



SONAE

MUCH MORE THAN NUMBERS

SCOPE OF THIS DOCUMENT

This document covers Sonae's business and those of its sub-holdings: Sonae Distribuição, Sonae Sierra and Sonaecom. Each sub-holding has its own annual sustainability report and therefore detailed information on the practices implemented by each of them may be consulted at the following sites:

Sonae Distribuição:

<http://www.sonaedistribuicao.com/> [Social Responsibility area]

Sonae Sierra:

<http://www.sonaesierra.com/> [Corporate area]

Sonaecom:

<http://www.sonae.com/> [Corporate Responsibility area]

At <http://www.sonae.pt/> [Sustainability area], detailed information can be found concerning the practices of Sonae and its sub-holdings regarding:

- Performance in 2007 in relation to the Challenges set out in the 2006 report and Progress made;
- Compliance with the principles of the United Nations Global Compact;
- Compliance with the principles of the World Safety Declaration.

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Share Capital | € 2 000 000 000

Registered at the Maia Commercial Registry under the single registration and tax identification number 500 273 170



MUCH MORE THAN NUMBERS

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CEO'S STATEMENT

Sustainability principles have been an integral part of the company since its creation. Over the years, Sonae has performed positively not only in terms of profitability, but also in progress made socially, environmentally and through support to the community. Transparency, and ethical and responsible behaviour are fundamental principles guiding our business operations and contribute towards our performance.

Our history, business culture and values are determining factors in the pursuit of our sustainability objectives. Economic growth has always been accompanied by active involvement in international discussion of issues relating to sustainable development, through membership of important international organisations, and signing up to their principles. This has been the case in relation to commitments made to the *World Business Council for Sustainable Development (WBCSD)*, the *Business Council for Sustainable Development – Portugal (BCSD Portugal)*, the *United Nations Global Compact* and the *World Safety Declaration*.

The results achieved to date enable us to face the future with optimism and ambition, constantly challenging the markets, searching for new business opportunities, and building the confidence of our customers and business partners. The existence of a constant dialogue with our stakeholders is crucial for the long term success of our activities, given that open channels of communication must exist for both parties to understand the main areas to be improved.

With a society that is constantly changing, expectations also evolve and businesses change. The challenge for Sonae is to be able to reconcile dynamic management in a global economy with social and environmental impacts, at both a regional and local level. We believe that the key to finding this balance lies in a policy of transparency and taking responsibility for our actions.

We count on the support of all our stakeholders to find this balance.

Paulo Azevedo, Sonae CEO

An aerial photograph of a vibrant green field, possibly a golf course or a park, with long, dark shadows of trees cast across it from the upper right. The text is overlaid on the top left portion of the image.

02

**TOWARDS SUSTAINABLE
MANAGEMENT**



1959

Founding of the company

60'S AND 70'S

Growth based on the expansion of production of wood based products

80'S

1st Continente in Portugal

Entry into capital markets – market capitalization 500.000.000 escudos (€2,493M)

90'S

Launch of “Público” newspaper

International expansion of Sonae Sierra

Launch of Optimus

00'S

Spin-off of Sonae Indústria

Belmiro de Azevedo appointed Chairman of Sonae

Spin-off of Sonae Capital

Acquisition of Carrefour Portugal by Sonae Distribuição

Sonae manages a varied business portfolio that covers the food and non food retail areas – Sonae Distribuição; ownership, management, and development of shopping centres – Sonae Sierra; and telecommunications, media, software and information systems – Sonaecom.

The small wood based products manufacturing unit set up in 1959 has thus been transformed into one of the most important Portuguese business groups.

This growth has been due to a business culture, which has always believed in innovating, in anticipating, and in a determination to surprise and to question existing business models and thinking, as the key to its success.

A culture such as this provides a fertile environment for new and creative ideas to arise from employees. A clear focus on merit, talent and dedication to the development of the company allows their capabilities and competencies to be fully valued. Objectives which stimulate and challenge team competencies are regularly defined in order to encourage a continuous predisposition to change and anticipation of opportunities.

This management, based on anticipation and the active search for knowledge, is also visible in the fact that Sonae in 1995 was one of the first Portuguese companies to join the *World Business Council for Sustainable Development*, and was also one of the founders of the *Business Council for Sustainable Development – Portugal (BCSD Portugal)* in 2001. In 2004, it signed up to the principles of the *United Nations Global Compact*, the application of which presents on the one hand a constant challenge, and on the other an essential means of moving towards achieving demanding high standards and continuous improvement.

In 2007, Sonae, in its first Sustainability Report, challenged its sub-holdings in a number of different areas. Since each of the areas where actions have been taken has distinct impacts, the challenges were tackled in accordance with the specifics of each business and with their independent management organisations.

Among the challenges identified, which imply practical answers from the sub-holdings, a highlight is the recognition that the concept of risk management must explicitly include social and environmental issues in the sustainability area, while at the same time involving the implementation of actions taken at the operational level.

In fact, risk management is a cornerstone of the sustainability strategy of Sonae, and is applied to all management processes, being a responsibility of all employees.

Through the risk management process, Sonae controls uncertainties and threats that can impact its businesses, with the objective of creating value. The methodology used in this process is based on international standards: *Enterprise Risk Management – Integrated Framework of the Committee of Sponsoring Organisations of the Treadway Commission*.

In the context of the global economy, there is an express recognition of the importance that risks of an environmental, social, transparency or ethical nature can have for the organisation's business, and these are thus integrated into the various existing processes.

Sonae has therefore gone beyond compliance with current legislation in force, and has adopted a set of principles covering ethics, justice and honesty. Cooperation is the cornerstone of the relationships built with partners, based on the highest standards of loyalty and governance transparency, which lead to long term partnerships. Independence and autonomy from central and local government authorities is a position held and put into practice in the daily business of the company, while there also exists at the same time a predisposition towards cooperating with government and local entities in relation to relevant issues for the Portuguese economy, such as for example infrastructure support and the preparation of new legislation.

Additional information concerning “Challenges and Progress in 2007” and “Commitments and Progress in relation to the United Nations Global Compact” can be consulted at the following website: www.sonae.pt/ [Sustainability area]

1995

Launch of Project Horizon aimed at strengthening environmental management as a factor of differentiation and competitive advantage.
Membership of the WBCSD.

