

THE FUTURE AT THE FOREFRONT OF OUR AGENDA

We make a point of working closely with all the agents with whom we interact to enhance value creation throughout the entire supply chain and ensure its equitable distribution, reconciling short-term and long-term demands.

Sustainability and the future of our planet are our number one priority. We endeavour to minimise our impact on the environment and promote a circular economy. We champion responsible and conscientious choices, aware of the positive effect we have on the Communities around us. We defend a sense of equilibrium and justice within Sonae MC and advocate responsible management based on solid leadership principles.



II. SUSTAINABLE

DEVELOPMENT

OUR STAKEHOLDERS



We believe stakeholder interaction is essential to incorporate their expectations and concerns into our way of doing business.

We listen to our customers to understand their needs to better define and adjust our value proposition.

We support every one of our Employees' career progression through talent management and advocating trust and mutual respect.

We are competitive because we establish long-lasting relationships with our Suppliers. Our foundations are based on honesty and reciprocity.

We deliver value to our Shareholders, working diligently and in a transparent and sustainable way.

We aim to go above and beyond our core focus to contribute to the quality of life within the Communities around us.

	STAKEHOLDERS	CHANNELS FOR DIALOGUE	KEY TOPICS
CUSTOMERS 	Sonae MC focuses its actions primarily on developing a relationship based on transparency and trust with its Customers, built on a competitive and responsible value proposition tailored to their needs. We believe that satisfied Customers establish a loyal bond, and this is essential for long-term success.	Engaging with Customers at our stores and through the Continente online platform Engaging with Customers at online order pick-up points ("Click & Go" and delivery addresses provided by Customers) Customer care call centre Communication campaigns and brand activation initiatives Sonae MC social media and website Market studies and focus groups Sonae Ombudsman	Quality and safety of products and services Competitive prices Shopping experience Transparent and authentic communication Product sustainability, origin, and traceability Environmental and nutritional information on products and certifications Observance and compliance with the law regarding privacy and customer data protection laws Employee working environments and conditions Product and service innovation Customer relationship management
EMPLOYEES 	Sonae MC places significant value on its Employees' professional and personal development, fostering inclusive, healthy, and safe working environments and promoting equal opportunities. Each Employee is committed and proactive and forges mutual respect, loyalty, cooperation, honesty, and clear communication.	Meetings and recurrent interactions in a professional environment Get-togethers and other informal events for Employees Training courses and conferences Internal communication Intranet Knowledge sharing forums and groups Employee satisfaction surveys Annual performance reviews	Anti-corruption or bribery Diversity and inclusion Transparent and authentic communication Talent attraction and retention Employee working environments and conditions Remuneration and career progression criteria Respect for Human Rights Human Capital Development Improve Employees' experience
SUPPLIERS 	Sonae MC aims to build long-term trust-based relationships with its Suppliers, act with loyalty and good faith, and not tolerate any form of abuse, bribery, corruption, or money laundering. Sonae MC selects its Suppliers based on clear and objective criteria geared towards promoting sustainability and in line with principles of economic rationality.	Partnership projects with suppliers Meetings and other business interactions General supply contracts Continente Producers Club Supplier performance assessment Supplier pulse surveys Supplier Portal Inspections and audits	Anti-corruption or bribery Quality control Fair prices Transparent and authentic communication Product sustainability, origin, and traceability Supplier relationship management
SHAREHOLDER 	Sonae MC aims to generate sustainable long-term value for its shareholders, in strict compliance with its corporate values and our society. This philosophy is rooted in value creation shared with all stakeholders	Interactions with Shareholders Interactions with analysts Corporate presentations Periodic financial communications Shareholders' General Meeting Governing Bodies and committee meetings	Profitability and Businesses scale Responsible investment Crisis and risk management Brand management and reputation Transparent and authentic communication Businesses sustainability Corporate Responsibility
SOCIETY 	Sonae MC pursues its Businesses with a view to creating long-term value, observing the principles of sustainability as well as corporate social and environmental responsibility. The Sonae MC brands and banners are profoundly linked to the local communities, and we seek to have an incredibly positive impact on people's lives.	Meetings with public entities and policymakers Member of retail associations Meetings with financial institutions Engaging with communication/marketing companies and those operating in areas of social responsibility Presentations, conferences, and other public meetings Events and festivals for the community as a whole Publications	Transparent and authentic communication Product sustainability, origin, and traceability Diversity and inclusion Community engagement Employee working environments and conditions Impact of using plastic on the planet Protecting biodiversity Energy consumption, use of energy of renewable sources, and energy efficiency.

OUR COMPROMISE WITH SUSTAINABILITY

WE WANT TO INSPIRE THOSE AROUND US

Sustainable development is in our DNA. That is why Sonae MC strives to create and share economic and social value via its activities in the various business areas in which it operates.

The ambition that drives us, and ensures we continue to push forward, stimulates the continuous creation of value through mindful management that seeks a balance between financial, human and intellectual, natural, real estate, digital, social, and relational capital. We know that this can only be attained through interactive dialogue with our stakeholders to identify topics that are genuinely relevant to the various interest groups.

By comparing these topics with their importance to our Businesses, we identified areas of interest to Sonae MC, capable of affecting value creation for the Company and society as a whole in the short, medium, and long-term,











enabling us to attach social impact to solid economic performance. This analysis helps guide our process of strategic reflection, namely regarding sustainability, and sustains clear lines of action to address topics of interest.

Furthermore, it also helped us select the GRI sustainability reporting standards disclosed in this report.

To guide and focus our operations, we grouped topics of interest into three key pillars with underlying value creation capabilities in the present, with a view to a better and sustainable future. Environment, Community, and People.



AN INTEGRATED APPROACH TO SUSTAINABILITY

ENVIRONMENT FOR THE FUTURE OF OUR PLANET	COMMUNITY PROXIMITY AND ENGAGEMENT	PEOPLE THE DRIVING FORCE BEHIND OUR SUCCESS
<p>We contribute to a sustainable global footprint by following practices that enable us to accelerate the decarbonisation of our business, protect nature and biodiversity and promote the use of circular materials throughout the entire value chain.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  CARBON EMISSIONS </div> <div style="text-align: center;">  ENERGY EFFICIENCY </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  USAGE AND MATERIALS MANAGEMENT </div> <div style="text-align: center;">  FOOD WASTE </div> </div>	<p>We foster strong relationships with the Community, aware of how important it is to sustainable development. We are committed to contributing to the generation of positive change, encouraging better choices.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  SUSTAINABLE AND LOCAL SUPPLY CHAIN </div> <div style="text-align: center;">  HEALTHY NUTRITION AND SUSTAINABLE CONSUMPTION </div> </div> <div style="display: flex; justify-content: center; margin-top: 20px;"> <div style="text-align: center;">  SUPPORTING LOCAL COMMUNITIES </div> </div>	<p>We value human capital as the basis of our continued success. We promote an inclusive culture and one of continuous development for our workforce and a personal and professional sense of accomplishment with our People.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  DIVERSITY AND INCLUSION </div> <div style="text-align: center;">  HUMAN CAPITAL DEVELOPMENT </div> </div> <div style="display: flex; justify-content: center; margin-top: 20px;"> <div style="text-align: center;">  EMPLOYEE HEALTH, SAFETY AND WELL-BEING </div> </div>
<p>ALIGNED WITH THE SUSTAINABLE DEVELOPMENT GOALS</p> <div style="display: grid; grid-template-columns: repeat(4, 1fr); gap: 5px;"> <div style="background-color: #e67e22; color: white; padding: 2px; text-align: center;">2</div> <div style="background-color: #f1c40f; color: white; padding: 2px; text-align: center;">7</div> <div style="background-color: #e67e22; color: white; padding: 2px; text-align: center;">9</div> <div style="background-color: #34495e; color: white; padding: 2px; text-align: center;">12</div> <div style="background-color: #27ae60; color: white; padding: 2px; text-align: center;">13</div> <div style="background-color: #2980b9; color: white; padding: 2px; text-align: center;">14</div> <div style="background-color: #27ae60; color: white; padding: 2px; text-align: center;">17</div> </div>	<p>ALIGNED WITH THE SUSTAINABLE DEVELOPMENT GOALS</p> <div style="display: grid; grid-template-columns: repeat(4, 1fr); gap: 5px;"> <div style="background-color: #e74c3c; color: white; padding: 2px; text-align: center;">1</div> <div style="background-color: #f1c40f; color: white; padding: 2px; text-align: center;">2</div> <div style="background-color: #27ae60; color: white; padding: 2px; text-align: center;">3</div> <div style="background-color: #9b59b6; color: white; padding: 2px; text-align: center;">10</div> <div style="background-color: #e67e22; color: white; padding: 2px; text-align: center;">12</div> <div style="background-color: #2980b9; color: white; padding: 2px; text-align: center;">14</div> <div style="background-color: #34495e; color: white; padding: 2px; text-align: center;">16</div> <div style="background-color: #27ae60; color: white; padding: 2px; text-align: center;">17</div> </div>	<p>ALIGNED WITH THE SUSTAINABLE DEVELOPMENT GOALS</p> <div style="display: grid; grid-template-columns: repeat(5, 1fr); gap: 5px;"> <div style="background-color: #e74c3c; color: white; padding: 2px; text-align: center;">1</div> <div style="background-color: #27ae60; color: white; padding: 2px; text-align: center;">3</div> <div style="background-color: #e67e22; color: white; padding: 2px; text-align: center;">4</div> <div style="background-color: #e67e22; color: white; padding: 2px; text-align: center;">5</div> <div style="background-color: #27ae60; color: white; padding: 2px; text-align: center;">8</div> <div style="background-color: #9b59b6; color: white; padding: 2px; text-align: center;">10</div> <div style="background-color: #27ae60; color: white; padding: 2px; text-align: center;">17</div> </div>

OUR PROGRESS

PILLARS OF ACTION	COMMITMENTS
ENVIRONMENT 	Reduce energy consumption by continuously improving asset efficiency
	Reduce carbon footprint in the context of the energy transition to a carbon neutral economy
	Stimulate a circular economy for plastics avoiding its conversion into waste
COMMUNITY 	Support local Suppliers seeking to strengthen ties between production and large distribution
	Foster sustainability throughout the supply chain contributing to the preservation of biodiversity
	Support local communities promoting solidary citizenship and social inclusion
PEOPLE 	Incentivise a gender balance strengthening representativeness of women in leadership positions
	Contribute to job creation in the country
	Promote Employee protection contributing towards their health and safety at the workplace



METRICS	RESULTS 2020	CHANGE COMPARED TO 2019
Electricity consumption per sqm of sales area	486,9 kWh/m ²	-2,1%
GHG emissions (scope 1 and 2) per sqm of sales area	156,3 kg CO ₂ e/m ²	-22,6%
Recycled plastic in private label goods packaging	74,2%	1,1pp
Number of national producers members of <i>Clube Produtores Continente</i>	256	28%
Percentage of fish sourced from sustainable methods or aquaculture	65,4%	3,2pp
Direct Community support	11,6 M€	25,3%
Percentage of woman in leadership positions	37,0% ¹	1,6pp
Number of direct jobs	35.900	2,9%
Workplace accident frequency rate	8,4 ¹	-14,4%

¹ Data does not include Arenal and Go Natural restaurants

KEY PILLARS OF ACTIVITY

ENVIRONMENT

We are committed to growing our Businesses whilst not overlooking the future of the Planet. Environmental protection is a priority and positions us on the front line of fighting climate change. With this mission on our agenda, we seek to accelerate our energy matrix's decarbonisation and promote an ever-increasing circular economy.



ENVIRONMENT

CARBON

EMISSIONS

OUR APPROACH

To tackle climate change and reduce Greenhouse Gas (GHG) emissions, we must map out and understand the environmental impact of products and services resulting from the Company's activities.

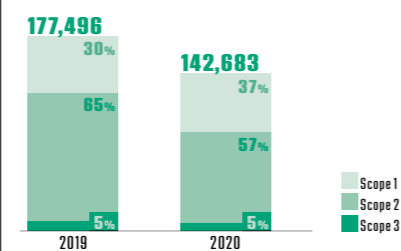
In 2020, we ramped up our decarbonisation initiatives as part of the Sonae Group commitment to the Paris Pledge for Action, limiting global temperature rise to 1.5°C. Thus, we plan to mitigate the risks associated with climate change and seize opportunities connected to integrating this agenda into our Businesses.



OUR PATHWAY

TO DECARBONISATION

GHG emissions (t CO₂e)



In 2020, we posted total GHG emissions of 142,683 t CO₂e. This represents a 20% reduction compared to 2019 (177,496 t CO₂e), despite our organic growth.

The emissions under scope 1, associated with the use of fossil fuels (CO₂, CH₄, and N₂O) and the emissions resulting from fugitive emissions of refrigerant gases, represent 37% of our total carbon footprint. Under scope 2 (market-based), emissions mostly related to electricity consumption represent 57% of our carbon footprint. In 2020 we recorded a 20% reduction in emissions under scope 1 and 2 year-on-year. This is an incredibly positive outcome given the unprecedented year we faced and bodes well for our commitment to reduce emissions by 55% under scope 1 and 2 compared to 2018 figures. This significant reduction is mainly associated with the set of energy efficiency adopted measures, together with increased electricity consumption from our photovoltaic power plants and reduced emissions associated with the electricity acquired. Based on sales area, an analysis of scope 1 and 2 emissions indicates that these emissions amounted to 156 kg CO₂e/sqm, corresponding to a 23% decrease year-on-year.

-23%
OF GHG EMISSIONS (SCOPE 1 AND 2)
PER SQM OF SALES AREA



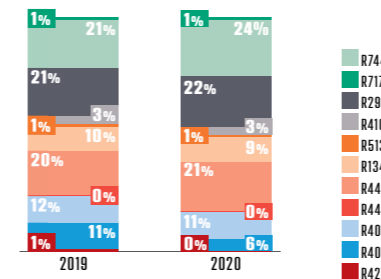
TOP SCORE AWARDED FOR THE CARBON DISCLOSURE PROJECT

The Sonae Group was awarded an "A" score for its Carbon Disclosure Project (CDP), underscoring our commitment, performance, and environmental reporting.

This score positions Sonae in the "Leadership" category. It is a select group consisting of only 3% of the more than 9 thousand companies that were assessed and awarded high scores regarding corporate environmental sustainability.

ADDRESS THE ISSUE OF FLUORINATED GASES

Fluorinated gases usage



In 2020, we remained on track with our efforts developed over the past 5 years to implement alternative solutions to those commonly used regarding the use of refrigerant gases.

