diesel consumption by stores (t)	NR	NR	27
SO <sub>2</sub> Emissions – Diesel consumption by goods haulage vehicles (t)	81	93	84
SO <sub>2</sub> Emissions – Diesel consumption by employee vehicles (t)	13	15	16
SO <sub>2</sub> Emissions – Gasoline consumption by employee vehicles (t)	<1	<1	<1
<b>TOTAL SO<sub>2</sub> EMISSIONS (t)</b>	<b>95</b>	<b>108</b>	<b>127</b>

Scope of reporting: Retail – Portugal

a) The calculation of this indicator posts the values reported in the EN3 indicator

### Emission factors

	NOx	SO <sub>2</sub>	Unit	Source
Diesel	0.8	0.21	kg/GJ	IPCC 2006
Gasoline	0.6	0.075	kg/GJ	IPCC 2006

#### EN21: Total water discharge by quality and destination

Sonae does not have measurements of the quantity of wastewater discharged. However, for the calculation of wastewater, the factor used in the engineering in these cases was applied where it is assumed that 80% of water consumed results in wastewater.

##### Evolution of volume wastewater discharged (m<sup>3</sup>)

	2009	2010	2011	Variation 2010-2011
Volume of wastewater discharged (m <sup>3</sup> )	637,609	606,187	579,531	-4%

Scope of reporting: Retail – Portugal – The discharge of liquid effluents relates to the food stores

Except for the stores in Vila Franca de Xira (in Mainland Portugal) and Cancela and Ribeira Brava (in the Autonomous Region of Madeira), all the other stores discharge their liquid effluents into public collectors.

Both the aforementioned stores as well as the stores of Oliveira de Azeméis, Ovar, Anadia, Torres Vedras and Santarém are endowed with wastewater treatment plants with biological treatment (secondary) so that the liquid effluent meets the applicable legal requirements: discharge into natural environment; discharge in accordance with the applicable Municipal Regulations. At all the wastewater treatment plants installed, monitoring is carried out of effluent quality.

#### EN22: Total quantity of waste by disposal method and type

##### Evolution of the quantity of waste managed and the respective final destination

	2009	2010	2011	Variation 2010-2011
<b>Hazardous waste (t)</b>	<b>4,238</b>	<b>2,171</b>	<b>1,928</b>	<b>-11%</b>
Recovery (t)	4,238	2,171	1,928	-11%
Disposal (t)	0	0	0	0%
<b>Non-hazardous waste (t)</b>	<b>58,214</b>	<b>63,694</b>	<b>64,919</b>	<b>2%</b>
Recovery (t)	42,726	48,482	49,734	3%
Disposal (t)	15,488	15,212	15,185	0%
<b>Total waste managed (t)</b>	<b>62,452</b>	<b>65,866</b>	<b>66,848</b>	<b>1%</b>

Scope of reporting: The depots and stores of the Retail area in Portugal are included. Excluded are the Maxmat stores and stores located in shopping centres where the management of the respective waste is carried out by the shopping centre itself.

## Recovery rate

	2009	2010	2011	Variation 2010-2011
Waste recovery rate	75.2%	76.9%	77.3%	0.4 p.p.

Scope of reporting: Retail – Portugal

## Waste managed by type

		Quantity produced in 2011 (t)
Hazardous waste	Batteries	80.4
	Computer Cons.	19.3
	WEEE	1,740.1
	Bulbs	11.5
	Car batteries	77.1
Non-hazardous waste	Cardboard	31,741.1
	Plastic	3,291.8
	Wood	866.9
	Polystyrene	232.0
	Hangers	41.2
	WEEE's	3,706.2
	Food oils	9.8
	Corks	37.3
	Uniform	11.9
	Coffee capsules	188.1
	SUW	24,793.2
	<b>TOTAL</b>	<b>66,847.7</b>

Scope of reporting: Retail – Portugal

#### EN23: Number and total volume of major spillages

Sonae considers that a spillage is only significant if it effects the external environment of the installations. This situation never came to pass and there were thus no major spillages deriving from our Retail activity.

#### EN26: Initiatives to mitigate the environmental impacts of products and services and the degree of impact reduction

Sonae promotes various initiatives to mitigate the environmental impacts associated with products and services.

Worthy of special mention is the commitment to the production of renewable energies with the installation of microgeneration and minigeneration plants which in 2011 registered year-on-year growth of 42%. The acquisition of a more efficient fleet with a view to improving the vehicle pool which complies, as a minimum, with Standard Euro 4 that at year-end 2011 represented 5 p.p. growth on the previous year (Further information in chapter 3.1.3 – Environmental Responsibility).

The range of sustainable products on offer to consumers is also a concern in the Retail area. Since 2009 Sonae has promoted the Fishing Sustainability Policy with the commitment not to commercialise endangered species and select those suppliers that promote the protection of marine biodiversity. This policy sets out specific objectives with a view to minimising the effects on the diversity of some species which are endangered or at risk of extinction. In 2011 Worten registered a reduction in Class A electrical and electronic equipment (EEE) (down 24 p.p.) and an increase in the higher classes of A+, A++, A+++ (up 19 p.p, 9 p.p and 1 p.p, respectively). As regards the sale of reusable bags, two types are commercialised, APED bags and Continente bags. In 2011 the APED bags recorded a sharp fall in sales related with the use of a new material which led to an increase in the price per unit. The Continente bags maintained their sales' trend, recording growth of 27% on the 2010 figure (Further information in chapter 3.1.6 – Sustainable Products).

#### Evolução de venda de sacos reutilizáveis

	2009	2010	2011
APED bags	1,143,899	1,863,519	323,067
Continente bags	307,522	513,219	650,936
<b>Total</b>	<b>1,451,421</b>	<b>2,376,738</b>	<b>974,003</b>

Scope of reporting: Retail – Portugal

#### EN28: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

Sonae considers that an administrative fine is significant when the total monetary value is greater than or equal to 15,000€ as this corresponds to the minimum administrative fine for a serious environmental administrative offence (Law no.50 enacted on August 29<sup>th</sup> 2006, altered by Law no.89 enacted on August 31<sup>st</sup> 2009). In the Retail area there were 4 processes ending in 2011 which resulted in administrative fines of an insignificant value (< 15,000€).

Scope of reporting: Retail – Portugal

## Social Indicators

### Work Practices and Decent Work Indicators (LA)

LA1: Total labour by type of employment, employment contract and region

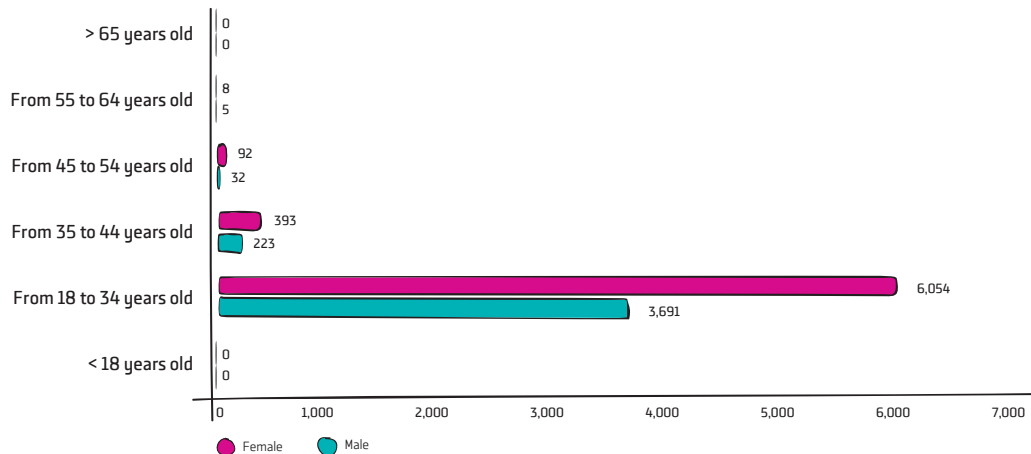
	2010	2011
<b>CONTRACT TYPE</b>		
Open-ended contracts	25,623	27,679
Male	-	8,652
Female	-	19,027
Fixed-term contracts	14,012	9,034
Male	-	3,326
Female	-	5,708
<b>EMPLOYMENT TYPE</b>		
Full time	12,941	26,071
Male	-	9,136
Female	-	16,935
Part time	26,694	10,642
Male	-	2,842
Female	-	7,800
<b>REGION</b>		
Portugal	37,174	33,283
Male	-	10,467
Female	-	22,816
Spain	2,253	2,846
Male	-	1,265
Female	-	1,581
China	67	37
Male	-	17
Female	-	20
Brazil	141	530
Male	-	223
Female	-	307
Turkey	0	17
Male	-	6
Female	-	11
International Totals (no.)	2,461	3,430
<b>TOTAL EMPLOYEES (no.)</b>	<b>39,635</b>	<b>36,713</b>