1996

Creation of the Environmental Forum to discuss best practices, share experiences and exchange information on the environment.

1999

Launching of the Eco2 XXI programme to achieve effective implementation of actions aimed at increasing eco-efficiency.

2000

Board approval of Sonae's Environmental Policy and Environmental Management System.

2001

Creation of BCSD Portugal, with Sonae as a founding member.
Publication of Sonae's 1st Environmental Report.

2004

Sonae signs up to the United Nations Global Compact.

2005

Sonae signs up to the World Safety Declaration.
Creation of the Sustainability Forum, which evolved out of the Environmental Forum.

2007

Publication of Sonae's 1st Sustainability Report.





03

RESPONSIBILITY IN CREATING VALUE



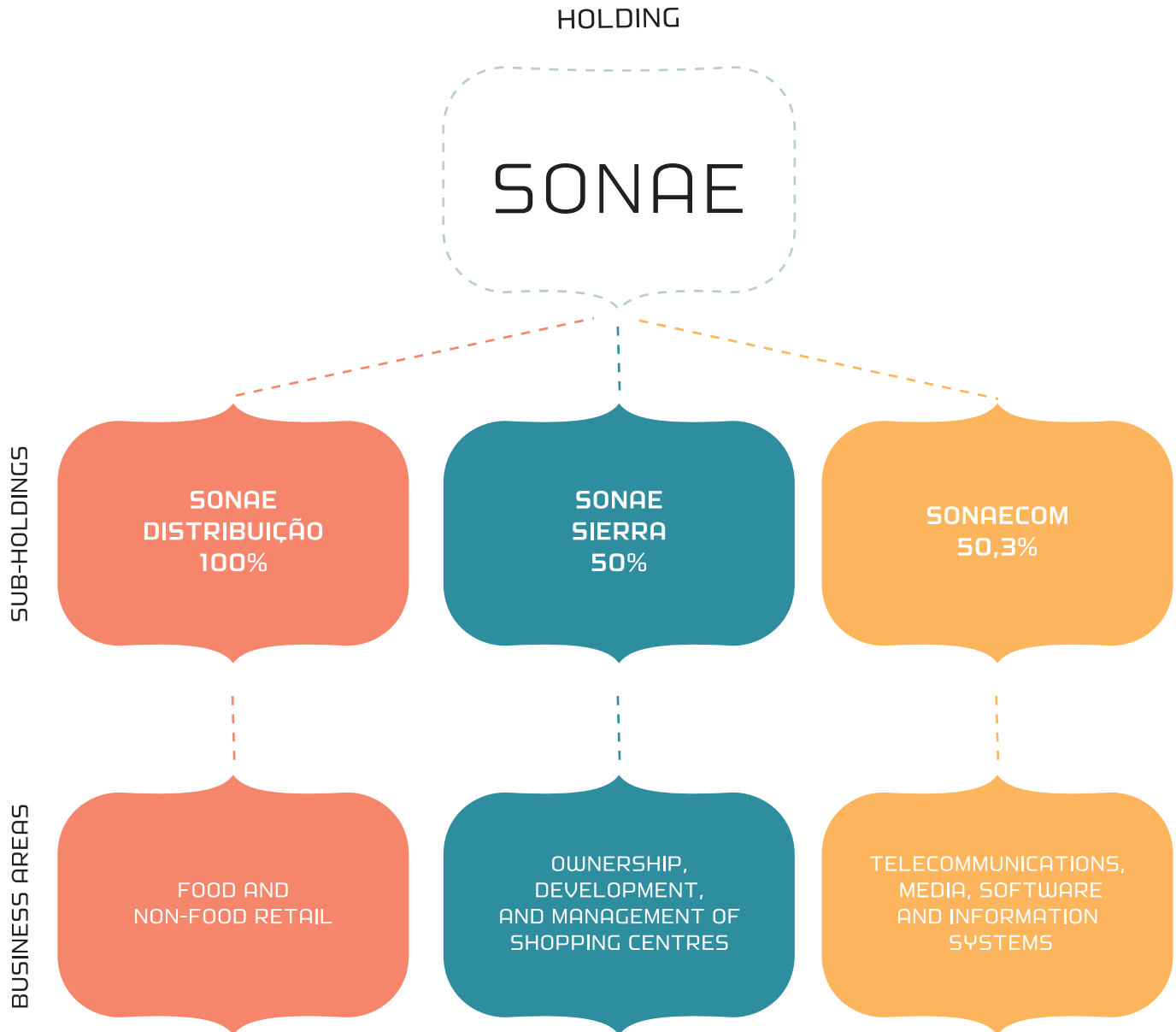
EUROPE
PORTUGAL
SPAIN
UNITED KINGDOM
GERMANY
GREECE
ITALY
IRELAND
POLAND
ROMANIA

NORTH AMERICA
USA

SOUTH AMERICA
BRAZIL

AUSTRALASIA
AUSTRALIA

ASIA
CHINA



Sonae Distribuição is leader of the Portuguese food retail sector (Contidente, Modelo and Modelo Bonjour). It has 10 brand names in the non-food retail sector (Sport Zone, Modalfa, Área Saúde, Star, MaxGarden, Worten, Worten Mobile, Vobis, Zippy, MaxMat) and in some of these is market leader. In total, it has 646 stores.

Portuguese market leader in the ownership, development and management of shopping centres, Sonae Sierra is present in Portugal, Spain, Italy, Germany, Greece, Romania and Brazil with a total of 47 shopping centres. It has already been awarded various international prizes for its innovative approach towards developing products and its management capability.

With Optimus and Clix, Sonae has strengthened its position in the Portuguese fixed and mobile telecommunications market. It also operates in the media (Público and Rádio Nova), software and information systems sectors with Bizdirect, Mainroad, Saphety and WeDo.



012

BUSINESS

03.1 BUSINESS^[1]



In 2007 Sonae strengthened its leadership of the Portuguese retail business, expanded its international presence in the shopping centres business and increased profitability in the telecommunications business.