We reduced R404 and R427 gases by 40% and increased R290, R744, and R717 natural gases by 17% compared to 2019 figures, despite the increase in our store network during the period. This is owed to the 2016 programme to replace fluorinated gases with high GWP (Global Warming Potential) for 100% natural refrigerant gases in cold service systems reaching the end of their lifespan. Or, when applicable, replace high GWP gases with lower GWP gases. Most of the cold production systems in our new stores run on gases with a GWP of 5 or less and are complemented by other less aggressive refrigerant gases.

-40%
OF FLUORINATED GASES
WITH HIGH GWP COMPARED TO 2019



ONE OF THE LARGEST PHOTOVOLTAIC POWER PLANTS FOR SELF-CONSUMPTION IN PORTUGAL

We highlight that we continued to invest in our energy matrix's decarbonisation by generating electricity from renewable sources. This can be translated as the equivalent of 137 autonomous power plants, corresponding to an installed capacity of around 21.5 MWp and 18,874 MWh of energy produced in the whole year. Although it still represents a small portion of the energy consumed, we recorded a production increase of about 33% compared to 2019.

We highlight the investments made in 2020 in the new warehouse at our Azambuja logistic hub, where we installed the largest photovoltaic plant for self-consumption in the country, comprised of more than 6,900 photovoltaic modules. This plant corresponds to an installed capacity of circa 3 MWp and an annual production of about 46GWh.

The plant's production meets approximately 30% of the consumption needs of the Azambuja warehouse and generates circa 15% of surplus electricity which is injected into the national grid. For 2021 we forecast that the self-consumption power generation at the hub will be about 3,500 MWh.

RESTORE ECOSYSTEMS BY OFFSETTING EMISSIONS

Portugal's forests are highly exposed to climate risks and structural challenges; hence reforestation land burnt by forest fires is a serious issue for us in terms of restoring critical ecosystems and preventing the conversion of new ecosystems.

For this reason, we have taken on an active role in reforestation Portugal, namely via the Sonae Forest initiative. Alongside other Sonae Group companies, in 2020, we offset the emissions generated from the Employees' vehicle fleet and service vehicles in 2019 by planting trees in burnt and uncultivated areas. We offset emissions by planting circa 93 thousand trees across 75 hectares. Sonae Group companies financed this investment.

ENVIRONMENT

ENERGY

EFFICIENCY

OUR APPROACH

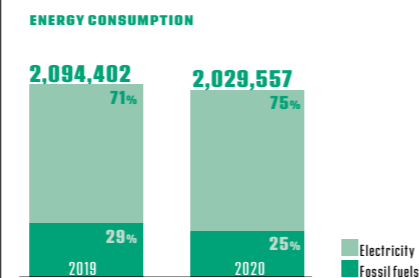
In retail, we have an array of opportunities to increase energy efficiency due to the variety of natural and energy resources involved. This means we can reduce fossil fuel consumption and impact climate change while simultaneously developing a sound and competitive operating model.

The *Trevo* (Clover) project was designed to put our energy policy into practice, promoting efficiency and the use of renewable energy sources by implementing measures to rationalise energy consumption and increase electrification levels to help improve energy efficiency, and install photovoltaic power plants for self-consumption.



OUR PATHWAY

ENERGY PERFORMANCE



In 2020, Sonae MC accounted for a total of 2,029,557 GJ in energy consumption, which represented about 3% reduction year-on-year. This reduction is primarily related to events in 2020, whereby measures to combat the COVID-19 pandemic meant we had to close some of our operations temporarily. Electricity represented 75% of energy consumption, and fossil fuels the remaining 25%.

Electricity consumption increased by 1% (420,558 MWh in 2020). Notwithstanding, specific electricity consumption (per sqm of sales area) stood at 487 kWh/sqm, corresponding to a circa 2% decrease compared to 2019 (497 kWh/sqm).

This means that, despite the increase in our store network, namely in the proximity format – with the inherent increase in associated consumption, as a result of a greater percentage occupied by fresh produce – we remained on-track with our plans to implement our energy efficiency policy. It is a crucial measure to improve our environmental and energy performance.

487 kWh/sqm
ELECTRICITY CONSUMPTION
PER SQM OF SALES AREA (-2% COMPARED TO 2019)



E-MOBILITY “PLUG&CHARGE” AT CONTINENTE STORES

In 2020, we launched a new service: charging stations for electric cars, that enables our Customers go to and from our stores in electric vehicles, but also the electrification of Employees and last mile fleet consumption. This initiative promotes the decarbonized mobility through a simple and digital experience.

After the setup of the first “Continente Plug&Charge” hub in Matosinhos and Amadora Continente stores, we installed more than 60 points in the whole country and more than 220,000 Km were charged.

This initiative aims to attain a nationwide coverage guaranteeing a maximum distance between hubs of approximately 100 km, until 2021 year end. The installation of charging stations for electric cars is one of the investments covered by funding from the European Investment Bank (EIB) and the European Fund for Strategic Investments.

INVESTMENT IN ENERGY EFFICIENCY

In 2020, we remained on-track with our efforts to improve consumption efficiency, investing more than 8 million Euro. Besides installing photovoltaic power plants for self-consumption, we also installed more efficient equipment for cold output, lighting, and air conditioning.

To ensure a successful strategy, we must monitor and manage consumption, leveraging our investments via audits carried out across our facilities and our Environmental Information System (EIS). This tool reduces our legal risk and allows for the continuous improvement of environmental performance across our units. Using a telemetry device, the “Checkwatts” platform enables us to monitor in-store consumption at 15 min intervals.

8 M€
INVESTMENT
IN ENERGY EFFICIENCY



BACKHAULING PROJECT TO MINIMISE THE LOGISTIC IMPACT

The heavy logistics associated with our operations account for a significant portion of our energy consumption. To date, there are no technological alternatives available that enable us to significantly reduce this component of our footprint hence we developed initiatives to increase the efficiency of fossil fuel consumption.

The “Backhauling” project is a transportation service offered to Suppliers along the routes that our trucks would travel back empty (having completed their last delivery in-store). This project enabled a net saving of +33% in terms of kilometres, compared to 2019, spanning 81 Suppliers. Transportation under the “Backhauling” scope already accounts for 16% of the total journeys assured by our logistics activity.

In 2020, we maintained our initiatives to improve our Suppliers' vehicles ecoefficiency and to optimise their routes by reducing the distances covered, and increasing cargo capacity and the number of deliveries per Km covered.

Also, we have a system in place to return pallets and reusable boxes to our distribution centres. This system means the Suppliers do not have to collect on a store-by-store basis or transport between warehouses. In 2020, it allowed for direct savings of circa 280,000 Km by supplier companies.

ENVIRONMENTAL CERTIFICATION PROGRAMME

The continuous improvement of the environmental management system is guaranteed through the Environmental Certification Programme, according to the international standard NP EN ISO 14001:2015, which helps us identify and manage the environmental impact of our Businesses. In 2020, Sonae MC had 64 certified units (58 stores, 5 warehouses, and 1 manufacturing centre). With this, the Sonae Group renewed its Environmental Management System Certification for retail.

Owed to the initiatives developed to improve our buildings, the Sonae Tech Hub was awarded a “Platinum” certification for Leadership in Energy and Environmental Design (LEED) granted by the U.S. Green Building Council. The new Sonae Campus building was awarded the highest score ever achieved in Portugal, positioning it as one of the top 100 buildings worldwide. With a gross area of over 6,900 sqm, benefitting from 570 sqm of solar panels, enabling a 40% reduction in electricity consumption, this innovative space also features 100% low consumption LED lighting, automatic lighting control based on external lighting, efficient use of water and the reuse of rainwater.

AMBIENTE

USAGE AND MATERIALS

MANAGEMENT

OUR APPROACH

The excessive consumption of natural resources and the proliferation of single-use plastics have become urgent issues within our society. It is increasingly important to value resources.

Considering the nature of our business activity and the impact we have alongside different actors throughout the value chain, we remained on-course with redesigning our processes, products, and services for greater circularity. Our commitment to tackling the problem of single-use plastic has been published in our "Strategy for the Responsible Use of Plastics" and in the "Sonae Companies Charter of Principles for Plastics". We also raise awareness amongst the population, for example, via the "Responsible Plastic" digital platform, which combines informative and educational content.



OUR PATHWAY

MAP OUT AND REDUCE OUR PLASTIC FOOTPRINT

The amount of single-use plastics in our business is quite considerable, and for this reason, we remained on-course with our efforts to map out our plastic footprint and devised eco-friendly packaging. We made significant progress in this area throughout the year, having mapped out our plastic packaging footprint. We also pursued our scrutiny regarding our footprint on an operations and product level.

In 2020, our plastic footprint was circa 22,430 tonnes. Packaging and operations accounted for 78%. The remaining 22% stemmed from products we are responsible for putting on the market. With the goal of reducing (or even eliminating, when possible) the usage of fossil-based plastic materials, circa 21% of the plastic used in our packaging, operations, and products is recycled. This means we avoided the use of more than 4,860 tonnes of virgin plastic, which represents a 9% increase year-on-year.

GUARANTEE PACKAGING RECYCLABILITY

As an active agent in this sphere, we are committed to bringing forward to 2025 the ambition set by the EU 2030 Climate Target, ensuring that all Continente own brands products have reusable, recyclable, or compostable packaging. To this end, at the end of 2020, 74% of our packaging was recyclable, in line with the recycling matrix created in collaboration with Sociedade Ponto Verde (The Green Dot Society) and recyclable materials accounted for 11% of our packaging.

74%
RECYCLABLE PACKAGING
IN OWN BRAND GOODS

1 Know more about "Responsible Plastic" platform.

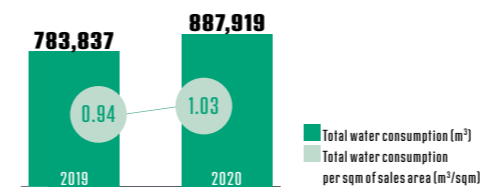


SUSTAINABLE WATER USE

In 2020 Sonae MC consumed 887,919 m³ of water. Although it represents a 13% increase year-on-year, it is not comparable with amount reported in 2019 given that for the first time this year, this figure includes the warehouses and production centers' consumption. With regards to specific consumption, the Company consumed 1.03 m³ per sqm of total sales area. This figure was driven by the organic growth, which focused namely on Continente Bom Dia stores – with higher associated specific consumption figures –, an increase in operations during a very demanding year owed to the pandemic, plus the expansion of our warehouse in Azambuja, which now houses the Seafood Processing Unit, and thus uses up plenty of drinking water.

Sonae MC is committed to reducing its water footprint, investing in initiatives focused on reducing consumption, reusing, and recycling water. For example, water reuse to supply some sanitary facilities or recycling the wastewater at the Meat Processing Centre. We also use "Checkwater", a platform to monitor water consumption in stores, thus enabling better water management across our operations.

Water usage



RESPONSIBLE WASTE MANAGEMENT

Within the scope of waste management, we assume the responsibility for the waste we generate in our Business activities and the waste our Customers drop off at our stores (+10% compared to 2019), promoting recycling and environmental citizenship. In 2020, our waste recovery rate decreased to 76% (-3pp compared to 2019). This figure was mainly impacted by a sharp reduction in waste volume sent for energy recovery owed to the pandemic caused by COVID-19.

Overall, we were responsible for managing 72,080 tonnes of waste, corresponding to a circa 1% growth compared to 2019. This figure is lower than Businesses growth (higher than 9%) and reflects our efforts to dissociate waste production from economic growth.

ECODESIGN TO INCREASE OUR PACKAGING RECYCLABILITY

In 2020 we made significant progress in terms of our packaging's ecodesign to eliminate the unnecessary use of plastic (or the problematic plastics) or replace it – whenever a different raw material proves it has a better life cycle performance, and if the various packaging components are compatible. Within this scope, we highlight the initiatives carried out regarding in-store consumables (fruit, bread, fish, and codfish bags), which avoided using 282 tonnes of plastic.

We also substituted non-recyclable materials in more than 1,300 private label and own brand goods packaging of non-food items.

A PILOT INCENTIVE FOR BOTTLE RECYCLING VIA A DEPOSIT-BASED RETURN SYSTEM

To test the bottle deposit-based return system, we participated in a pilot project lead by a consortium comprised of the Portuguese Association of Distribution Companies (Associação Portuguesa de Empresas de Distribuição – APEO), the Portuguese Association of Natural and Spring Mineral Water Manufacturers (APIAM) and the Portuguese Association of Non-Alcoholic Refreshing Drinks (PROBEB). This system aims to increase the recycling rate of plastic packaging and maximise "material circularity" by incorporating recycled plastic into new packaging.

Within this pilot's scope, by the end of 2020, circa 12 million plastic drink bottles had been returned to the automatic collection machines located in superstores. The 14 machines installed in Continente stores accounted for 7.3 million plastic drink bottles, corresponding to circa 200 tonnes of plastic PET recycling.



ENVIRONMENT

FOOD

WASTE

A NOSSA ABORDAGEM

Global demand for food has increased; however, the amount of food that goes to waste throughout the world daily is worrying. According to the Food and Agriculture Organization of the United Nations (FAO), food waste represents circa 1/3 of all food produced annually worldwide. It occurs on a production, retail, and consumer level, hence the urgent need for a food system overhaul.

Thus, we implemented initiatives to recover shrinkage and promote consumption that is compatible with the planet's limits, namely by raising Customer awareness regarding the effects of their choices and the importance of a circular economy.



OUR PATHWAY

VALUE RECOVERY FROM LOCAL AGRO-FOOD WASTE



Aligned with the EU Farm to Fork strategy, in 2020, the CPC – Clube de Produtores do Continente (Continente Producer's Club) launched the "Waste Farmers' Market" (Feira do Desperdício). The programme promotes partnerships between producers, the industry, and distributors and aims to share good practices and develop products from the waste generated during the production stage of goods produced by CPC members.

In parallel, CPC members' food waste in producing fruit and vegetables was mapped out, enabling the identification of more than 15 thousand tonnes of agro-food waste that could be used for value recovery.

15 k TON
OF CPC PRODUCERS' FRUITS AND VEGETABLES
WITH POTENTIAL FOR VALUE RECOVERY



REDUCE CONSUMER WASTE TOGETHER WITH CUSTOMERS

OPTIMISE SUPPLY TO MINIMISE SHRINKAGE

In terms of supply, we also sought to reduce food waste by including information on product sell-by dates into our replenishment algorithms, which, combined with demand forecasting, resulted in a decrease in shrinkage.

We know that the fight against waste is a cause shared by our Customers; therefore, we developed initiatives to accelerate the product flow of items reaching their expiry date and raised consumer awareness. Via Missão Continente, we joined the "United Against Waste" Movement.

The "Pink Stickers" are used to indicate items close to their expiry date, thus speed up product flow and alerts Customers that the items must be consumed within a short period. In 2020 alone, approximately 11.8 million products were sold, representing circa 20.1 million Euro of potential waste avoided.