Scope of reporting: Retail – Portugal

## LA2: Total number of employees and respective turnover rate, by age bracket, gender and region

### New admissions by gender and age bracket (2011)

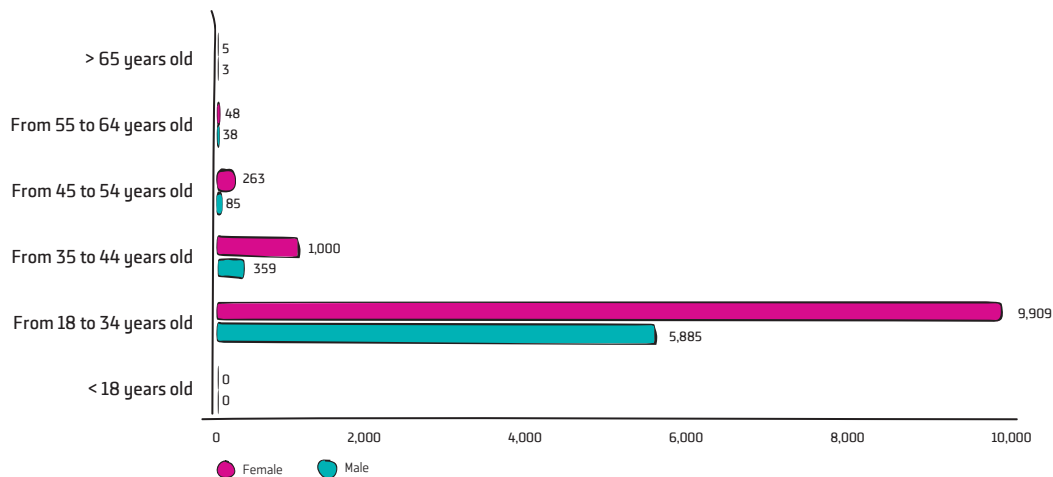
New admissions by gender and age bracket (2011)



Scope of reporting: Retail – Portugal

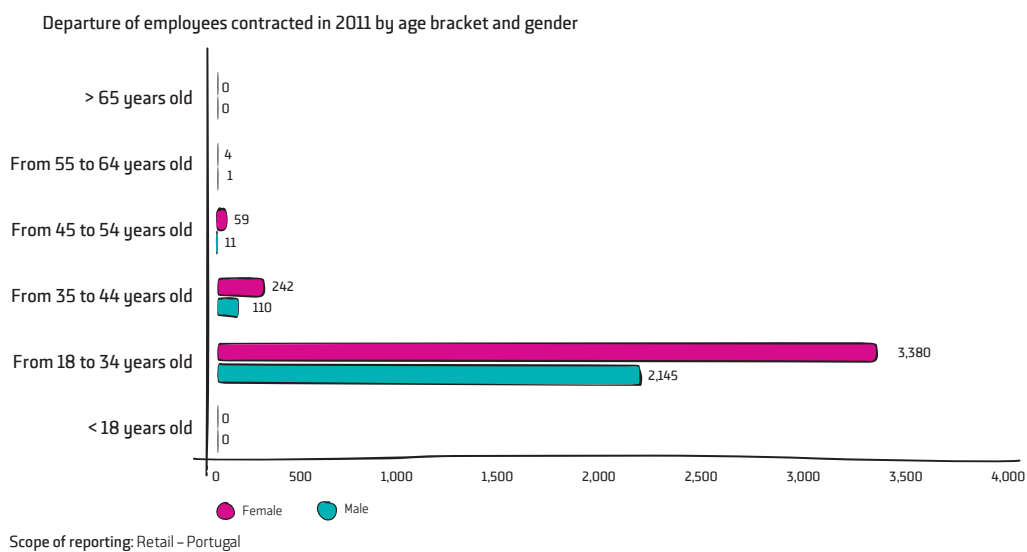
### Number of departures by gender and age bracket

Number of departures by gender and age bracket (2011)

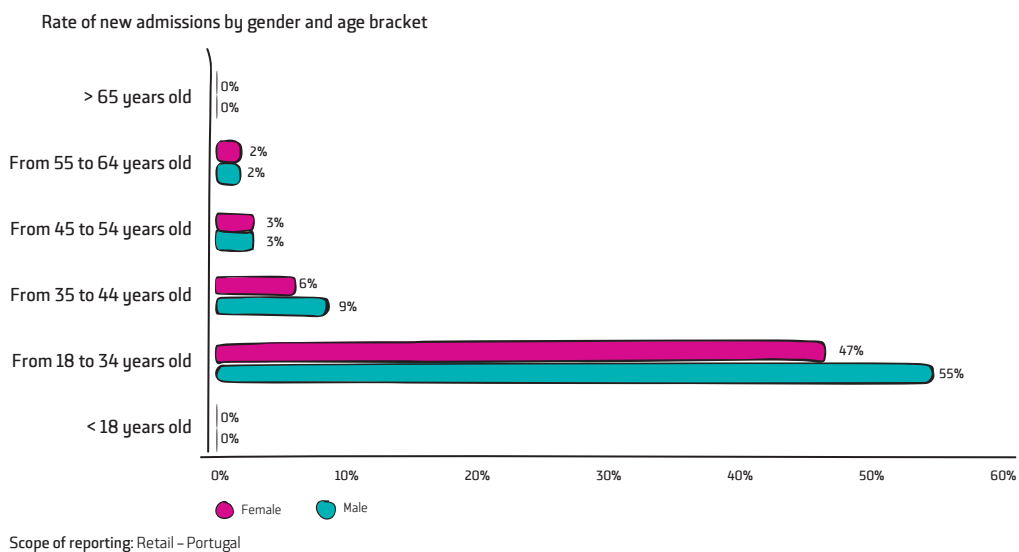


Scope of reporting: Retail – Portugal

## Number of departures of employees contracted in the reporting year by gender and age bracket



## Rate of new admissions in the reporting year by gender and age bracket (2011)



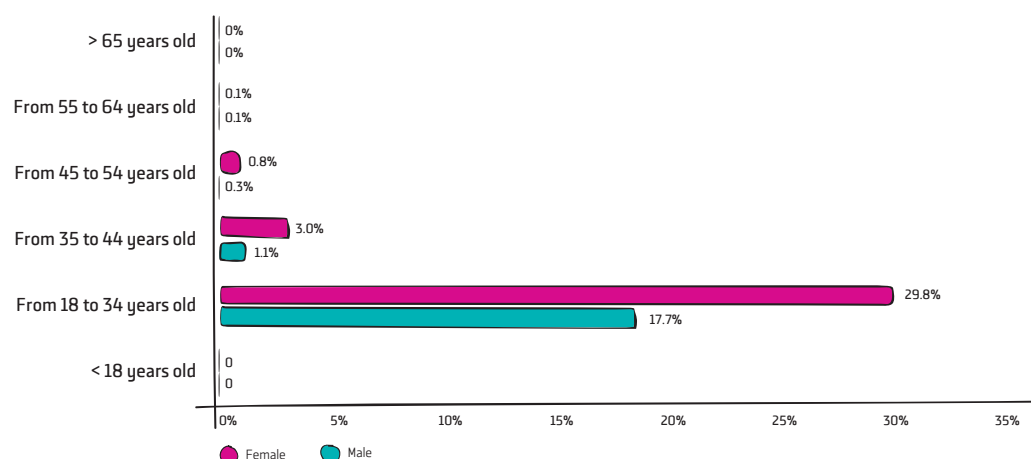
### Rate of new admissions by gender and age bracket (2011)

	Male	Female	Total
< 18 years old	0%	0%	0%
From 18 to 34 years old	55%	47%	49%
From 35 to 44 years old	9%	6%	7%
From 45 to 54 years old	3%	3%	3%
From 55 to 64 years old	2%	2%	2%
≥ 65 years old	0%	0%	0%
<b>TOTAL</b>	<b>38%</b>	<b>29%</b>	<b>32%</b>

Scope of reporting: Retail – Employees in Portugal (Includes Têxtil do Marco)

### Turnover rate by gender and age bracket (2011)

Turnover rate by gender and age bracket (2011)



### Turnover rate by gender and age bracket (2011)

	Male	Female	Total
< 18 years old	0%	0%	0%
From 18 to 34 years old	18%	30%	48%
From 35 to 44 years old	1%	3%	4%
From 45 to 54 years old	0%	1%	1%
From 55 to 64 years old	0%	0%	0%
≥ 65 years old	0%	0%	0%
<b>TOTAL</b>	<b>19%</b>	<b>34%</b>	<b>53%</b>

Scope of reporting: Retail – Employees in Portugal (Includes Têxtil do Marco)

The turnover rate is determined in accordance with the following calculation formula: No. of departures per age bracket and gender in 2011/ total no. of employees as at December 31<sup>st</sup> 2011.



#### LA4: Percentage of employees covered by collective bargaining agreements

97% of employees in the Retail area of Sonae in Portugal (32,324 employees) are covered by a collective bargaining agreement instrument (I.R.C.T).