4,418M€
TURNOVER
2007

+6.8%
CHANGE
2006|2007

1,220M€
GVA 2007

1.47%^[2]
OF PORTUGUESE
GVA

% OF TURNOVER IN 2007 BY BUSINESS



ANALYSIS OF ECONOMIC VALUE DISTRIBUTED

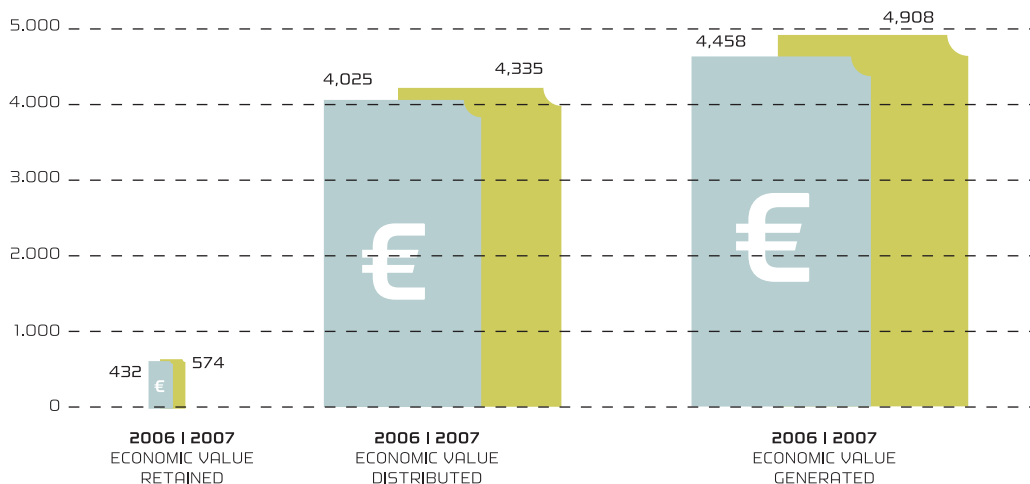


[1] Sonae Capital was part of Sonae's business portfolio until the end of 2007, at which time it was the object of a spin off operation. In order to ensure the comparability of data reported over the coming years, the consolidated financial information shown in this document does not include Sonae Capital data for the years 2006 and 2007.

[2] Added value created by Portuguese non financial companies, excluding taxes as disclosed by the INE (Portuguese Statistical Institute), was used for this figure. Please note that in the 2006 sustainability report, the figure used for the total Portuguese GVA (Gross Value Added) included financial companies and taxes. For the year 2007 and as of this date, this information is still not available. Thus, the figure shown in this report is not comparable with the one shown for last year. If the 2007 methodology is applied to the 2006 figures, we find that the share of Sonae's GVA in 2006 was 1.26%, and increased to 1.47% in 2007.

ECONOMIC VALUE GENERATED, RETAINED AND DISTRIBUTED

(MILLIONS OF EUROS)



SONAE DISTRIBUIÇÃO

646 STORES
709,000 M² OF SALES AREA
2.8 MILLION CUSTOMERS
PER WEEK

SONAE SIERRA

47 SHOPPING CENTERS
(1,850,000 M² GROSS AREA)
MANAGES 2,100,000 M² (GLA)
7,200 TENANTS

PRESENCE IN PORTUGAL,
SPAIN, ITALY, GERMANY,
GREECE, ROMANIA AND BRAZIL.

SONAE COM

2.9M OPTIMUS SUBSCRIBERS

LAND LINE BUSINESS:
1,743 M MINUTES TOTAL
VOICE TRAFFIC, INTERNET
TRAFFIC: 91,741 MINUTES IN
NARROWBAND AND 23,173
THOUSAND GIGABYTES IN
BROADBAND.

03.2 BUSINESS CHAIN

The Business Chain embraces a range of stakeholders – suppliers, employees, visitors, store tenants, clients, business partners and society in general, which are crucial to the development of the business and, as such, are the target of concrete actions which aim to promote regional and national socio-economic growth.

By signing up to the principles of the UN's Global Compact, in 2004, Sonae strengthened its commitment towards going beyond local legislation. Suppliers began to be analyzed more systematically, regarding their environmental practices, their respect for human rights, and the working conditions they offer, among others.

RESPONSIBILITY IN THE BUSINESS CHAIN

Sonae has carried out actions which lead to greater quality and safety of its products and services, as well as improving its performance in the environmental and social areas. Among these actions, we highlight:

- The development of safer, more sustainable products of higher quality, through the implementation of best practices in the choice of materials, production, labelling and transport.
- “Responsible Procurement” policies which protect the consumer, the environment and human and workers’ rights, through clauses in contracts with suppliers.
- Development of partnerships with suppliers to set up reciprocal training programmes.
- Audits of Portuguese and international suppliers in order to verify compliance with requirements.
- Extension of training in Environment, Hygiene and Safety at Work to shop tenants and service providers.
- Introduction of clauses in contracts with shop tenants and service providers, aimed at the adoption of sustainable practices.

IN 2007, SONAE DISTRIBUIÇÃO'S FOOD SECTOR CARRIED OUT AUDITS ON 68% OF ITS DOMESTIC AND 83% OF ITS INTERNATIONAL SUPPLIERS.

[SUPPLIERS CERTIFIED BY THE IFS, BRC OR ISO 22000 STANDARD WERE NOT INCLUDED IN THE 2007 AUDITING PROGRAMME.]

SONAE SIERRA'S “RESPONSIBLE PROCUREMENT” POLICY WAS APPROVED BY THE BOARD IN 2007.

IN 2007, SONAE COM INCLUDED CLAUSES IN ITS CONTRACTS WITH SERVICE PROVIDERS REGARDING ENVIRONMENTAL AND SOCIAL REQUIREMENTS, NAMELY HUMAN RIGHTS, THE FIGHT AGAINST CORRUPTION AND CHILD LABOUR.

03.3 HUMAN CAPITAL



The human resources policy values merit, equal opportunities and ethical behaviour. It aims at providing its employees with the necessary tools to actively contribute towards a permanent culture of innovation and entrepreneurship.

