



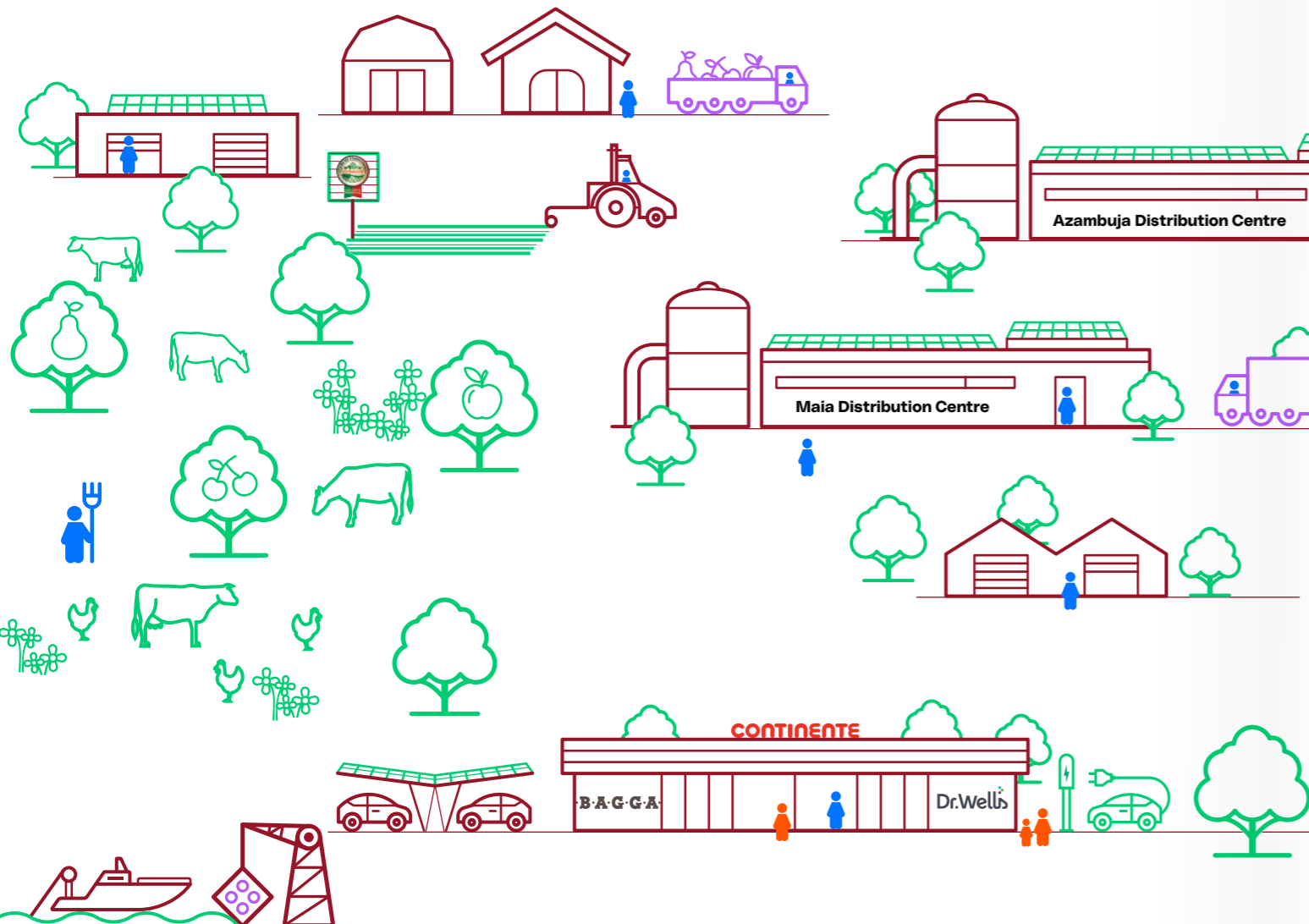
SUSTAINABLE DEVELOPMENT

OUR COMMITMENT

Our eyes are firmly set on the future, and looking ahead, we have made long-term commitments to ensure that we build a future that respects the Planet, People and Communities.

Our purpose and an integral part of our DNA is to challenge ourselves daily, thus creating a better future. We believe that each and every day, we are given an opportunity to transform our ambition into concrete and impactful actions.

Sustainability is a fundamental and structural element of our value proposition that guides our actions, the relationships we establish with our Suppliers, our People development initiatives and our Community presence.



TO TOMORROW

ACTION PILLARS

FOR THE TOMORROW OF OUR **PRODUCTS**

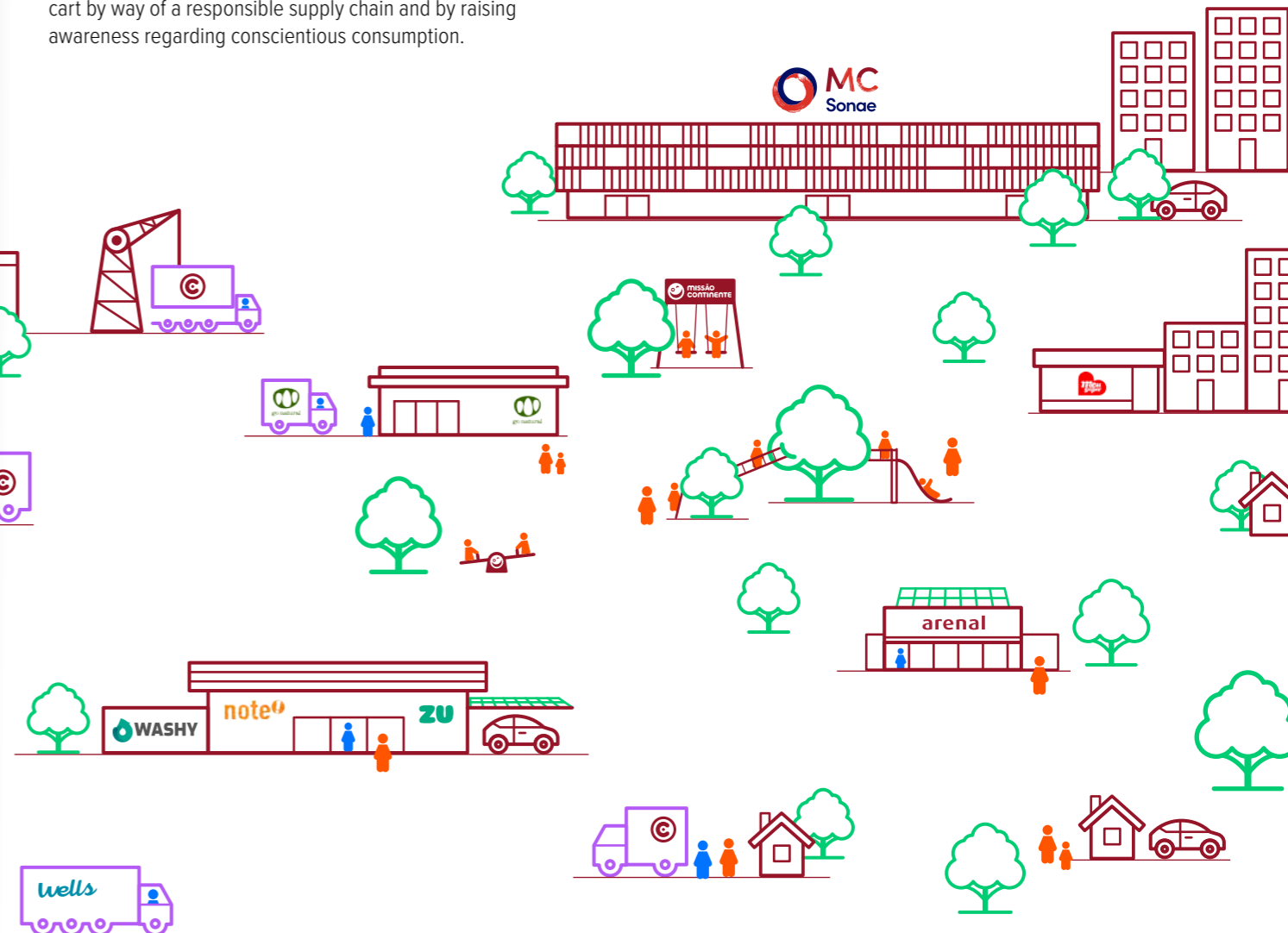
FOR THE TOMORROW OF OUR **PLANET**

FOR THE TOMORROW OF OUR **PEOPLE**

FOR THE TOMORROW OF OUR **COMMUNITIES**

CO₂ & Climate Change, Plastics, Nature and Biodiversity, Inequalities and Inclusive Development and Community Support are topics of interest high on our agenda to fulfil our ambition of democratising access to a healthy and sustainable shopping cart by way of a responsible supply chain and by raising awareness regarding conscientious consumption.

We realise we still have a long way to transform our ambition into impact. Day in day out, we face old and new challenges and are committed to doing what is right.



RELATIONSHIP

We interact independently and transparently and co-operate with all interested parties to ensure the best solutions to the challenges and opportunities we face.

MC's Business activities encompass a vast spectrum, giving rise to a myriad of stakeholders. One of the challenges we seek to address is a good understanding of the contexts, needs and expectations our stakeholders have.

Hence, we use various channels and tools that we catalyse accordingly for each group at critical moments of the listening and sharing processes.

We have worked alongside our stakeholders over the years and welcomed their contributions regarding the impacts of our Business activities. We have a robust and regular listening process that involves the different parties.

Correspondingly we reflect upon affairs related to our Business structure and positioning, the commitments undertaken, our registered performance, as well as sector best practices and the respective regulatory framework.

CUSTOMERS 	ASSOCIATES 	SUPPLIERS 	SHAREHOLDERS 	SOCIETY 
<p>MC focuses its actions on developing a relationship based on transparency and trust with its Customers, built on a competitive and responsible value proposition tailored to their needs.</p>	<p>MC attributes a great deal of importance to the professional and personal development of its Associates promoting inclusive working environments which are healthy and safe and offer equal opportunities.</p>	<p>MC seeks to build long-term trust-based relationships with its Suppliers, acting with loyalty and good faith, and not tolerating any form of abuse, bribery, corruption or money laundering. The Company selects its Suppliers based on transparent and impartial criteria.</p>	<p>MC aims at generating sustainable long-term value for its Shareholders in strict compliance with its corporate values.</p>	<p>MC operates its Businesses with a long-term vision respecting the principles of Corporate Social Responsibility. The MC brands and banners are profoundly connected to the local Communities and civil society institutions. We strive to have a positive impact on society.</p>
CHANNELS				
<ul style="list-style-type: none"> Engaging with Customers at our stores and through our digital platforms and the online collection points Customer service call centre Sonae Ombudsman Communication campaigns and brand activation initiatives MC social media and website Market studies and focus groups 	<ul style="list-style-type: none"> Meetings and recurrent interactions in a professional environment Events and informal gatherings Training courses Internal communication Forums and knowledge sharing groups Employee satisfaction surveys Checking in with Associates Performance reviews Sonae Ombudsman Ethics Forum 	<ul style="list-style-type: none"> Partnership projects Meetings and negotiations Supply contracts Performance assessment, qualification and auditing Technical datasheets Pulse surveys Supplier Portal Sonae Ombudsman Ethics Forum 	<ul style="list-style-type: none"> Meetings with Shareholders Meetings with financial institutions Corporate presentations Periodic financial communications Shareholders' General Meeting Governing Bodies and Committee meetings 	<ul style="list-style-type: none"> Meetings with public entities and policymakers Membership of associations Media relations Meetings with NGOs Presentations, conferences and other public meetings Events and festivals for the Community as a whole Publications
TOPICS				
<ul style="list-style-type: none"> Quality and safety Source and traceability Nutritional information and environmental footprint Product innovation Price Shopping experience and relationship with the Customer Transparent communication Working conditions Sustainability Observance and compliance with the law regarding privacy and data protection laws 	<ul style="list-style-type: none"> Talent attraction and retention Human Capital Development Remuneration and career progression criteria Associates' journey Diversity and Inclusion Working conditions Transparent communication Ethics 	<ul style="list-style-type: none"> Development requisites Quality control Price Source and traceability Nutritional information and environmental footprint Transparent communication Supplier relationship management 	<ul style="list-style-type: none"> Governance model Responsible investment Economic, social and environmental performance Ethics Crisis and risk management Brand management and reputation Transparent communication 	<ul style="list-style-type: none"> Transparent communication Community engagement Community support Sustainability Diversity and Inclusion Ethics Working conditions Environmental impacts

WITH STAKEHOLDERS

1,305 TON

SUGAR, SALT AND FAT
IN 350 OPTIMISED GOODS

+€37 M

FOOD WASTE
AVOIDED

74.7 %

RECYCLABLE PLASTIC
PACKAGING

FOR THE TOMORROW OF OUR PRODUCTS

OUR VISION

Creating the products of tomorrow represents a massive incentive for our Teams. Not only because of the challenge it represents, which is intrinsic to the development of a wide-ranging and comprehensive product offering, which is high-level quality, distinctive and innovative at competitive prices, but because in doing so, it challenges the *status quo* and gives rise to innovation and taking on an active role in transforming the food system. This change is of the essence to fulfil the sustainable development agenda.

After decades of investing heavily in efficiency and productivity, we understand the urgency of rethinking this and supporting a transition to a more regenerative mode of production. One which will positively impact climate and nature, respecting the Planet's limits while simultaneously responding in a safe and resilient way to the needs of a growing population.

Thus, and with the ambition of contributing to the democratisation of offering access to a healthy and sustainable shopping cart, we have developed a set of initiatives with our Suppliers. These initiatives foster the creation of more transparent and responsible supply networks, contributing to the protection and preservation of ecosystems and better use of natural resources.

At the same time, and alongside our Customers, we promote healthy and responsible consumer behaviour, providing a more diversified offer with a smaller footprint and a more balanced nutritional profile.

Transforming the food system still means addressing the problem of food waste. This pressing challenge in social and environmental terms cuts across the entire value chain. More intelligent and equitable management of waste ensures a vital contribution to the conservation of ecosystems, enhancing the reduction of production needs and guaranteeing the proper management of food items.

When we think about tomorrow's products, we also think about packaging. Over the last few years, we have substantially transformed our packaging, working from eco-design principles. The elimination of the unnecessary use of materials, incorporating recycled material and designing our packaging to ensure its recyclability and reusability are focal points for our Teams who work in strict alignment with the industry to fulfil our commitment of ensuring that all our plastic packaging is recyclable, reusable or compostable by 2025.

PERFORMANCE

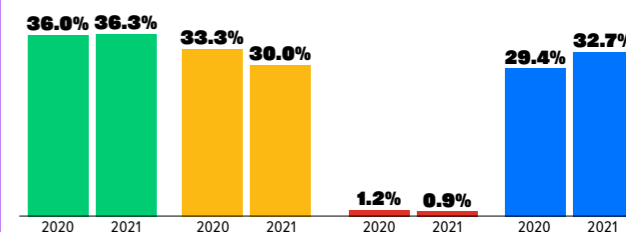
We are committed to promoting healthy eating habits. In 2021 we nutritionally optimised 350 private label goods. This equates to a reduction of 800 tonnes of sugar, 120 tonnes of salt and 385 tonnes of saturated fat and the elimination of palm oil in 80 products.