#### LA5: Minimum prior notice timeframes with regard to operational changes, even if this procedure is mentioned in the collective bargaining agreements

The notification timeframe for Retail area employees as regards the implementation of major operational changes is observed in accordance with the standards of the Employment Code and the Collective Bargaining Agreements applicable. It should be noted that the collective instruments do not foresee any special procedures in this regard in view of the legal standards in force.

#### LA7: Injury rate, occupational illnesses, missed days and deaths related with work, by region

Health and Safety	Male	Female	TOTAL
Hours workable by the employees as a whole (h)	20,297,416	41,831,262	62,128,678
Number of deaths (no.)	0	0	0
Number of accidents at the workplace	NA	NA	1,626
Number of accidents on journey home-work-home	NA	NA	121
TOTAL ACCIDENTS (no.)	NA	NA	1,747
ACCIDENT RATE	NA	NA	0.003%
Number of days absence owing to occupational accident (d)	NA	NA	21,960
RATE OF DAYS MISSED OWING TO OCCUPATIONAL ACCIDENT	NA	NA	0.04%
Number of days absence owing to occupational illnesses (d)	0	0	0
RATE OF OCCUPATIONAL ILLNESSES	0%	0%	0%
Total number of missed days (d)	NA	NA	21,960
RATE OF DAYS MISSED	NA	NA	0.04%
Number of hours of absenteeism (h)	506,380	1,706,017	2,212,397
ABSENTEEISM RATE (%)	2%	4%	4%

Scope of reporting: Retail – Portugal

In the future Sonae intends to improve the collection of information so as to obtain response data to this indicator by gender.

These rates are determined according to the following methodology:

Accident Rate = (Number of accidents / Hours workable by total employees) x 100;

Rate of days lost through occupational accident = (No. of days absent per occupational accident / Hours workable by total employees) x 100;

Lost day rate = (No. of lost days / hours workable by total employees) x 100;

Rate of occupational diseases = (No. of days absent for illnesses / Hours workable by total employees) x 100;

Absenteeism rate = (Hours of absenteeism / Hours workable by total employees) x 100

LA8: Programmes in progress for education, training, advice, prevention and risk control to ensure assistance to employees, their families or the members of the community affected by serious illnesses

#### Training actions for employees in 2011

	No. participants
First Aid	694
Medicine at Work	30
Healthy diet	148
Security Officers	75
Fire-fighting	862
Driving and use of machines/ equipment/ handling of loads	2,811
Automated external defibrillation	43
Ergonomics and safety in the office	71
"Perishables' School" (HSW)	29,858
Emergency plan drill	263
Labour legislation	55
OHSAS 18001 – Risks at the Workplace	93
Internal Safety Plan	13,459
Swine flu' risk – H1N1	26
Risks at the workplace	1,671
Noise at the workplace	233
Safety, hygiene and health at the Workplace	26,161
Raising awareness actions regarding hygiene and safety at the workplace	1,231
Passive drill (PSI questionnaires)	785
Use of hazardous products	228
Workflow for accidents at work	96
<b>Total Participants</b>	<b>78,893</b>
<b>Total actions</b>	<b>75</b>

Scope of reporting: Retail

## Advisory actions for employees in 2011

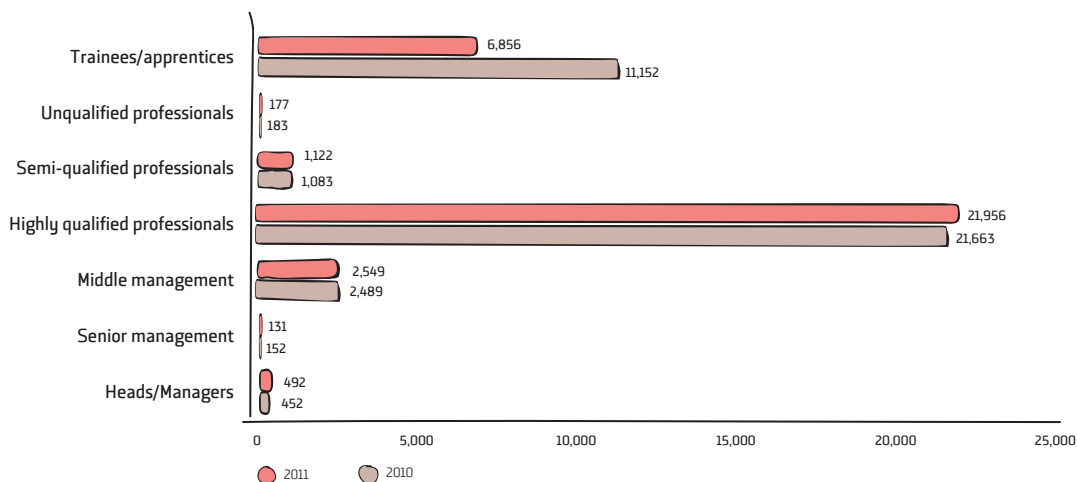
	No. participants	Observations
National Day for Prevention and Safety at Work	34,000	This action targeted the employees of MC and SR where the clients were involved
European Week for Safety and Health at Work	34,000	This action targeted the employees of MC and SR where the clients were involved
Women's Day - March 8th	24,646	This action targeted the employees of MC and SR with the cooperation of a laboratory
May - Heart Month	34,000	This action targeted the employees of MC with the cooperation of the Portuguese Cardiology Foundation
Nutrition Sessions	42	This action targeted the employees of Maia Structure
Health Screening	98	This action targeted the employees of Maia and Matosinhos Structure
Flu'	34,000	This action targeted the employees of MC and clients in partnership with the Directorate-General of Health. Pamphlets and posters were distributed
Flu' (vaccination)	6,026	Distribution of vaccines to all the pre-enrolled employees of MC and SR
Breast Cancer	34,000	This action targeted the employees of MC and clients in partnership with Laço. Pamphlets and posters were distributed
Breast Cancer - Clarification Sessions	64	This action targeted the employees of Structure of Maia; Matosinhos; Carnaxide and the Maia depot
Aids	34,000	This action targeted the employees of MC and clients in partnership with the High Commissioner for Combating Aids. Pamphlets and posters were distributed
Bone Marrow	1,229	This action targeted the employees as potential donors
Counterweight - body weight control	8	
Hiper Saudável Project - Healthy Diet	3	
<b>Total Participants</b>	<b>236,144</b>	
<b>Total actions</b>	<b>12</b>	

Scope of reporting: Retail

## LA10: Average hours training per year per employee itemised by post category

### Evolution of number of employees by functional category

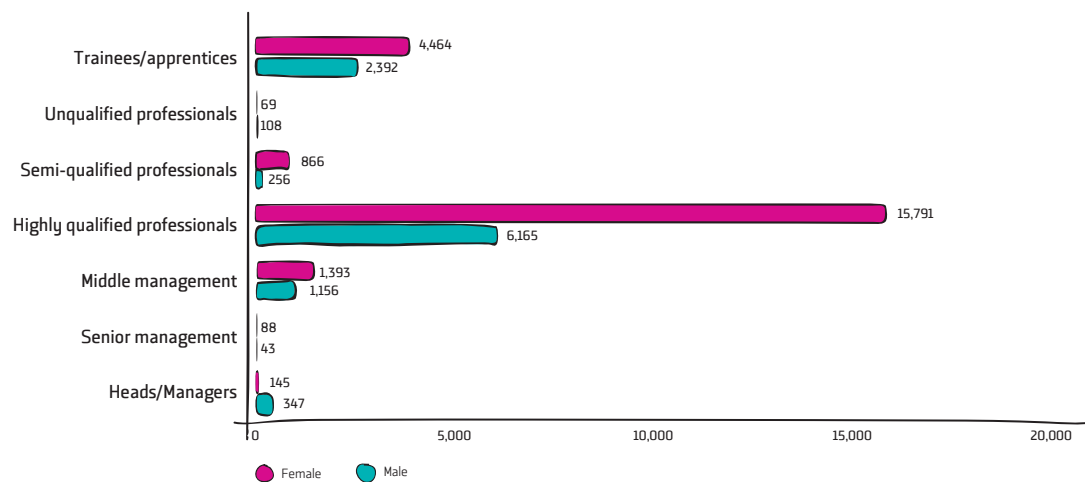
Total employees by functional category



Scope of reporting: Retail – Portugal

### Number of employees by functional category and gender (2011)

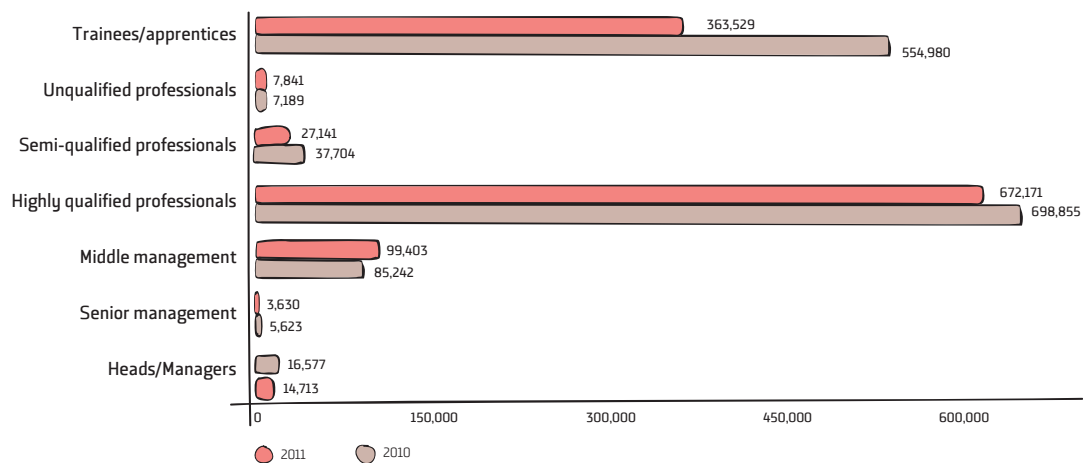
Total employees by functional category and gender(2011)