TYPE OF WORK CONTRACT



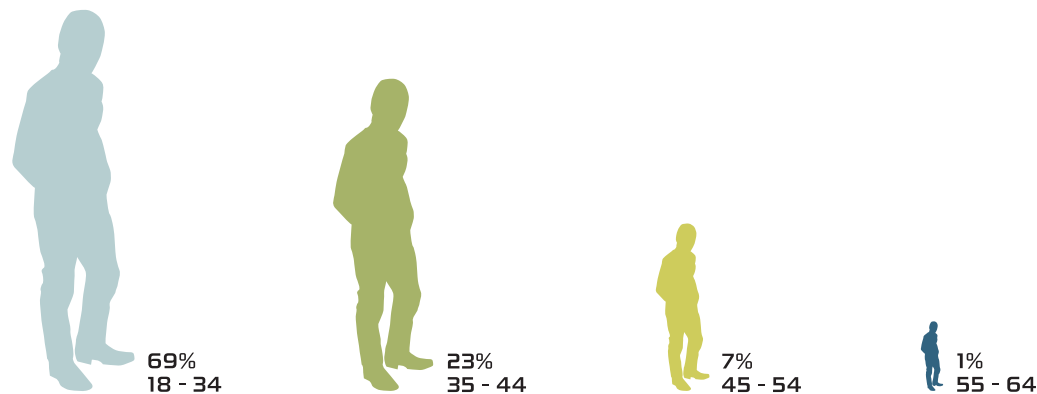
34,628
EMPLOYEES
2007

HUMAN CAPITAL BY GENDER



+14%
CHANGE
2006|2007

HUMAN CAPITAL BY AGE GROUP



GUIDING PRINCIPLES OF THE HUMAN RESOURCES POLICY

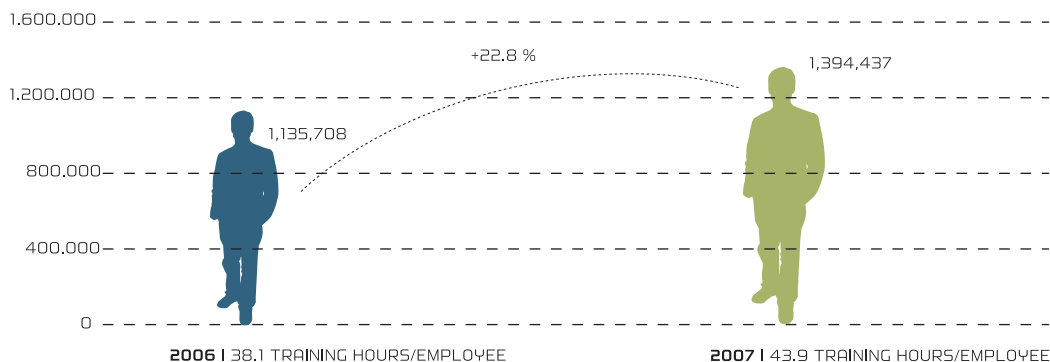
- Equal opportunities for all employees.
- Recruiting and retaining the right people for the right job.
- Ensuring the development of competencies and career progression.
- Ensuring efficiency in performance management processes.
- Developing an ethical attitude in relationships with stakeholders.
- Encouraging behaviour based on values and principles of integrity, respect for the law and sustainability.

Since 2003, Sonae has carried out attitude surveys among its companies. The information collected has led to action plans that aim at improving aspects considered to be less than satisfactory by employees.

TRAINING

Sonae's training policy covers the technical, behavioural and linguistic areas as well as those related to health, safety and the environment. When employees join, they are given induction training aimed at integrating them into the corporate culture, in order to facilitate knowledge of the code of conduct, principles and values of the company.

TRAINING HOURS



SONAE LEARNING CENTRE

Sonae's Learning Centre carries out training activities organizing conferences, seminars, short and medium term courses and social events of various kinds.

In 2007, the Sonae Learning Centre gave training to 11,046 employees, involving 88,370 hours.

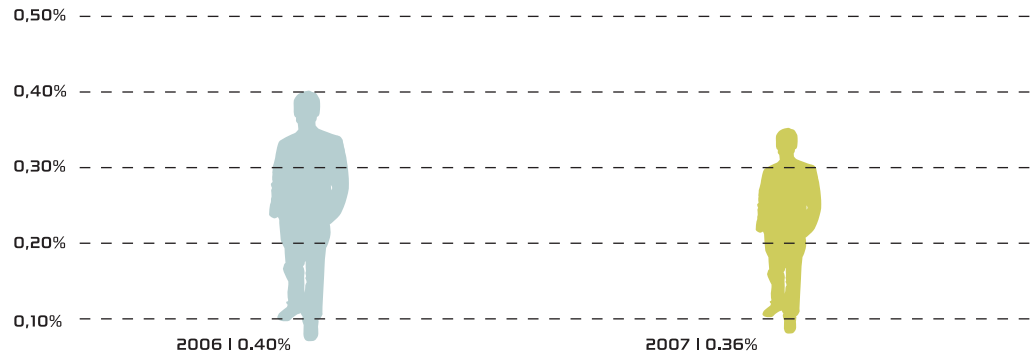
The Centre also carried out training programmes involving 263 employees (top managers and other employees with high potential), with a total of 4,055 hours of training.

HYGIENE, HEALTH AND SAFETY AT WORK

The safety of employees and visitors is a crucial aspect of the Hygiene, Health and Safety at Work policy. By signing up to the *World Safety Declaration*, in 2005, Sonae made a public commitment to:

1. Improve safety throughout the workplace,
2. Recognize that all individuals have the right to a safe workplace,
3. Implement measures to reduce accidents in the workplace,
4. Work with other companies to meet these objectives,
5. Communicate its progress within a period of 3 years.

ABSENTEE RATE DUE TO ACCIDENTS IN THE WORKPLACE



THE PERSONÆ PROJECT AT SONAE SIERRA

Launched in 2004, the project is focused on consolidating a culture of prevention and anticipation that protects both employees and all those who interact with Sonae Sierra, with a focus on the responsible behaviour of each individual through common values adopted throughout the organization and with the goal of achieving a target of “zero accidents”.

The project has a life of four years and represents an investment, in consulting and training of employees alone, of 5 million Euros. Currently it is in its final phase of implementation and has involved more than 70,000 people, with the objective of ensuring not only the safety of more than 400 million annual visitors to the company's shopping centres, but also that of employees, tenants and suppliers, who use the centres' facilities on a daily basis.