MORE EFFICIENCY, LESS FOOD SURPLUS

We recorded a reduction in our stores' food surplus thanks to efficient ways to minimise shrinkage, such as in-store stock management and sell-by date monitoring.

The "ZERO% Waste Box" is a 5kg fruit and vegetable basket comprised of products nearing their optimum consumption date. With these baskets, we have enhanced our circular product range, and once the implementation plan is complete, we can potentially reduce waste by more than 1,000 tons/year.

The "Single Banana" project was created to raise awareness amongst Customers regarding the waste generated by loose bananas. Banana purchases can be leveraged, and it is an excellent example of reducing shrinkage.

Through the Too Good To Go app, we launched a Go Natural store pilot to sell products nearing their sell-by date. The results have been highly encouraging, and we hope to extend this partnership to other banners within Sonae MC.

"We are food safety" is the slogan of the project aimed at making procedural changes in stores associated to integrating sell-by date information from the warehouses. This joint effort contributed to an improvement in controlling sell-by dates across the value chain and resulted in reducing waste in stores (or at our Customers' homes) thus securing better quality and fresher products.

We developed an innovative and pioneering project at a European level called "LIFE Food Cycle". It is a platform that enables us to manage shrinkage more digitally, optimising donations made to charitable institutions and food products at risk of shrinkage to our commercial partners.

Despite the pandemic and its numerous restrictions, we recorded a growth in waste avoided compared to the known shrinkage. This recovery is made possible by putting the surplus food out in the social areas in-store and our warehouses so that people can help themselves (circa. 3 million Euro in 2020), thus fulfilling the double goal of avoiding waste and providing our Employees with free food.



In 2020, we pursued our initiative to donate surplus food daily. More than 1,700 institutions benefitted from this initiative, totalling circa 11 million Euro.

~30 M€
FOOD WASTE
AVOIDED

KEY PILLARS OF ACTIVITY

COMMUNITIES

Proximity with the surrounding Community is essential for our Businesses' sustainable development and affords us significant responsibility as agents of change within families. Thus, we incite efforts to encourage our Customers to make conscientious choices and galvanise our Partners to take a more responsible stance.



COMMUNITY

SUSTAINABLE AND LOCAL

SUPPLY CHAIN

OUR APPROACH

Mindful of the significant impact retail operations have on nature and biodiversity and the fact that it depends on natural capital, we seek to play an active role in creating a more responsible supply chain.

To this end, and in tandem with our Partners, we implemented several environmental, social, and ethical best practices as per our Supplier Code of Conduct¹, Sonae's Sustainable Fisheries Policy¹ and the Clube de Produtores Continente (Continente Producer's Club) Certification. We support "Portugality" and national products. Two out of every three Continente own brand food products are produced in Portugal. Alongside other companies within the Sonae Group, we are working on defining a transversal policy for Nature and Biodiversity.



OUR PATHWAY

SUPPORTING NATIONAL PRODUCTION

The CPC – Clube de Produtores Continente (Continente Producer's Club) promotes knowledge sharing and develops innovative projects in partnership with Portuguese producers. In 2020 alone, purchase volumes made to CPC members totalled circa 206 million tonnes (+30% compared to 2019, which corresponds to 365 million Euro).

The certification processes these producers must comply with are increasingly more demanding, and CPC ensures compliance with a set of quality indicators, in addition to food safety, environmental and social responsibility indicators. For example, in the case of meat producers, in 2020 the CPC strengthened its contract specifications to secure animal welfare, the preservation of biodiversity and the efficient use of natural resources amongst its members.

We also highlight (i) the support offered to national producers during the pandemic, to help them sell their products and the incorporation of an additional 40 members; (ii) the 4th edition of the *Academia do Clube de Produtores Continente*, a capacity-building programme for our producers which aims to accelerate innovation, competitiveness, and sustainability and (iii) the development of the BIO CPC which ensures the national supply of organic (BIO) vegetables.

206 k TON

PURCHASED BY THE CPC FROM NATIONAL PRODUCERS



INCENTIVES FOR PRODUCTIVE AND REGENERATIVE AGRICULTURE

To guarantee production and the responsible supply of raw material used in our private label goods, we have devised ambitious certificate of origin objectives:

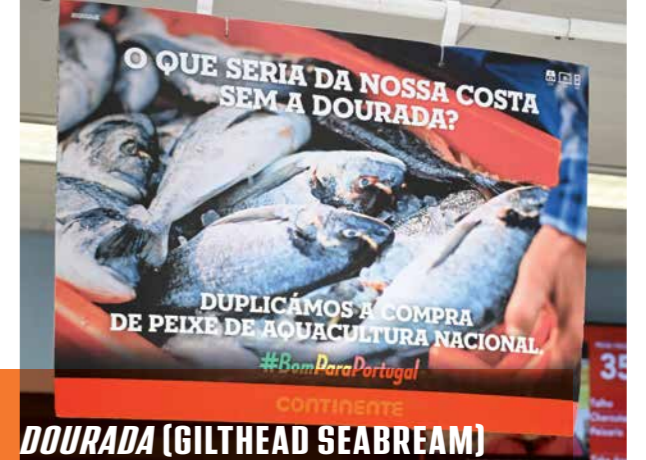
- i) We selected coffee, cocoa, and teas certified by programmes that convey best agricultural practices and how crops can be cultivated to ensure better quality, income, and sustainability. In 2020, we launched a Rainforest Alliance Certified range of aluminium coffee capsules. The frog seal was added to all chocolate-based seasonal product ranges, ice-creams, and confectionery.
- ii) We are committed to removing or substituting palm oil for other fats without detriment to the product's nutritional content. Since 2019, we have eliminated palm oil from more than 40 products. If it cannot be replaced, we make sure that the palm oil comes from a sustainable and certified source.
- iii) We ensure that 100% of our paper contains raw material sourced from sustainable forests and that the Forest Stewardship Council (FSC) certification is clearly visible on the packaging.

QUALITY ENHANCEMENT AND CONTINUOUS IMPROVEMENT



In 2020, and under the NP EN ISO 9001:2015 standard, we renewed our certification for Sonae MC's food and non-food own brand development process. To ensure high-level quality and food safety, our equipment, facilities, and products were subjected to rigorous monitoring. We carried out 493,882 in-house and external compliance and product quality tests on food products. Our Suppliers also underwent a thorough assessment process and we ensured in-store monitoring regarding complying with best hygiene practices and food safety. Furthermore, we were the first food retailer in Portugal to be awarded international certificates from the Aquaculture Stewardship Council (ASC) and Marine Stewardship Council (MSC), meaning that the seafood sold at our counters by weight is certified. To be granted this certification, more than 1,000 Employees from our core structures, logistics, and operations received training in addition to various SDG audits to guarantee the traceability of sustainably sourced seafood.

With regards to non-food private label goods, we carried out 15,530 in-house and external quality assessments and defined a Chain of Custody Certification model, with the aim of supporting, in a sound and trustworthy manner, the processes involved in certifying the origin of raw materials used in the development of our own brand goods, such as Forest Stewardship Council (FSC) certifications and Ecolabel.



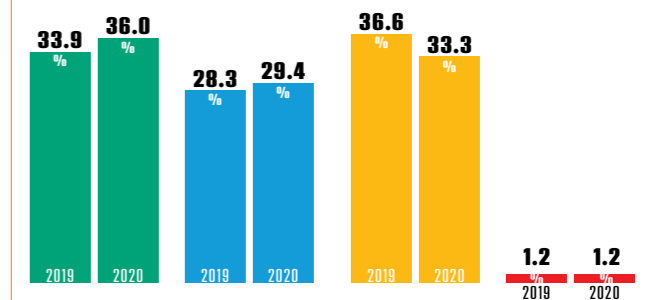
DOURADA (GILTHEAD SEABREAM) FROM THE ALGARVE COAST: AN INVESTMENT IN SUSTAINABLE PRODUCTION

In 2010, Sonae MC was the first food retailer in Portugal to adopt a Sustainable Fisheries Policy, taking the lead amongst national players and drawing attention to this matter. Our position is backed by the implementation of several initiatives to promote sustainable fishing practices. We do not sell seafood which renowned NGOs such as Greenpeace, WWF, and IUCN consider to be "endangered" species.

As a result of these initiatives, in 2020, the proportion of fish originating from aquaculture or more sustainable fishing methods increased from 62% to 65%, based on the Traffic Light System (TLS). This tool enables us to assess purchases according to their sustainability. Thus, we can endorse Suppliers whose fishing methods have a minimal impact on marine biodiversity.

A successful example is that of the *Dourada* (gilthead seabream) from the Algarve coast. We added it to the Continente seafood counters in 2020, thanks to Portugal's largest aquaculture project developed with a national partner. The *Dourada* (gilthead seabream) from the Algarve coast ensures sustainability premises above and beyond those of the standards, such as not using any antibiotics in fishery production and not supplementing feed with animal by-products. This partnership contributed to a reduction in carbon footprint that is inherent to the retail sector and the over-exploitation of the seas, and the development of local communities. In parallel, we actively instilled a change in consumer habits and guaranteed fresh and good quality seafood, with incredibly positive sales results. In 2020, a total of 228 thousand Customers bought gilthead seabream from the Algarve coast, out of which 98 thousand did not usually buy aquaculture seabream, and 8 thousand were Customers who purchased gilthead seabream for the first time.

Fishery purchase volume



Traffic Light system legend

- Fishery methods with reduced potential impact in biodiversity and in marine ecosystems
- Fishery methods with moderate potential impact in biodiversity and in marine ecosystems
- Fishery methods with significant potential impact in biodiversity and in marine ecosystems

¹ Learn more about the Code of Conduct for Sonae Suppliers and Sonae's Sustainable Fisheries Policy

COMMUNITY

HEALTHY NUTRITION AND SUSTAINABLE CONSUMPTION

OUR APPROACH

To transform the global food system, it is crucial that the population follow a more sustainable diet because of its low environmental impact, contribution to food security, and because it aids overall health.

In line with the efforts carved out by the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO), and as the largest Portuguese retailer, we are very conscious of our critical role in promoting sustainable food choices and making sure healthy nutrition choices are made available to everyone. We are committed to driving a greater and better food literacy movement and offering our Customers healthier products.



OUR PATHWAY

RAISING AWARENESS VIA THE *MISSÃO CONTINENTE* SCHOOL



Missão Continente School is an educational programme to help raise awareness amongst primary school students (aged circa 6 to 9 years old) on topics such as healthy nutrition habits and conscientious consumption. It covers modules such as healthy diets, food waste, and the excessive use of plastic. The programme focuses on learning through educational activities, fun materials, field trips, and challenges that encourage the school Community to reflect and act upon the proposed topics.

For the 2020/21 edition, the program was adapted due to the pandemic, and on-topic classes and virtual field trips to Continente stores were hosted. The students were given challenges such as focusing on the topic of local/regional produce and sustainable shopping habits.

This edition included 437 schools nationwide and over 40,000 students, representing a circa 30% growth in the number of students compared to 2019.

40 k
STUDENTS IN 2020/2021
IN THE PROGRAM *MISSÃO CONTINENTE* SCHOOL



RELAUNCH OF THE *CONTINENTE EQUILÍBRIO* (BALANCE) AND *CONTINENTE ECO* RANGES

The Continente Equilíbrio range includes nutritionally balanced products at affordable prices so that everyone has access to healthier food options. The balance range underwent a transformation process in 2020 to better define its market positioning: clear nutritional criteria were defined, product inconsistencies that did not fulfil the brand criteria were eliminated, the visual identity was revamped, and an additional 60 new products were added to the range, with disruptive innovation in own brand products.



Regarding conscientious consumption, we launched the Continente Eco brand, an eco-product range for household cleaning products and personal hygiene. The brand combines (i) environmental sustainability via the formulation of eco-friendly raw materials, compact and concentrated products, recycled plastic packaging and labels with less ink printed surface area, (ii) effective results when compared to conventional products, and (iii) inexpensive price points to drive a change in consumption habits.



REFORMULATION OF FOOD PRODUCTS FOR IMPROVED NUTRITION

In 2020 we pursued our efforts to assess Continente own brand food products' nutritional content, to optimise and reduce salt, fat, and sugar content, and to eliminate hydrogenated fat and palm oil, thus minimising the impact on the organoleptic properties and avoiding sensory appeal through the addition of flavour enhancers, aromas, sweeteners, and preservatives. We simultaneously sought to introduce products containing more protein, fibre, fruit, and vegetables plus wholegrain and naturally healthy foods.

Thus, in the last two years, we nutritionally optimised more than 200 products. This equates to reducing 85 tonnes of salt, 650 tonnes of sugar, and 385 tonnes of saturated fats. Furthermore, the nutritional optimisation of more than 500 products is currently ongoing.

+650 ton
OF SUGAR REDUCTION
IN CONTINENTE'S
OWN BRAND FOOD PRODUCTS

+85 ton
OF SALT REDUCTION
IN CONTINENTE'S
OWN BRAND FOOD PRODUCTS

COMMUNITY

SUPPORTING LOCAL

COMMUNITIES

OUR APPROACH

Establishing a close relationship with surrounding communities is essential to sustainable development. We believe that companies play a critical role in promoting the more autonomous and resilient Communities' prosperity and development.

In partnership with social economy organisations, we seek to contribute with our skills and direct our resources towards initiatives that support less favoured Communities, contributing to poverty eradication in its different formats.



OUR PATHWAY

HELPING THE MOST VULNERABLE

In 2020, via Missão Continente, Sonae MC donated circa 12 million euros to the Communities spanning over 1,100 social support institutions and animal welfare associations. This support was given to several entities that work closely with local Communities helping them with a diversified set of needs.

~ **12** M€
DONATED
BY SONAE MC

SOLIDARITY GROCERY BAGS

Missão Continente launched the reusable Solidarity Grocery Shopping Bags. Two editions were launched in 2020, raising enough funds to donate 30 thousand Euro to the Portuguese Association of Voluntary Firefighters (APBV) and 30 thousand Euro to Animalife, an association that works with abandoned pets in Portugal.



SOMOS ZULIDÁRIOS:
SUPPORTING ANIMAL WELFARE

Under our ZU banner, which specialises in pet food, hygiene, and veterinary health care, we created the *Somos Zulidários* (We are "Zulidáric" – a play on words with solidaric) programme to help cats and dogs cared for by associations. The first initiative was launched in 2020 and consisted of selling "Zulidáric" shopping bags. Every time Customers reuse the ZU stores' shopping bag, on behalf of the ZU insignia, they donate to an animal welfare association. The ZU solidarity bags are made from 100% cotton, reusable, and reduce plastic bags in our stores.