Scope of reporting: Retail – Portugal

## Evolution of number of hours training by functional category

Total hours training by functional category

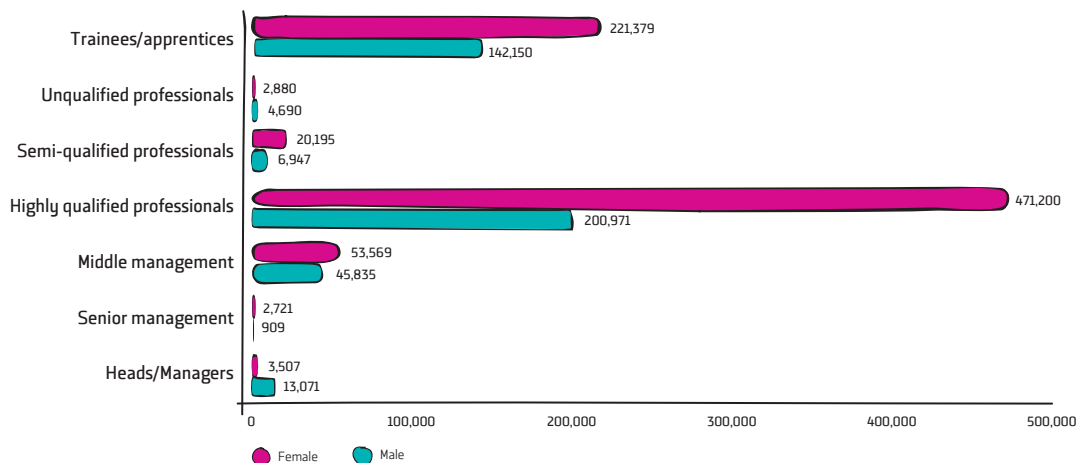


Scope of reporting: Retail – Portugal

Note: Accruing to the latter are 124,852 hours of training given by Sonae SR Spain to a total of 2,618 employees on December 31<sup>st</sup>.

## Total hours training by professional category and gender (2011)

Total hours training by functional category and gender (2011)



Scope of reporting: Retail – Portugal

#### Average hours training by functional category and gender (2011)

	Male	Female	Total
Heads/Managers	38	24	34
Senior management	21	31	28
Middle management	40	38	39
Highly qualified professionals	33	30	31
Semi-qualified professionals	27	23	24
Unqualified professionals	46	42	44
Trainees/apprentices	59	50	53
<b>TOTAL</b>	<b>40</b>	<b>34</b>	<b>36</b>

Scope of reporting: Retail – Portugal

#### LA11: Programmes for skills management and on-the-job learning which support the continued employability of employees and for career management

##### Evolution of skills and on-the-job management programmes of employees

Programmes	No. of actions	
	2010	2011
Shopping Centres	5	72
Leadership Academy	-	119
Transversal Skills Academy	-	160
Management Academy	-	2
Ongoing improvement/Kaizen	26,030	16,922
"Perishables" School	16,533	16,266
Sales' School	2,246	6,603
Health School	-	20
Training in Processes/Systems (Workflows, SAP, Retek, Supply Chain, Stock break)	748	471
Technical training for suppliers/products	719	611
Environmental Management	324	291
Hygiene, Health and Safety at the Workplace	9,565	8,033
<b>Total</b>	<b>56,170</b>	<b>49,570</b>

Scope of reporting: Retail – Portugal

#### LA12: Percentage of employees who regularly receive performance analyses and career development

The performance appraisal process is applicable to 100% of Sonae employees (Portugal). In 2011 it was not possible to verify the actual proportion of appraisals carried out.

LA13: Composition of company governing bodies and list of employees by category in accordance with gender, age bracket, minorities and other diversity indicators

Number of employees by professional category, age bracket and gender (2011)

	Age bracket	Male	Female	Total
Heads/ Managers	< 18 years old	0	0	0
	From 18 to 34 years old	23	10	33
	From 35 to 44 years old	162	75	237
	From 45 to 54 years old	120	46	166
	From 55 to 64 years old	41	14	55
	≥ 65 years old	1	0	1
	<b>TOTAL</b>	<b>347</b>	<b>145</b>	<b>492</b>
Senior management	< 18 years old	0	0	0
	From 18 to 34 years old	19	52	71
	From 35 to 44 years old	20	31	51
	From 45 to 54 years old	3	5	8
	From 55 to 64 years old	1	0	1
	≥ 65 years old	0	0	0
	<b>TOTAL</b>	<b>43</b>	<b>88</b>	<b>131</b>
Middle management	< 18 years old	0	0	0
	From 18 to 34 years old	360	499	859
	From 35 to 44 years old	521	666	1,187
	From 45 to 54 years old	232	201	433
	From 55 to 64 years old	41	26	67
	≥ 65 years old	2	1	3
	<b>TOTAL</b>	<b>1,156</b>	<b>1,393</b>	<b>2,549</b>
Highly qualified and qualified professionals	< 18 years old	0	0	0
	From 18 to 34 years old	3,843	7,724	11,567
	From 35 to 44 years old	1,599	5,530	7,129
	From 45 to 54 years old	602	2,273	2,875
	From 55 to 64 years old	117	264	381
	≥ 65 years old	4	0	4
	<b>TOTAL</b>	<b>6,165</b>	<b>15,791</b>	<b>21,956</b>
Semiqualfied professionals	< 18 years old	0	0	0
	From 18 to 34 years old	170	611	781
	From 35 to 44 years old	53	180	233
	From 45 to 54 years old	27	66	93
	From 55 to 64 years old	6	9	15
	≥ 65 years old	0	0	0
	<b>TOTAL</b>	<b>256</b>	<b>866</b>	<b>1,122</b>
Unqualified professionals	< 18 years old	0	0	0
	From 18 to 34 years old	36	19	55
	From 35 to 44 years old	52	26	78
	From 45 to 54 years old	18	18	36
	From 55 to 64 years old	2	6	8
	≥ 65 years old	0	0	0
	<b>TOTAL</b>	<b>108</b>	<b>69</b>	<b>177</b>
Trainees/ Apprentices	< 18 years old	0	0	0
	From 18 to 34 years old	2,272	4,074	6,346
	From 35 to 44 years old	102	323	425
	From 45 to 54 years old	18	59	77
	From 55 to 64 years olds	0	8	8
	≥ 65 years old	0	0	0
	<b>TOTAL</b>	<b>2,392</b>	<b>4,464</b>	<b>6,856</b>

Scope of reporting: Retail – Portugal

#### LA14: Ratio of basic salary and remuneration of men to women to men by employee category

Evolution of ratio of basic salary by professional category and by gender

	2010 Ratio M/H	2011 Ratio M/H
Heads/Managers	0.81	0.79
Senior management	1.00	0.90
Middle management	0.94	0.91
Highly qualified and qualified professionals	0.99	0.99
Semiqualfied professionals	0.90	0.87
Unqualified professionals	0.91	0.88
Trainees/Apprentices	0.99	0.99

Scope of reporting: Retail (includes Têxtil do Marco)

Average remuneration by functional category and gender (2011)

	Ratio M/H
Heads/Managers	0.78
Senior management	0.91
Middle management	2.07
Highly qualified and qualified professionals	0.41
Semi-qualified professionals	0.85
Unqualified professionals	1.65
Trainees/Apprentices	1.03
<b>TOTAL</b>	<b>0.77</b>

Scope of reporting: Retail (includes Têxtil do Marco)

The reported amounts assume the basic monthly salary and the total monthly remuneration to be the same for a part-time or permanent employee. To draw the aforementioned comparison, the basic monthly salary and monthly remuneration of the employees working part-time was converted to Full-Time Equivalent.