The results and the key project indicators show very positive progress: between 2005 and 2007, the total number of hours spent on “Safety Preventive Observations” increased from 1,203 to 10,448, and the number of non-compliances per hour of observation fell by 50%. The project has won two international awards: the Eco prize in Brazil for Socially Responsible Management Practices and the DuPont Safety Award in the category of Visible Management Commitment. The project's progress has been closely followed by the other Sonae's sub-holdings, with a view to building synergies and adapting the management model to other Sonae's companies.



03.4 **ENVIRONMENT**



Since the 90s, Sonae has been implementing environmental practices that promote eco-efficiency among its various businesses. Over the years, measurement methodologies, the identification of better technological equipment, as well as resource use practices in each sub-holding, have been improved.

Given the nature of Sonae’s businesses, the trend of water consumption, waste generation, electrical energy consumption and CO₂ emissions are inevitably linked to the growth of the operations of its various sub-holdings. Between 2006 and 2007, consolidated turnover increased by 6.8% and the number of employees by 14%. It is within this context that the absolute increases in terms of environmental impact, as shown in the graphs below, should be interpreted.

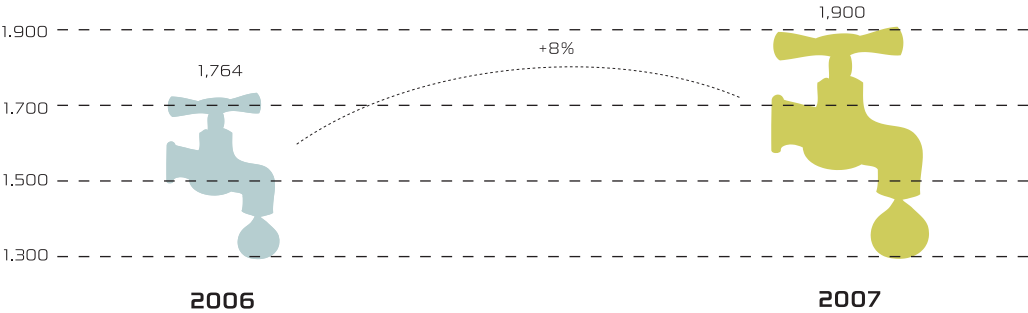
Sonae recognizes that it still has improvements to make to develop methodologies that produce consolidated environmental indicators, which demonstrate that these increases are less than the growth in business (as is already being done at the sub-holding level).

WATER

WATER CONSUMPTION EFFICIENCY MEASURES

- Use of more efficient water consumption equipment.
- Control of water flow from taps and toilets.
- Identification of water leaks in the supply systems.
- Use of underground water and rainfall for the irrigation of gardens, water supply for toilets and the cooling of equipment.

WATER CONSUMPTION [MILLION M³]



MAIN ENVIRONMENTAL IMPACTS OF SONAE:



WATER CONSUMPTION EFFICIENCY AT THE 8^a AVENIDA SHOPPING CENTER

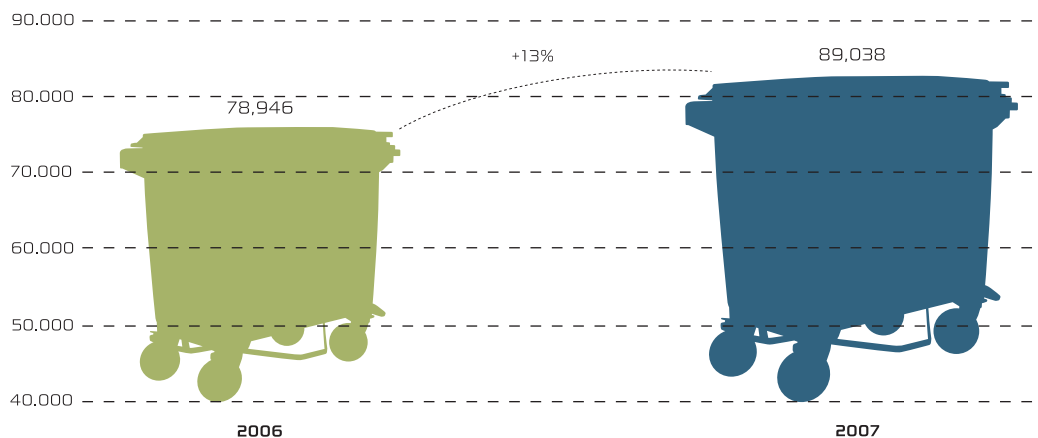
At the 8^a Avenida shopping centre building, systems for the treatment of underground water and rainfall were implemented allowing it to be used for watering gardens, in toilets and in the centre's cooling towers. The implementation of this system will lead to water savings of 54,750m³/year equal to a saving of €154,000/year, with an initial investment of €69,000.

WASTE

MEASURES TAKEN CONCERNING WASTE GENERATION

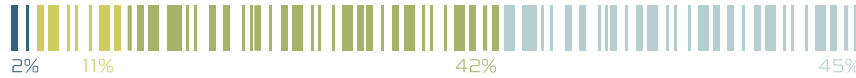
- Separate collection of Electrical and Electronic Equipment.
- Increase in the amount of organic waste sent by shopping centres and hypermarkets for composting.
- Reduction in the amount of packaging materials of some products and of marketing materials, and the replacement of plastic packaging by cardboard.
- Increase in the number of equipment items collected at sales points (mobile phones and other equipment).