With a network comprised primarily of national Suppliers (85%), we continued to collaborate closely with one another, promoting the certification of production practices and raw materials. In 2021, and based on the Traffic Light System (TLS), we yet again registered an increase in the proportion of fish originating from aquaculture or more sustainable fishing methods.

We are fully engaged in fighting food waste and, in this sense, highlight the progress made via mechanisms to accelerate product flow and the food surplus donation programme. We avoided more than €37 million worth of waste within this scope.

By year-end, 74.7% of the plastic in our packaging is recyclable per *Sociedade Ponto Verde* matrix. This represents a 1.9 pp increase compared to 2020. In terms of recycled raw materials, this figure stood at 11.8%. In terms of product and packaging, we consumed circa 2,924 tonnes of recycled plastic, equivalent to 15% of our footprint.

FISHERY PURCHASE VOLUME



Traffic Light System key

Use of fishing methods/gears with potential impact on biodiversity or marine ecosystems

- Produced in aquaculture, certified according to Continnente's quality standards

INITIATIVES

FOSTER RESPONSIBLE SUPPLY CHAINS



«CLUBE PRODUTORES CONTINENTE»

The «Clube de Produtores Continente» (Continente's Producers Club – CPC) is a great testimony to how we have contributed to creating shared value throughout the value chain over the years.

Last year, the Club and its producers launched the «Declaração para Sustentabilidade» (Sustainability Declaration), an essential tool aligned with the European Farm to Fork strategy that aims to leverage the transition to a fairer, healthier and more environmentally friendly food system.

Based on 11 principles, the Declaration aims to promote regenerative agriculture, follow best practices to retain carbon in the soil and reduce the use of pesticides, encourage more sustainable livestock farming, make use of raw materials with a certified sustainable origin, consider animal welfare and biodiversity, whilst engaging in a committed manner to improve continuously.

For more information
clubedeprodutores.continente.pt



CERTIFICATION OF PRODUCTION PRACTICES

Our goal is to drive a more sustainable supply chain; hence we promote a strategy for the certification of production practices with our Suppliers, enabling us to have greater traceability from production to consumption.

In 2021, Continente was the first retailer in the world to obtain certification of its fruit and vegetable Supply chain by GLOBAL G.A.P.

We also pursued our «Resíduo Zero» (Zero Waste) certification for several producers, ensuring that our fruits and vegetables are free of waste and that the principles of efficient use of resources, lower emissions and greater control over microbiological aspects are safeguarded. These are fundamental elements concerning food safety and integration with the environment.

In terms of animal production, we highlight our award from the international certification in Animal Welfare throughout the production chain, per International Welfare Quality Protocols for our beef brands Aberdeen-Angus Continente® and Limousin Continente®.



PROTECTION AND PRESERVATION OF ECOSYSTEMS

In recent years, cereals have occupied a central place on the agenda of the «Clube de Produtores Continente» (Continente Producers Club). To reduce our dependence on cereal imports, the Club launched a noteworthy project which brought together farmers, millers and researchers. Currently, this initiative accounts for circa 80% of the production of cereals from the Alentejo region. The grains are used at Continente in-house bakeries, where we bake fresh bread every day made with 100% Portuguese raw materials.

In addition to the positive impacts mentioned, we value the opportunity these cereal fields represent to conserve threatened species such as the *Águia Caçadeira* (*circus pygargus*) by increasing the availability of a nesting and feeding habitat. In collaboration with the Institute for Nature Conservation and Forests (ICNF), we established a Partnership with the National Association of Cereal, Protein crop and Oilseed Producers (ANPOC) and the Research Centre in Biodiversity and Genetic Resources (CIBIO/BIOPOLIS), that aims to protect and recover the species. In its first year, the Partnership conducted a survey of the species breeding area in the Alentejo region, identifying colonies and nests and implementing and monitoring nest protection measures. A total of 26 producers are responsible for monitoring 1,500 hectares.

PROMOTION OF ZERO DEFORESTATION

Recognising the role that forests play in fighting climate change and preserving biodiversity, as well as the drivers that have propelled the rapid pace of deforestation, namely the production of several raw materials such as palm oil, wood or soy, which are present in our supply chains and products, we aim to ensure the sustainable sourcing of these raw materials by adopting certification schemes (that ensure the absence of deforestation) and/or other control and monitoring mechanisms, when raw materials are sourced from countries at high risks of deforestation.

To this end, we invest in training our Teams and Suppliers and mapping the use and origin of these raw materials. We are also reviewing procedures and product development requirements. Whenever possible, we opt to eliminate or reduce their use.

PROMOTE A RESPONSIBLE DIET



FOOD INNOVATION AND OFFER DIVERSIFICATION

The «Continente Food Lab» is a reflection of our continued investment in food innovation. It is a pioneering concept in Portugal where our Clients can easily experiment with innovative products and emerging global trends in the food sector.

The products are identified by a distinctive «Continente Food Lab» seal. They are launched on an experimental and rotational basis. Consumer feedback is crucial to save the products and ensure they remain a part of our store product offering.

RAISING AWARENESS FOR A HEALTHIER DIET

Aware of food's impact on our health and the environment, our consumers seek alternatives to diversify their nutritional intake.

In hosting «Feira da Vida Saudável» (an in-store Healthy Life Farmers' Market), we meet the needs of this growing Customer segment and simultaneously broaden its base. The in-store «Feira da Vida Saudável» is an important occasion to promote various organic products, plant-based alternatives, products low in salt, sugars and fats, plus lactose-free and gluten-free products and food supplements, at affordable price points.

For more information
foodlab.continente.pt



PACKAGING TRANSFORMATION



MODIFICATION OF MC PACKAGING

In 2021 we pursued our packaging improvement programme. Our focal points throughout 2021 were to eliminate the unnecessary use of materials, incorporate recycled material and design our packaging to ensure its recyclability and reusability. We have many and varied examples of the various changes, such as Kasa's bed linen packaging, where we eliminated the use of plastic. Another example is the change we made to the Continente water bottles where we attached the lids to the bottles, thus ensuring the lids are not lost in the system and are effectively recycled.

In 2021 we offered our Customers the option of taking their own hermetically sealed storage boxes to use for purchases made at the deli and takeaway counters, thus avoiding the usual disposable containers used for ready-to-eat meals. This initiative aims to encourage reuse practices.

FIGHT FOOD WASTE



IMPLEMENTATION OF WASTE REDUCTION MEASURES

Over the years, we developed several procedures at the supply level that enabled us to reduce stockout. These range from introducing the concept of product expiration date in the store replenishment algorithms, to changes in operating procedures and quality control, to training and awareness-raising initiatives for our Teams.

We have several mechanisms to speed up product flow and avoid tons of food waste whilst offering products in an excellent condition to be consumed at more affordable price points. For example, the lower retail selling price on items nearing their sell-by date (identified with pink labels), the «Caixas Zero% Desperdício» (Zero% Waste Boxes), whereby Continente offers 5 kg baskets containing fruits and vegetables that are nearing the end of their shelf-life or establishing Partnerships such as the one we have with Too Good to Go, which in 2021 was rolled-out to Continente. Finally, the reuse and redistribution of food through the food surplus donation programme.

These measures represent savings of more than €37 million-worth of waste. MC Associates also benefit from these initiatives with products made available in the social areas in-store and warehouses representing more than €2 million of waste avoided.

FOSTER PARTNERSHIPS IN THE VALUE CHAIN

Thanks to our position within the value chain, we can promote Partnerships between production, industry and retail that enable us to develop important innovation and circularity projects and tackle waste generated.

Through the «Feira do Desperdício» (Waste Market) of Continente's Producers Club, we brought together 5 Alcobaca apple producers with an industrial Partner to produce a value-added product, Continente's Alcobaca Apple Cider Vinegar, containing fruit that did not meet calibre requirements for fresh consumption.



For more information
[Video: CPC | Vinagre de Maçã de Alcobaca](#)



- 26.4 %

OWN GHG EMISSIONS (SCOPE 1+2) FROM 2018 TO 2021

+ 66.9 %

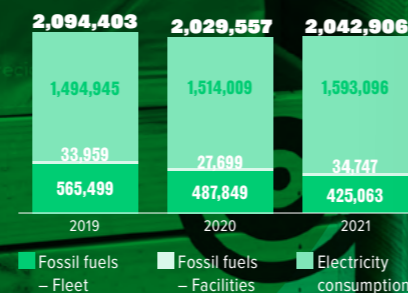
ELECTRICITY PRODUCTION FROM OWNED PHOTOVOLTAIC CENTRAL POWER STATIONS

83.6 %

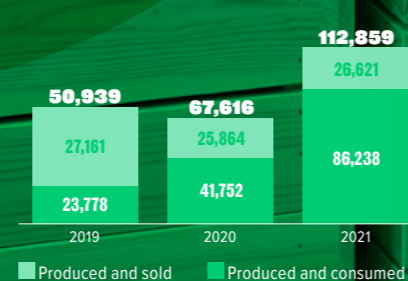
RECOVERY RATE OF WASTE PRODUCED (+8PP COMPARED TO 2020)

FOR THE TOMORROW OF OUR PLANET

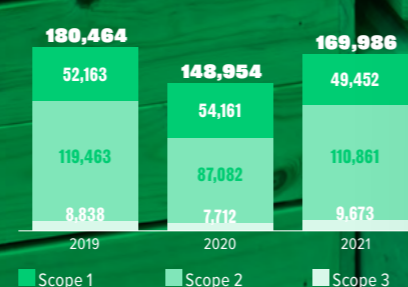
ENERGY CONSUMPTION BY SOURCE (GJ)



RENEWABLE ENERGY PRODUCTION (GJ)



TOTAL GHG EMISSIONS BY SCOPE (t CO₂e)



OUR VISION

We are aware of the many and complex challenges that the Planet faces to ensure it has a tomorrow: from the climate emergency to the biodiversity crisis, from the unsustainable use of resources to the rise in pollution levels, many signs reveal the fragility of the ecosystems that support life as we know it. Hence, our commitment to tomorrow is also a commitment to our Planet.

We know that the sound environmental management practices for which we are recognised are how we got to the present day, but they are not enough to address the current backdrop. Thus, in addition to promoting eco-efficiency, we are committed to managing our operations in the direction of decarbonisation and circularity.

Over the years, we have consistently and continuously invested in more efficient use of resources, optimising water and energy consumption, and minimising Greenhouse Gas (GHG) emissions without neglecting appropriate waste management. The programme for implementing Environmental Management Systems (EMS) in our stores and warehouses ensures continuous improvement. The practices recommended in our EMS were adopted transversally. At the end of 2021, circa 53% of MC's operational area had a system certified by NP EN ISO14001: 2015.

PERFORMANCE

In 2021, MC accounted for total energy consumption of 2,042,906 GJ, which accounts for an increase of 0.7% compared to 2020, explained by the Company's organic growth. Electricity accounts for 77.5% of this consumption. The remaining 22.5% is associated with fuel consumption.

Our electricity production from renewable sources (photovoltaic central power stations) increased 66.9% in the last year, and 76.4% of energy produced is channelled towards self-consumption. The remainder goes to the grid.

Regarding the profile of own GHG emissions, the conclusion is as follows: 69.0% is associated with electricity consumption and the remaining amount (31.0%) to fuel consumption and leakage of fluorinated gases. After a year in which the electricity emission factor was relatively low due to the pandemic, in 2021, we witnessed a variation in the emission factor that drove a 13.5% increase in our scope 1 and 2 emissions. Nonetheless, when we compare our own emission figures with those recorded in 2019, a year which can be better compared to 2021, we note a reduction in our own emissions of 6.6%.

Intending to ensure the decarbonisation of our operations by 2040, we have committed to the intermediate target of reducing our own GHG emissions (scope 1+2) by 55% by 2030 (compared to 2018 figures). This target is fully aligned with science and the goals of the Paris Agreement. We developed a roadmap to guide our future efforts and investments. Every year, we revisit and challenge this tool to accelerate our action and integrate the latest knowledge and technological development. The «2030 Roadmap» is based on 4 action pillars: the (i) deployment of eco-efficiency measures to reduce our energy consumption as much as possible; the (ii) electrification of consumption, with particular focus on our last mile and service and Company vehicles; the (iii) programme to change our refrigeration plants; and (iv) investment in the production and acquisition of energy effectively produced from renewable sources.

The Planet's future depends on promoting circularity, an increasingly visible dimension in our operations. We promote the collection and reintegration of materials at the end of their life cycle for reuse or recycling. To this end, we broadened the scope of the materials we collected and took action to improve existing spaces in stores and test solutions that enable us to gain greater insight into the different reuse models, considering the nature and specificity of our Business.

Considering the reduction target set for 2030, we recorded a reduction of 26.4% compared to 2018, which translates into an average decrease of 8.8%.

The Sonae Group was awarded an «A» score by the Carbon Disclosure Project (CDP). On a global scale, this recognition positions Sonae in the group of Companies that leads the fight against climate change and adopts the best-known practices.

Within the scope of waste management, we are equally concerned by the waste we generate in our Business activities and the waste our Customers drop off at our stores, promoting recycling and environmental citizenship. In 2021, MC generated 72,734 tons worth of waste, corresponding to a 0.9% increase compared to 2020, excluding the amount of waste generated by Maxmat's operation (taken from historical data). We recorded an increase in the recovery rate of waste produced to 83.6% (+8pp compared to 2020).

Water collection stood at 886,916 m³, representing an increase of 1.7% compared to 2020 (excluding Maxmat's consumption).

INITIATIVES

DECARBONISATION OF THE ENERGY MATRIX



INVESTMENT IN OWN RENEWABLE ENERGY GENERATION CAPACITY

The decarbonisation of our energy matrix, through the production of electricity effectively produced from renewable sources, was one of the axes of our «2030 Roadmap» that underwent a more significant boost in 2021: we ended the year with 214 operational plants installed, which represents an additional 25 new plants, and a photovoltaic park with an installed capacity of circa 26.9 MWp.

ESTABLISHMENT OF THE 1ST POWER PURCHASE AGREEMENT (PPA)

In tandem with the investments made in our renewable energy production capacity, via Elergone Energia, we entered into a long-term agreement (PPA offsite) to purchase circa 100 gigawatts-hour (GWh) of renewable energy per year from Shell Energy Europe Limited.

This is a significant milestone that will in itself ensure that approximately 20% of our electricity consumption will come from renewable sources. This investment which took effect from 1st October 2021, allowed for a reduction of 12,621 tonne CO₂e compared to the potential emission if this option were not included.



BOOST SUSTAINABLE MOBILITY



INCREASE IN THE NUMBER OF «CONTINENTE PLUG & CHARGE» STATIONS

In 2020, we launched our «Continente Plug & Charge» service (charging stations for electric cars). In an easy and hassle-free manner, our Customers can charge their electric vehicles whilst shopping in our stores, or our Associates can charge their vehicles whilst at the office.

Our «Continente Plug & Charge» network is currently comprised of 110 charging stations and has charged more than 3.5 million km, the equivalent of over 2,200 Porto to Paris trips. We aim to have nationwide coverage guaranteeing a maximum distance of approximately 100 km between hubs. This should be completed by the end of 2022.