## LA15: Rates of Return and Retention after Paternity Leave

### Rates of usufruct return and retention after paternity leave (2011)

	Male	Female	Total
Number of employees entitled to paternity leave (no.)	10,467	22,816	33,283
Number of employees who have enjoyed paternity leave (no.)	491	1,354	1,845
Number of employees who returned to work after completing paternity leave (no.)	490	1,342	1,832
Number of employees who returned to work after completing paternity leave and who are still at the Company 12 months later (no.)	480	1,316	1,796
<b>USUFRUCT RATE (%)</b>	<b>5%</b>	<b>6%</b>	<b>6%</b>
<b>RETURN RATE (%)</b>	<b>100%</b>	<b>99%</b>	<b>99%</b>
<b>RETENTION RATE (%)</b>	<b>96%</b>	<b>99%</b>	<b>98%</b>

Scope of reporting: Retail – Portugal

The rate of retention is determined in accordance with the following calculation formula: Number of employees who in 2011 returned to work after completing paternity leave and who are still at the Company 12 months later / Number of employees who enjoyed paternity leave in 2010.

The following data from 2010 was used to calculate the retention rate for 2011:

2010	Male	Female	Total
Number of employees who have enjoyed paternity leave (no.)	502	1,334	1,836

## Human Rights' Indicators (HR)

### HR1: Percentage and total number of significant investment contracts which include clauses relating to human rights or which have been submitted to analysis relating to human rights

The supply contracts consider a clause of obligation by the supplier stating it will "Comply with all the standards and legislation applicable to the work provided by minors, human rights and prohibition of discrimination of its employees, whatever the reason". This clause is included in the following Retail area contracts: general supply contract, health-related supply contract, consumables supply contract, supply contract for fish market, wholesaler supplier brand contract and in the other standard supply contracts in systems.

**HR2: Percentage of the main suppliers and companies contracted which were submitted to evaluations regarding human rights and the measures taken**

Number of contracts which include human rights' clauses

Brand	2010	2011
Total no. of contracts	5,072	5,047
Number of contracts which include human rights' clauses	507	235
Percentage of contracts which include human rights' clauses	10%	5%

**HR3: Total no. of employees who have received formal training in the policies and procedures of the organisation relating to human rights' issues**

In 2011 Retail area employees who have not received formal training in the policies and procedures of the organisation relating to human rights' issues.

**HR4: Total number of cases of discrimination and actions taken**

In 2011, at Sonae there were no cases of corruption in the organisation.

**HR5: Cases in which there is a significant risk of impediment to free exercising of the freedom of association and entering into collective bargaining agreements, and measures which contribute to its elimination.**

At Sonae there are no operations involving risk in the context of the exercising of the freedom of association and the implementation of collective bargaining agreements. See LA4.

**HR6: Cases in which there is a major risk of the occurrence of child labour and measures which contribute to its elimination**

At Sonae there is no risk of the existence of child labour. As a rule, minors are not employed. Minors aged between 16 and 18 years are admitted by way of exception and always in compliance with the legal requirements.

**HR7: Cases in which there is a significant risk of the occurrence of forced labour or slave labour and measures which contribute to their elimination.**

There is no forced labour. Value chain risks are minimised by the existing control processes

**HR11: Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms**

In 2011 Sonae did not receive any complaints related with human rights.

Scope of reporting: Retail - Portugal

## Social Indicators (SO)

### SO1: Percentage of operations with implemented local community engagement, impact assessments, and development programs

There are numerous times when the impacts and benefits of activity are measured for communities. From the time of installation of a new unit, it is necessary to proceed with all contacts with local authorities and entities to obtain the permits and licenses and ensure the conditions, so as to cause a minimum negative impact on the communities. During the operation numerous initiatives are undertaken to support the communities at a central level and through each brand, promoting well-being and social cohesion in the communities. These are very often carried out in partnership with local entities. Information about these initiatives and examples will be described in the report.

### SO2: Percentage and total number of business units which are subject to the analysis of corruption risks

In its risk management process Sonae implements the international methodology Enterprise Risk Management – Integrated Framework (COSO), which allows the identification of the different types of risks and threats to business development both strategically and operationally. As the corruption risk has not been identified as a priority risk for business, no appraisals were carried out in this regard. The Code of Conduct and Ethics in the Retail area also takes this risk into account and no case has been reported. For further information about the risk management process – vide chapter about risk management and internal audit.

### SO3: Percentage of employees who have carried out training in the anticorruption policies and practices of the organisation

Although the corruption risk is not regarded as a priority risk for the business, in 2011 7,586 employees, not managers, received training related with anticorruption policies or procedures.

### SO4: Measures taken in response to corruption cases

In 2011 no corruption cases occurred at Sonae meaning that there was no need to implement measures to respond to this type of situation.

### SO5: Positions as regards public policies and participation in the drawing up of public policies and in pressure groups

Sonae takes part in various associations through which a position is assumed vis-à-vis a series of themes which are capable of influencing the public policies. Similarly to last year, the matter of the opening of hypermarkets on Sundays remains. Worthy of special mention is the participation of Sonae in the Global Enterprise Project of ERT (European Round Table) /JA (Junior Achievement)

The Global Enterprise Project is an organisation which brings together the main European business leaders and one of the great benefits of participation in this organisation is the capacity to influence education so as to incorporate the overall business context and entrepreneurialism in school CVs. (for further information about this participation, vide chapter relating to highlights 2011).

### SO8: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations

In 2011 administrative fines for breaching timetable setting rules stood at 800€.

Scope of reporting: Retail

## Product Responsibility Indicators (PR)

**PR1: Life cycle stages of products and services in which health and safety impacts are assessed with a view to making improvements, as well as the percentage of the main product and service categories subject to said procedures**

We bear in mind the impacts on health and the safety of the Private Label products (food, sports, textile at the various stages of their product life cycle. For example, in terms of electronic products, we are carrying out the development of the image of the product, the packaging and the manual vis-à-vis the manufacturer. The manufacturing process for this product type is monitored by means of various inspections. In terms of food, we carry out product research and development, for example, through the optimisation of its nutritional profile.

### Supplier audits by area (2011)

	2011			
	Food	Textile	Sport	Electronics
<b>Total no. of suppliers</b>	<b>789</b>	<b>380</b>	<b>349</b>	<b>579</b>
National	415	133	60	14
Foreign	374	247	289	565
<b>Total no. of audited suppliers</b>	<b>571</b>	<b>11</b>	<b>0</b>	<b>7</b>
National	292	1	-	0
Foreign	279	10	-	7
<b>Total percentage of audited suppliers (%)</b>	<b>72.4%</b>	<b>2.9%</b>	<b>-</b>	<b>1.2%</b>
<b>Percentage of national audited suppliers (%)</b>	<b>70.4%</b>	<b>0.8%</b>	<b>-</b>	<b>0.0%</b>
<b>Percentage of foreign audited suppliers (%)</b>	<b>74.6%</b>	<b>4.0%</b>	<b>-</b>	<b>1.2%</b>

Scope of reporting: Retail

### Number of analyses of Private Label products (2011)

	2011			
	Food	Textile	Sport	Electronics
<b>Total</b>	<b>510,006</b>	<b>85,000</b>	<b>4,100</b>	<b>536</b>
In internal laboratories	500,000	56,000	80	-
In external laboratories	10,006	29,000	4,020	-

Scope of reporting: Retail

Product approval involves the obligation to submit proof of compliance with the European Standards in force for the product in addition to compliance with brand Tender Specifications. The production process is accompanied by internal technicians and the different production stages are validated from the Proto sample, the pre-production sample to the Golden sample. In addition to the technical support with local entities carrying out inspections of the product at the factories. In the textile area all brand products controlled by accredited laboratories are tested (CITEVE and SGS).

**PR5: Procedures related with Customer satisfaction, including the results of research which measure Customer satisfaction**

Evolution of the number of suggestions and complaints lodged by brand

	2009	2010	2011
Continente	43,839	41,314	63,546
Continente modelo	14,075	13,971	-
Continente bom dia	443	378	-
Modalfa	2,397	3,929	5,472
Zippy	96	456	3,736
Worten	17,464	20,023	22,850
Vobis	830	827	817
Sport Zone	372	563	271
Well's	44	510	3,233
Bom Bocado	98	208	346
Book,it	6	24	40
Loop	12	24	17
Others	-	-	257
<b>Total</b>	<b>79,676</b>	<b>82,227</b>	<b>100,585</b>

Scope of reporting: Retail

**PR6: Programmes involving compliance with the laws, standards and voluntary codes related with marketing communications, including advertising, promotion and sponsorship**

Since 2009 Sonae has subscribed to the Food Industry Commitments regarding Food, Physical Activity and Health relating to the advertising and marketing communications aimed at children. These commitments, developed by FIPA – the Portuguese Agro-Food Industry Federation and by APAN – the Portuguese Advertisers' Association set out to alter the type of beverages and foodstuffs advertised on TV, in publications and on the internet which are aimed at the under-12's.