NOTE! CREATING NEW STORIES

During the first lockdown, and to promote reading and support the Communities via educational, fun games, Note! created the "Tell me what you're reading" initiative. Through this initiative, public figures from different fields shared what they were reading and provided recommendations on books everyone should read at least once in their lives. The "Time for Digital Story Reading" was created on the Note! Instagram account, a social networking service, to share wonderful stories for little and big kids.

In parallel, Note! created a regular diary for "Conversations with Authors" consisting of live interviews on Instagram whereby authors would talk about themselves, their books, and interact with their readers.



MISSÃO CONTINENTE
(MISSION CONTINENTE)

Missão Continente endorses Continente's initiatives within the scope of social responsibility, and its purpose is to build a sustainable future. Throughout the year, we embraced and reinforced our transformation agent's role, acting daily to positively impact communities, raise awareness and engage with them to make better choices. We also worked increasingly closely with people in need of the most help and provided immediate support during hardship.

Missão Continente was very much impacted by the COVID-19 outbreak in 2020. Efforts were directed to those affected the most, namely offering support through food donations, hygiene, personal protective equipment to health services, civil protection, and others. Partnerships were also established to help and support food emergencies; donations were made to social support institutions, and animal welfare.



NEWBORN CARE BABY WELL'S HAMPER

In 2020, and for the third consecutive year, the Well's banner boosted its commitment to support birth rates in Portugal by pursuing its project "For a baby-filled Future". The banner has already donated more than 40,000 "Baby Well's Kits" nationwide. This means that more than 50% of babies born in Portugal benefited from the initiative during the period. Well's also granted assistance to circa 50 babies from underprivileged families, covering all their hygiene, food, and child-care product requirements from birth until their first birthday.

KEY PILLARS OF ACTIVITY

PEOPLE

Our Associates are at the heart of our business. Their motivation and commitment are determining factors for our success. Thus, we empower our associates personally and professionally, promote diversity and inclusion, and endeavour to ensure their safety and well-being.



PEOPLE

DIVERSITY AND

INCLUSION

OUR APPROACH

Diversity in the workplace is the best way to deal with a constant, ever-changing world. As the benchmark employer, we play a fundamental role in job creation and promoting inclusion; thus, we value each and every contribution.

The continuous quest for making better decisions, innovating more, and achieving superior results by promoting a culture of diversity and inclusion, is patent in Sonae MC's daily business.

The foundations of our diversity and inclusion strategies are rooted in our way of being and conducting ourselves, and it is consistent and intentional. We care for our People and their individuality. Putting our People at the heart of our success is an intrinsic part of our culture and abundantly clear in our corporate values. We endeavour to create a work environment based on a diverse employee profile, focused on uniqueness as one of the fundamental principles of this strategy and as a catalyst for the personal and professional development of each Employee. Thus ensuring that our People feel respected, valued for their skills, and trust the organisation.



OUR PATHWAY

KEY PILLARS OF DIVERSITY AND INCLUSION

The pandemic and the ensuing economic crisis worsened existing disparities, making even more compelling the existence of consistent inclusion policies.

Sonae MC's diversity and inclusion policy is divided into 5 pillars of action: i) Gender equality, ii) Disability, iii) Generations, iv) LGBTQIA+, v) Nationalities and Ethnicities, reflecting our ambition and investment in the pillars linked to the corporate strategy.



OUR PEOPLE

At the end of 2020, Sonae MC employed 35,900 Employees. This figure represents a net increase of 2.9% year-on-year. Out of this total, 73% are permanent employees, and 68% are women. In 2020, it is also important to highlight the diversity of nationalities, namely within our Logistic teams, that account more than 20 nationalities, representing 31% of the workforce.



WE ARE SONAE AND STAND AGAINST DOMESTIC VIOLENCE

In 2013, we created the Somos Sonae (We are Sonae) programme to help our Employees when they are at their most vulnerable.

We invested circa 1.2 million Euro into the programme, which has already helped 2,400 people, spanning our Employees and their families. All cases are dealt with privately and anonymously and are conducted by a multidisciplinary team from the Portuguese Red Cross.

In 2020, more than 150 support plans were structured, which meant aid was offered to circa 385 People (+42 compared to 2019). It was a record year in terms of investment, surpassing 234 thousand Euro. Furthermore, in 2020, under a rebranding initiative, in addition to the social, economic, legal, and oral health areas of intervention, a new action pillar against domestic violence was added to the programme. This programme aims to create awareness on the topic and intervene with a bespoke holistic approach regarding social, economic, and psychological aspects.

INFO SNACKS

The Diversity and Inclusion (D&I) Info Snacks area a permanent feature in SONAE MC's weekly newsletters. They include short accounts of the 5 axes which comprise our D&I strategy and aim to serve as an inspiration and challenge for our People.

In 2020, the Info Snacks achieved high levels of interaction. The videos were the most viewed on our digital platform.

O NOSSO COMPROMISSO 40% DE MULHERES EM CARGOS DE LIDERANÇA ATÉ 2023

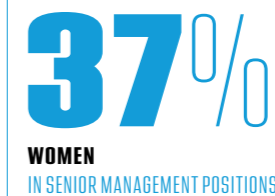


LEADERSHIP É DE MULHER (IS FOR WOMEN)

Gender equality is one of the priority areas in our diversity and inclusion strategy. It is centred on 4 action lines: i) employment and education, ii) balancing personal and professional life, iii) social protection, and iv) visibility.

With regards to visibility, in 2020, we held briefing sessions with experts in the field of inequality in women's leadership; we launched two exclusive newsletters on the topic of diversity and inclusion, and we launched the first in-house campaign for gender equality, "É de Mulher" (It's for Women) with 11 Employee-ambassadors based on hard evidence that showed that gender equality is not yet a reality. The campaign aimed to break gender stereotypes by providing a message of strength and triumph and mobilising all Employees to participate in this movement.

Throughout the year, we also reinforced our commitment regarding our 2023 objectives. We aim to have 40% of our senior management positions occupied by women. This includes new hires and promotions. By year-end, 37% of senior management positions were occupied by women (+1.6 pp compared to 2019).



PEOPLE

HUMAN CAPITAL

DEVELOPMENT

OUR APPROACH

Confident of the fact that a fast pace and constant change will characterise the future, learning to learn is one of the primary skills that should be promoted within organisations. The construction of a mindset where everyone is encouraged to "learn, unlearn and learn again" is a competitive advantage in any corporation.

In this sense, training is an essential tool to develop our People and a means of implementing Sonae MC's strategy and responding efficiently to current and future Businesses challenges. In this sense, our learning & development strategy aims to increase the training digitalisation processes and offer future proof-skills training and promote self-learning.



OUR PATHWAY

DIGITAL TRANSFORMATION AND TRAINING

The year 2020 brought us the COVID-19 pandemic and an opportunity to step up our strategy regarding moving our face-to-face training model to a predominately digital one. This transformation was applied across more than 100 programmes, corresponding to 787,142 training hours. On the other hand, there was a 29% increase in the number of participants, bringing the total number to 44,671, thus reflecting Sonae MC's commitment to investing in developing and valuing its Associates.

Examples of digital training initiatives include: i) The "Learning Tips" newsletters launched in 2020 featuring learning tips on a variety of topics such as emotional intelligence or negotiation skills; ii) "LearningHubz", a platform to promote continuous professional development through short videos on topics such as leadership, productivity or personal development. In 2020, new users grew by 120% and active users by 345%; and iii) the "Tool Kits", an innovative way of addressing future skill sets which includes several training resources to read, watch, listen, interact, and practice. This tool serves to advance self-learning and is 100% online.

Currently, there are two "Tool Kits" available, one for problem-solving and the other for design thinking. They include different learning journeys with specific time intervals and levels of complexity.

787 K
TRAINING
HOURS GIVEN

~ 45 K
PARTICIPANTS
IN TRAINING PROGRAMS

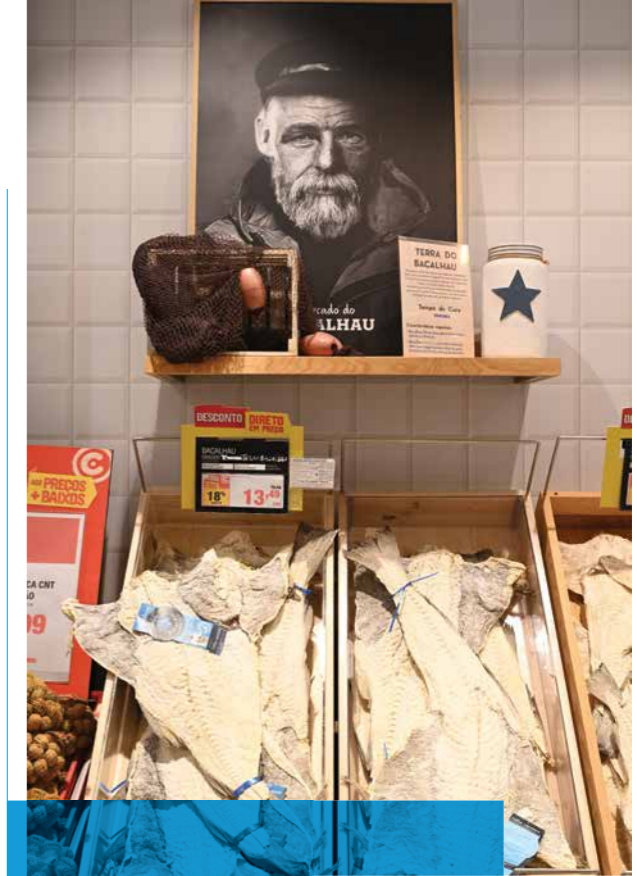


INVESTING IN THE FUTURE OF RETAIL

Even within the context of a pandemic, we continued to develop programmes to identify high potential candidates. In 2020, the Future Leaders programme stood out for investing in in-house talent (38 Employees) and developing new channels and innovative methodologies such as: i) investment in digitalisation, be it in programme communication or assessment and training methodologies; ii) being in alignment with the new leadership development model known as Lead Better; iii) serving as an incentive for lifelong self-learning, taking ownership for individual learning requirements; and iv) focusing on social learning very much leveraged on mentor and buddy figures.

GO NATURAL CUSTOMER SERVICE EXCELLENCE

To revolutionise Customer service at our Go Natural stores, in 2020, we rolled out a project called Greeny. The aim was to provide our Employees with the following skills: i) technical skills, namely knowledge about the product ranges; ii) behavioural skills, helping Employees be more proactive, extrovert, and self-confident in Customer interactions; and iii) a monitoring system with means of measuring and incentivising to ensure optimal implementation for the Greeny programme.



THE FUTURE IS NOW AT THE COMMERCIAL ACADEMY

The 4th edition of the Commercial Academy Day was held in 2020. Due to the pandemic, the format had to be adapted and brought together circa 800 sales Employees. The event was an opportunity for the sales teams to discuss the pandemic's impacts and focus discussions on emerging trends such as e-commerce and remote working. In a 100% digital environment, more than 70 workshops were held simultaneously to address the main challenges of the Businesses.

800 + 70
EMPLOYEES IN AN 100% DIGITAL TRAINING PROGRAM
WORKSHOPS HELD SIMULTANEOUSLY

IMPROVE EMPLOYEE EXPERIENCE

In 2020 we launched the Employee Experience project. The goal is to satisfy Employees' needs while simultaneously keeping up with the dynamic of the Businesses and the labour market. We mapped out our Employees' life cycle and obtained an overall view of the various professional journeys, and reflect on discrepancies that coexist within Sonae MC, ranging from store operations to logistics and corporate structures. This exercise served as a guiding tool to take a closer look at Employees' real experiences and activate cross-sectional or customised initiatives to provide solutions to the identified improvement opportunities.

PEOPLE

EMPLOYEE HEALTH, SAFETY, AND WELL-BEING

OUR APPROACH

At Sonae MC, Employee health, safety, and well-being are a priority. To reduce the absenteeism rate, occupational accidents, and work-related illnesses while simultaneously increasing productivity and achieving excellent results, we must implement preventative measures which contribute towards a feeling of professional fulfilment amongst our Employees.

We are focused on fostering a “zero accidents” culture and promoting a healthy and safe working environment to ensure our Employees’ physical, mental, and social well-being. Through the Improving Our Life (IOL) movement, we foster a balance between personal and professional life and value each of our Employees.



OUR PATHWAY

RESPONSE TO THE HEALTH CRISIS

In a year severely impacted by COVID-19 pandemic, the Occupational Health and Safety (OHS) and Occupational Health (OH) departments played a critical role in developing initiatives to fight the pandemic as listed below:

- > The production of a COVID-19 Contingency Plan and handbook
- > A reassessment of workplace risks and mitigation measures
- > The creation of a vaccination and COVID-19 monitoring observatories
- > Training sessions, coaching, quick-talks and content preparation
- > Quality checks and purchasing products, disinfectants, and protection equipment
- > A COVID-19 helpline was set-up, offering support tools
- > Keeping a close check on risk patients, regarding their COVID-19 risk infection
- > Boosting medical and nursing services
- > 14,000 molecular tests (RT-PCR) within the Proactive Testing Plan
- > 1,500 hours dedicated to technical analysis, medical notification, and case follow-up in close collaboration with the Health Authorities
- > Development of the Trace COVID app, with predictive analysis of the incidence of the disease within Sonae MC

12 K
TRAINING HOURS GIVEN
 WITHIN COVID-19 PANDEMIC CONTEXT

A SAFE RETURN TO THE WORKPLACE

To ensure a safe return to our offices, appointments were set up to assess the health conditions of our Employees, and the buildings were adapted, having been carried out 20 audits, training sessions on returning to the workplace and 5 emergency drills.

"MODELO SEGURO" (SAFE MODELO) PROGRAMME

This programme was designed for the Continente Modelo supermarkets, with the aim of reinforcing a safety culture, promoting continuous improvement and contributing to a reduction in incident indicators.

It was rolled out in 2020, and a taskforce was set up to assess, monitor and check that the procedures were being followed. The programme spanned a total of 2,300 trainees.

PROTECTION AND COMFORT IN THE WORKPLACE



Equally, in 2020 we pursued our investment in improving safety conditions in the workplace. The ergonomic conditions of our new Seafood Processing Centre in Azambuja were assessed. Over 200 job functions were considered, covering 95% of the Employee population in interview format.

Regarding Personal Protective Equipment (PPE) we were able to reduce medical restrictions associated with foot pathologies within the scope of the “Foot Diseases” project by 90%. This was an important initiative to increase our Employees’ comfort and safety levels without losing sight of our environmental footprint. In our logistics division, we introduced a shoe model made from 100% recyclable material.

PROTECTION AGAINST LEGIONNAIRE’S DISEASE

In 2020 we revised the Legionnaires’ disease prevention programme to: i) simplify procedures; ii) create management tools; iii) update the registry and develop tools for equipment control; iv) design a training programme; and v) create a risk management procedure, applicable to the different banners.