For more information
plugcharge.continente.pt



FLEET EMISSIONS OFFSET

Over the next 10 years, alongside the various Sonae Companies, «Floresta Sonae» (Sonae's Forest) will reforest over 1,100 hectares to offset the emissions associated with the consumption of fossil fuels by our light vehicle fleets. In 2021 MC secured the necessary funding to reforest circa 35 hectares.



FLEET ELECTRIFICATION

In addition to expanding the «Continente Plug & Charge» network, in 2021, we stepped up the pace of electrifying our Company car fleet.

Supported by the installed network, we carried out a task to characterise the usage profiles of our Workforce (number of kilometres travelled per day, the identification of pre-defined

routes, frequency of longer journeys, among other parameters). This enabled us to identify a group comprised of 45 vehicles that were reaching the end of their contract and hence could be replaced by 100% electric options.

We will proceed with this programme in 2022, accelerating our pathway towards decarbonisation!

REFURBISH REFRIGERATION PLANTS



In 2021 we continued our efforts to promote efficiency and flexibility in energy consumption, investing in installing more efficient equipment and systems, creating conditions for better monitoring and consumption management and advanced procedures that enabled us to leverage the investments made. Investments totalled circa €7 million.

We emphasise improving the efficiency of our cold production facilities whilst not overlooking the problematic use of fluorinated gases (F-Gases).

In 2021, we remained on track with our efforts developed in the past years to implement alternative solutions to those commonly used regarding the use of refrigerant gases. The aim was to drastically reduce or even completely eradicate the use of high GWP (Global Warming Potential) gases.

Most of the cold production systems in all our new stores run on «natural gases», in other words, gases with a GWP of 5 or less, such as R290, R744, and R717.

With regards to the existing store network, we implemented a replacement programme: (i) use of F-Gases when the refrigerating equipment still has a reasonable lifespan; (ii) completely replacing cold service systems (with new equipment), i.e. solely using «natural gases».

In 2021 we eliminated the use of R427a and recorded a 44% reduction in the use of R404 gas.



PROMOTE CIRCULARITY



«DEPOSIT-REFUND SYSTEM» PREPARATION

We participated in several pilot projects to test the future Deposit-refund System (DRS) for beverage packaging to be implemented in Portugal.

We can secure the recycling of high-quality plastic, such as PET plastic, and ensure it is reintroduced into the system, maximising the «circularity of materials» through this system.

We installed 25 machines in our stores and have collected more than 12.4 million plastic containers since the start of the project, which will be sent for recycling to be incorporated into new bottles.



«RECYCLE TO SURF»

In 2021 Go Natural supermarkets implemented an initiative in Partnership with Jordan's oral hygiene brand. Collection points were set up in our stores for used toothbrushes as part of the «Recycle to Surf» project.

The aim is to transform old toothbrushes into boards for adapted surfing, thus contributing to making the sport more accessible to those with reduced mobility.

For more information
Video: Go Natural x Jordan



«GREEN CORK»

The «Green Cork» programme was the first cork stopper recycling programme on a global level. Since 2008 it has served as an inspiration for many other initiatives.

The economic worthiness of cork and its various uses contributes to the conservation of one of the world's biodiversity hotspots and rural and traditional Portuguese culture.

From the beginning of the project until 2021, we collected more than 98 million corks, 85% of which were from collection points within our stores. As a result of the project, more than 442 tons of cork were saved, and more than 1.2 million trees were planted.

For more information
greencork.org



PROJETO GREEN CORK

**RECICLAR
PARA REFLORESTAR**

CAMPANHA DE RECOLHA DE ROLHAS DE CORTIÇA 2021-22

Aceitas o desafio?
Inscreve já a tua escola, IPSS ou grupo de escoteiros nesta campanha.
Por cada 100 rolhas recicladas uma árvore será plantada.
Sabe como inscrever a tua escola, IPSS ou grupo de escoteiros em: www.greencork.org

GREEN CORK Quercus missão cortiça AMORIM

38.8 %

LEADERSHIP POSITIONS OCCUPIED BY WOMEN

851,841

TRAINING HOURS SECURED

- 11.9 %

ACCIDENTS FREQUENCY INDEX COMPARED TO 2020

FOR THE TOMORROW OF OUR PEOPLE

OUR VISION

Today, just as tomorrow, we are a Company made of People, for the People. With the confidence that our journey offers, driven by our purpose and our valuable Associates, and considering each of our People's uniqueness, we uncover the talent, creativity, energy, and focus that enables us to imagine and create a better tomorrow for everyone.

We do so anchored in the heterogeneity that we promote and celebrate. We recognise the enormous importance of diversity in its various dimensions. We are committed to seeing it represented at MC with a Diversity and Inclusion strategy anchored on 5 pillars (Gender Equality, Disability, Generations, LGBTQIA and Nationalities and Ethnicities), aiming to be a catalyst for each Person's development, ensuring that the necessary conditions for everyone to feel respected.

In our journey, we seek to value talent and contributions from everyone, lead in close proximity and be mindful of individuality, and work to create the conditions so that our People can excel and reach the best version of themselves.

We promote skill development for a successful future. Our culture of self-learning guides our Associates and provides the necessary tools for each and every person to follow their growth pathway.

We look at the workspaces as an extension of the culture we want to experience at MC. In this way, we create workspaces and circumstances that encourage collaboration and sharing, promoting well-being without ever compromising the safety of our People. In this way, we progress towards the goal of zero accidents.

PERFORMANCE

At the end of 2021, MC employed 36,607 Associates, 68.6% of whom were women, 75.3% had permanent contracts and 76.6% a full-time employment labour relationship with the Company.

We invest in developing our People with formats adapted to the various requirements at MC. We aim to provide the necessary tools for each Person's journey and growth, and in this sense, we witnessed a 51% growth in the training programmes launched. We secured over 851,841 training hours, which is very close to records registered before the pandemic.

We strengthened our actions to ensure that by 2023, 40% of senior management positions will be occupied by women. Thanks to the efforts in terms of hiring, periodic reviews and promotions, at the end of the year, 38.8% of leadership positions were occupied by women; this represents an increase of 2.2 pp compared to 2020. The Portuguese

Association for Diversity and Inclusion awarded the Company an Honourable Mention to reflect its efforts to promote an inclusive organisational culture.

WOMEN IN LEADERSHIP POSITIONS

2020	2021	TARGET 2023
36.6%	38.8%	40%

With our Occupational Health and Safety programme, we seek to improve conditions in our workplaces. In 2021, we reduced the frequency index by 11.9% and the severity index by 5.9%. This improvement is due to the implementation and consolidation of behaviour and appropriate measures for performing jobs in complete safety, focusing on the continuous improvement of work processes and procedures and the immediate and effective resolution of non-conformities.

INITIATIVES

PROMOTE DIVERSITY & INCLUSION



RAISE AWARENESS AND BUILD CAPACITY FOR DIVERSITY AND INCLUSION

To ensure the implementation of our strategy and consistency of our practices and behaviours, it is vital to raise awareness and empower our leaders and Teams on matters related to Diversity and Inclusion in its various formats.

To this end, we concentrated our efforts on developing appealing formats, such as the podcast «*Poder Falar É Poder Ser*» (Power to Talk is Power to Be), to capture the attention and interest of our Workforce. The first podcast focused on disability, one of the priority focus areas within our strategy, namely demystifying ableism, i.e. the prejudice against People with disabilities. The podcast also discussed our in-house journey by offering views on this subject from first-hand accounts.

The «*Enviesamentos Inconscientes*» (Unconscious Bias) training programme was also an important milestone in 2021. Starting from the premise that we all have unconscious preconceptions and that these are primarily based on inequalities, we developed a programme that cut across the entire organisation. Thus, we reached 34 thousand Associates to explain these preconceptions, raise awareness of the impact they may have on our personal and professional lives, and provide mitigation strategies.

We participated in the «*Promova*» Programme for the second consecutive year, which aims to create conditions to accelerate women's careers. This innovative training and skills development project offers techniques and emotional strategies, with a strong coaching and mentoring component designed by the Universidade Nova in Lisbon and the Confederation of Portuguese Businesses (CIP).

DEVELOPMENT OF A NEW MODEL OF INTEGRATION

In Partnership with the *Vila com Vida* Association, we designed a selection, integration and monitoring project for People with disabilities in Continente, Continente Modelo, Continente Bom Dia and Bagga stores.

Through this Partnership and this pilot, we will be able to test and guarantee the effectiveness of an integration process that we hope is holistic and integrated and offer training to the respective Teams and leaders and carry out close monitoring through a talent manager.



DRIVE A CULTURE OF LEADERSHIP AND DEVELOPMENT

INNOVATE IN THE LEARNING MODEL

Over the past year, we continued to promote a self-learning culture. Our aim is for this to be imbued within MC. To this end, we carried out initiatives in terms of support tools and developed toolkits. This innovative way of addressing future skills brings together a set of varied training resources to read, watch, listen to, interact with, and practice in a single space.

To mitigate the gap between the skills available in the labour market and our strategic development pipeline, we remained on course with the Partnerships established with different institutions within the training and academic universe.

Within this scope, at the beginning of the year, in conjunction with the Polytechnic Institute of Setúbal (IPS), we supported the creation of a new master's degree in Logistics and Supply Chain Management (LSCM). This is a pioneering training programme in Portugal. It qualifies participants with professional competencies and follows a project-based learning methodology. This Partnership represents an unprecedented junction between the academic and corporate worlds to provide privileged contact with expert faculty members and highly esteemed professionals in sectors relating to Logistics and Supply Chain Management. Also, with the same institution, we advanced with the CTeSP (Higher Professional Technical Course) in Retail Management, promoting the entry of MC Associates into higher education, in a strategy of upskilling our human resources.

With MC's «*Centro Qualifica*» (professional training qualification centre), we continued to work towards the goal of increasing our Workforce qualifications whilst simultaneously granting them certifications in various modules. In 2021, we supported the increase in qualifications of 602 Associates and 248 saw their qualifications increased via RVCC (Recognition, Validation and Certification of Competencies) with a total of 12,400 hours of certified training.



«LEAD BETTER»

«Lead Better» embodies MC's leadership vision and what we aspire to and are inspired by. It resulted from a collaborative and co-building project involving focus groups, surveys, interviews, and workshops with our leaders. Thus enabling us to design the MC leadership model based on 5 principles. A model aligned with our culture and ambition to experience leadership with purpose. One which is more agile and human and adaptable to the different contexts within MC.

«Lead Better» was presented at a live event for more than 3,300 leaders. A 6-week follow-up period ensued where leaders were involved in a deep and structured process of self-analysis, gathering feedback and reflecting on their leadership practices. This translated into over 15,000 feedback sessions.

To mobilise the organisation and generate awareness, we organised an additional set of 5 live sessions focused on deep diving into each of the 5 principles. Subsequently, in addition to adapting our assessment tools, we launched digital «Learning Journeys», customised to the improvement opportunities of each leader, in a self-learning format that is flexible and adaptable to individual paces.

ENSURE THE HEALTH, SAFETY AND WELL-BEING OF ASSOCIATES



PROMOTE HEALTH AND SAFETY

In 2021, we remained on course with the «*Programa Operacional de Saúde e Segurança no Trabalho*» (Occupational Health and Safety Operational Programme). The goal is to strengthen our safety culture by implementing appropriate leadership behaviour and measures and the management of working conditions, thus reducing frequency and severity rates in line with the European benchmark. Within the scope of this programme, we carried out 2,530 technical visits to our units.

The «*Safetyway*» programme was developed for our logistics warehouses. It is structured around 3 principles: (i) recognise (unsafe conditions); (ii) evaluate (measure *in loco*); (iii) change (adopt immediate and effective actions). Thus, contributing towards a sustainable reduction in accident indicators.

We also designed «*Zero Acidentes*» (Zero Accidents), a strategic communication plan to be developed over three years. The aim is to reinforce preventive and spontaneous behaviour among our Workforce that establishes a *modus operandi* and thus implement the concept of «zero collective assets», where each Associate is responsible for their own safety.

FOSTER HEALTHY HABITS

Overweight and obesity threaten one's health they are risk factors for developing and aggravating cardiovascular and osteoarticular disorders.

Our programme to fight overweight and obesity aims to prevent this problem among our People. With the support of a multidisciplinary Team (occupational health experts, nutritionists, sustainability and communication personnel), our initiatives were two-fold: (i) creating awareness by disseminating content in different formats that clarify and detail the principles of healthy eating, physical exercise and motivation, and (ii) intervention, in a pioneering pilot programme that reached 130 Associates.

In this context, a personalised monitoring plan was designed for overweight Associates who, following a diagnosis consultation and initial evaluation, were monitored over the course of 6 months by a Team focused on helping them create healthy eating habits for weight reduction, food re-education and the importance of taking regular physical activity: 69% lost weight at the end of 6 months, with 50% losing up to 5 kg and 19% losing between 5 and 10 kg. 50% of the participants decreased their abdominal perimeter, 55% decreased the percentage of fat, 26% lowered their BMI and 29% of the participants obtained improvement of the lipid profile in the repetition analyses.

TU NÃO ÉS SÓ UM ÉS UM DE NÓS

SOMOS



«SOMOS SONAE»

«*Somos Sonae*» (We are Sonae) was created to support Associates at vulnerable stages of their life. The programme was designed in September 2013 with this in mind. The aim is to provide *ad hoc* and temporary support to our Associates and their families in times of need.

A multidisciplinary and specialised Team from the Portuguese Red Cross can be actioned to analyse the requests for support, and following an initial diagnosis, a plan is put into practice. This can take on different formats and is developed, implemented, and tailored to the specific needs of each Associate. All processes are managed and monitored to guarantee Associate privacy and that of their families.

Through this programme in 2021, we supported 200 Associates, impacted 496 People, and invested more than €244 thousand.

«#PRECISAMOSFALAR»

In 2021, we implemented the «*#PrecisamosFalar*» (#WeNeedToTalk) programme, which aims to raise awareness across the organisation regarding mental health and equip our Workforce with the necessary tools to spot warning signs (their own and those around them) and use them for the greater well-being.

The programme was developed in 3 dimensions: (i) awareness, through the launch of a quiz for self-assessment regarding levels of well-being and an app with several features to further self-knowledge and personal development; (ii) dissemination of debate podcasts on various topics connected to well-being and a dedicated playlist for well-being, with inspirational and exclusive content to promote self-learning and evolution on these subject matters; and (iii) training, through specific initiatives with tips and tools to improve self-care and care for others.

#PrecisamosFalar



€ **19.6** M

COMMUNITY SUPPORT

+ **1,400**

SUPPORTED INSTITUTIONS

70,704

STUDENTS ENROLLED IN
«ESCOLA MISSÃO CONTINENTE»

**FOR THE
TOMORROW OF OUR
COMMUNITIES**

OUR VISION

We are driven by the ambition of leveraging sustainable development in the Communities where we operate. We are conscious of the positive contribution we can make to building a more resilient, cohesive and fair society. One which is anchored in the capillarity of our operation, the talent and commitment of our Workforce and the network of our Partners. We strive to make this ambition a reality via several complementary lines of action.