**PR9: Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services**

Monetary value of significant fines for noncompliance with laws and regulations

	Total
Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services (no.)	103
Total monetary value of significant fines (€)	219,538 €

### 4.1.3 GRI Table

Table Global Reporting Initiative Index

GRI INDICATOR		VERIFICATION	UN GLOBAL COMPACT	LOCATION
STRATEGY AND ANALYSIS				
1.1	Message from the Chairman of the Board of Directors about the relevance of Sustainability for the organisation and its strategy			Page 8
1.2	Description of the main impacts, risks and opportunities related with company activity			Pages 22-28
ORGANISATIONAL PROFILE				
2.1	Denomination of reporting organisation			Page 13
2.2	Main brands, products and/or services			Pages 13 and 14
2.3	Operational structure of the organisation and main divisions, operators, subsidiaries and joint ventures			Pages 13-17; 36-38
2.4	Location of organisation's head offices			Sonae, SGPS. SA has its head offices at Lugar de Espido, Via Norte Maia-Portugal
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.			Pages 13-17
2.6	Type and legal nature of ownership			Sonae, SGPS.SA Page 13
2.7	Markets covered			Pages 15-17
2.8	Size of reporting organisation			Pages 13-17; 21-22
2.9	Main alterations which have occurred during the period covered by the report relating to the size, organisational structure or shareholder structure			Pages 13-17
2.10	Awards received during the period the report refers to			Pages 29-32
REPORT PARAMETERS				
Report Profile				
3.1	Period covered for the information submitted in the report			Page 6
3.2	Date of the last report published			Page 6
3.3	Report publication cycle			Page 6
3.4	Contact point for questions regarding the report or its contents			Page 7
Scope and Limits of the Report				
3.5	Process to define the content of the report			Pages 6; 53
3.6	Boundary of the report (e.g., countries, divisions, joint ventures)			Page 6

GRI INDICATOR		VERIFICATION	UN GLOBAL COMPACT	LOCATION
3.7	Specific limitations to the scope and limits of the report			Pages 6, 118-146
3.8	Base for drawing up the report as regards joint ventures, subsidiaries, rented premises, operations assigned and external services and other entities capable of significantly affecting the comparison between different periods and/or organisations			Page 6
3.9	Data measurement techniques and the bases for calculation, including the theories and techniques underlying the estimates applied to the compiling of indicators and other information contained in the report			Pages 6; 118-146
3.10	Explanation of the effect of any reworkings of information to be found in previous reports and the reasons for said reworkings			Pages 118-146
3.11	Significant alterations with regard to previous reports in the context, limit or measurement methods applied			Pages 118-146
<b>GRI Content Index</b>				
3.12	GRI table content index			GRI Table Page 147-157
<b>Verification</b>				
3.13	Current policy and practice with regard to the search for an independent reliability assurance process which monitors the Sustainability Report			Pages 6, 116
<b>GOVERNANCE</b>				
<b>Governance</b>				
4.1	Governance structure of the organisation, including commissions subordinated to the most hierarchically superior governance body with responsibility for specific tasks such as the definition of the strategy or supervision of the organisation			Pages 36-38 Report on Corporate Governance - Pages 20-21
4.2	Role of the Chairman			Pages 36-38 Report on Corporate Governance - Pages 20-21
4.3	Indicate whether the Chair of the highest governance body is also an executive officer			Report on Corporate Governance - Page 22
4.4	Mechanisms which allow shareholders and employees to convey recommendations or guidelines to the hierarchically higher governance body			Pages 36-38; 47; 52
4.5	Relationship between the remuneration of the members of the hierarchically higher governance body, senior managers and executives (including decision-making agreements) and the performance of the organisation (including the social and environmental performance)			Report on Corporate Governance Pages 42-44; 53
				Pages 43-44
				Report on Corporate Governance - Pages 68-69
4.6	Processes at the disposal of the hierarchically higher governance body to avoid the occurrence of conflicts of interest			The Code of Conduct of Sonae demonstrates the organisational commitment to avoid the occurrence of conflicts of interest. For further information consult the Code of Conduct via the address: <a href="http://www.sonae.pt/pt/investidores/governo-da-sociedade/">http://www.sonae.pt/pt/investidores/governo-da-sociedade/</a>

4.7	Process for the determination of the qualifications and competences required of the members of the hierarchically higher governance body to define the organisation's strategy with regard to issues related with economic, environmental and social performance			Report on Corporate Governance 2010 Pages 22; 75-88
4.8	Internal development of declarations of principles or mission, codes of conduct and principles considered relevant for the economic, environmental and social performance, as well as the implementation stage		Principles 1 to 10	Pages 12; 33; 43-44
4.9	Processes of the hierarchically higher Governance body to supervise the way in which the organisation carries out the identification and management of the economic, environmental and social performance, risk identification and management and relevant opportunities as well as adherence to or compliance with internationally accepted standards, codes of conduct and principles		Principles 1 to 10	Management Report - Page 45
4.10	Processes for performance appraisal of the hierarchically higher governance body, particularly with regard to economic, environmental and social performance			Management Report - Page 45

#### COMMITMENTS TO EXTERNAL INITIATIVES

4.11	Precautionary principle of the organisation		Principle 7	Pages 39-41; 60-61
4.12	Letters, principles and other initiatives developed externally of an environmental, economic and social nature which the organisation subscribes to or defends		Principles 1 to 10	Pages 19; 33
4.13	Major participation in associations and/or national/international organisations			Page 33

#### RELATIONSHIP WITH STAKEHOLDERS

4.14	List of groups which constitute the stakeholders involved by the organisation			Page 51
4.15	Basis for identification and selection of the stakeholders to be involved			Page 53
4.16	Approaches used to involve the stakeholders, including the frequency of the involvement, by type and by group, of the stakeholders			Page 51
4.17	Main issues and concerns identified by means of the involvement of the stakeholders and the measures adopted by the organisation in the processing thereof, namely through the reports			Pages 53-55

#### ECONOMIC PERFORMANCE INDICATORS

Forms of Management	Pages 12; 20-25; 45-47; 63; 88-94
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GRI INDICATOR

VERIFICATION

UN GLOBAL  
COMPACT

LOCATION

#### ASPECT: ECONOMIC PERFORMANCE

EC1	Essential	Direct economic value generated and distributed		Pages 25; 118
EC2	Essential	Financial implications and other risks and opportunities for the organisation's activities owing to climate changes	Principle 7	Page 66



EC3	Essential	Coverage of obligations relating to the benefits' plan defined by the organisation			Page 118
EC4	Essential	Major financial support received from the government			Pages 25; 118
<b>ASPECT: PRESENCE ON THE MARKET</b>					
EC5	Complementary	Ratio between the lowest salary and the minimum local salary at the important operating units		Principle 1	Not available
EC6	Essential	Policies, practices and proportion of costs with local suppliers at important operating units			Pages 77-79, 118
EC7	Essential	Local contracting procedures and proportion of top management posts taken up by individuals from the local community at the most important operating units.		Principle 6	Page 118
<b>ASPECT: INDIRECT ECONOMIC IMPACTS</b>					
EC8	Essential	Development and impact of investments in infrastructures and services which are essentially aimed at the public benefit through commercial involvement in kind or pro bono			Pages 48; 119
EC9	Complementary	Description and analysis of the most significant Indirect Economic Impacts, including their extent			Pages 85-87

## ENVIRONMENTAL PERFORMANCE INDICATORS

Forms of Management	Pages 12; 27; 45-47; 65-73; 88-94
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GRI INDICATOR

VERIFICATION

UN GLOBAL  
COMPACT

LOCATION

### ASPECT: MATERIALS

EN1	Essential	Materials used by weight or volume.		Principle 8	Page 119
EN2	Essential	Percentage of materials used which derive from recycling		Principles 8 and 9	Page 119

### ASPECT: ENERGY

EN3	Essential	Direct energy consumption by primary energy source		Principle 8	Pages 66, 119-120
EN4	Essential	Indirect energy consumption by primary energy source		Principle 8	Pages 67-68; 121-122

EN5	Complementary	Total energy saving due to improvements to upkeep and efficiency		Principles 8 and 9	Pages 67-71
EN6	Complementary	Initiatives to provide products and services based on efficiency or renewable energies and reductions in energy consumption as a result of said initiatives		Principles 8 and 9	Pages 82-84
EN7	Complementary	Initiatives to reduce the indirect consumption of energy and the reductions achieved		Principles 8 and 9	Pages 67-71

#### ASPECT: WATER

EN8	Essential	Total water consumption by source		Principle 8	Pages 71, 122
EN9	Complementary	Water sources significantly affected by water consumption		Principle 8	Not available
EN10	Complementary	Percentage and total volume of recycled and reused water		Principles 8 and 9	Page 122