WASTE PRODUCED [TONNES]



WASTE TREATMENT

2006



2007



COMPOSTING
ENERGY
RECOVERY
RECYCLING
AND REUSE
LANDFILL

59%
WASTE
RECOVERY AND
RECYCLING
RATE

HAZARDOUS WASTE

2006



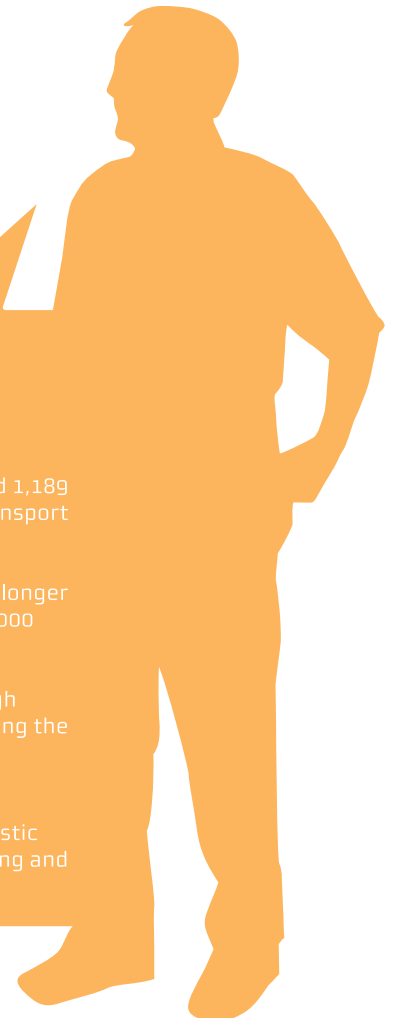
2007



ECODESIGN IN SONAECOM PACKAGING

Sonaecom has made significant changes in its packaging:

- Replacement of the core packaging, leading to a reduction of approximately 190g and 1,189 cm³ in its weight and volume. This change led to significant savings in storage and transport and, at the end of its lifecycle, less waste generation.
- Creation of two new cardboard packages for low cost or large volume items that no longer fit the new packaging. In 2007, this cardboard packaging was used for more than 43,000 items of equipment.
- Products ordered over the internet and on the phone by corporate clients or through Optimus Businesses (small and medium sized businesses and SOHO) are only sold using the supplier's original packaging.
- The Kanguru product packaging was altered in order to wholly reuse the original manufacturer's packaging. This step means much less waste of large amounts of plastic packaging, and also avoids the need to produce large quantities of cardboard packaging and related components.



1,092 GWH
ELECTRICAL
ENERGY
CONSUMPTION

+4.7%
CHANGE
2006/2007

ENERGY

ENERGY EFFICIENCY MEASURES

Implementation of systems which allow greater use of direct solar energy.

Replacement of lighting systems with new and more efficient systems.

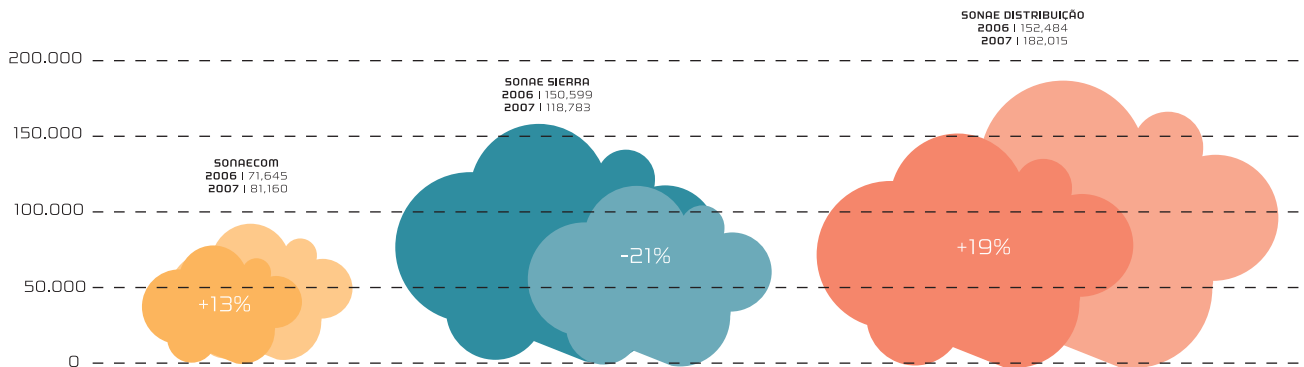
Automatic regulation of the light levels emitted by lamps and control of the hours of lighting.

Improvement in the efficiency of ventilation and air-conditioning systems, as well as refrigeration systems.

Implementation of renewable energies, namely solar (thermal photo-voltaic) and wind.

Analysis of the consumption and efficiency of vehicles.

CO₂ EMISSIONS



The reported CO₂ emissions shown on the graph are for scope 1 and 2 activities of the GHG Protocol. Scope 1 includes the emissions for the combustion of fuels by vehicle fleets and equipment of the business units; Scope 2 are emissions for the generation of electricity. The GHG Protocol also defines Scope 3 as being the emissions from suppliers' vehicle fleets, visitors' vehicles and employee business trips.

In its Sustainability Report, Sona Sierra monitors and reports the emissions of Scope 3 activities. In 2007, these emissions amounted to 716,732 tCO₂ (8.5% less than the previous year).



SUSTAINABLE CONSTRUCTION IN MODELO ESTREMOZ

Construction of a hypermarket dedicated to the environment, in which 28 measures were implemented that will help to improve the environmental performance of this kind of commercial unit.

The solutions implemented aim at getting improvements in:

- energy consumption,
- water consumption,
- waste management.

12 of the measures implemented are totally innovative solutions in Portugal. Examples are: 15 photovoltaic solar panels; aero-generator; solar collector for the warming of water in cafeterias; use of LED lamps in internal and external advertising; use of autochthonous and xerophilous plants (with reduced need for water) in gardens; installation of the Eco-Modelo Space, especially for customers, for the selective collection of 11 different types of waste.

MAIN ENVIRONMENTAL MANAGEMENT CORPORATE RESULTS IN 2007

SONAE DISTRIBUIÇÃO

CORPORATE ISO 14001 EMS
CERTIFICATION (1ST COMPANY
TO DO SO IN THE SECTOR)

ISO 14001 EMS CERTIFICATION
WON FOR ANOTHER
4 PREMISES

SONAE SIERRA

ISO 14001 EMS CERTIFICATION
FOR THE CONSTRUCTION OF
THREE CENTRES

ISO 14001 EMS CERTIFICATION
FOR 11 SHOPPING CENTRES (2
OF WHICH ARE IN BRAZIL
BEING THE 1ST IN
THIS SECTOR)

SONAE COM

RENEWAL OF ISO 14001
CERTIFICATION



03.5 SOCIETY



Sonae believes that its businesses can contribute towards the promotion of social and cultural well-being of the communities in which it operates. Over the years, it has thus encouraged the development of knowledge and culture through support to activities, projects and events, carried out in partnership with other organizations.