We provide regular aid to charitable institutions through the food surplus donation programme. We also provide relief in emergency situations, organise campaigns and collect goods and vouchers from our Customers. Providing support to local initiatives and projects is a very significant part of our contribution.

Furthermore, we launch products that create shared value and positively contribute to the development of the Community.

Correspondingly, to carry out transformation in responsible consumption and promote healthy eating and lifestyle habits, which MC considers critical, we designed several programmes to raise awareness, empower, and mobilise Community members for a more sustainable future.

PERFORMANCE

Alongside our network of Partners, we significantly increased our support. Compared to 2020, we significantly increased the amount of aid offered in terms of the number of institutions and the total sum of support granted.

NUMBER OF INSTITUTIONS SUPPORTED

2019	2020	2021
1,000	1,100	1,400

COMMUNITY SUPPORT

2019	2020	2021
€9.0M	€11.6M	€19.6M

On the one hand, this performance is explained by the reinforcement of the support given in light of the requirements and fragilities created by the pandemic and, on the other hand, by optimising the surplus food donation programme. This programme ensures a quick and increasing capability to ensure product flow, thus preventing many tonnes of food from going to waste and simultaneously providing aid to many institutions and families with foodstuffs in perfectly good condition.

In 2022, we plan to strengthen our investment capacity, namely as co-financiers of medium and long-term social innovation projects, thus enhancing the scope and impact of the investments made.

INITIATIVES

DEVELOP COMMUNITY SUPPORT INITIATIVES AND CAMPAIGNS



SURPLUS FOOD DONATION

The reuse and redistribution of food to social solidarity institutions and institutions that support animals is part of our daily routine in stores. For the past 27 years, we have made daily donations throughout the entire year in more than 300 Contimente stores, from the north to the south of mainland Portugal and the archipelagos.

Donated items are considered surplus when they cannot be sold but preserve all the necessary conditions to be safely consumed, thus avoiding food waste from a circular economy standpoint.

Via this programme, in 2021, *Missão Contimente* reused the equivalent of €19.2 million worth of food products donated to over 1,400 institutions.

SUPPORT IN FIGHTING COVID-19

In 2020 and 2021, *Missão Contimente* stood with the Portuguese People, offering immediate relief to those in precarious situations and front line workers fighting against the Covid-19 pandemic.

To this end, it ensured extraordinary mobilisation around major solidarity campaigns, such as the «#FoodTrucksareSafe» campaign or the «#TodosJuntos» (#AllTogether) campaign, helping thousands of People and families whose circumstances deteriorated because of the pandemic.

«LUZES COM PRESENÇA» (SHED LIGHT ON CHARITABLE GIVING)

Loneliness and social isolation are phenomena that cut across society as a whole and worsened considerably as a result of the pandemic.

Intending to shed more light on this issue, *Missão Contimente* developed a fundraising campaign in favour of projects dedicated to working alongside People who find themselves in or at risk of facing social isolation and loneliness. The campaign ran from 20th November to 6th January and raised a total of €1.2 million; 100% of the proceeds reverted to 11 institutions.

As a symbolic act, for each voucher sold, *Missão Contimente* lit a light in a region affected by social isolation, thus helping these populations feel a little less lonely during the Christmas season.

For more information missao.contimente.pt/iniciativas/luzes-com-presenca



CREATE PRODUCTS WITH A PURPOSE



«PASTA 100% CAJU»

In 2021 Contimente Partnered with Hope for Fulanis to develop a value-added product containing African sourced cashew nuts, the «Pasta 100% Caju» (100% cashew nut butter).

The «Pasta 100% Caju» is a nutritionally balanced food product that reinforces Contimente's commitment to democratising access to healthy food. By channelling a portion of the sale proceeds, the initiative resulted in hundreds of Guinean children being given access to free school meals. This programme thus encouraged children to go to school and contributed to their physical, cognitive and emotional development.

«BABY WELLS»

Conscious of the fact that Portugal has one of the lowest birth rates in Europe, in 2018, Wells, a brand that is dear to Portuguese families, created the «Por um Futuro com mais Bebés» (For a Baby-Filled Future) programme centred on 3 pillars: (i) celebrate all births in Portugal by offering the respective families a «Baby Wells» hamper; (ii) help several underprivileged families throughout the baby's first year, and (iii) advances conversations on this topic. In its 4th year, Wells granted more than 45,000 «Baby Wells» hampers (which represents more than 50% of all births in Portugal in 2021) and offered relief to circa 50 babies from underprivileged families, covering all baby hygiene, food and child-care product requirements and a care package for mums.



For more information futuro.wells.pt





«POLTRONA ÚRSULA»

To drive the debate in favour of gender equality, Kasa renamed its «Curve» armchair, now known as «Úrsula», to pay homage to the President of the European Commission, Ursula von der Leyen, who was left standing, without a chair, during an official visit to Ankara. The «Poltrona Úrsula» (Ursula armchair) is now a symbol to honour all women and the struggle for Gender Equality.

For each «Úrsula» armchair sold, *Missão Continente* donated €10 to the Portuguese Platform for Women's Rights.



Alimente-lhes o futuro

Ajude crianças em todo o mundo com as refeições escolares do World Food Programme. A Mastercard igualará a sua doação.

Faça algo *Priceless*®

«ALIMENTE-LHES O FUTURO» (SECURE THEIR FUTURE)

To secure nutritious school meals for children worldwide and contribute to the fight against hunger, Bagga teamed up with Mastercard on a fundraising campaign in favour of the United Nations World Food Programme (WFP).

Thus, whenever Bagga Customers purchased between November and December, they were allowed to donate towards one or more school meals. Donations started at €0.20, and each Client could select the amount they wished to donate. In turn, Mastercard matched the contributions made.



«SACOS ZULIDÁRIOS»

Intending to promote comfort and well-being to cats and dogs cared for by associations, in 2021, we pursued our «Somos Zulidários» programme (we are «Zulidario» – a play on words with solidaric). Via the programme, whenever a Customer reuses the Zulidario shopping bags, Zu ensures a fifty-cent donation to an association that supports animal welfare.

In 2021, ZU sold more than 2,200 shopping bags which were reused 3,600 times, resulting in a total donation of €1,800 distributed among 3 Associations selected in an online vote.

For more information zuonline.pt/somos-zulidarios



MOBILIZE THE COMMUNITIES



«ESCOLA MISSÃO CONTINENTE»

More than 70,704 thousand students from 655 schools, from all districts on mainland Portugal and the Islands, enrolled in «Escola Missão Continente» 6th edition, an educational programme that aims to raise awareness around 3 pillars: healthy eating habits, conscientious consumption and an active lifestyle. The programme widened its scope to include pre-school students and those in the 2nd cycle of basic education for the first time. It focuses on a multidisciplinary approach, fostering learning through educational activities, fun materials, field trips, and challenges that encourage the school Community to reflect upon and act on these and other subject matters.

EMC 21/22	PRE-SCHOOL EDUCATION	1 ST CYCLE OF BASIC EDUCATION	2 ND CYCLE OF BASIC EDUCATION
No. of students enrolled	4,365	57,232	9,107

For this edition, «Escola Missão Continente» will prepare a scientific study to measure the impact of the programme centred on adopting healthy eating habits and an active lifestyle. The study will be carried out over a consecutive four-year period (2021-2025), focusing on the 1st cycle of basic education in 36 schools. This will be the first study carried out in Portugal focused on a nutrition and Community health programme of this magnitude.

More than 100,000 children in grades 1 to 4 from schools throughout the country have participated in the programme since it was set up in 2016/17.

For more information missao.continente.pt/escola-missao-continente/sobre-a-escola/



«HERÓIS MISSÃO CONTINENTE»

Based on the belief that small individual actions can drive collective change, in 2021, *Missão Continente* launched a new initiative «Heróis Missão Continente». This initiative entails inviting the population to participate in several challenges with a potentially positive impact on the lives of those around them and on the environment. The aim is to create an organic movement of good deeds that will travel across Portugal. The superhero network has more than 2,177 participants in a movement that is gaining ground.

For more information missao.continente.pt/herois





APPENDIX



NON-FINANCIAL INFORMATION SUPPLEMENT

The information published on the «Non-Financial Information Supplement» focuses on the period of activity from the 1st January to the 31st December 2021 of MC, according to the scope of activity presented in the chapter of the «Annual Report 2021», «The Year in Review», subchapter «About MC» and where Arenal (Tomenider) is inserted.

As in the previous years, the Supplement was developed in accordance with the GRI Sustainability Reporting Guidelines (GRI Standards) for the option «In accordance – Core». The report highlights our performance at the level of the United Nations Global Compact (UNGC), the SASB standard, Principles and the Sustainable Development Goals (SDG), in addition to

responding to the requirements of the Portuguese Decree-Law no. 89/2017, published on 28th July 2017 and to the Spanish law no. 11/2018, published on 28th December 2018.

This Supplement complements the information reported in the «Sustainable Development» chapter of the «Annual Report 2021».

The sustainability information identified in the table «GRI Disclosures» which is part of the «Non-Financial Information Supplement» was subject to verification by an external entity – KPMG.

GRI DISCLOSURES

GRI 102 – GENERAL DISCLOSURES

CONTINUES

ORGANIZATIONAL PROFILE

102-1	Name of the organization	SONAE MC, SGPS, S.A.
102-2	Activities, brands, products, and services	Through a portfolio of a multi-format and omnichannel Business, MC's mission is to serve families daily by providing a responsible and wide range of quality products and services at competitive prices, in a close and convenient way, and having as based on service and execution of excellence. For more information, visit the corporate website (mc.sonae.pt/en) and the «Annual Report 2021».
102-3	Location of headquarters	Address: 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	MC is a public limited Company registered at the Commercial Registry Office of Porto.
102-6	Markets served	Portugal and Spain For more information, see chapter «The Year in Review», subchapters «About MC» and «Our operating market».
102-7	Scale of the organization	For more information, see chapter «The Year in Review», subchapter «About MC».

102-8 Information on Employees and other workers

COUNTRIES WITH OPERATIONS BY NUMBER OF EMPLOYEES						
	2020			2021		
Portugal	34,972			35,531		
Spain	928			1,076		
COUNTRIES WITH OPERATIONS BY CONTRACT TYPE						
	PC	TC	T	PC	TC	T
	2020			2021		
Portugal	25,747	9,225	34,972	26,930	8,601	35,531
Spain	584	344	928	636	440	1,076
PC Permanent contract TC Temporary contract T Total						
# EMPLOYEES BY CONTRACT AND BY TYPE						
	M	F	T	M	F	T
	2020			2021		
Permanent Employees	7,971	18,360	26,331	8,380	19,186	27,566
Temporary Employees	3,393	6,176	9,569	3,106	5,935	9,041
Total	11,364	24,536	35,900	11,486	25,121	36,607
Full-time Employees	9,075	17,877	26,952	9,275	18,750	28,025
Part-time Employees	2,289	6,659	8,948	2,211	6,371	8,582
Total	11,364	24,536	35,900	11,486	25,121	36,607
M Male F Female T Total						

Verified

GRI 102 – GENERAL DISCLOSURES

CONTINUES

ORGANIZATIONAL PROFILE

102-8 Information on Employees and other workers

AVERAGE OF CONTRACTS BY TYPE 2020						
	M	F	T	M	F	T
	PERMANENT			TEMPORARY		
Executives	< 30 years old	–	–	–	–	–
	30 – 50 years old	16	4	20	–	–
	≥ 50 years old	25	4	29	–	–
	Total	41	8	49	–	–
Senior & Middle Managers	< 30 years old	1	3	4	–	–
	30 – 50 years old	270	182	452	–	–
	≥ 50 years old	133	64	197	–	–
	Total	404	249	653	–	–
Coordinators & Supervisors	< 30 years old	70	136	206	8	31
	30 – 50 years old	521	941	1,462	9	37
	≥ 50 years old	149	198	347	–	2
	Total	740	1,275	2,015	17	70
Technicians & Specialists	< 30 years old	164	373	537	20	47
	30 – 50 years old	473	853	1,326	3	17
	≥ 50 years old	73	180	253	–	–
	Total	710	1,406	2,116	23	64
Representatives	< 30 years old	2,033	3,411	5,444	2,643	4,533
	30 – 50 years old	3,111	8,803	11,914	654	1,344
	≥ 50 years old	903	3,091	3,994	45	124
	Total	6,047	15,305	21,352	3,342	6,001
FULL-TIME						
PART-TIME						
Executives	< 30 years old	–	–	–	–	–
	30 – 50 years old	16	4	20	–	–
	≥ 50 years old	25	4	29	–	–
	Total	41	8	49	–	–
Senior & Middle Managers	< 30 years old	1	3	4	–	–
	30 – 50 years old	270	179	449	–	3
	≥ 50 years old	133	63	196	–	1
	Total	404	245	649	–	4
Coordinators & Supervisors	< 30 years old	78	160	238	–	7
	30 – 50 years old	529	966	1,495	1	12
	≥ 50 years old	149	197	346	–	3
	Total	756	1,323	2,079	1	22
Technicians & Specialists	< 30 years old	184	416	600	–	4
	30 – 50 years old	475	865	1,340	1	5
	≥ 50 years old	72	179	251	1	1
	Total	731	1,460	2,191	2	10
Representatives	< 30 years old	2,842	4,377	7,219	1,834	3,567
	30 – 50 years old	3,380	7,934	11,314	385	2,213
	≥ 50 years old	881	2,378	3,259	67	837
	Total	7,103	14,689	21,792	2,286	6,617
M Male F Female T Total						

Note: in this indicator is excluded Go Natural Restauration Employees

Verified

MC ANNUAL REPORT 2021

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ORGANIZATIONAL PROFILE

102-8 Information on Employees and other workers

AVERAGE OF CONTRACTS BY TYPE 2021		M	F	T	M	F	T
		PERMANENT			TEMPORARY		
Executives	< 30 years old	–	–	–	–	–	–
	30 – 50 years old	20	5	25	–	–	–
	≥ 50 years old	24	3	27	–	1	1
	Total	44	8	52	–	1	1
Senior & Middle Managers	< 30 years old	2	3	5	–	–	–
	30 – 50 years old	270	199	469	–	–	–
	≥ 50 years old	137	71	208	–	–	–
	Total	409	273	682	–	–	–
Coordinators & Supervisors	< 30 years old	71	129	200	7	47	54
	30 – 50 years old	535	969	1,504	3	34	37
	≥ 50 years old	133	219	352	–	6	6
	Total	739	1,317	2,056	10	87	97
Technicians & Specialists	< 30 years old	188	423	611	15	58	73
	30 – 50 years old	378	836	1,214	1	8	9
	≥ 50 years old	79	186	265	–	–	–
	Total	645	1,445	2,090	16	66	82
Representatives	< 30 years old	2,304	3,859	6,163	2,534	4,398	6,932
	30 – 50 years old	3,270	8,850	12,120	513	1,241	1,754
	≥ 50 years old	947	3,334	4,281	31	136	167
	Total	6,521	16,043	22,564	3,078	5,775	8,853
		FULL-TIME			PART-TIME		
Executives	< 30 years old	–	–	–	–	–	–
	30 – 50 years old	20	5	25	–	–	–
	≥ 50 years old	24	3	27	–	1	1
	Total	44	8	52	–	1	1
Senior & Middle Managers	< 30 years old	2	3	5	–	–	–
	30 – 50 years old	270	197	467	–	2	2
	≥ 50 years old	137	71	208	–	–	–
	Total	409	271	680	–	2	2
Coordinators & Supervisors	< 30 years old	78	183	261	–	–	–
	30 – 50 years old	540	981	1,521	–	1	1
	≥ 50 years old	131	214	345	–	–	–
	Total	749	1,378	2,127	–	1	1
Technicians & Specialists	< 30 years old	202	478	680	1	3	4
	30 – 50 years old	378	839	1,217	1	5	6
	≥ 50 years old	78	186	264	1	–	1
	Total	658	1,503	2,161	3	8	11
Representatives	< 30 years old	3,093	4,950	8,043	1,745	3,320	5,065
	30 – 50 years old	3,388	7,958	11,346	395	2,129	2,524
	≥ 50 years old	910	2,580	3,490	68	881	949
	Total	7,391	15,488	22,879	2,208	6,330	8,538

M Male F Female T Total

Note: in this indicator is excluded Go Natural Restauration Employees

ORGANIZATIONAL PROFILE

102-9 Supply chain

At MC, we continuously invest in proximity, trust, and respect with our Suppliers to guarantee high-quality products and services. Specifically for private label Suppliers, we assume the dual role of evaluating and qualifying Partners able to work with MC, seeking to find points of improvement that maximize the efficiency and sustainability of operations.