#### ASPECT: BIODIVERSITY

EN11	Essential	Location and size of the sites belonging to, rented or administered by the organisation in protected areas or with a high value for biodiversity or adjoining them		Principle 8	Page 123
EN12	Essential	Description of the significant impacts of activities, products or services on biodiversity and protected areas and on the areas and high biodiversity index outside protected areas		Principle 8	Pages 80-81; 123
EN13	Complementary	Protected or recovered habitats		Principle 8	Page 123
EN14	Complementary	Current and future strategies and programmes for the management of impacts on biodiversity		Principle 8	Pages 80-81
EN15	Complementary	Number of species on the IUCN red list and on the national list for conservation of species with habitats in areas affected by operations itemised by extinction risk level		Principle 8	Not available

#### ASPECT: EMISSIONS, EFFLUENTS AND WASTE

EN16	Essential	Total direct and indirect emissions of gases with a greenhouse effect by weight		Principle 8	Pages 68-69; 123-124
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EN17	Essential	Other indirect emissions of greenhouse gases	Principle 8	Pages 70; 124-125
EN18	Complementary	Initiatives to reduce greenhouse gas emissions as well as the reductions achieved	Principles 7 to 9	Pages 67-70
EN19	Essential	Emissions of ozone-layer destroying substances by weight	Principle 8	Pages 71; 125
EN20	Essential	NOx, SOx and other significant atmospheric emissions by type and weight	Principle 8	Page 126
EN21	Essential	Total water discharge by quality and destination	Principle 8	Pages 72; 127
EN22	Essential	Total quantity of waste by disposal method and type	Principle 8	Pages 72-73; 127-128
EN23	Essential	Number and total volume of major spillages	Principle 8	Page 129
EN24	Complementary	Weight of waste transported, imported, exported or treated, regarded as hazardous under the terms of the Basel Convention – Annexes I, II, III and VIII and the percentage of waste transported by ship internationally	Principle 8	Not available
EN25	Complementary	Size, protection statute and value for biodiversity of the water resources and respective habitats significantly affected by discharges of water and surface runoff	Principle 8	Not available
<b>ASPECT: PRODUCTS AND SERVICES</b>				
EN26	Essential	Initiatives to mitigate the environmental impacts of products and services and the degree of impact reduction	Principles 7 to 9	Pages 65-73; 83-85; 129
EN27	Essential	Percentage recovered of products sold and respective packaging by category	Principles 8 to 9	Not applicable
<b>ASPECT: COMPLIANCE</b>				
EN28	Essential	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Principle 8	Page 129
<b>ASPECT: TRANSPORT</b>				
EN29	Complementary	Significant environmental impact resulting from the transport of products and other goods or raw materials used in the organisation operations as well as the transport of employees	Principle 8	Pages 69-70
<b>ASPECT: GENERAL</b>				
EN30	Complementary	Total costs and investments defrayed on environmental protection by type	Principles 7 to 9	Not available

## LABOUR PERFORMANCE INDICATORS

Forms of Management		Pages 12; 20; 28; 42-47; 62-65; 88-94		
GRI INDICATOR		VERIFICATION	UN GLOBAL COMPACT	LOCATION
<b>ASPETO: EMPREGO</b>				
LA1	Essential	Total labour by type of employment, employment contract and region		Pages 62, 130
LA2	Essential	Total number of employees and respective turnover rate, by age bracket, gender and region	Principle 6	Pages 131-133
LA3	Complementary	Benefits assured to full-time employees which are not granted to temporary or part time employees		Not available
<b>ASPECT: RELATIONS BETWEEN EMPLOYEES AND THE GOVERNANCE</b>				
LA4	Essential	Percentage of employees covered by collective bargaining agreements	Principles 1 and 3	Page 134
LA5	Essential	Minimum prior notification timeframes with regard to operational changes including when this procedure is mentioned in collective bargaining agreements	Principle 3	Page 134
<b>ASPECT: HEALTH AND SAFETY AT WORK</b>				
LA6	Complementary	Percentage of total labour represented on formal committees for health and safety which help to ensure monitoring and advice about occupational health and safety programmes	Principle 1	Not available
LA7	Essential	Injury rate, occupational illnesses, missed days and deaths related with work, by region and gender	Principle 1	Page 134
LA8	Essential	Programmes in progress for education, training, advice, prevention and risk control to ensure assistance to employees, their families or the members of the community affected by serious illnesses	Principle 1	Pages 135-136
LA9	Complementary	Topics related with health and safety covered by formal agreements with trade unions	Principle 1	Not available
<b>ASPECT: TRAINING</b>				
LA10	Essential	Average hours training per year per employee itemised by post category.		Pages 62; 137-139
LA11	Complementary	Programmes for skills' management and on-the-job management learning which support the continuity of employability of employees and for career management		Pages 62-63; 139
LA12	Complementary	Percentage of employees who regularly receive performance analyses and career development		Pages 62; 139

## ASPECT: DIVERSITY AND EQUALITY OF OPPORTUNITIES

LA13	Essential	Composition of company governing bodies and list of employees by category in accordance with gender, age bracket, minorities and other diversity indicators	Principles 1 to 6	Page 140
LA14	Essential	Ratio of basic salary and remuneration of men to women to men by employee category	Principles 1 to 6	Page 141
LA15	Essential	Rates of Return and Retention after Paternity Leave		Page 142

## HUMAN RIGHTS PERFORMANCE INDICATORS

Forms of Management

Pages 12; 20; 77-79; 88-94

GRI INDICATOR

VERIFICATION

UN GLOBAL  
COMPACT

LOCATION

## ASPECT: INVESTMENT AND PURCHASING PROCESSES' PRACTICES

HR1	Essential	Percentage and total number of significant investment contracts which include clauses relating to human rights or which were submitted to analysis regarding human rights	Principles 1 and 6	Page 142
HR2	Essential	Percentage of main suppliers and contracted companies which were submitted to appraisals relating to human rights and measures taken	Principles 1 and 6	Page 143
HR3	Complementary	Total number of hours training in policies and procedures relating to aspects of human rights relevant to operations, including the percentage of employees that have benefitted from training	Principles 1 and 6	Page 143

## ASPECT: NON-DISCRIMINATION

HR4	Essential	Total number of cases of discrimination and actions taken	Principles 1, 2 and 6	Page 143
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## ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

HR5	Essential	Cases in which there is a significant risk of impediment to free exercising of the freedom of association and entering into collective bargaining agreements, and measures which contribute to their elimination.	Principles 1 and 3	Page 143
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## ASPECT: CHILD LABOUR

HR6	Essential	Cases in which there is a major risk of the occurrence of child labour and measures which contribute to its elimination	Principles 1, 2 and 5	Page 143
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#### ASPECT: FORCED LABOUR AND SIMILAR TO SLAVE LABOUR

HR7	Essential	Cases in which there is a significant risk of the occurrence of forced labour or slave labour and measures which contribute to their elimination.		Principles 1.2 and 4	Page 143
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#### ASPECT: SAFETY PRACTICES

HR8	Complementary	Percentage of safety staff submitted to training in the policies or procedures of the organisation relating to human rights and which are relevant to operations		Principles 1 and 2	Not available
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#### ASPECT: RIGHTS OF NATIVE PEOPLES

HR9	Complementary	Total number of incidents which involve the breach of rights of native peoples and actions taken		Principles 1 and 2	Not available
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#### ASPECT: APPRAISAL

HR10	Essential	Operations taken to the appraisals of human rights		Principles 1 to 7	Pages 77-79
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#### ASPECT: REMEDIATION

HR11	Essential	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms		Principles 1 to 7	Page 143
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## SOCIAL PERFORMANCE INDICATORS

Formas de Gestão		Pages 12; 20; 23; 25; 28; 48-50; 85-94		
GRI INDICATOR		VERIFICATION	UN GLOBAL COMPACT	LOCATION
ASPECT: COMMUNITY				
S01	Essential	Percentage of operations with implemented local community engagement, impact assessments, and development programs		Page 144
ASPECT: CORRUPTION				
S02	Essential	Percentage and total number of business units which are subject to the analysis of corruption risks	Princípio 10	Pages 60-61; 144
S03	Essential	Percentage of employees who have carried out training in the anticorruption policies and practices of the organisation	Princípio 10	Page 144
S04	Essential	Measures taken in response to corruption cases	Princípio 10	Page 144
ASPECT: PUBLIC POLICIES				
S05	Essential	Positions as regards public policies and participation in the drawing up of public policies and in pressure groups	Princípio 1 a 10	Page 144
S06	Complementary	Total value of the financial contributions or contributions in kind to political parties, politicians or related institutions, itemised by country	Princípio 10	Not available
ASPECT: UNFAIR COMPETITION				
S07	Complementary	Total number of court actions owing to unfair competition, antitrust and monopolistic practices as well as their results		Not available
ASPECT: COMPLIANCE				
S08	Essential	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations		Page 144
S09	Essential	Impact on local communities		Pages 26; 42; 66; 77-81; 83-87
S010	Essential	Measures to mitigate the impacts on local communities		Pages 39-42; 48-50; 60-61; 67-77; 79-87