WE LOOK AFTER OUR PEOPLE

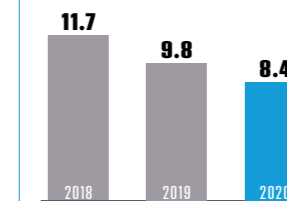
Several other initiatives were launched or enhanced in 2020 to promote Employee satisfaction. The following are worthy of note: i) all permanent Employees were given a smartphone with the company’s mobile plan, ii) the Logistics “Solidarity Bazaar”, via which all proceeds revert to in-house solidarity initiatives. Products donated by Sonae MC banners for token amounts were made available to circa 2,300 Employees; and iii) we handed out 730 Baby Well’s kits to new parents, containing essential items for their baby’s first days.



PROMOTING HEALTH AND SAFETY

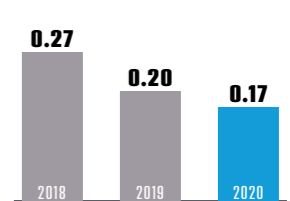
In 2020, we transitioned from the Occupational Health and Safety Assessment Series (OHSAS) 18001:2007 to the new ISO 45001:18 standard. We obtained the renewal of the Health and Safety Management System certification for the Continente Cascais store, thus enabling us to roll out our best practices across the remaining stores. The Company organised more than 56,975 training hours and Occupational Health and Safety (OHS) awareness initiatives spanning circa 29,650 trainees. The results were reflected in 2020 results whereby the Frequency Index decreased by 14% and the Accident Severity Index at Sonae MC decreased by 15% compared to 2019. These results stem from an increasingly solid safety culture rooted in our Employees and the reduction in commuting accidents on journeys from home to the workplace due to containment measures.

Accident Frequency Index



Frequency Index = (No. of total accidents occurred in the workplace with injury x 100) / No. of total paid hours for total Employees

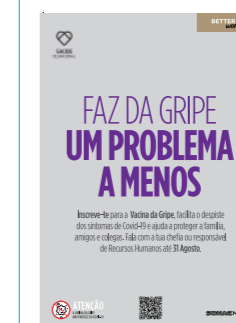
Accident Severity Index



Severity Index = (No. of total days off absence caused by a workplace accident with injury x 100) / No. of total paid hours for total Employees

OCCUPATIONAL HEALTH

With 180 consulting rooms located on Company sites, our Occupational Health Service is comprised of 82 healthcare professionals. In 2020, a total of 31,965 hours of health services were provided, and 41,265 medical examinations were carried out. Furthermore, Sonae MC’s Seasonal Influenza Vaccination Programme hit record highs whereby 5,120 Employees were vaccinated. We held initiatives to mark World Mental Health Day and World Food Day. In 2020 we also carried out 383 emergency drills within the Automated External Defibrillator (AED) Programme and conducted 125 first responders training sessions for 638 Employees.





GRI

DISCLOSURES

GRI 102 – GENERAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

ORGANISATION PROFILE

GRI 102

General Disclosures

102-1

Name of the organisation

SONAE MC, SGPS, S.A. (hereinafter referred to as Sonae MC).

102-2

Activities, brands, products and services

See chapter "The year in review", subchapter "Sonae MC at a glance".

More information available at: <https://sonaemc.com/en/our-business>

102-3

Location of headquarters

Sonae MC's headquarters are located at Rua João Mendonça, 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.

102-4

Location of operations

Portugal and Spain.

102-5

Ownership and legal form

Sonae MC is a limited liability company, registered at the Porto Commercial Registry Office.

102-6

Markets served

See chapter "The year in review", subchapter "Sonae MC at a glance".

102-7

Scale of the organisation

See chapter "The year in review", subchapter "Sonae MC at a glance".

102-8

Information on Employees and other workers

See chapter "Sustainable Development", subchapter "People – Diversity and Inclusion".

Supplementary information pertaining to this indicator is detailed below:

TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT CONTRACT, PER GENDER

TYPE OF EMPLOYMENT CONTRACT	GENDER	2020
PERMANENT CONTRACT	Male	7,971
	Female	18,360
	Subtotal	26,331
TEMPORARY CONTRACT	Male	3,393
	Female	6,176
	Subtotal	9,569
TOTAL		35,900

TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT CONTRACT, PER COUNTRY

PERMANENT CONTRACT	Portugal	25,747
	Spain	584
	Subtotal	26,331
TEMPORARY CONTRACT	Portugal	9,225
	Spain	344
	Subtotal	9,569
TOTAL		35,900

TOTAL NUMBER OF EMPLOYEES PER TYPOLOGY OF NUMBER OF WORKING HOURS, PER GENDER

FULL-TIME	Male	9,075
	Female	17,877
	Subtotal	26,952
PART-TIME	Male	2,289
	Female	6,659
	Subtotal	8,948
TOTAL		35,900

GRI 102 – GENERAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

ORGANIZATION PROFILE

AVERAGE NUMBER OF CONTRACTS BY TYPE, AGE GROUP AND GENDER

JOB CATEGORY	AGE GROUP	PERMANENT			TEMPORARY		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
	TOTAL	11,235	24,019	35,254	3,668	6,334	10,002
EXECUTIVES	< 30 years old	0	0	0	0	0	0
	From 30 to 50 years old	16	4	20	0	0	0
	≥ 50 years old	25	4	29	0	0	0
	TOTAL	41	8	49	0	0	0
SENIOR & MIDDLE MANAGERS	< 30 years old	1	3	4	0	0	0
	From 30 to 50 years old	270	182	452	0	0	0
	≥ 50 years old	133	64	197	0	0	0
	TOTAL	404	249	653	0	0	0
COORDINATORS & SUPERVISORS	< 30 years old	70	136	206	8	31	39
	From 30 to 50 years old	521	941	1,462	9	37	46
	≥ 50 years old	149	198	347	0	2	2
	TOTAL	740	1,275	2,015	17	70	87
TECHNICIANS & SPECIALISTS	< 30 years old	164	373	537	20	47	67
	From 30 to 50 years old	473	853	1,326	3	17	20
	≥ 50 years old	73	180	253	0	0	0
	TOTAL	710	1,406	2,116	23	64	87
REPRESENTATIVES	< 30 years old	2,033	3,411	5,444	2,643	4,533	7,176
	From 30 to 50 years old	3,111	8,803	11,914	654	1,344	1,998
	≥ 50 years old	903	3,091	3,994	45	124	169
	Total	6,047	15,305	21,352	3,342	6,001	9,343

Note: excludes Go Natural Restauração.

JOB CATEGORY	AGE GROUP	FULL-TIME			PART-TIME		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
	TOTAL	11,306	23,906	35,212	2,629	6,889	9,518
EXECUTIVES	< 30 years old	0	0	0	0	0	0
	From 30 to 50 years old	16	4	20	0	0	0
	≥ 50 years old	25	4	29	0	0	0
	TOTAL	41	8	49	0	0	0
SENIOR & MIDDLE MANAGERS	< 30 years old	1	3	4	0	0	0
	From 30 to 50 years old	270	179	449	0	3	3
	≥ 50 years old	133	63	196	0	1	1
	TOTAL	404	245	649	0	4	4
COORDINATORS & SUPERVISORS	< 30 years old	78	160	238	0	7	7
	From 30 to 50 years old	529	966	1,495	1	12	13
	≥ 50 years old	149	197	346	0	3	3
	TOTAL	756	1,323	2,079	1	22	23
TECHNICIANS & SPECIALISTS	< 30 years old	184	416	600	0	4	4
	From 30 to 50 years old	475	865	1,340	1	5	6
	≥ 50 years old	72	179	251	1	1	2
	TOTAL	731	1,460	2,191	2	10	12
REPRESENTATIVES	< 30 years old	2,842	4,377	7,219	1,834	3,567	5,401
	From 30 to 50 years old	3,380	7,934	11,314	385	2,213	2,598
	≥ 50 years old	881	2,378	3,259	67	837	904
	Total	7,103	14,689	21,792	2,286	6,617	8,903

Note: excludes Go Natural Restauração.

GRI 102 – GENERAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

ORGANIZATION PROFILE

**GRI 102
General Disclosures**

102-9

Supply chain

We consider the Sustainable Supply Chain a key dimension for our performance, as it has an impact on all the activity pillars that we define. Together with our Suppliers and partners, we aim to progress on the principles of sustainable development. In this regard, throughout this report, in the various chapters we refer to the supply chain.

Additionally, see responses to the indicators: 204-1; 304-2; 308-1; 407-1; 408-1; 409-1 and 414-1.

102-10

Significant changes to the organization and its supply chain

No significant changes to report.

102-11

Precautionary principle approach

See chapter "Corporate Governance Principles and Practices", subchapter "Internal Control and Risk Management".

102-12

External initiatives

Over the years, we have subscribed to various independent policies and commitments (directly or through Sonae SGPS). We also developed internal benchmarks to support us in managing our businesses and achieving the goals we committed to, for example:

Type	COMMITMENTS SUBSCRIBED TO AND POLICIES DEVELOPED
EXTERNAL	The United Nations Global Compact Principles
	The United Nations Universal Declaration of Human Rights
	WOMEN INITIATIVE DO EUROPEAN ROUNDTABLE OF INDUSTRIALS (ERT)
	Paris Pledge for Action
	The Charter of Principles of the BCSD Portugal
	CEO GUIDE TO HUMAN RIGHTS (WBCSD)
	The New Plastics Economy Global Commitment
	The National Pact For Plastic
	Sonae MC's Code of Ethics and Conduct
	The Sonae Group Code of Conduct for Suppliers
INTERNAL	The Sonae Group Sustainable Fisheries Policy
	The Sonae Group Environmental Policy
	Sonae MC's Gender Equality Plan
	Sonae Companies' Charter of Principles for CO2 & Climate Change
	Sonae Companies' Charter of Principles for Plastic
	Risk Management Policy

In June 2020, Sonae Group subsc. ,bed the Business for Nature's Call to Action, joined the Science Based Targets Network (SBTN) Corporate Engagement Program and endorsed the Future of Work Leadership Statement (WBCSD).

102-13

Membership of associations

APED (Portuguese Association of Distribution Companies); Consumer Goods Forum; APLOG (Portuguese Logistics Association); ACEPI (The Portuguese Digital Economy Association); GSI Portugal; APAN (Portuguese Association of Advertisers) and AHRESP (The Portuguese Hotel and Restaurant Association).

STRATEGY

**GRI 102
General Disclosures**

102-14

Statement from the Senior decision-maker

See chapter "Message from the CEO".

102-15

Key impacts, risks, and opportunities

See chapter "Corporate Governance Principles and Practices", subchapter "Internal control and risk management".

GRI 102 – GENERAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

ETHICS AND INTEGRITY

**GRI 102
General Disclosures**

102-16

Values, principles, standards, and norms of behaviour

Ensuring that all our activity is governed by the faithful application of the principles of ethics and trust is a concern common to the entire Sonae Group. With this purpose in mind, we have developed Sonae MC's Code of Ethics and Conduct which defines the ethical standard by which we are governed.

GOVERNANCE

**GRI 102
General Disclosures**

102-18

Governance structure

All Governance indicators are answered in the chapter "Corporate Governance principles and practices".

STAKEHOLDER ENGAGEMENT

**GRI 102
General Disclosures**

102-40

List of stakeholder groups

The main stakeholders are:

- > Customers
- > Employees
- > Suppliers
- > Shareholder
- > Society

See chapter "Sustainable Development", subchapter "Our stakeholders"

102-41

Collective bargaining agreements

At Sonae MC, 100% of total Employees are covered by collective bargaining agreements.

102-42

Identifying and selecting stakeholders

See chapter "Sustainable Development", subchapter "Our stakeholders".

102-43

Approach to stakeholder engagement

See chapter "Sustainable Development", subchapter "Our stakeholders".

102-44

Key topics and concerns raised by stakeholders

In 2020, we registered, analysed and dealt with 159 thousand complaints and suggestions regarding Sonae MC's various businesses. We have in place a Suggestions and Complaints Management System that allows us to identify several areas and opportunities for development and to implement different improvements and changes both on the product and operation level. Additionally, we also provide our Employees, Customers, Suppliers and the general public access to the Sonae Ombudsman, that ensures and complements the interaction with the different business areas.

Moreover, with the purpose of extending our Customer knowledge, we use different types of tools and methodologies (Net Promoter Score measurement, e-mail satisfaction assessment surveys, SMS, and telephone contact, after the customer has had contact with the brand or post purchase, product reviews, market studies), that allow us to know to their opinion. The feedback collected through the different sources is in turn incorporated into the strategic decisions of each of our different businesses.

GRI 102 – GENERAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

REPORTING PRACTICE

GRI 102

General Disclosures

102-45

Entities included in the consolidated financial statements

See chapter "Consolidated and individual financial statements".

102-46

Defining report content and topic Boundaries

See chapter "Appendix", subchapter "About this report".

102-47

List of material topics

See chapter "Sustainable development", subchapter "Our compromise with sustainability".

102-48

Restatements of information

Nothing to report.

102-49

Changes in reporting

Nothing to report.

102-50

Reporting periodThis report covers the period from January 1st 2020 to December 31st 2020.

102-51

Date of most recent reportApril 30th, 2020

102-52

Reporting cycle

Annual

102-53

Contact point for questions regarding the report

See chapter "Appendix", subchapter "About this report".

102-54

Claims of reporting in accordance with the GRI Standards

"This report was prepared in accordance with the GRI Standards: Core Option."

102-55

GRI content index

Current table.

102-56

External assurance

See chapter "Appendix", subchapter "About this Report".

GRI 102 – GENERAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

MATERIAL ASPECTS

GRI 103

Material aspects

103-1

Explanation of the material topic and its boundary

Over the years, we carried out a materiality analysis of the positive and negative impacts of our activity. It was a robust auscultation process that involved different stakeholders (Employees, Customers, Suppliers and partners, regulatory and sectoral entities, investors, media and community) and that reflected on our performance, structure and positioning, as well as in market best practices and the regulatory framework. Based on the material issues identified, the results of the previous strategic cycle, the areas highlighted at sector level, the commitments subscribed to by Sonae MC and in line with the United Nations Sustainable Development Goals, we defined three activity pillars, which will guide our activities in building a sustainable future: Environment, Community and People.

Cooperating and closely interacting with each one of our stakeholders is part of the day-to-day life through Sonae MC. For this purpose, we have created and maintain a diversified base of specific communication channels for each group of stakeholders, which allows us to continuously measure the needs and expectations of our stakeholders and, thus, understand whether the analysis performed remains updated and relevant. The exercise done in 2020 allowed us to conclude by the adequacy of the materiality analysis of our impacts.