Although some of its activities are carried out through the Belmiro de Azevedo Foundation, each sub-holding also individually takes actions focused on the communities in which it operates.

In 2007, the Belmiro de Azevedo Foundation supported various initiatives, equal to an investment of around €52,000. One of the Foundation's initiatives involve the award of 100 school prizes (grades 5 to 12) and study scholarships for employee's children.

Each company identifies its support priorities, aiming to establish links between its business and the needs of the community, creating in this way a relationship whereby both parties benefit. All companies have implemented various initiatives, some of which are significant at a national level in Portugal.

€11.1 M
COMMUNITY
SUPPORT
2007

PRIORITIES IN COMMUNITY SUPPORT:

ENVIRONMENT

CULTURE

EDUCATION

HEALTH

SCIENCE

SOLIDARITY





CASA DA MÚSICA FOUNDATION

Founder member of the Casa da Música Foundation and sponsor of Auditorium 2. Support to themed events, through Worten and the sponsorship of the “Clubbing” initiative by Optimus. The overall support for Casa da Música in 2007 was €500,000.

SERRALVES FOUNDATION

Sonae is founder member of the Serralves Foundation, and was, in 2007, exclusive patron of two exhibitions and International Conferences on Biology. The overall support to the Foundation in 2007 was €75,000.

PORTO DE FUTURO

This challenge launched by the Education, Youth and Innovation Department of Porto City Council aims at supporting the management and development of 17 schools in the region, through the involvement of the business community in the Porto area, over a period of 3 years.

In 2007, Sonae supported the Cerco schools through: consulting support for the general management of the schools; encouraging entrepreneurship and creativity; support for underprivileged students; and support for professional development and continuous training. As part of this project, Sonae also collected books and school material, sponsored the Cerco acrobatic gym teams and donated kitchen furniture and equipment to the schools.

HIGH COMMISSION OF HEALTH PROTOCOL

Sonae Distribuição established a collaboration protocol with the High Commission of Health, under the terms of the National Health Plan. This protocol will carry out actions promoting the health of children and the elderly.





PROJECT METRÓPOLE EDUCATES IN SONAE SIERRA BRAZIL

Allows workers and their families, who have not had the opportunity to complete their mandatory schooling, to do so.

OPTIMUS MOBILE COMMUNICATOR PROJECT

Optimus developed this pilot-project in partnership with INEM (Portuguese Emergency Medical Institute) and DPWIT Consulting based on the use of video-calls in order to support medical emergency teams remotely. The mobile communicators have already been installed in 4 ambulances (in the Alentejo), allowing doctors of the Emergency Patient Guidance Centre to see the condition of patients, and thus support, by use of verbal instructions, the work of health technicians present at the accident, in real time and without loss of user mobility.

HIPERNATURA

The goal of this project of Continente is to promote urban renewal, biodiversity and the environmental education of the public. With the involvement of 20 local councils and the participation of the NGO "Quercus", Continente proposes a better life in cities, and the enjoyment of its green areas, to make them places to visit for culture, entertainment and leisure.

PARQUE FAMÍLIA

Aiming to encourage healthy inter-generational relationships between grandparents and grandchildren and at the same time to contribute towards the improvement of urban areas, Modelo invested €300,000 in the creation of 10 family parks, offered to the local councils. These parks are equipped with a children's playground and special sporting equipment for senior citizens.





COMMUNITY PANEL

In 2007, Sonae Sierra launched the first Community Panel in Dos Mares, Spain. This Panel aims to encourage debate, and the exchange of ideas and experiences between the community and the shopping centre's management. The community, represented by various entities covering the areas of local government, safety and health and civil society, can present suggestions, concerns and complaints regarding the environment, health and safety, work, lifestyle, among others.

SAFETY FOR SENIOR CITIZENS INITIATIVE

Optimus, in partnership with the Braga Civil Government, began a project aiming at combating isolation among the elderly, allowing them to communicate rapidly with the institutions that provide first aid, social security and safety, thus improving their quality of life. 1,200 mobile phones were distributed, prepared with a fast dialing system to make it easier for the elderly to adapt to the new technologies.

"CAUSA MAIOR"

At Christmas 2007, together with the Portuguese Red Cross, Modelo hypermarkets helped give support to the fight against social exclusion and isolation, encouraging social and participative life among the elderly population. In total, 93 specific causes in locations in which Modelo hypermarkets are located were supported, raising €330,000.

VOLUNTARY WORK IN BRAZIL

Between June and July 2007, employees of the central office of Sonae Sierra in Brazil participated in the "Julina Gymkhana". This project, in collaboration with the Child and Conscience Association, aims to collect biscuits for underprivileged children with poor financial means, guaranteeing them a daily breakfast. Each team, composed of employees from different departments, earned 1 point for every 100g of biscuits donated and distributed. Around 2 tons of biscuits were collected. The second objective was to donate clothes for adults and children, with about 400 items of clothing being donated to the Association.





PROGRAMME E-INITIATIVES

Optimus took on a commitment to invest 116 M€ in the programme E-initiatives, which aims at promoting info-inclusion, facilitating access to information technologies and the Internet. The programme targets all students in grade 10, teachers of primary and secondary schools as well as workers involved in the Programme New Opportunities.

TUDO A LER

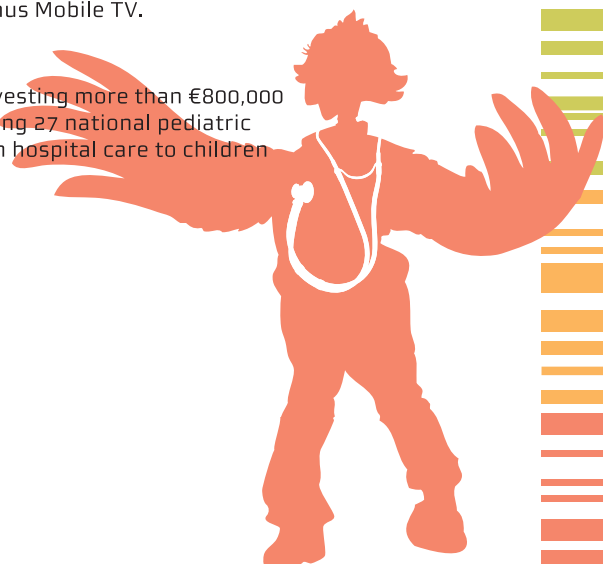
As part of support to the Portuguese National Reading Plan and to encourage reading, Continente donated more than 10,500 books to 63 schools.