The Suppliers' Code of Conduct summarizes the environmental, social and ethical concerns that we aim to ensure throughout the value chain, which are complemented by a set of specific instruments:

1. Selection, qualification and assessment of Suppliers according to internally defined environmental and social criteria.
2. Sustainability Declaration of Continente Producers Club (CPC), based on 11 principles and various initiatives that aim to reinforce the supply of more sustainable national products;
3. Sustainable Fishing Policy and use of the «Traffic Light System» (TLS), a tool that makes it possible to assess purchases according to the level of sustainability of fisheries;
4. Certification of the origin of raw materials used in the development of private label products, which aims to ensure agricultural production and responsible supply;

Additionally, see responses to 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

Maxmat ceased to be part of MC as of September 1, 2021.

102-11 Precautionary principle approach

See chapter «Governing Principles and Practices»

102-12 External initiatives

In order to support the integration of sustainable development principles in our management practices, over the years we have been subscribing to a set of policies and commitments (directly or through Sonae SGPS) and to develop internal benchmarks: United Nations Universal Declaration of Human Rights; United Nations Global Compact Principles; The Charter of Principles of BCSD Portugal; CEO Guide For Human Rights (WBCSD); Women Initiative of the European Roundtable of Industrials (ERT); CEO Pledge, Lead Network; Future of Work Leadership Statement (WBCSD); Paris Pledge for Action; New Plastics Economy Global Commitment; The National Pact For Plastic; Business for Nature's Call to Action; Science Based Targets Network (SBTN) Corporate Engagement Program; The Sonae Group Code of Ethics and Conduct; The Sonae Group Code of Conduct for Suppliers; The Sonae Group Environmental Policy; Sonae Companies Charter of Principles for CO₂ & Climate Change; Sonae Companies' Letter of Principles for Plastic; The Sonae Group Sustainable Fisheries Policy; Plan for Gender Equality.

102-13 Memberships of associations

In addition to the representation provided by the Sonae Group, MC integrates the following associations: APED; Consumer Goods Forum; APLOG (*Associação Portuguesa de Logística*); ACEPI (*Associação Economia Digital*); GS1 Portugal; APAN (*Associação Portuguesa de Anunciantes*) and AHRESP

STRATEGY

102-14 Statement from senior decision-maker

For more information, see the chapter «Q&A with our CEO».

102-15 Key impacts, risks, and opportunities

See chapter «Governing Principles and Practices», subchapter «Risk management».

ETHICS AND INTEGRITY

102-16 ✓	Values, principles, standards, and norms of behavior	<p>At MC, we base our activities on principles and values rooted in our DNA, seeking to inspire those around us to build a legacy of excellence for the future.</p> <p>The Code of Ethics and Conduct includes a set of principles that govern the organization's activity and a set of ethical and deontological rules to be observed by the respective members of the Governing Bodies and by all Employees in their relationship with Customers, Suppliers and other stakeholders.</p> <p>Through the Code of Ethics and Conduct, we guarantee that all our activity is governed by applying the defined principles of ethics and trust.</p>
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GOVERNANCE

102-18 ✓	Governance structure	For more information on Corporate Governance, see the chapter «Governing Principles and Practices», subchapter «Corporate Governance».
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STAKEHOLDER ENGAGEMENT

102-40 ✓	List of stakeholders groups	Customers and Visitors; Employees; Suppliers; Shareholders; Regulatory and Governmental Entities; Community; and Media.
102-41 ✓	Collective bargaining agreements	At MC, 95.8% of all Employees are covered by collective bargaining agreements through the employment contract.
102-42 ✓	Identifying and selecting stakeholders	<p>For MC, it is essential to establish lasting relationships with our stakeholders, and we are committed to listening to all our stakeholders through regular dialogue. Listening to our stakeholders aims to identify, prioritize and manage material topics with a relevant impact on the Business and the Community.</p> <p>Customers: Listening to and knowing our Customers is essential so that we can respond to their needs and define and adjust our value proposition.</p> <p>Employees: For MC, the professional and personal development of its Employees is fundamental. Therefore, we listen to our Teams to promote inclusive, healthy and safe work environments with equal opportunities.</p> <p>Suppliers: Through regular and open communication with our Suppliers, we build and ensure long-term relationships of trust, which allow us to respond to our Customer's needs through the delivery of differentiated, responsible and quality products and ensure the growth and development of our Community of Suppliers.</p> <p>Shareholders: MC aims to generate long-term value for its Shareholders. We maintain a close relationship through constant communication to ensure we respond to their expectations regarding the creation of economic, social and natural value.</p> <p>Society: We collaborate with government and regulatory bodies to help develop and implement regulations that may affect our Business; We are member of different associations so that we can monitor and be up to date on best practices and trends and promote the sustainable development of the sector; We maintain regular communication with our local Communities and NGOs so that we can have a positive impact on People's lives.</p> <p>For more information, consult the «Sustainable Development» chapter.</p>
102-43 ✓	Approach to stakeholder engagement	<p>To ensure a culture of engagement, we have established with each group of stakeholders a structured communication, namely through a diversified range of means of communication, which allows us to identify the respective material themes.</p> <p>For more information, consult the «Sustainable Development» chapter.</p>

STAKEHOLDER ENGAGEMENT

102-44 ✓	Key topics and concerns raised	<p>In 2021, we registered, analysed and dealt with around 98 thousand complaints and suggestions regarding MC's various Businesses.</p> <p>We have a certified Suggestions and Complaints Management System to identify different development opportunities and implement further improvements and changes at the product and operational levels. Additionally, we provide our Employees, Customers, Suppliers and the general public with access to the Sonae Ombudsman, which ensures and complements the interaction with the different Business areas.</p> <p>In addition, intending to expand our knowledge of the Customer, we use different types of tools and methodologies (Net Promoter Score measurement, satisfaction assessment surveys via email, SMS and telephone contact after the Customer has contacted the brand or post-purchase, product analyses, market studies), which allow us to know their opinion. The feedback collected through the different sources is, in turn, incorporated into the strategic decisions of each of our Businesses.</p>
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REPORTING PRACTICE

102-45 ✓	Entities included in the consolidated financial statements	See chapter «Financial statements».
102-46 ✓	Defining report content and topic boundaries	See Annexes «Non-Financial Information Supplement – GRI Disclosures»
102-47 ✓	List of material topics	See chapter «Sustainable Development».
102-48 ✓	Restatements of information	Nothing to report.
102-49 ✓	Changes in reporting	<ol style="list-style-type: none"> In 2021, a reassessment of the packaging plastic footprint was carried out and the recyclability of our plastic packaging reported in 2020 was revised. With Maxmat's departure from the MC portfolio on September 1, 2021, we only consolidate its environmental information (GRI) until August 31, 2021.
102-50 ✓	Reporting period	This report focuses on the activity between 1 January and 31 December 2021.
102-51 ✓	Date of most recent report	April 30, 2021.
102-52 ✓	Reporting cycle	Annual
102-53 ✓	Contact point for questions regarding the report	rpsonaemc@sonaemc.com
102-54 ✓	Claims of reporting in accordance with the GRI standards	This report has been prepared in accordance with the GRI Standards: Essential option.
102-55 ✓	GRI content index	For more information, see Annexes «Non-Financial Information Supplement – GRI Disclosures».
102-56 ✓	External assurance	The non-financial information that is part of the «Annual Report 2021» and the respective «Non-Financial Information Supplement – GRI Disclosures» was subject to verification by an external entity, KPMG.

GRI 103 – SPECIFIC DISCLOSURE

MATERIAL TOPICS

103-1 v	Explanation of the material topic and its boundary	<p>Over the years we have been close to our stakeholders in order to receive their contributions regarding the impacts of our activity. A robust and regular auscultation process involving different stakeholders (Employees, Customers, Suppliers and Partners, Regulatory and Sector Regulators, Investors, Media and Community Organizations). In addition, we ensure a reflection about our structure and positioning, our commitments and performance as well as the best practices of the sector and its regulatory framework.</p> <p>CO₂ & Climate Change, Plastics, Nature and Biodiversity, Inequalities and Inclusive Development and Community Support are material themes to fulfil our ambition to democratise access to a healthy and sustainable basket by promoting a responsible supply chain and conscious consumption.</p> <p>To ensure a sustainable tomorrow and the tomorrow for our Products, Planet, People and Communities we have been taking sustained action, which we monitor and evaluate, as reported in this report.</p>
103-2 v	The management approach and its components	MC promotes several initiatives related to its material aspects, disclosed throughout this report.
103-3 v	Evaluation of the management approach	MC performs the measurement and monitoring of the indicators associated with this aspect and reports them in this Report.

GRI 200 – ECONOMIC DISCLOSURES

201: ECONOMIC PERFORMANCE

201-1 v	Direct economic value generated and distributed	<p>The direct economic value generated and distributed comprises the following parts: economic value generated (revenues), economic value distributed (operating costs, Employee salaries and benefits, payments to investors, payments to the State, donations and other investments in the Community) value accumulated.</p> <p>For more information, see Chapter «Financial Statements».</p>
201-2 v	Financial implications and other risks and opportunities due to climate change	<p>In 2021, MC adopted the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) – an initiative that promotes recommendations for the management and disclosure of financial risks associated with climate change.</p> <p>For more information, see Chapter «Risk Management».</p>
201-3 v	Defined benefit plan obligations and other retirement plans	MC does not have a pension fund.
201-4 v	Financial assistance received from government	In 2021, MC received around €43.6 million. The values indicated refer to amounts received within the scope of tax credits and represent MC's best estimate, taking into account that applications to SIFIDE have not yet been made on the closing date of this report. We highlight that the Government is not part of the Company's shareholder structure.

202: MARKET PRESENCE

202-2 v	Proportion of senior management hired from the local Community	100% of MC's top management are hired locally.
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203: INDIRECT ECONOMIC IMPACTS [MATERIAL ASPECT]

203-1 v	Infrastructure investments and services supported	MC ensures the necessary conditions to cause less impact on Communities when opening new infrastructures. It develops numerous activities to support the local Community during the operation, meeting their different needs. Activities are often carried out in Partnership with local entities. In 2021, €19.6 million were donated in campaigns to support the Community and in food surpluses to more than 1,400 institutions across the country.
203-2 v	Significant indirect economic impacts	For more information, see Chapter «Sustainable Development».

204: PROCUREMENT PRACTICES

204-1 Proportion of spending on local Suppliers

	2019	2020	2021
Percentage of costs with foreign Suppliers	18%	15%	15%
Percentage of costs with national Suppliers	82%	85%	85%

205: ANTI-CORRUPTION

205-1 v	Operations assessed for risks related to corruption	<p>MC's risk management process follows the International Enterprise Risk Management – Integrated Framework (COSO) methodology, which identifies different types of risks and threats to Business development, both at the strategic and operational levels. As the risk of corruption was not recognised as a priority risk for MC, no assessments were carried out in this regard. MC's Code of Ethics and Conduct establishes a set of principles and rules related to conflict of interest, offers or rewards to Employees to ensure that they do not unduly influence decision-making.</p> <p>In 2021, no cases of corruption were reported.</p>
205-2 v	Communication and training about anti-corruption policies and procedures	MC's Code of Ethics and Conduct, which includes anti-corruption policies, is communicated in the initial training to 100% of Employees. In 2021, 12,534 Employees received training in anti-corruption.
205-3 v	Confirmed incidents of corruption and actions taken	In 2021, no cases of corruption were recorded.

301: MATERIALS [MATERIAL ASPECT]

301-1 Materials used by weight or volume MC aims to make sustainable use of the consumption of materials associated with its value chain and operations.

To this end, we promote a series of initiatives with Suppliers and Partners to select materials with a smaller footprint, reduce the unnecessary use of materials, promote their reintegration into the value chain at the end of their life cycle (through reuse or recycling), ensure the origin of raw materials, among others. As a result, the materials reported are the most relevant in weight and volume.

301-2 Recycled input materials used**MATERIALS USED TO PACK PRODUCTS IN 2021 (t)**

	VIRGIN	RECYCLED	TOTAL
Plastic packaging	14,159	1,897	16,056
Plastic product	2,687	1,027	3,713
Card	2,050	2,260	4,310
Paper	7,144	586	7,730
Glass	9,879	NA	9,879
Metal	4,020	NA	4,020
Wood	66	NA	66

301-3 Reclaimed products and their packaging materials**RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS (t)**

	2020	2021
Card and paper	38,211	40,299
Plastic	2,975	3,018
Wood	886	622
Clothes	545	591
Cork	33	30
Coffee capsules	–	2
Cooking oils	72	121
Batteries	48	39
Lamps	10	7
Computer consumables	5	12

As part of the Deposit and Reimbursement System pilot, in the 25 machines installed in our stores, we collected around 5.1 million packages in 2021, a figure lower than that recorded in 2020 and which we believe is related to the change in the incentive model.

302: ENERGY [MATERIAL ASPECT]**302-1 Energy consumption within the organization**

ENERGY CONSUMPTION BY SOURCE (GJ)			
	2019	2020	2021
Fossil fuels – Fleet	565,499	487,849	425,063
Fossil fuels – Facilities	33,959	27,699	34,747
Electricity consumption	1,494,945	1,514,009	1,583,096
Total	2,094,403	2,029,557	2,042,906
RENEWABLE ENERGY PRODUCTION (GJ)			
	2019	2020	2021
Produced and consumed	23,778	41,752	86,238
Produced and sold	27,161	25,864	26,622
Total	50,939	67,616	112,860

302: ENERGY [MATERIAL ASPECT]**302-3 Energy intensity****ENERGY INTENSITY**

	2019	2020	2021	2021*
Total energy consumption (GJ)	2,094,402	2,029,557	2,042,906	2,033,323
Sales area (sqm)	835,000	864,000	828,000	828,000
Energy intensity ratio (GJ/sqm)	2.51	2.35	2.47	2.46

* Without Maxmat consumption

302-4 Reduction of energy consumption

In 2021, we continued our efforts to promote efficient and flexible energy consumption, investing in installing more efficient equipment and systems, creating the necessary conditions to better monitor and manage energy consumption and developing procedures to enhance the investment made. Efficiency measures and local production of renewable energy represented an investment of €7M.