Thus, in 2020 we continued to invest in the development of the identified three pillars of activity and material themes: Carbon emissions, Energy Efficiency, Usage and Materials Management, Food Waste, Sustainable and Local Supply Chain, Healthy Nutrition and Sustainable Consumption, Supporting Local Communities, Diversity and Inclusion, Human Capital Development, Employees' Health, Safety and Well-being.

103-2

The management approach and its components

Sonae MC promotes several initiatives related to its material aspects, disclosed throughout this report.

103-3

Direct economic value generated and distributed

Sonae MC carries out the measurement and monitoring of the indicators associated with this topic and discloses them throughout this report.

GRI 200 – ECONOMIC DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

ECONOMIC PERFORMANCE

GRI 201 Economic performance	201-1 Direct economic value generated and distributed See chapter "Consolidated and individual financial statements", subchapter "Consolidated financial statements" and "Individual financial statements"
	201-2 Financial implications and other risks and opportunities due to climate change In its response to Carbon Disclosure Project (CDP), Sonae group provided detailed information on the financial implications and other risks and opportunities associated with climate change. The (A) assessment obtained, places Sonae group companies, on a global level, in the group of companies that are leading the fight against climate change. Our efforts regarding the adoption of the guidelines defined by the Task Force on Climate-related Financial Disclosure (TCFD) – an initiative that promotes the recommendations for the management and disclosure of financial risks associated with climate change – are still undergoing. The potential financial impacts of climate change will be estimated and mitigation actions for the prioritised risks will be defined in line with the framework developed by the Financial Stability Board.
	201-3 Defined benefit plan obligations and other retirement plans Sonae MC Sonae does not have a pension fund.
	201-4 Financial assistance received from government In 2020, Sonae MC received 33.8M€. This refers to the amount received within the scope of tax credits and represent our best estimate given that, at the closure date of this report, the SIFIDE applications were not yet completed. It is worth highlighting that the Government is not part of the Company shareholder structure.

MARKET PRESENCE

GRI 202 Market presence	202-1 Proportion of senior management hired from the local community 67% of Sonae MC senior managers are hired locally.
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INDIRECT ECONOMIC IMPACTS (MATERIAL TOPIC)

GRI 203 Indirect Economic Impact	203-1 Infrastructure investments and services supported See response to indicator 413-1.
	203-2 Significant indirect economic impacts See response to indicator 413-1.

INDIRECT ECONOMIC IMPACTS (MATERIAL TOPIC)

GRI 204 Procurement practices	204-1 Proportion of spending on local Suppliers
	PERCENTAGE OF COSTS
	2019 2020
	PROPORTION OF SPENDING ON FOREIGN SUPPLIERS 18% 15%
	PROPORTION OF SPENDING ON LOCAL SUPPLIERS 82% 85%

GRI 200 – ECONOMIC DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

ANTI-CORRUPTION

GRI 205 Anti-corruption	205-1 Operations assessed for risks related to corruption Sonae MC's risk management process follows the Enterprise Wide Risk Management – Integrated Framework (COSO) international methodology which enables the identification of different types of risks and threats to the development of the businesses, at both the strategic and operational level. As the risk of corruption was not identified as a priority risk for Sonae MC, no assessments were carried out in this regard. Sonae MC's Code of Ethic and Conduct establishes a set of principles and rules related to conflict of interest, offers or rewards to Employees, with the goal of ensuring decision-making is not unduly influenced. In 2020, no cases of corruption were reported.
	205-2 Communication and training about anti-corruption policies and procedures Sonae MC's Code of Ethic and Conduct, which includes anti-corruption policies, is communicated in the onboarding training to 100% of the Employees. Additionally, Sonae group has a Suppliers' Code of Conduct and Ethics, which is an appendix to the supply general contracts. In 2020, 10,792 Employees received training in anti-corruption.
	205-3 Confirmed incidents of corruption and actions taken No corruption cases were recorded in 2020.

GRI 300 – ENVIRONMENTAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATION

MATERIALS (MATERIAL TOPIC)

GRI 301
Materials

301-1
Materials used by weight or volume
Sonae MC aims at a sustainable use of materials consumption associated with its value chain. To this end, we promote a series of initiatives with Suppliers to select materials with a reduced footprint, reduce unnecessary use of materials, promote its reincorporation in the value chain (by reusing or recycling), assure the origin of raw materials, among others. The materials reported are the most relevant in weight and volume.

301-2
Recycled input materials used
The response to this indicator is presented in the table below.

301-3
Reclaimed products and their packaging materials

MATERIALS USED TO PRODUCE AND PACKAGE PRODUCTS (T)

	MATERIALS USED	RECYCLE MATERIALS USED	RECOVERED PRODUCTS AND PACKAGING MATERIALS
PLASTIC ¹	22,431	4,866	-

¹ Plastic present in packaging, operation and products, whose placement in the markets is Sonae MC's responsibility.

ENERGY (MATERIAL TOPIC)

GRI 302
Energy

302-1
Energy consumption within the organization

ENERGY CONSUMPTION BY SOURCE (GJ)	2019	2020
FOSSIL FUELS – FLEET	565,499	487,849
FOSSIL FUELS - INSTALLATIONS	33,959	27,899
ELETRICITY CONSUMPTION	1,494,945	1,514,009
TOTAL	2,094,402	2,029,557

RENEWABLE ENERGY CONSUMPTION (GJ)	2019	2020
PRODUCED AND CONSUMED	23,591	41,752
PRODUCED AND SOLD	27,894	25,864
TOTAL	51,285	67,616

302-3
Energy intensity

ENERGY INTENSITY	2019	2020
TOTAL ENERGY CONSUMPTION (GJ)	2,094,402	2,029,557
SALES AREA (SQM)	835,000	864,000
Energy intensity ratio (GJ/sqm)	2,51	2,35

302-4
Reduction of energy consumption

In 2020, we have continued our efforts to promote efficient and flexible energy consumption by investing in the installation of more efficient equipment and systems, creating the conditions necessary to better monitor and manage energy consumption, and developing procedures to enhance the carried out investment.

302-5
Reductions in energy requirements of products and services

See chapter "Sustainable Development", subchapter "Key pillars of activity – Environment – Energy efficiency".

GRI 300 – ENVIRONMENTAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATION

WATER

GRI 303
Water

303-1
Interactions with water as a shared resource
Most of the water consumed within the organization is related to human use.

With the aim of reducing the environmental impact of its businesses, the company is committed to reducing its water footprint, enhancing the efficiency of their operations, innovating and using technology to rethink the way water is used and managed throughout their infrastructure. The progressive installation of meters equipped with telemetry, which enable water consumption to be more accurately monitored is essential in this process.

There are some initiatives designed to reuse and recycle water. Among them, an initiative to highlight is Sonae MC's Meat Processing Centre, which has a facility to recover and recycle part of the liquid effluents produced on site.

Sonae MC does not identify in its direct operations water stress areas, relevant for this report

303-2
Management of water discharge-related impacts

Sonae MC does not have quantitative measurements for wastewater in stores. For this reason, and in accordance with best Engineering practices, we operate on the basis that 80% of the consumed water results in wastewater, and the resulting 20% is consumed.

Regarding destinations, the vast majority of the liquid effluents produced are discharged into the public domestic wastewater networks, and all liquid effluent discharges to natural water lines are subjected to pre-treatment in dedicated facilities (WWTPs) and respective quality monitoring is carried out.

303-3
Water withdrawal

WATER WITHDRAWAL BY SOURCE (M ³)	2020
THIRD PARTY WATER	827,393
GROUNDWATER	60,527
SURFACE WATER AND RAINWATER	-
GREY WATER	-
MIXTURE OF WATER SOURCES	-
TOTAL	887,919

303-4
Water discharge

WATER DISCHARGE BY SOURCE (M ³)	2020
THIRD PARTY WATER	663,904
GROUNDWATER	2,891
SURFACE WATER AND RAINWATER	-
GREY WATER	-
MIXTURE OF WATER SOURCES	-
TOTAL	666,795

Note: when data is not directly available, Sonae MC assumes that 80% of water withdrawal is discharged and 20% is consumed.

303-5
Water consumption

WATER CONSUMPTION BY SOURCE (M ³)	2020
WATER CONSUMPTION	221,124
WATER CONSUMPTION IN AREAS WITH STRESS	-
TOTAL	221,124

Note: When data is not directly available, Sonae MC assumes that 80% of water withdrawal is discharged and 20% is consumed.

GRI 300 – ENVIRONMENTAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATION

BIODIVERSITY (MATERIAL TOPIC)

GRI 304 Biodiversity	<p>304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas Sonae MC does not hold facilities in areas classified as zones with habitats rich in biodiversity, in its direct operations.</p> <p>304-2 Significant impacts of activities, products, and services on biodiversity We are working with the Science Based Targets Network in the development of a common framework for action which can be used by companies from across different industries and geographical regions. Its implementation will help companies assess their impacts on nature, define priority areas of action and act in line with science.</p> <p>304-3 Habitats protected or restored The Forest is threatened by current development models and, particularly in Portugal, exposed to the effects of climate change. The Sonae Forest Project represents a collective effort from the Sonae companies regarding the restoration and conservation of the Portuguese Forest. Over the next 10 years, we will reforest more than 1,100 hectares. In 2020 our businesses financed the reforestation of 75 hectares, around 93,000 trees.</p> <p>For more information see chapter "Sustainable Development", subchapter "Key pillars of activity – Environment – Carbon Emissions".</p>
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EMISSIONS (MATERIAL TOPIC)

GRI 305 Emissions	<p>305-1 Direct (scope 1) GHG emissions Response to this indicator indicator 305-3 table.</p> <p>305-2 Indirect (scope 2) GHG emissions Response to this indicator indicator 305-3 table.</p> <p>305-3 Indirect (scope 3) GHG emissions</p>																																		
<table border="1"> <thead> <tr> <th colspan="2">GHG EMISSIONS PER SCOPE AND SOURCE (t CO₂e)</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>SCOPE 1</td> <td>Total GHG direct (scope 1) emissions</td> <td>52,849</td> <td>53,401</td> </tr> <tr> <td>SCOPE 2</td> <td>Emissions associated with electricity consumption – market based</td> <td>115,809</td> <td>81,570</td> </tr> <tr> <td></td> <td>Total GHG indirect (scope 2) emissions</td> <td>115,809</td> <td>81,570</td> </tr> <tr> <td rowspan="3">SCOPE 3</td> <td>Emissions related to energy recovery</td> <td>119</td> <td>35</td> </tr> <tr> <td>Emissions related to organic recovery</td> <td>111</td> <td>103</td> </tr> <tr> <td>Emissions related to sanitary landfill</td> <td>8,608</td> <td>7,574</td> </tr> <tr> <td></td> <td>Total GHG indirect (scope 3) emissions</td> <td>8,838</td> <td>7,712</td> </tr> <tr> <td colspan="2">TOTAL EMISSIONS (t CO₂e)</td> <td>177,496</td> <td>142,683</td> </tr> </tbody> </table> <p><small>Note: Information regarding conversion and emission factors are at the end of the GRI table, in the methodological notes section.</small></p>		GHG EMISSIONS PER SCOPE AND SOURCE (t CO ₂ e)		2019	2020	SCOPE 1	Total GHG direct (scope 1) emissions	52,849	53,401	SCOPE 2	Emissions associated with electricity consumption – market based	115,809	81,570		Total GHG indirect (scope 2) emissions	115,809	81,570	SCOPE 3	Emissions related to energy recovery	119	35	Emissions related to organic recovery	111	103	Emissions related to sanitary landfill	8,608	7,574		Total GHG indirect (scope 3) emissions	8,838	7,712	TOTAL EMISSIONS (t CO₂e)		177,496	142,683
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<p>305-4 GHG emissions intensity</p> <table border="1"> <thead> <tr> <th>EMISSIONS INTENSITY</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>TOTAL GHG EMISSIONS (t CO₂e) – MARKET BASED</td> <td>177,496</td> <td>142,683</td> </tr> <tr> <td>SALES AREA ('000 SQM)</td> <td>835</td> <td>864</td> </tr> <tr> <td>GHG EMISSIONS INTENSITY RATIO (t CO₂e/SQM)</td> <td>213</td> <td>165</td> </tr> </tbody> </table>		EMISSIONS INTENSITY	2019	2020	TOTAL GHG EMISSIONS (t CO ₂ e) – MARKET BASED	177,496	142,683	SALES AREA ('000 SQM)	835	864	GHG EMISSIONS INTENSITY RATIO (t CO₂e/SQM)	213	165																						
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GRI 300 – ENVIRONMENTAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATION

EMISSIONS (MATERIAL TOPIC)

GRI 305 Emissions	<p>305-5 Reduction of GHG emissions To support the reduction of our own emissions Sonae MC developed a roadmap, tailored to its business context, based on known best practices and best technological and scientific knowledge. Moving to cooling equipment that uses low-impact refrigerants, investing on on-site renewable energy production and supply of renewable energy, electrifying our vehicles fleet and advancing our efforts to promote the ecoefficiency of our operations are some of the measures planned to achieve our targets. For more information see chapter "Sustainable Development", subchapter "Key Pillars of Activity – Environment".</p> <p>305-6 Emissions of ozone-depleting substances In 2020, there were no emissions of ozone-depleting substances.</p> <p>305-7 Nitrogen oxides (NOx), sulphur dioxides (SOx) and other significant air emissions</p> <table border="1"> <thead> <tr> <th>EMISSIONS (t)</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>TOTAL NOx EMISSIONS</td> <td>455</td> <td>316</td> </tr> <tr> <td>TOTAL SO₂ EMISSIONS</td> <td>119</td> <td>103</td> </tr> <tr> <td>TOTAL CH₄ EMISSIONS</td> <td>-</td> <td>10</td> </tr> <tr> <td>TOTAL F-GASES EMISSIONS</td> <td>-</td> <td>24,051</td> </tr> </tbody> </table>	EMISSIONS (t)	2019	2020	TOTAL NOx EMISSIONS	455	316	TOTAL SO ₂ EMISSIONS	119	103	TOTAL CH ₄ EMISSIONS	-	10	TOTAL F-GASES EMISSIONS	-	24,051
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TOTAL SO ₂ EMISSIONS	119	103														
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TOTAL F-GASES EMISSIONS	-	24,051														