MULTIMEDIA TAXI OF THE FUTURE

These taxis aim to respond to the needs of passengers with reduced mobility and are equipped with cutting-edge information systems technology supplied by Optimus and Orange, including Kanguru broadband internet connection, allowing real time access to information on the ride, places of interest, traffic webcams, multimedia content and high definition Optimus Mobile TV.

MISSÃO SORRISO

In 2007, Sonae Distribuição helped to improve hospital pediatric care, investing more than €800,000 in hospital equipment, donating 1,200 pieces of equipment and supporting 27 national pediatric units. Since 2003, Missão Sorriso has led to a significant improvement in hospital care to children in pediatric units.



04

STAKEHOLDER DIALOGUE

TENANTS

EMPLOYEES

CUSTOMERS
AND VISITORS





The development of a structured dialogue with its stakeholders is one of the main features of Sonae's sustainability policy. Sonae strongly believes that this dialogue can positively influence the results of Sonae's companies and their impact on the community. This dialogue has contributed on the one hand towards minimising risks, while on the other, to identifying business opportunities by listening to the needs of stakeholders.

MAIN COMMUNICATION CHANNELS WITH STAKEHOLDERS

- Use of internet sites as a major means of interacting with clients.
- Actively listening to clients through suggestions and complaints systems, including Sonae's Ombudsman.
- Dialogue with employees: publication of a magazine, news on the intranet, attitude surveys.
- Transparent negotiating processes with suppliers.
- Reciprocal training programmes with suppliers.
- Shareholders' General Meeting with investors, publication and presentation of financial reports.
- Communication with tenants: meetings, written communication, training in health and safety, satisfaction surveys.
- Regular press releases.
- Participation in working groups with other operators in order to develop rules and standards to promote a more efficient, safe and responsible management of the business.
- Communication with governmental and regulatory entities, directly or through sector associations.
- Relationship with local authorities in the planning and design of new premises.
- Studies on the impact of business activity on the community.
- Partnerships with organizations from various sectors of the community.

SONAE OMBUDSMAN

In order to establish a system of communication and respond to complaints, queries or suggestions, Sonae has an Ombudsman.

In 2007, the Ombudsman received 1,821 communications, 98% of which were complaints and had an average response time of 13 days.

The Ombudsman contributes significantly to maintaining an image of integrity and transparency for Sonae among its different stakeholders.

CUSTOMER SUPPORT AT SONAECOM

In 2007, the Project Apollo 11 was implemented, aimed at making a step function improvement in the management of complaints. This project includes:

Standardization of the procedures among the different business units,

Use of client feedback in the development of improvement actions,

Development of key indicators which allow for continuous monitoring of the volume and nature of complaints and suggestions.

LISTENING TO SONAE DISTRIBUIÇÃO CUSTOMERS

Sonae Distribuição regularly uses a range of methodologies to interact with and listen to its customers, allowing continuous evaluation and improvement of its relationship with this group of stakeholders. In 2007, around 125,000 customers were consulted.

SATISFACTION OF SONAE SIERRA TENANTS AND CLIENTS

The satisfaction of tenants is evaluated through questionnaires available at each shopping centre's portal. After completion of the questionnaires, a plan of action is built with measures to improve the points considered to be less positive. In 2007, the global index of satisfaction was 4.0 on a scale from (0) (not satisfied) to Very Satisfied (6).

For clients, the methodology implemented in 2007 at Portuguese shopping centers consisted of interviews aimed at establishing satisfaction and loyalty levels. After establishing these, critical factors for satisfaction, loyalty and competitiveness are identified, and then short and long-term actions are defined to correct the critical factors identified as less satisfactory by clients.

SONAECON AND SONAE DISTRIBUIÇÃO SUPPLIERS' PORTAL

The Supplier Portals of Sonae Distribuição and Sonaecom allow suppliers to access their current account in real time. Besides increasing supplier satisfaction, these tools allow for an increase in productivity through a significant reduction in cost and increase in time saved.

SONAECON IDEAS MARKET

Open to all of employees in the telecommunications businesses of Sonaecom, the IM – Ideas Market is an area, which allows for ideas to be collected, perfected and evaluated based on contributions from everyone. Founded on a technological platform inspired by stock market operations, the IM enables employees to become involved, and attaches value to their contribution.

THE IDEAS MARKET HAS THREE AREAS:

- A Suggestions box – where employees may present their ideas;
- A Market, which brings together the best ideas placed in the suggestions box and in which everyone can invest, and increase or decrease the value of the idea;
- A set of Forums – where it is possible to exchange ideas and try to influence negotiations by posting comments.

Each registered user receives a portfolio of points which can increase in value through investments made on the ideas being traded on the market and through all interactions: the quantity and quality of the ideas submitted, and comments made on the ideas being negotiated.

An auction takes place on a monthly basis with set of prizes, with a special auction also at the end of the quarter with higher value prizes. The prizes awarded (shopping vouchers, experiences, trips, etc.) are worth between €10 and €450.

There are already 586 registered users and since the beginning of the Project, 271 ideas have been submitted, 33 of which were approved by the market, 9 have been approved for implementation and 36 are awaiting entry to the market. The average number of comments posted per idea was 24 and the total number of transactions was 19,910.



TECHNICAL DETAILS:

Owner . Sonae, SGPS, SA

Address . Lugar do Espido, Via Norte, 4470-909 Maia, Portugal

Consultants . Sustentare

Graphic Design . b+ comunicação . bmais.com

Printing . Printed on Satimat Green paper. This paper is composed of 60% recycled fibres and 40% FSC certified virgin fibres. Satimat Green is an FSC product, resistant to the passage of time(ISO 9706 regulation) and is manufactured in factories certified to the ISO 9001 and ISO 14001 quality standards (environmental).

Were printed . 1,000 copies