See chapter «Sustainable Development».

302-5 Reduction in energy requirements of products and services

With the departure of Maxmat from the MC portfolio, we stopped reporting this indicator.

303: WATER AND EFFLUENTS**303-1 Interactions with water as a shared resource**

Most of the water consumed in MC's operations is for human use.

To reduce environmental impact, MC is committed to reduce its water footprint, increasing the efficiency of its operations, innovating and leveraging technology to rethink the way water is used and managed in its infrastructure. The progressive installation of meters equipped with telemetry, which allow for more accurate monitoring of water consumption, is essential in this process.

In addition, there are some initiatives aimed at reusing and recycling water. Among them, the MC Meat Processing Centre stands out, which has a facility for recovering and recycling part of the liquid effluents produced at the facilities.

MC does not identify areas of water stress relevant to this report in its direct operation.

303-2 Management of water discharge-related impacts

MC does not have quantitative measurements of liquid effluents rejected in stores. Thus, following engineering best practices, we assume that 80% of the water consumed in our operations and offices is rejected as liquid effluent, and the remaining 20% is consumed, with the exception of some Warehouses and the CPC (Meat Processing Center).

Regarding destinations, most of the liquid effluents produced are rejected into public domestic wastewater networks, and all liquid effluent rejections to natural water lines are subject to pre-treatment in dedicated facilities (WWTPs), and monitoring is carried out of quality.

303-3 Water withdrawal**WATER WITHDRAWAL BY SOURCE (m³)**

	2020	2021
Third party water	827,393	793,812
Groundwater	60,527	93,104
Surface water	–	–
Grey water	–	–
Mixture of water sources	–	–
Total	887,919	886,916

Note: For the scope of this indicator, Maxmat was not considered in the respective reporting year.

303: WATER AND EFFLUENTS

303-4 Water discharge

EFFLUENT VOLUME BY SOURCE (m ³)		
	2020	2021
Third party water	663,904	676,735
Groundwater	2,891	1,561
Surface water	–	–
Grey water	–	–
Mixture of water sources	–	–
Total	666,795	678,295

Note: For the scope of this indicator, Maxmat was not considered.

303-5 Water consumption

WATER CONSUMPTION BY SOURCE (m ³)		
	2020	2021
Water consumption	221,124	208,620
Water consumption in water stress areas	–	–
Total	221,124	208,620

Note: For the scope of this indicator, Maxmat was not considered.

304: BIODIVERSITY [MATERIAL ASPECT]

304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas MC does not have facilities in areas classified as *habitats* rich in biodiversity, in its direct operation.

304: BIODIVERSITY [MATERIAL ASPECT]

304-2 Significant impacts of activities, products and services on biodiversity

We are working with the Science Based Targets Network to develop a common framework for action that can be used by Companies across industries and geographies to assess their impacts on nature, define priority areas of action and set targets in line with science.

In 2021, we mapped our main impacts, considering the typology of products we sell and the respective supply chains. In 2022, we will establish our baseline according to the Science Based Targets Network guidelines.

At the same time, we launched a set of actions that allow us to mitigate the impacts of our supply chains and promote the adoption of more sustainable production practices. The Continente Producers Club (CPC) is an important platform through which we have been promoting high standards of quality, sustainability and safety, supporting the national producers in a structured way to adopt the best production practices and ensure their valorisation and recognition.

In 2021, we launched the CPC Sustainability Declaration, which aims to ensure sustainable production, through a set of initiatives that will allow us to support our producers in meeting the goals of the «Farm to Fork» Strategy. This Declaration is based on 11 principles that cover all product categories that are part of the Continente Producers Club and ranging from principles of regenerative agriculture, methods of measuring and measuring sustainability, sustainable livestock, valorisation of by-products, biodiversity always in a perspective commitment and continuous improvement.

In addition, we are working on the development of specific standards such as Eco XT for the sustainable production of beef and raising awareness and supporting our producers and Suppliers in the adoption of more sustainable production practices standards (Global GAP, MSC/ASC, Zero Residue, Animal welfare among others).

Our Fishing Sustainability Policy aims to minimise the impact of fishing activities on marine biodiversity and to promote the adoption of sustainable fishing practices, taking into consideration a set of guidelines that encourage the protection of ecosystems. Over the last few years, we have developed several improvement measures which have contributed to the commercialisation of healthy fishing and to the reduction of non-sustainable fishing practices. MC uses the «Traffic Light System» tool, which was developed with the objectives of promoting the commercialisation of fish in a sustainable way and to access, in an easier way, the sustainable level of the products that we sell. In this tool, the red, yellow and green colours are assigned according to the main fishing methods used, so that MC can prioritise Suppliers that use fishing methods with a lower impact on species and ecosystems.

TRAFFIC LIGHT SYSTEM [FISHERY PURCHASE VOLUME (%)]

		2019	2020	2021
Use of fishing methods/gear with potential impact on biodiversity or marine ecosystems	reduced	33.9%	36.0%	36.3%
	moderate	36.6%	33.3%	30.0%
	significant	1.2%	1.2%	0.9%
Produced in aquaculture, certified according to Continente's quality standards		28.3%	29.4%	32.7%

See chapter «Sustainable Development».

304: BIODIVERSITY [MATERIAL ASPECT]

304-3 Habitats protected or restored

AREA MONITORED		2021
CPC Sustainability Declaration		1,010 hect
Hunting eagle project		1,500 hect

The Forest is particularly exposed to the effects of climate change. The «Sonae Forest» Project represents a collective effort by the Sonae Companies to restore and conserve the Portuguese Forest. In the next 10 years, we will reforest more than 1,100 hectares to offset the emissions associated with the consumption of fossil fuels by our fleet of light vehicles. In 2021, MC secured the necessary funding to reforest around 35 hectares.

See chapter «Sustainable Development».

305: EMISSIONS [MATERIAL ASPECT]

305-1 Direct (Scope 1) GHG emissions

SCOPE 1 GHG EMISSIONS (t CO ₂ e)	2019	2020	2021
Total direct GHG emissions	52,163	54,161	49,452

Note 1: In 2018, the value of scope 1 emissions of 63,340 ton CO₂ was considered. Note 2: Updated values resulting from the adjustment in the calculation methodology (revision of emission factors).

305-2 Direct (Scope 2) GHG emissions

SCOPE 2 GHG EMISSIONS (t CO ₂ e)	2019	2020	2021
Indirect GHG emissions associated with the consumption of electricity (market based) and thermal energy	119,463	87,082	110,861

Note 1: In 2018, the value of scope 2 emissions of 154,396 ton CO₂ was considered. Note 2: Updated values resulting from the adjustment in the calculation methodology (revision of emission factors).

305-3 Indirect (Scope 3) GHG emissions

SCOPE 3 GHG EMISSIONS (t CO ₂ e)	2019	2020	2021
Indirect GHG emissions associated with total waste	8,838	7,712	9,673

Note: In 2021, for scope 3, only category 5 (emissions associated with waste) was considered. A study is being developed in order to report, in the future, a greater number of categories for scope 3 emissions.

TOTAL EMISSIONS BY SCOPE (t CO₂e)

	2019	2020	2021
Scope 1	52,163	54,161	49,452
Scope 2	119,463	87,082	110,861
Scope 3	8,838	7,712	9,673
Total emissions	180,464	148,954	169,986

Note: Information on conversion and emission factors can be found at the end of the GRI table, in the methodological notes section.

By 2030, MC is committed to reduce its own emissions (scope 1+2) by 55%, when compared to 218. A roadmap was defined and is monitored. Annually, the targets for own emissions are measured. The calculation of the indicator follows the methodology and guidelines of the GHG Protocol.

OWN EMISSIONS (SCOPE 1 + 2) (t CO₂e)

2021 TARGET	2021 PERFORMANCE	ASSESSMENT OF THE 2021 TARGET
170,792	160,313	The target set for own emissions was met, with an additional 6% reduction compared to the target set for 2021.

305: EMISSIONS [MATERIAL ASPECT]

305-4 GHG emissions intensity

EMISSIONS INTENSITY	2019	2020	2021
Total GHG emissions (t CO ₂ e) (market based)	180,464	148,954	169,986
Sales area (sqm)	835,000	864,000	828,000
GHG emission intensity ratio (t CO₂/sqm)	0.22	0.17	0.21

Note 1: In 2018, the value of total emissions of 217,736 ton CO₂ was considered. Sales area (sqm): 776,000. GHG emission intensity ratio (t CO₂/sqm) = 0.28

305-5 Reduction of GHG emissions

To support the reduction of our emissions, MC developed a roadmap adapted to its Business context, based on best practices and the best technological and scientific knowledge. The change from refrigeration equipment to equipment that uses low-impact refrigerants, investment in local production of renewable energy, electrification of our fleet of vehicles along with efforts to promote the eco-efficiency of operations are some of the measures implemented.

In 2021, the production of electricity from renewable sources (photovoltaic plants) used in Auto Consumption, stood at 24 GWh, with an increase in consumption in Auto Consumption of 105% when compared to 2020. This production was responsible for avoiding the emission of at least 6,300 tons of CO₂eq.

The acquisition of energy free from GHG emissions, through the establishment of a PPA (Power Purchase Agreement) that took effect from 1 October 2021, allowed a reduction of 12,621 ton CO₂e in relation to the potential emission without this option, corresponding to 10.1% of that emissions potential.

See chapter «Sustainable Development».

305-6 Emissions of ozone-depleting substances (ODS)

In 2021, there was no emission of substances that destroy the ozone layer. Since 2012, MC has not used gases with the potential to destroy the ozone layer.

305-7 Nitrogen oxides (NOx), sulphur oxides (SO₂) and other significant emissions

NITROGEN OXIDES (NOx), SULPHUR OXIDES (SO ₂) AND OTHER SIGNIFICANT EMISSIONS	2019	2020	2021
Total NOx emissions (t)	455	316	328
Total SO ₂ emissions (t)	119	103	81
Total CH ₄ emissions (t)	–	10	13
Total emissions of F-gases (t)	–	24,051	17,918

Note: For the scope of this indicator, Maxmat was not considered.

306: EFFLUENTS AND WASTE

306-1 Waste production and significant waste-related impacts

Most of MC's waste is associated with the activity of its stores. Waste management covers not only waste produced within the scope of its activity, but also waste deposited by Customers. Some measures implemented include: (i) creation of specific areas in stores and warehouses for waste management; (ii) separation, temporary storage and shipment of different types of waste to licensed operators; (iii) separation of the organic portion of waste and sending for organic recovery; (iv) reduction of packaging material for private label products; (v) reuse of transport packaging; and Employee training and awareness.

306-2 Management of significant impact related to waste

We reinforce the principles of circularity in the way we manage our activity. We design and develop our services and products, avoid single-use plastics whenever possible, favour the reuse and repair of materials, and, when this is not possible, forward waste for recycling.

GRI 300 – ENVIRONMENTAL DISCLOSURES

CONCLUSION

306: EFFLUENTS AND WASTE**306-3 Waste generated**

WASTE GENERATED (T)			
	2019	2020	2021
Hazardous waste	90	63	61
Non-hazardous waste	70,646	72,017	72,673
Total weight of waste generated	70,736	72,080	72,734

306-4 Waste not sent for disposal

WASTE NOT SENT FOR DISPOSAL (T)			
	2019	2020	2021
Recycled hazardous waste	NA	63	61
Hazardous waste prepared for reuse	NA	–	–
Other hazardous waste recovery operations	NA	–	–
Total hazardous waste not sent for disposal	90	63	61
Recycling of non-hazardous waste	38,526	42,939	45,172
Non-hazardous waste prepared for reuse	0	–	–
Other non-hazardous waste recovery operations *	10,838	11,762	15,648
Total non-hazardous waste not sent for disposal	49,364	54,701	60,820

* Compost, anaerobic digestion and energy recovery

Note: For the scope of this indicator, Maxmat was not considered.

306-5 Waste sent for disposal

WASTE SENT FOR DISPOSAL (T)			
	2019	2020	2021
Incinerated hazardous waste (with energy recovery)	–	–	–
Incinerated hazardous waste (no energy recovery)	–	–	–
Hazardous waste directed to landfill	–	–	–
Other hazardous waste disposal operations	–	–	–
Total disposal of hazardous waste	–	–	–
Incinerated non-hazardous waste (with energy recovery)	–	–	–
Incinerated non-hazardous waste (no energy recovery)	–	–	–
Non-hazardous waste directed to landfill	14,676	17,316	11,853
Other non-hazardous waste disposal operations	–	–	–
Total deposition of non-hazardous waste	14,676	17,316	11,853

Note: For the scope of this indicator, Maxmat was not considered.