## RESPONSIBILITY FOR PRODUCT PERFORMANCE INDICATORS

Forms of Management		Pages 12; 20; 73-77; 80-83; 85; 88-94		
GRI INDICATOR		VERIFICATION	UN GLOBAL COMPACT	LOCATION
<b>ASPECT: CLIENT HEALTH AND SAFETY</b>				
PR1	Essential	Stages of product and service life cycles in which the impacts on health and safety are assessed with a view to making improvements as well as the percentage of the main product and service categories subject to said procedures		Pages 61; 73-79; 82-83; 145
PR2	Complementary	Total number of incidents deriving from non-compliance with regulations and voluntary codes relating to impacts on health and safety of products and services during the respective life cycle, itemised by type of result		Not available
<b>ASPECT: PRODUCTS AND SERVICES LABELLING</b>				
PR3	Essential	Type of information about products and services required by regulations and the percentage of significant products and services subject to said requirements	Principle 8	Pages 74; 76; 82-83
PR4	Complementary	Total number of incidents deriving from non-compliance with regulations and voluntary codes relating to information and labelling of products and services, itemised by type of result	Principle 8	Not available
PR5	Complementary	Procedures related with Customer satisfaction, including the results of research which measures Customer satisfaction		Page 52-53; 146
<b>ASPECT: MARKETING COMMUNICATIONS</b>				
PR6	Essential	Programmes involving compliance with the laws, standards and voluntary codes related with marketing communications, including advertising, promotion and sponsorship		Page 146
PR7	Complementary	Total number of incidents deriving from non-compliance with regulations and voluntary codes relating to marketing communications, including advertising, promotion and sponsorship, itemised by type of result		Not available
<b>ASPECT: CLIENT PRIVACY</b>				
PR8	Complementary	Total number of complaints lodged regarding the breach of client privacy	Principio 1	Not available
<b>ASPECT: COMPLIANCE</b>				
PR9	Essential	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services		Page 146



## 4.1.4 Glossary

ACGE	Climate Change and Corporate Management Index. The ACGE index is drawn up by Euronatura and aims to assess the performance of a series of Portuguese companies in different fields of activity with regard to their capacity to meet the challenges of climate alterations and a low carbon economy.
Climate change	Variation in the climate over time in terms of planet Earth.
APCC	Portuguese Contact Centers' Association
APECOM	Portuguese Association of Communication and Public Relations.
APED	Portuguese Association of Distribution Companies.
BCSD Portugal	Business Council for Sustainable Development. This is an organisation which carries out ongoing work to get sustainability onto organisations' agendas.
Benchmark	Methodological process to analyse, the most effective ideas and procedures which lead to a better performance.
Biocalce	This is certification ensures quality and comfort, durability and resistance in footwear types which only use materials that don't contain substances toxic to human beings and to the environment.
Biodiversity	"Variability among living organisms of all origins (...); it includes the diversity within each species, between species and of ecosystems" (Source: Convention on Biological Diversity).
BRE Group	Building Research Establishment Limited – This is an independent entity which evaluates the sustainable characteristics of products and services.
BREEAM	Building Research Establishment Environmental Assessment Method – Certification which defines the standard for the best practices as regards sustainable design and it has become the measurement used to describe the environmental performance of buildings.
CCL	Proof of purchase at Lot. CCL sets out to contribute to the qualitative and quantitative enhancement of fish traded on Portuguese lots.
CDP	Carbon Disclosure Project – this is an independent non-profit organisation which has developed the biggest world data base in terms of corporate information related with climate change. Over 3,000 organisations in around 60 countries measure and disclose data about their greenhouse gas emissions, water management and climate change strategies through the CDP, thereby allowing reduction goals to be defined and improvements to be made in performance.
Oeko-Tex Certification	International certification for raw, semi-finished and finished textile products at all stages of the process.
Cogeneration	Production in a single process simultaneously involving thermal and electric energy.
CO <sub>2</sub> e	Carbon dioxide Equivalent– reference unit which allows the quantification of all greenhouse gases.
Fuel	Anything liable to go into combustion.
COSO	Committee of Sponsoring Organizations of the Treadway Commission – this is a private, non-profit making organisation devoted to improving financial reports and studying the reasons why frauds occur in financial reports.
CRT	Cathode Ray Tube.
Sustainable Development	Development which satisfies the needs of the present without comprising the capacity of future generations to meet their own needs.
Final destination at the end of the useful life of products	Final destination (elimination or recovery) of the product after its use by the customer, carried out by authorised entities.
EC European Directive	European Union Directive regarding environmental responsibility in terms of preventing and repairing environmental damages.

REACH European Directive	European Union Directive regarding hazardous substances – Registration, Evaluation, Authorisation and Restriction of Chemical Substances.
RoHS Directive	European Union Directive regarding the restriction of hazardous substances which forbids certain hazardous substances from being used in product manufacturing processes.
EBITDA	Earnings before interest, taxes, depreciation, and amortization.
ERT	European Round Table–Organisation which brings together the main European business leaders.
EWRM	Enterprise Wide Risk Management–Business risk management programmes .
FCS	Forest Stewardship Council – FCS' seal on a product ensures its origin from responsibly managed forests, bearing in mind the needs of present and future generations.
Coolant fluid	Fluid which absorbs the heat of a substance from the environment to be cooled.
Greenhouse Gases (GHG)	Set of gases which retain at the Earth's surface the heat from solar radiation. The increase in greenhouse gases in the atmosphere have brought about the increase in temperature.
GB	Gigabyte – information measurement unit
GEP	Global Enterprise Project – Initiative which sets out to promote entrepreneurialism amongst secondary school students throughout Europe
GJ	Gigajoule – energy measurement unit
United Nations Global Compact	The main purpose of the Global Compact is to incentivise the alignment of business policies and practices with the values and objectives which are applicably internationally and universally agreed upon. These main values have been separated into ten key principles in the fields of "Human Rights", "Work", "Environment" and "Anti-Corruption".
GRI (Global Reporting Initiative)	The GRI sets out to draw up guidelines which help to achieve the standardisation and transparency of the reporting worldwide of socially responsible business activities.
GWh	Gigawatt – energy measurement unit
ISO (International Organization for Standardization)	A non-governmental organisation mainly involved with the standardisation of goods and services using standards so as to continuously promote product quality.
kWh	Kilowatt hour- energy measurement unit
kWp	Kilowatt-peak – The Kilowatt-peak is an energy power measurement, usually associated with photovoltaic cells.
LCD	Liquid crystal display.
LED	Light-emitting diode.
MSC	Certified Sustainable Seafood–a certification programme which rewards and recognises sustainable fishing.
MWh	Megawatt hour – energy measurement unit
EuroStandards	These are European emission standards. In Europe all new car models are subject to various technical tests which are legally compulsory so as to ensure a contribution to a cleaner environment by reducing pollution levels.
OHSAS	Occupational Health and Safety Assessment Series – OHSAS 18001 is a standard concerning the Risks at the Workplace Prevention Management developed by an international consortium of standardisation and certification entities.

PEFC	Programme for Endorsement of Forest Certification – a voluntary forest certification programme. The PEFC seal ensures us of a product originating from forests with sustainable management.
Ecological Footprint	This term refers to the amount of land and water required to sustain present generations, bearing in mind all the material and energy resources spent by a given population.
REAP	Retail Environmental Action Plan–This is an environmental action plan which identifies individual commitments in this area of those retail companies that sign up.
Recycling	Reusing materials to deploy them in new components.
WEEE	Waste electrical and electronic equipment.
Waste	Substances or objects for which the holder has no further use and desires to get rid of.
Social Responsibility	When companies voluntarily incorporate social and environmental commitments into their operations and into their interaction with the parties concerned (Source: European Commission, Green Book: Promoting a European framework for the corporate social responsibility of companies).
SUW	Solid Urban Waste.
Stakeholder	These are people or groups of people who affect or are affected by the targets of a given organisation.
SGS	Société Générale de Surveillance S.A is the largest organisation in the world in the field of inspection, verification, analysis and certification. With over 64000 employees SGS runs a network with more than 1250 offices and laboratories worldwide.
tCO <sub>2</sub> e	Tonne Carbon Dioxide Equivalent.
DRV	Daily Reference Values
WBCSD (World Business Council for Sustainable Development)	This is a leading organisation in terms of tackling Sustainable Development themes. It is a major platform for sustainability in terms of sharing information, experiences and better practices.
World Economic Forum	This non-profit making organisation annually promotes meetings where urgent issues such as health and the environment are discussed.
World Safety Declaration	This is a formal invitation to action and a vehicle for promoting collaboration in the Safety at work area. It is a commitment by global industry to the development of ideas which can be shared and adopted worldwide by companies.

## Credits

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