WASTE

GRI 306 Waste	<p>306-1 Waste generation and significant waste-related impacts Most of Sonae MC's waste is associated with its stores activity. Waste management covers not only waste produced within the scope of its activity, but also waste deposited by the Customers. Some measures implemented include: 1) the creation of specific areas in stores and warehouses for waste management; 2) separation, temporary storage and shipment of different types of waste to licensed operators; 3) separation of the organic portion of the waste and sending it for organic recovery; 4) reduction of packaging material for own brand products; 5) reuse of transport packaging; and 6) training and awareness of Employees.</p> <p>306-2 Management of significant waste-related impacts We reinforce the principles of circularity in the way we manage our activity, how we design and develop our services and products, avoiding whenever possible, single-use plastics, prioritizing the reuse and repair of materials, and, when this is not possible, directing waste to recycling.</p> <p>306-3 Waste generated</p> <table border="1"> <thead> <tr> <th>WASTE GENERATED (t)</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>HAZARDOUS WASTE</td> <td>90</td> <td>63</td> </tr> <tr> <td>NON-HAZARDOUS WASTE</td> <td>70,646</td> <td>72,017</td> </tr> <tr> <td>TOTAL WEIGHT OF WASTE GENERATED</td> <td>70,736</td> <td>72,080</td> </tr> </tbody> </table>	WASTE GENERATED (t)	2019	2020	HAZARDOUS WASTE	90	63	NON-HAZARDOUS WASTE	70,646	72,017	TOTAL WEIGHT OF WASTE GENERATED	70,736	72,080
WASTE GENERATED (t)	2019	2020											
HAZARDOUS WASTE	90	63											
NON-HAZARDOUS WASTE	70,646	72,017											
TOTAL WEIGHT OF WASTE GENERATED	70,736	72,080											

GRI 300 – ENVIRONMENTAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATION

WASTE

GRI 306 Waste	306-4 Waste diverted from disposal	2019	2020
WASTE DIVERTED FROM DISPOSAL (t)			
	HAZARDOUS WASTE RECYCLED	NA	63
	HAZARDOUS WASTE PREPARED FOR REUSE	NA	0
	OTHER RECOVERY OPERATIONS OF HAZARDOUS WASTE	NA	0
	TOTAL HAZARDOUS WASTE DIVERTED FROM DISPOSAL	90	63
	NON-HAZARDOUS WASTE RECYCLED	38,526	42,939
	NON-HAZARDOUS WASTE PREPARED FOR REUSE	0	0
	OTHER RECOVERY OPERATIONS OF NON-HAZARDOUS WASTE ¹	10,838	10,129
	TOTAL NON-HAZARDOUS WASTE DIVERTED FROM DISPOSAL	49,364	53,068
¹ Composting, anaerobic digestion and energetic valorization			
	306-5 Waste directed to disposal	2019	2020
WASTE DIRECTED TO DISPOSAL (t)			
	HAZARDOUS WASTE INCINERATED (WITH ENERGY RECOVERY)	0	0
	HAZARDOUS WASTE INCINERATED (WITHOUT ENERGY RECOVERY)	0	0
	HAZARDOUS WASTE DIRECTED TO LANDFILL	0	0
	OTHER DISPOSAL OPERATIONS OF HAZARDOUS WASTE	0	0
	TOTAL HAZARDOUS WASTE DIRECTED TO DISPOSAL	0	0
	NON-HAZARDOUS WASTE INCINERATED (WITH ENERGY RECOVERY)	0	1,633
	NON-HAZARDOUS WASTE INCINERATED (WITHOUT ENERGY RECOVERY)	0	0
	NON-HAZARDOUS WASTE DIRECTED TO LANDFILL	14,676	17,316
	OTHER DISPOSAL OPERATIONS OF NON-HAZARDOUS WASTE	0	0
	TOTAL WEIGHT OF WASTE DIRECTED TO DISPOSAL	14,676	18,949

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

EMPLOYMENT (MATERIAL TOPIC)

GRI 401 Employment	401-1 New Employee hires and Employee turnover	NUMBER		RATE			
	EMPLOYEES NEW HIRES AND DEPARTURES, IN 2020, BY GENDER, AGE GROUP AND COUNTRY	NEW HIRES	DEPARTURES	NEW HIRES	DEPARTURES		
TOTAL		16,861	16,163	47%	45%		
BY GENDER	Male	6,454	6,114	18%	17%		
	Female	10,407	10,049	29%	28%		
BY GENDER	<30 years old	13,462	12,329	37%	34%		
	From 30 to 50 years old	3,151	3,267	9%	9%		
	≥50 years old	248	567	1%	2%		
BY COUNTRY	Portugal	16,534	15,819	46%	44%		
	Spain	327	344	1%	1%		
TOTAL EMPLOYEES NEW HIRES AND DEPARTURES (NUMBER)		2019	2020				
TOTAL EMPLOYEES (Nº)		34,898	35,900				
TOTAL NEW HIRES (Nº)		18,935	16,861				
NEW EMPLOYEES HIRES RATE (%)		54%	47%				
DEPARTURES (Nº)		17,735	16,163				
EMPLOYEES DEPARTURES RATE (%)		51%	45%				
<small>Note: does not include Go Natural restaurants</small>							
VOLUNTARY AND INVOLUNTARY EMPLOYEES DEPARTURES PER JOB CATEGORY AND AGE GROUP		VOLUNTARY DEPARTURES			INVOLUNTARY DEPARTURES		
JOB CATEGORY	AGE GROUP	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
EXECUTIVES	<30 years old	0	0	0	0	0	0
	From 30 to 50 years old	0	1	1	0	0	0
	≥50 years old	0	0	0	1	0	1
	Subtotal	0	1	1	1	0	1
SENIOR & MIDDLE MANAGERS	<30 years old	0	0	0	0	0	0
	From 30 to 50 years old	10	4	14	1	2	3
	≥50 years old	4	1	5	9	6	15
	Subtotal	14	5	19	10	8	18
COORDINATORS & SUPERVISORS	<30 years old	2	3	5	0	1	1
	From 30 to 50 years old	3	3	6	3	2	5
	≥50 years old	3	3	6	1	1	2
	Subtotal	8	9	17	4	4	8
TECHNICIANS & SPECIALISTS	<30 years old	34	53	87	10	27	37
	From 30 to 50 years old	42	64	106	17	28	45
	≥50 years old	2	2	4	3	15	18
	Subtotal	78	119	197	30	70	100
REPRESENTATIVES	<30 years old	1,592	2,215	3,807	3,306	5,086	8,392
	From 30 to 50 years old	368	816	1,184	586	1,317	1,903
	≥50 years old	26	75	101	91	324	415
	Subtotal	1,986	3,106	5,092	3,983	6,727	10,710

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

EMPLOYMENT (MATERIAL TOPIC)

GRI 401 Employment	401-3 Parental leave			
PARENTAL LEAVE 2020		MALE	FEMALE	TOTAL
TOTAL EMPLOYEES ENTITLED TO PARENTAL LEAVE (NO.)		11,364	24,536	35,900
TOTAL EMPLOYEES WHO BENEFITTED FROM PARENTAL LEAVE (NO.)		495	1,323	1,818
TOTAL EMPLOYEES WHO RETURNED TO WORK AFTER COMPLETION OF PARENTAL LEAVE (NO.)		495	1,316	1,811
TOTAL EMPLOYEES WHO RETURNED TO WORK AFTER COMPLETION OF PARENTAL LEAVE AND CONTINUED TO WORK FOR THE COMPANY 12 MONTHS AFTER RETURNING (NO.)		381	1,031	1,412
TAKE-UP RATE (%)		4%	5%	5%
RATE OF RETURN (%)		100%	99%	100%

Note: Employees who benefitted from parental leave in 2019 and continued to work 12 months after returning are not included. For this reason, the retention rate may be over 100%, since the denominator refers to the take-up rate in 2020 and not in 2019.

OCCUPATIONAL HEALTH AND SAFETY

GRI 403 Occupational health and safety
403-1 Occupational health and safety management system
 Sonae MC does not have a formal occupational health and safety management system.

403-2 Hazard identification, risk assessment, and incident investigation
 In Sonae MC, the hazard identification and risk assessment procedures are carried out by the Occupational Health and Safety technicians' team. This procedure is periodically updated and analysed when new incidents occur or new procedures or machines are introduced, which may affect the level of risk. The incident investigation procedure is based on the 3 C's methodology (case analysis, identification of causes and implementation of countermeasures), which is then translated into an action plan.

We believe that awareness and communication of risks and measures that must be taken by Employees, to eliminate or reduce risks to controllable levels, are a decisive step towards the improvement of existing conditions, and thus, for the improvement of the work environment.

Therefore, besides OHS training and information shared with Employees, an annual Employee consultation on OHS matters is ensured through a questionnaire, in which workers comment on all issues related to OHS. Employees' responses are analysed as a way of assessing their perception of their working conditions. Workers can also report incidents through store audits, internal platforms and applications, or by directly contacting the OHS technicians or Safety animators.

For more information see chapter "Sustainable Development", subchapter "Key pillars of activity – People".

403-3 Occupational health services
 Sonae MC has occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, namely occupational health services. These services, mandated by law, include: an admission exam, upon company entry; periodic exams, every 2 years, for all Employees between 18 and 50 years old; and annual exams for Employees under 18 or over 50 years old; occasional exams are also carried out at the request of the Employee or the company, and an obligation for all Employees who are away for more than 30 days, on return, to carry out occasional examinations.

Other services include follow-up of remodelling and opening of stores, training, procedures and safety standards, annual audit plan for all units, monitoring of claims processes (cause, participation), and ergonomic studies. All services are provided by qualified OHS technicians.

For more information see chapter "Sustainable Development", subchapter "Key pillars of activity – People".

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

OCCUPATIONAL HEALTH AND SAFETY

GRI 403 Occupational health and safety
403-4 Worker participation, consultation and communication on occupational health and safety
 In Sonae MC an annual employee consultation on OHS matters is ensured through a questionnaire, in which workers comment on all issues related to OHS. The consultation is adapted and updated, and in 2020 there was an increased focus on the current situation of COVID-19 pandemic. Additionally, a survey on the satisfaction of accident victims is carried out regarding the activity of the insurance company.

For more information see chapter "Sustainable Development", subchapter "Key pillars of activity – People".

403-5 Worker training on occupational health and safety
 During the admission process, all workers have mandatory online training on workplace risks and emergency organization and response. In 2020, this training was focused on COVID-19 response and adaptation.

Sonae MC has an internal portal where workers can find various information related to Health and Safety at Work, such as Accidents at Work, Risks at the Workplace, Personal Protective Equipment, Emergency Plan, among others. Some OHS monitoring audits, carried out in the stores, are of pedagogical nature.

For more information see chapter "Sustainable Development", subchapter "Key pillars of activity – People".

403-6 Promotion of worker health
 When it comes to the facilitation of workers' access to non-occupational medical and healthcare services, Sonae MC has several initiatives available such as healing medicine, food and nutrition, massage, yoga and other related initiatives, that are available to all Employees.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
 The health and safety impacts attributable to commercial relations are not considered relevant.

403-8 Workers covered by an occupational health and safety management system
 Sonae MC does not have a formal occupational health and safety management system.

403-9 Work related injuries

NUMBER OF WORK RELATED INJURIES IN 2020

EMPLOYEES	MALE	FEMALE	TOTAL
WORKABLE HOURS	20,507,129	43,352,122	63,859,251
WORK-RELATED INJURIES	280	509	789
FATALITIES	0	0	0

WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION

	MALE	FEMALE	TOTAL
WORK-RELATED INJURIES	61	18	79
FATALITIES	0	0	0

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

TRAINING AND EDUCATION (MATERIAL TOPIC)

GRI 404 **404-1**
Training and education **Average hours of training per year per Employee**
 See chapter "Sustainable Development", subchapter "Key pillars of activity – People".

AVERAGE TRAINING HOURS PER EMPLOYEE PER YEAR	2019	2020
TOTAL EMPLOYEES (NO.)	34,606	44,671
TOTAL TRAINING HOURS (H)	889,881	787,142
AVERAGE NUMBER OF HOURS OF TRAINING (H/EMPLOYEE)	26	18

TOTAL NUMBER OF EMPLOYEES PER JOB CATEGORY AND GENDER IN 2020

JOB CATEGORY	MALE	FEMALE	TOTAL
EXECUTIVES	39	9	48
SENIOR & MIDDLE MANAGERS	423	255	678
COORDINATORS & SUPERVISORS	762	1,353	2,115
TECHNICIANS & SPECIALISTS	800	1,564	2,364
REPRESENTATIVES	12,955	26,511	39,466
TOTAL EMPLOYEES (NO.)	14,979	29,692	44,671

TOTAL TRAINING HOURS PER JOB CATEGORY AND GENDER IN 2020

JOB CATEGORY	MALE	FEMALE	TOTAL
EXECUTIVES	463	129	592
SENIOR & MIDDLE MANAGERS	7,313	5,089	12,402
COORDINATORS & SUPERVISORS	14,917	18,952	33,869
TECHNICIANS & SPECIALISTS	20,976	45,229	66,205
REPRESENTATIVES	218,318	455,756	674,074
TOTAL TRAINING HOURS (H)	261,987	525,155	787,142

AVERAGE NUMBER OF HOURS OF TRAINING PER JOB CATEGORY AND BY GENDER IN 2020

JOB CATEGORY	MALE	FEMALE	TOTAL
EXECUTIVES	12	14	12
SENIOR & MIDDLE MANAGERS	17	20	18
COORDINATORS & SUPERVISORS	20	14	16
TECHNICIANS & SPECIALISTS	26	29	28
REPRESENTATIVES	17	17	17
AVERAGE TRAINING HOURS PER JOB CATEGORY AND BY GENDER (H/EMPLOYEE)	17	18	18

Note This includes all training participants, regardless of if they were active or not in December 31st, 2020.
 The average of hours per job category refers to Employees in Portugal.

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

TRAINING AND EDUCATION (MATERIAL TOPIC)

GRI 404 **404-2**
Training and education **Programs for upgrading Employee skills and transition assistance programs**
 See chapter "Sustainable Development", subchapter "Key pillars of activity – People".

INITIATIVES AND TRAINING HOURS BY PROGRAM IN 2020	INITIATIVES (NO.)	HOURS (NO.)
CONFERENCES & SEMINARS	0	0
SCHOOLS/ACADEMIES	1	50
MANAGEMENT	732	3,622
MANAGEMENT & LEADERSHIP	21,299	18,494
CONTINUOUS IMPROVEMENT	1,198	8,137
OCCUPATIONAL HEALTH AND SAFETY	22,062	54,090
SUSTAINABILITY	0	0
TECHNICAL	41,451	63,091
TRANSVERSAL	756	4,536
VALUES & PEOPLE	74,316	635,122
LEGAL & COMPLIANCE	0	0
TOTAL	161,815	787,141

Note: includes all participants in training sessions, regardless of whether they were actively employed on 31st December 2020.

404-3

Percentage of Employees receiving regular performance and career development reviews
 At Sonae MC, 89.1% of the Employees received performance and career development reviews.