GRI 400 – SOCIAL DISCLOSURES

CONTINUES

401: EMPLOYMENT [MATERIAL ASPECT]**401-1 New Employee hires and Employee turnover**

NEW HIRES AND DEPARTURES OF EMPLOYEES	2020		2021	
	NEW HIRES	DEPARTURES	NEW HIRES	DEPARTURES
BY NUMBER				
Men	6,454	6,114	6,919	6,145
Women	10,407	10,049	12,021	10,697
Total	16,861	16,163	18,940	16,842
< 30 years old	13,462	12,329	15,221	12,691
30 – 50 years old	3,151	3,267	3,412	3,559
≥ 50 years old	248	567	307	592
Total	16,861	16,163	18,940	16,842
Portugal	16,534	15,819	18,428	16,454
Spain	327	344	512	388
Total	16,861	16,163	18,940	16,842
BY RATIO (%)				
Men	18%	17%	19%	17%
Women	29%	28%	33%	29%
Total	47%	45%	52%	46%
< 30 years old	37%	34%	42%	35%
30 – 50 years old	9%	9%	9%	10%
≥ 50 years old	1%	2%	1%	2%
Total	47%	45%	52%	46%
Portugal	46%	44%	50%	45%
Spain	1%	1%	1%	1%
Rest of the world	0%	0%	0%	0%
Total	47%	45%	52%	46%
TOTAL OF NEW HIRES AND DEPARTURES OF EMPLOYEES				
	2019	2020	2021	
Total Employees	34,898	35,900	36,607	
New hires	18,935	16,861	18,940	
New hires (%)	54%	47%	52%	
Departures	17,735	16,163	16,842	
Departures (%)	51%	45%	46%	

GRI 400 – SOCIAL DISCLOSURES

CONTINUES

401-1	NEW HIRES AND DEPARTURES BY NUMBER	VOLUNTARY DEPARTURE			UNVOLUNTARY DEPARTURE		
		2020	M	F	T	M	F
Executives	< 30 years old	–	–	–	–	–	–
	30 – 50 years old	–	1	1	–	–	–
	≥ 50 years old	–	–	–	1	–	1
	Total	–	1	1	1	–	1
Senior & Middle Managers	< 30 years old	–	–	–	–	–	–
	30 – 50 years old	10	4	14	1	2	3
	≥ 50 years old	4	1	5	9	6	15
	Total	14	5	19	10	8	18
Coordinators & Supervisors	< 30 years old	2	3	5	–	1	1
	30 – 50 years old	3	3	6	3	2	5
	≥ 50 years old	3	3	6	1	1	2
	Total	8	9	17	4	4	8
Technicians & Specialists	< 30 years old	34	53	87	10	27	37
	30 – 50 years old	42	64	106	17	28	45
	≥ 50 years old	2	2	4	3	15	18
	Total	78	119	197	30	70	100
Representatives	< 30 years old	1,592	2,215	3,807	3,306	5,086	8,392
	30 – 50 years old	368	816	1,184	586	1,317	1,903
	≥ 50 years old	26	75	101	91	324	415
	Total	1,986	3,106	5,092	3,983	6,727	10,710
Total	2,086	3,240	5,326	4,028	6,809	10,837	
2021		M	F	T	M	F	T
Executives	< 30 years old	–	–	–	–	–	–
	30 – 50 years old	1	–	1	–	–	–
	≥ 50 years old	1	–	1	–	–	–
	Total	2	–	2	–	–	–
Senior & Middle Managers	< 30 years old	–	–	–	–	–	–
	30 – 50 years old	15	5	20	5	–	5
	≥ 50 years old	–	–	–	10	6	16
	Total	15	5	20	15	6	21
Coordinators & Supervisors	< 30 years old	–	–	–	–	1	1
	30 – 50 years old	4	3	7	2	5	7
	≥ 50 years old	–	–	–	5	6	11
	Total	4	3	7	7	12	19
Technicians & Specialists	< 30 years old	49	102	151	8	28	36
	30 – 50 years old	59	91	150	14	29	43
	≥ 50 years old	1	1	2	13	17	30
	Total	109	194	303	35	74	109
Representatives	< 30 years old	1,907	3,190	5,097	2,897	4,509	7,406
	30 – 50 years old	498	1,109	1,607	543	1,176	1,719
	≥ 50 years old	28	82	110	85	337	422
	Total	2,433	4,381	6,814	3,525	6,022	9,547
Total	2,563	4,583	7,146	3,582	6,114	9,696	

M Male F Female T Total

Verified

GRI 400 – SOCIAL DISCLOSURES

CONTINUES

401: EMPLOYMENT [MATERIAL ASPECT]

401-3 Parental leave

PARENTAL LEAVE	2020			2021		
	M	F	T	M	F	T
TOTAL NUMBER OF EMPLOYEES (No.)						
Entitled to parental leave	11,364	24,536	35,900	11,486	25,121	36,607
Who took parental leave	495	1,323	1,818	392	1,257	1,649
Who returned to work after completing parental leave	495	1,316	1,811	392	1,258	1,650
Who returned to work after completing their parental leave and who remain with the Company 12 months after they returned	381	1,031	1,412	391	1,069	1,460
Usufruct rate	4%	5%	5%	3%	5%	5%
Return rate	100%	99%	100%	100%	100%	100%
Retention rate	77%	78%	78%	100%	85%	89%

M Male F Female T Total

Note: Employees who, having taken leave in 2020, remain in the Company 12 months after returning, are not counted. For this reason, the retention rate can be higher than 100%, since the denominator refers to the usufruct of 2021 and not 2020.

403: OCCUPATIONAL HEALTH AND SAFETY

403-1 Occupational health and safety management system MC's occupational health and safety management methodologies and processes are not formalized in a certified system.

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

We believe that raising awareness and communicating the risks and measures that Employees must take to eliminate or reduce risks to controllable levels are a decisive step towards improving existing conditions and, consequently, improving the working environment.

Therefore, in addition to training in OSH and information shared with Employees, an annual consultation with Employees on OSH issues is carried out through a questionnaire is done, in which Employees comment on all topics related to OSH. Employees' responses are analysed to assess their perception of working conditions.

Workers can also report incidents through internal platform and application audits or directly contact OSH technicians or security animators.

403-3 Occupational health services MC provides occupational health services that contribute to identifying and eliminating hazards and risk minimization. These services, provided by law, include: an entrance exam at the time of joining the Company; periodic exams and every two years for all Employees between 18 and 50 years old; and annual exams for Employees under the age of 18 or over 50; Occasional examinations are also carried out at the request of the Employee or the Company, and all Employees who have been absent for more than 30 days, after returning, are obliged to carry out any examinations.

Other services include monitoring remodelling and store openings, training, procedures and safety standards, annual audit plan for all establishments, monitoring claims processes (cause, participation), and ergonomic studies. Qualified OSH technicians provide all services.

Verified

403: OCCUPATIONAL HEALTH AND SAFETY

403-4	Worker participation, consultation, and communication on occupational health and safety	At MC, all Employees are consulted annually on OSH issues through a questionnaire, in which Employees comment on all matters related to OSH. This questionnaire is adapted and updated periodically. In addition, a survey is carried out on the injured person's satisfaction about the health activity carried out by the insurance Company.																																																							
403-5	Worker training on occupational health and safety	Workers complete mandatory online training on workplace hazards and emergency organization and response during the admissions process. MC has an internal portal where workers can find various information related to Safety and Health at Work, such as Accidents at Work, Risks at Work, Personal Protective Equipment, Emergency Plan, among others. Some SSO monitoring audits carried out in stores are pedagogical.																																																							
403-6	Promotion of worker health	Concerning facilitating workers' access to medical and non-occupational health services, MC has at its disposal several initiatives such as curative medicine, food and nutrition, massage, yoga and other similar initiatives available to all collaborators.																																																							
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by Business relationships	Health and safety impacts attributable to Business relationships are not considered material.																																																							
403-8	Workers covered by an occupational health and safety management system	MC's occupational health and safety management methodologies and processes are not formalized in a certified system.																																																							
403-9	Work-related injuries	<table border="1"> <thead> <tr> <th rowspan="2">EMPLOYEES</th> <th colspan="3">2020</th> <th colspan="3">2021</th> </tr> <tr> <th>M</th> <th>F</th> <th>T</th> <th>M</th> <th>F</th> <th>T</th> </tr> </thead> <tbody> <tr> <td>Workable hours</td> <td>20,507,129</td> <td>43,352,122</td> <td>63,859,251</td> <td>20,703,103</td> <td>44,076,994</td> <td>64,780,097</td> </tr> <tr> <td>Work injuries</td> <td>280</td> <td>509</td> <td>789</td> <td>240</td> <td>531</td> <td>771</td> </tr> <tr> <td>Fatalities</td> <td>–</td> <td>–</td> <td>–</td> <td>–</td> <td>–</td> <td>–</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="7">WORKERS WHO ARE NOT EMPLOYEES, BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION</th> </tr> </thead> <tbody> <tr> <td>Work injuries</td> <td>61</td> <td>18</td> <td>79</td> <td>72</td> <td>40</td> <td>112</td> </tr> <tr> <td>Fatalities</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>M Male F Female T Total</p>	EMPLOYEES	2020			2021			M	F	T	M	F	T	Workable hours	20,507,129	43,352,122	63,859,251	20,703,103	44,076,994	64,780,097	Work injuries	280	509	789	240	531	771	Fatalities	–	–	–	–	–	–	WORKERS WHO ARE NOT EMPLOYEES, BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION							Work injuries	61	18	79	72	40	112	Fatalities	0	0	0	0	0	0
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404: TRAINING AND EDUCATION [MATERIAL ASPECT]**404-1 Average hours of training per year per Employee**

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE			
	2019	2020	2021
Total Employees (No.)	34,606	44,671	46,084
Total hours of training (h)	889,881	787,142	851,840
Average hours of training by category and gender (h/Employee)	26	18	18

Note: This includes all training participants, regardless of if they were active or not in December 31, 2021

404: TRAINING AND EDUCATION [MATERIAL ASPECT]**404-1 Average hours of training per year per Employee**

	2020			2021		
	M	F	T	M	F	T
TOTAL NUMBER OF EMPLOYEES BY EMPLOYEE CATEGORY AND GENDER						
Executives	39	9	48	40	8	48
Senior & Middle Managers	423	255	678	1,092	1,281	2,373
Coordinators & Supervisors	762	1,353	2,115	112	810	922
Technicians & Specialists	800	1,564	2,364	712	1,601	2,313
Representatives	12,955	26,511	39,466	12,544	27,884	40,428
Total Employees (No.)	14,979	29,692	44,671	14,500	31,584	46,084
Average hours of training by category and gender (h/Employee)						
Executives	463	129	592	389	52	441
Senior & Middle Managers	7,313	5,089	12,402	24,916	31,646	56,562
Coordinators & Supervisors	14,917	18,952	33,869	448	2,725	3,173
Technicians & Specialists	20,976	45,229	66,205	10,883	23,069	33,952
Representatives	218,318	455,756	674,074	275,428	482,284	757,712
Total training hours (h)	261,987	525,155	787,142	312,064	539,776	851,840
Executives	12	14	12	10	7	9
Senior & Middle Managers	17	20	18	23	25	24
Coordinators & Supervisors	20	14	16	4	3	3
Technicians & Specialist	26	29	28	15	14	15
Representatives	17	17	17	22	17	19
Average hours of training by category and gender (h/Employee)	17	18	18	22	17	18

M Male F Female T Total

Note: This includes all training participants, regardless of if they were active or not in December 31, 2021

404-2 Programs for upgrading Employee skills and transition assistance programs

	2020		2021	
	ACTIONS (No.)	HOURS (H)	ACTIONS (No.)	HOURS (H)
Conferences & Seminars	–	–	1	15
Schools/Academies	1	50	–	–
Management	732	3,622	643	1,275
Management & Leadership	21,299	18,494	9,499	17,902
Continuous improvement	1,198	8,137	1,617	10,546
Health and safety at Work	22,062	54,090	15,507	58,450
Sustainability	–	–	–	–
Technique	41,451	63,091	40,577	68,569
Transversal	756	4,536	583	3,039
Others	74,316	635,122	176,150	692,045
Total	161,815	787,141	244,577	851,841

Note: Includes all participants in training, whether or not they are active on December 31, 2021.

404-3 Percentage of Employees receiving regular performance and career development reviews

In 2021, at MC, 90.5% of Employees received performance and career development evaluations.

405: DIVERSITY AND EQUAL OPPORTUNITY [MATERIAL ASPECT]

405-1 Diversity of governance bodies and Employees

PERCENTAGE OF EMPLOYEES BY FUNCTIONAL CATEGORY

		2020			2021		
		M	F	T	M	F	T
Executives	< 30 years old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	30 – 50 years old	32.7%	8.2%	40.8%	37.7%	9.4%	47.2%
	≥ 50 years old	51.0%	8.2%	59.2%	45.3%	7.5%	52.8%
	Total	83.7%	16.3%	100.0%	83.0%	17.0%	100.0%
Senior & Middle Managers	< 30 years old	0.2%	0.5%	0.6%	0.3%	0.4%	0.7%
	30 – 50 years old	41.3%	27.9%	69.2%	39.5%	29.1%	68.6%
	≥ 50 years old	20.4%	9.8%	30.2%	20.3%	10.4%	30.7%
	Total	61.9%	38.1%	100.0%	60.1%	39.9%	100.0%
Coordinators & Supervisors	< 30 years old	3.7%	7.9%	11.7%	3.6%	8.2%	11.8%
	30 – 50 years old	25.2%	46.6%	71.8%	25.0%	46.6%	71.6%
	≥ 50 years old	7.1%	9.5%	16.6%	6.1%	10.5%	16.6%
	Total	36.0%	64.0%	100.0%	34.7%	65.3%	100.0%
Technicians & Specialists	< 30 years old	8.4%	19.1%	27.4%	9.3%	22.1%	31.5%
	30 – 50 years old	21.6%	39.5%	61.1%	17.4%	38.9%	56.3%
	≥ 50 years old	3.3%	8.2%	11.5%	3.6%	8.6%	12.2%
	Total	33.3%	66.7%	100.0%	30.4%	69.6%	100.0%
Representatives	< 30 years old	15.2%	25.9%	41.1%	15.4%	26.3%	41.7%
	30 – 50 years old	12.3%	33.1%	45.3%	12.0%	32.1%	44.2%
	≥ 50 years old	3.1%	10.5%	13.6%	3.1%	11.0%	14.2%
	Total	30.6%	69.4%	100.0%	30.6%	69.4%	100.0%

M Male F Female T Total

DISABLED EMPLOYEES

	2020	2021
Employees with disabilities (No.)	157	184

WOMEN IN LEADERSHIP POSITIONS

	2020	2021
% Women in leadership positions	36.6%	38.8%

It does not include Arenal. Extending the scope of the indicator to Arenal, the % of women in leadership positions was 38.3%

MC has set the goal of reaching 40% of women in leadership positions by 2023. To support the achievement of this goal, a Diversity and Inclusion Strategy and Gender Equality Plan were developed.

WOMEN IN LEADERSHIP POSITIONS

	2021 TARGET	2021 PERFORMANCE	ASSESSMENT OF THE 2021 TARGET
% Women in leadership positions	37.4%	38.8%	The target defined for the % of women in leadership positions was met, having been exceeded by 1.4 percentage points compared to the target defined for 2021.

406: NON-DISCRIMINATION

406-1 Incidents of discrimination and corrective actions taken In 2021, 32 cases of discrimination were raised. The investigation processes carried out led to the shelving of all cases.

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 MC, there are no operations involving risks within the scope of the right to freedom of association and collective bargaining agreements. According to the audit reports carried out in 2021, all Suppliers have freedom of association: they can be members of institutions / associations that represent their rights accordingly.

408: CHILD LABOR

408-1 Operations and Suppliers at significant risk for incidents of child labor At MC, as a rule, minors are not admitted. Minors between the ages of 16 and 18 are only allowed exceptionally and consistently in compliance with the law. There are no operations with the risk of incidents of child labour. If a Supplier is found to have a significant risk of incidents of child labour, the Supplier is placed on stand-by and only re-enters after an SA8000 audit by an accredited entity.

409: FORCED AND COMPULSORY LABOR

409-1 Operations and Suppliers at significant risk for incidents of forced or compulsory labor At MC, there is no forced labour. However, if a Supplier is found to have a significant risk of forced or compulsory labour incidents, the Supplier is placed on stand-by and only re-enters after an SA8000 audit by an accredited entity.

410: SECURITY PRACTICES

410-1 Security personnel trained in human rights policies or procedures In Portugal and in Spain, all security guards who provide services through security companies must have a professional card, whose obtaining and renewal requires training that includes constitutional/fundamental rights, ethics and deontology.

412: HUMAN RIGHTS ASSESSMENT

412-1 Operations that have been subject to human rights reviews or impact assessments In 2021, no operation that has been subject to a Human Rights reassessments and/or impact assessments in this regard.