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

DIVERSITY AND EQUAL OPPORTUNITIES (MATERIAL TOPIC)

GRI 405
Diversity and equal opportunities

405-1
Diversity of governance bodies and Employees
For more information see chapter "Sustainable Development", subchapter "Key pillars of activity – People".

PERCENTAGE OF EMPLOYEES BY JOB CATEGORY, AGE GROUP AND GENDER IN 2020

JOB CATEGORY	AGE GROUP	MALE	FEMALE	TOTAL
EXECUTIVES	<30 years old	0%	0%	0%
	From 30 to 50 years old	33%	8%	41%
	≥50 years old	51%	8%	59%
	Total	84%	16%	100%
SENIOR & MIDDLE MANAGERS	<30 years old	0%	0%	1%
	From 30 to 50 years old	41%	28%	69%
	≥50 years old	20%	10%	30%
	Total	62%	38%	100%
COORDINATORS & SUPERVISORS	<30 years old	4%	8%	12%
	From 30 to 50 years old	25%	47%	72%
	≥50 years old	7%	9%	17%
	Total	36%	64%	100%
TECHNICIANS & SPECIALISTS	<30 years old	8%	19%	27%
	From 30 to 50 years old	22%	39%	61%
	≥50 years old	3%	8%	11%
	Total	33%	67%	100%
REPRESENTATIVES	<30 years old	15%	26%	41%
	From 30 to 50 years old	12%	33%	45%
	≥50 years old	3%	10%	14%
	Total	31%	69%	100%

Note: data does not include Employees from GO NATURAL Restaurants, nor from the Executive Committee.

NUMBER OF EMPLOYEES WITH DISABILITIES

2020

EMPLOYEES WITH DISABILITIES

157

NON-DISCRIMINATION

GRI 406
Non-discrimination

406-1
Incidents of discrimination and corrective actions taken
In 2020, 19 incidents of discrimination were raised.
The inquiry processes carried out led to the filing of all cases.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 407
Freedom of association and collective bargaining

407-1
Operations and Suppliers in which the right to freedom of association and collective bargaining may be at risk
At Sonae MC there are no operations involving risks within the scope of the freedom of association and collective bargaining agreements. In accordance with the audit reports carried out, all of the Suppliers adopt the criteria "Freedom of association: they can be members of institutions/associations that represent their rights" accordingly.

CHILD LABOUR

GRI 408
Child Labour

408-1
Operations and Suppliers at significant risk for incidents of child labour
At Sonae MC, as a rule, minors are not admitted. Exceptionally, minors aged between 16 and 18 years of age are admitted, and always in compliance with the law. There are no operations at risk for incidents of child labour. If a Supplier is found to be at significant risk for incidents of child labour, he is put on stand-by, and is only reaccepted after an SA8000 audit carried out by an accredited entity.

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

FORCED OR COMPULSORY LABOUR

GRI 409
Forced or compulsory labour

409-1
Operations and Suppliers at significant risk for incidents of forced or compulsory labour
There is no forced labour at Sonae MC. If a Supplier is found to be at significant risk for incidents of forced or compulsory labour, he is put on stand-by, and is only reaccepted after an SA8000 audit carried out by an accredited entity.

SECURITY PRACTICES

GRI 410
Security practices

410-1
Security personnel trained in Human Rights policies or procedures
Both in Portugal and Spain, all security staff who work through security companies must have a professional identification, which requires obtaining and renewing training that includes matters of constitutional/fundamental rights, ethics and deontology.

HUMAN RIGHTS ASSESSMENT

GRI 412
Human rights assessment

412-1
Operations that have been subject to Human Rights reviews or impact assessments
In 2020, no operation that has been subject to a Human Rights reassessment and/or impact assessment was registered in this regard.

412-2

Employee training on Human Rights policies or procedures

In 2020, Sonae MC Employees received training related to Human Rights policies and practices as per the table:

FORMAL TRAINING IN COMPANY'S POLITICS AND PROCEDURES RELATED TO HUMAN RIGHTS

	2019	2020
TOTAL NUMBER OF EMPLOYEES THAT RECEIVED FORMAL TRAINING ON THE POLICIES AND PROCEDURES OF THE ORGANISATION REGARDING HUMAN RIGHTS ISSUES	15,502	42,020
TOTAL NUMBER OF TRAINING HOURS IN HUMAN RIGHTS POLICIES AND PROCEDURES THAT ARE RELEVANT TO OPERATIONS	294,519	368,532

Note: includes all participants in training sessions, regardless of whether they were actively employed on 31st December 2020.

412-3

Significant investment agreements and contracts that include Human Rights clauses or that underwent human rights screening

In Sonae MC supply contracts, there is a supplier obligation clause that states "Compliance with all applicable standards and legislation pertaining to work carried out by minors, human rights and the discrimination of its Employees is prohibited, regardless of the reason".

LOCAL COMMUNITIES (MATERIAL TOPIC)

GRI 413
Local Communities

413-1
Operations with local community engagement, impact assessments, and development programs

From the moment a new unit is installed, Sonae MC ensures it has the necessary conditions to cause minimal negative impact in the communities.

During its operation, the Company develops several initiatives to support the local community, meeting the different needs. Oftentimes the initiatives are carried out in partnership with local entities.

For more information see chapter "Sustainable Development", subchapter "Key pillars of activity – Community".

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

SUPPLIER SOCIAL AND ENVIRONMENTAL ASSESSMENT (MATERIAL TOPIC)

GRI 414 and GRI 308 New Suppliers that were screened using social and environmental criteria	414-1 e 308-1 New Suppliers that were screened using social and environmental criteria		
	NUMBER OF SUPPLIERS SCREENED BASED ON SOCIAL AND ENVIRONMENTAL CRITERIA	TOTAL	NOVOS
	NATIONAL	180	31
	FOREIGN	313	84
	TOTAL SUPPLIERS	493	115
	NATIONAL	113	3
	FOREIGN	192	14
	TOTAL QUALIFIED SUPPLIERS	305	17
	NATIONAL (%)	63%	10%
	FOREIGN (%)	61%	17%
	TOTAL QUALIFIED SUPPLIERS (%)	62%	15%
	NATIONAL	55	1
	FOREIGN	209	14
	TOTAL AUDITS PERFORMED TO SUPPLIERS	264	15

CUSTOMER HEALTH AND SAFETY

GRI 416 Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories
	At Sonae MC, it is a priority to ensure the quality and safety of our own brands products, therefore we constantly control and monitor the development process. Thus, we strongly focus on four areas: (i) certification of the development of our own brand products, (ii) monitoring of quality and safety, (iii) labelling, and (iv) management of Customers feedback.

In 2020, continuing our previous efforts, we ensured the certification processing of developing Sonae MC's own brands, according to the international standard for quality management NP EN ISO 9001:2008. We have a team of skilled internal and external professionals dedicated to carrying out periodic checks on products, including inspections, laboratory tests and audits, in order to ensure compliance with quality and safety standards based on the annual plans in place. In 2020, a total of 493,882 analysis for food products and 15,530 for non food products (of which 14,080 took place in internal laboratories and 1,450 in external laboratories) were carried.

In indicator 102-44 we report the way we manage and integrate our customers' feedback.

MARKETING AND LABELLING

GRI 417 Marketing and labelling	417-1 Requirements for product and service information and labelling
	We are committed to ensuring the provision of a wide range of responsible products in order to meet the expectations of consumers and promote the adoption of a sustainable lifestyle. At the same time, considering the need to access immediate information, inherent to the profile of today's consumers, we are concerned about ensuring that we provide the necessary information about our products, so that consumers can make an informed and appropriate choice according to their lifestyle.
	For more information see chapter "Sustainable Development", subchapter "Key pillars of activity – Community".

GRI 400 - SOCIAL DISCLOSURES

GRI STANDARDS DISCLOSURES AND APPLICATIONS

SOCIOECONOMIC AND ENVIRONMENTAL COMPLIANCE

GRI 419 Socioeconomic Compliance and GRI 307 Environmental Compliance	419-1 and 307-1 Non-compliance with laws and regulations in the social, economic and environmental area		
	The Sonae Group considers that a significant fine is one in which the monetary value is higher than or equal to 12,000 Euro. This figure corresponds to the minimum administrative fine for committing a serious environmental offense (Law number 114/2015, of 28 August).		
	NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL, ECONOMIC AND ENVIRONMENTAL AREA		2020
	TOTAL MONETARY VALUE OF SIGNIFICANT FINES – ECONOMIC AREA (€)		9,745
	TOTAL NUMBER OF NON-MONETARY SANCTIONS		8
	TOTAL MONETARY VALUE OF SIGNIFICANT FINES – SOCIAL AREA (LABOUR) (€)		0
	TOTAL NUMBER OF NON-MONETARY SANCTIONS		0
	TOTAL MONETARY VALUE OF SIGNIFICANT FINES – ENVIRONMENTAL AREA (€)		0
	TOTAL NUMBER OF NON-MONETARY SANCTIONS		0

GRI INDICATORS MATCH TABLE			
GRI	ODS	UNGC	SASB
102-8		6	
102-1		19	
102-41		3	Labour Practices – FB-FR-310a.2 (Food retailers & distributors)
201-1			
201-2			
202-2		6	
203-1			
203-2			
204-1			
205-1		10	
205-2		10	
205-3		10	
301-1		7, 8	
301-3		8	
302-1		7, 8	Energy management – IF-RE-130a.2 (Real Estate) Energy management – FB-FR-130a.1 (Food retailers & distributors) Environmental Footprint of Hardware Infrastructure – TC-SI-130a.1 (Software & IT Services)
302-2		7, 8	
302-3		8	
302-4		8, 9	
302-5		8, 9	
303-1		7, 8	
303-2		7, 8	
303-3		8	Water management – IF-RE-140a.2 (Real Estate) Environmental Footprint of Hardware Infrastructure – TC-SI-130a.1 (Software & IT Services)
303-4		8	
303-5		8	
304-1		8	
304-2		8	
304-3		8	
305-1		7, 8	Air emissions from refrigeration – FB-FR-110b.1 (Food retailers & distributors)
305-2		7, 8	
305-3		7, 8	
305-4		8	

GRI INDICATORS MATCH TABLE			
GRI	ODS	UNGC	SASB
305-5		8, 9	
305-6		7, 8	
305-7		7, 8	
306-1		8	
306-2		8	
306-3		8	
306-4		8	
306-5		8	
401-3		6	
403-1			
403-2			
403-3			
403-4			
405-5			
403-6			
403-7			
403-8			
403-9			
404-1		6	
404-2			
404-3		6	
405-2		6	
406-1		6	
407-1		3	
408-1		5	
409-1		4	
412-3		5, 8, 16	
416-1			
417-1			Product Health & Nutrition – FB-FR-260a.2 (Food Retailers & distributors)
419-1 and 307-1			Labour Practices – FB-FR-310a.3 (Food retailers & distributors)

METHODOLOGIC NOTES

EMISSION FACTORS

ENERGY	UNIT	2019	2020	SOURCE (2019 AND 2020)
Natural Gas	Kg CO ₂ /GJ	56,4	56,4	2019: APA (2019) Portuguese National Inventory Report on Greenhouse Gases 1990–2017 (p.187)
Propane Gas	Kg CO ₂ /GJ	63,1	63,1	2020: APA (2020) Portuguese National Inventory Report on Greenhouse Gases 1990–2018 (p.119)
Diesel	Kg CO ₂ /GJ	74,1	74,1	
Gasoline	Kg CO ₂ /GJ	69,3	69,3	
Electricity – Market Based	(Kg CO ₂ /GJ)	77	74,7	2019 e 2020: Elergone data: The calculation of annual values is based on the calculated monthly values, which in turn are calculated by weighting the emission factors reported by the various Suppliers and the percentage of consumption of the points that have a supply contract, with the respective Suppliers.
Eletricidade – Market Based (R Maxmat)	(Kg CO ₂ /GJ)	103,6	76,9	2019 e 2020: Elergone data: The calculation of annual values is based on the calculated monthly values, which in turn are calculated by weighting the emission factors reported by the various Suppliers and the percentage of consumption of the points that have a supply contract, with the respective Suppliers.
Electricity – Market Based (Sonae RP)	(Kg CO ₂ /GJ)	103,6	76,9	2019 e 2020: Elergone data: The calculation of annual values is based on the calculated monthly values, which in turn are calculated by weighting the emission factors reported by the various Suppliers and the percentage of consumption of the points that have a supply contract, with the respective Suppliers.
Electricity – Market Based Espanha	(Kg CO ₂ /GJ)	110,8	110,8	2019: it was assumed emission factor Endesa: 398,88 gCO ₂ /kWh https://www.endesa.pt/negocios/quemsomos/Origem-de-Energia 2020: it was assumed emission factor Endesa: 398,88 gCO ₂ /kWh https://www.endesa.pt/negocios/quemsomos/Origem-de-Energia
Electricity – Market Based – Arenal	(Kg CO ₂ /GJ)	109,4	79,1	2019: Mix energy Endesa, Repsol, Iberdrola, Aldro Energia and DLR Emergia Comercializadora.
Electricity – Location Based Portugal	(Kg CO ₂ /GJ)	78,2	59,2	2019: International Energy Agency (2015). CO ₂ Emissions from Fuel Combustion, 2015 Edition. 2020: APREN 2019 https://www.apren.pt/contents/publicationsreportcarditems/boletim-energias-renovaveis-dezembro-2019-vf.pdf?fbclid=IwAR2Q3hAnJD_Pa7_073fDci5dmcf4GPTuH-aKl4HLuQYWFiiq087g_Mfnpk
Electricity – Location Based Espanha	(Kg CO ₂ /GJ)	122,2	53,3	"2019: Defra (2018) UK Government GHG Conversion Factors for Company Reporting 2018. 2020: REE https://www.ree.es/es/datos/generacion/no-renovables-detalle-emisiones-CO2 "

TYPE OF TREATMENT	UNIT	2019	2020	SOURCE
Landfill	t CO ₂ /t Residuo	0,0214	0,0213	2019: DEFRA (2019). GREENHOUSE GAS REPORTING – CONVERSION FACTORS 2019
Energy recovery	t CO ₂ /t Residuo	0,0102	0,0102	2020: DEFRA (2020). GREENHOUSE GAS REPORTING – CONVERSION FACTORS 2020
Organic recovery	t CO ₂ /t Residuo	0,5865	0,4374	

Nitrogen oxides (NO_x), sulfur oxides (SO₂) and other significant air emissions (305–7)

The values in the GRI table associated with indicator 305–7 were calculated using the following conversion factors:

ENERGY	UNIT	NO _x	SO ₂	SOURCE
Diesel	kg/GJ	0,8	0,21	IPCC 2006
Gasoline	kg/GJ	0,6	0,075	IPCC 2006