412-2 Employee training on human rights policies or procedures In 2021, Employees received training related to human rights practices and policies according to the following table:

TRAINING IN RIGHTS POLICIES AND PRACTICES

	2019	2020	2021
Total number of Employees who received formal training in the organization's policies and procedures regarding Human Rights issues (No.)	15,502	42,020	30,307
Total hours dedicated to training in policies and procedures regarding aspects of Human Rights that are relevant to operations (h)	294,519	368,532	404,490

Note: includes all participants in training regardless of whether or not they are active on 31 December 2021 in Portugal.

412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening In MC's supply contracts there is an obligation clause for the Supplier that mentions «Comply with all applicable rules and legislation on work performed by minors, human rights and prohibition of discrimination against its workers, whatever the reason».

413: LOCAL COMMUNITIES [MATERIAL ASPECT]

413-1 Operations with local Community engagement, impact assessments, and development programs MC ensures the necessary conditions to cause the least negative impact on Communities when opening new infrastructures. It develops numerous activities to support the local Community during the operation, meeting their different needs. Activities are often carried out in Partnership with local entities. In 2021, €19.6 million were donated in campaigns to support the Community and in food surpluses to more than 1,400 institutions across the country

See chapter «Sustainable Development».

414 AND 308: SUPPLIER SOCIAL ASSESSMENT [MATERIAL ASPECT]

414-1 and 308-1 v	New Suppliers that were screened using social criteria			
	SUPPLIERS SELECTED BASED ON SOCIO-ENVIRONMENTAL CRITERIA			
	2020		2021	
	TOTAL	NEW	TOTAL	NEW
National	180	31	582	58
Foreign	313	84	529	72
Total Suppliers (No.)	493	115	1.111	130
National	113	3	501	30
Foreign	192	14	410	33
Total qualified Suppliers (No.)	305	17	911	63
National	63%	10%	86%	52%
Foreign	61%	17%	78%	46%
% qualified Suppliers	62%	15%	82%	48%
National	55	1	155	6
Foreign	209	14	219	13
Total Suppliers audits (No.)	264	15	374	19

416: CUSTOMER HEALTH AND SAFETY

416-1 v Assessment of the health and safety impacts of product and service categories

At MC, it is a priority to guarantee the quality and safety of our brand products, which is why we constantly control, monitor and develop the development process. Therefore, we focus our activities on four areas: (i) certification of the development of our brand products, (ii) quality and safety monitoring, (iii) labelling and (iv) management of Customer feedback.

In 2021, continuing previous years' efforts, we ensured the certification process to develop MC's brands, following the international quality management standard NP EN ISO 9001: 2015. We have a Team of qualified internal and external professionals dedicated to carrying out periodic product verifications, including inspections, laboratory tests, and audits, to guarantee compliance with quality and safety standards based on the annual plans in force.

In 2021, a total of 643,675 analyses were performed in internal and external laboratories.

In indicator 102-44 we report how we manage and integrate our Customers' feedback.

417: MARKETING AND LABELING

417-1 v Requirements for product and service information and labeling

We are committed to ensuring the supply of a wide range of responsible products to meet consumer expectations and promote the adoption of a sustainable lifestyle. At the same time, considering the need for immediate access to information inherent to the current consumer profile, we are concerned with ensuring that we provide the necessary information about our products so that consumers can make an informed and appropriate choice for their style of life.

In 2021, MC did not experience any non-compliance with laws and regulations in terms of information and labelling of products with a total monetary value greater than or equal to €12,000.

419: COMPLIANCE SOCIOECONOMIC

419-1 v Incidents of non-compliance concerning product and service information and labeling

MC considers a significant fine when the total monetary value is greater than or equal to €12,000, as it corresponds to the minimum fine for a serious environmental offense (Law No.114/2015, of 28 August).

NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA

	2020	2021
Total monetary value of significant fines – Economic area (€)	0	0
Total number of non-monetary sanctions (No.)	8	3
Total monetary value of significant fines – Social (labour) area (€)	0	0
Total number of non-monetary sanctions (No.)	0	0
Total monetary value of significant fines – Environmental area (€)	0	0
Total number of non-monetary sanctions (No.)	0	0

In 2021, MC does not suffer any non-compliance with laws and regulations in the social, economic and environmental areas with a total monetary value greater than or equal to €12,000.

METHODOLOGIC NOTES

EMISSION FACTORS						
ENERGY	UNIT	2019	2020	2021	SOURCE (2019 AND 2020)	
Natural Gas	Kg CO ₂ /GJ	56.4	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	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	74.1	2021: APA (2021) Portuguese National Inventory Report on Greenhouse Gases (NIR)	
Gasoline	Kg CO ₂ /GJ	69.3	69.3	69.3		
Electricity						
Market Based MC, Maxmat, Sonae RP	Kg CO ₂ /GJ	77	74.7	71.4	2019, 2020 and 2021: 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.	
Market Based Spain	Kg CO ₂ /GJ	110.8	110.8	110.8	2019, 2020 and 2021: It was assumed the Endesa emission factor: 398,88 gCO ₂ /kWh endesa.pt/negocios/quemsomos/Origem-de-Energy	
Market Based Arenal	Kg CO ₂ /GJ	109.4	79.1	55.6	2019: Energy mix Endesa, Repsol, Iberdrola, Aldro Energía and DLR Energía Comercializadora. 2020: Electricity Labeling Agreement Related to Energy Produced In 2019, issued by the CMNC. 2021: Considered the Endesa emission factor shared 0,2 (kgCO ₂ /Kwh)	
Location Based Spain	Kg CO ₂ /GJ	53.5	40	38.8	2019, 2020 and 2021: REE ree.es/es/datos/generacion/no-renovables-detalle-emisiones-CO2	

TYPE OF TREATMENT	UNIT	2019	2020	2021	SOURCE
Landfill	t CO ₂ /t waste	0.0214	0.0213	0.0213	2019: DEFRA (2019). Greenhouse gas reporting – Conversion factors 2019
Energy recovery	t CO ₂ /t waste	0.0102	0.0102	0.0102	2020: DEFRA (2020). Greenhouse gas reporting – Conversion factors 2020
Organic recovery	t CO ₂ /t waste	0.5865	0.4374	0.4374	2021: DEFRA (2020). Greenhouse gas reporting – Conversion factors 2021

NITROGEN OXIDES (NO _x), SULFUR OXIDES (SO ₂), AND OTHER SIGNIFICANT AIR EMISSIONS (305-7)							
	ENERGY	UNIT	NO _x	SO ₂	SO ₂	SOURCE	
The values in the GRI table associated with indicator 305-7 were calculated using the following conversion factors:	Diesel	kg/GJ	0.8	0.21	0.21	IPCC 2006	
	Gasoline	kg/GJ	0.6	0.075	0.075	IPCC 2006	

SASB DISCLOSURES

SASB SUSTAINABILITY INDICATORS

CONTINUES

SASB SUSTAINABILITY INDICATORS			
FB-FR-110a.1	Fleet fuel consumed , percentage renewable		
		2019	2020
	Fleet fuel consumed (GJ)	565,499	487,849
			2021
			425,063
FB-FR-110b.1	Gross global emissions from refrigerants (scope 1)		
		2019	2020
	Gross global emissions from refrigerants (scope 1) (ton)	52,163	54,161
			2021
			49,452
FB-FR-110b.2	Percentage of refrigerants consumed with zero ozone-depleting potential		
			2021
	Percentage of refrigerants consumed with zero ozone-depleting potential		100%
FB-FR-110b.3	Average refrigerant emissions rate	Unavailable information for the 2021 report.	
FB-FR-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable		
		2019	2020
	OPERATIONAL ENERGY CONSUMED		2021
	Energy consumed (GJ)	1,494,945	1,514,009
			2021
			1,583,096
		2019	2020
	RENEWABLE ENERGY PRODUCTION		2021
	Produced and consumed (GJ)	23,778	41,752
			2021
			86,238
		2019	2020
	PERCENTAGE OF ENERGY CONSUMED BY TYPE		2021
	Grid electricity (%)	98%	97%
			2021
			95%
	Renewable (%)	2%	3%
			2021
			5%
FB-FR-150a.1	(1) Amount of food waste generated, (2) percentage diverted from the waste stream		
			2021
	Food waste avoided		+37M€
			2021
	% diverted from the waste stream		35%
FB-FR-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of Customers affected	Unavailable information for the 2021 report.	
FB-FR-230a.2	Description of approach to identifying and addressing data security risks	MC's risk management process follows the International Enterprise Risk Management – Integrated Framework (COSO) methodology, which identifies different types of risks and threats to Business development, both at the strategic and operational levels. Cyber attacks are defined as the occurrence of a breach in the privacy and/or data security of Employees, Suppliers or Customers, as well as other commercial information, due to an inadequate level of protection of information systems and/or risky behavior of Employees, may subject the Company to fines and affect its reputation and continuity. See chapter «Governing principles and practices», subchapter «Risk management»	
FB-FR-250a.1	High-risk food safety violation rate	Unavailable information for the 2021 report.	

SASB SUSTAINABILITY INDICATORS		
FB-FR-250a.2	(1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products	Unavailable information for the 2021 report.
FB-FR-260a.1	Revenue from products labeled and/or marketed to promote health and nutrition attributes	Unavailable information for the 2021 report.
FB-FR-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	<p>Our program to review the nutritional composition of own-brand products ensures that our Customers continue to enjoy their favourite products knowing they are healthier. In 2021, we continued to reduce salt, fat and sugar levels and eliminate hydrogenated fats and palm oil. At the same time, we tried to introduce products with more protein, fibre, fruits and vegetables, and wholesome and naturally healthy products.</p> <p>Based on the precautionary principle, we have established strict nutritional criteria that all our private label products must comply with, and we ensure that they are constantly updated due to new scientific discoveries, new legislation and/or recommendations, and new processing technologies and Ingredients.</p>
FB-FR-270a.1	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	Unavailable information for the 2021 report.
FB-FR-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	MC considers a significant fine when the total monetary value is greater than or equal to €12,000, as it corresponds to the minimum fine for a serious environmental offense (Law No.114/2015, of 28 August). In 2021, Mc does not suffer any non-compliance with laws and regulations associated with marketing and/or labeling practices with a total monetary value greater than or equal to €12,000.
FB-FR-270a.3	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	MC, by internal policy, does not buy products containing genetically modified organisms.
FB-FR-310a.1	(1) Average hourly wage and (2) percentage of in-store and distribution center Employees earning minimum wage, by region	Unavailable information for the 2021 report.
FB-FR-310a.2	Percentage of active work force covered under collective bargaining agreements	At MC, 95.8% of all Employees are covered by collective bargaining agreements through the employment contract.
FB-FR-310a.3	(1) Number of work stoppages and (2) total days idle	In 2021, there were no work stoppages involving 1,000 or more workers lasting a full shift or more and zero days were lost as a result of stoppages.
FB-FR-310a.4	Total amount of monetary losses as a result of legal proceedings associated with: (1) labor law violations and (2) employment discrimination	MC considers a significant fine when the total monetary value is greater than or equal to €12,000, as it corresponds to the minimum fine for a serious environmental offense (Law No.114/2015, of 28 August). In 2021, Mc does not suffer any non-compliance with laws and regulations associated with: (1) labor law violations and (2) employment discrimination practices with a total monetary value greater than or equal to €12,000.
FB-FR-430a.1	Revenue from products third-party certified to environmental or social sustainability sourcing standard	Unavailable information for the 2021 report.

SASB SUSTAINABILITY INDICATORS		
FB-FR-430a.2	Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crates	Unavailable information for the 2021 report.
FB-FR-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	<p>MC intends to guide its performance, in all Businesses, beyond the strict compliance with the legislation in force. For this purpose, it adopted, in its practices, a set of Sustainability, Ethics, Justice and Honesty. Recognizing the challenges and risks associated with its supply chain, following the Supplier Relationship Policy, it established a Code of Conduct to inform its Suppliers and their subcontracting chain of minimum requirements to be ensured throughout the period of collaboration with the MC, in all businesses, both locally and globally.</p> <p>See GRI indicators: 304-2; 408-1; 409-1</p>
FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	<p>The commitment to the responsible use of plastic, assumed by MC, is part of a strategy that has been carefully planned and implemented by multidisciplinary Teams and with the support of external Partners from different areas. The association with a global commitment in this area in 2019 reflects this same concern. Our strategy goes through:</p> <ol style="list-style-type: none"> 1. Anticipate to 2025 the ambition defined by the European Union for 2030, that all plastic packaging placed on the market is reusable or recyclable in an economically efficient way. 2. Reduce or even eliminate the use of materials of fossil origin, either by reducing the thickness used for the same product or by substituting the type of materials used. 3. To reduce the complexity of the fossil plastic materials used, namely multi-material products, and thus contribute to the greater recyclability of plastic materials. 4. Increase the incorporation of secondary raw materials (recycled) in new products and thus reduce the use of virgin plastic materials. 5. Increase product reuse levels; 6. Promote and support third-party initiatives that have as their objective; (i) the development of alternative and more sustainable materials; (ii) the reduction in the use of virgin materials in the production of plastic products of fossil origin; (iii) the improvement of conditions that make it possible to increase recycling; (vi) the greater incorporation of recycled materials in new products. 7. Improve and intensify information to consumers to feel that they are also an active part of this goal. <p>See chapter «Sustainable Development», subchapter «Planet»</p>
FB-FR-000.A	Number of retail locations and distribution centers	Unavailable information for the 2021 report.
FB-FR-000.B	Total area of retail space and distribution centers	Unavailable information for the 2021 report.
FB-FR-000.C	Number of vehicles in commercial fleet	Unavailable information for the 2021 report.
FB-FR-000.D	Ton miles travelled	Unavailable information for the 2021 report.

STANDARDS CORRESPONDENCE TABLES

STANDARDS CORRESPONDENCE TABLE

STANDARDS CORRESPONDENCE TABLE				CONTINUES
GRI	SDGS	UNGC	SASB	
102-1		19		
102-41		3		Labor Practices – FB-FR-310a.2 (Food retailers & distributors)
102-8		6		
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 – FB-FR-130a.1 (Food retailers & distributors)
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		
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		

STANDARDS CORRESPONDENCE TABLE

CONCLUSION

GRI	SDGS	UNGC	SASB	
305-3		7, 8		
305-4		8		
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		
405-1		6		
406-1		6		
407-1		3		
408-1		5		
409-1		4		
412-3		5, 8, 16		
417-1				Product Health and Nutrition – FB-FR-260a.2 (Food retailers & distributors)
419-1 and 307-1				Labor Practices – FB-FR-310a.3 (Food retailers & distributors)

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

TABLE OF CORRESPONDENCE TO PORTUGUESE DECREE-LAW 89/2017 OF JULY 28

CONTENTS OF DECREE-LAW NO. 89/2017 OF JULY 28

ART. NO. 3 (REFERS TO ART. NO. 66-B AND 508-G OF THE CSC):

The non-financial statement must contain enough information for an understanding of the development, performance, position and impact of its activities, relating at least to environmental,

social and worker-related issues, equality between men and women, non-discrimination, respect for human rights, combating corruption and bribery, including:

CONTENTS OF DECREE-LAW NO. 89/2017 OF JULY 28

A brief description of the Company's Business model.	GRI 102-1 to 102-15	«Annual Report 2021» • APPENDIX: Non-financial information supplement GRI disclosures
A description of the Company's policies in relation to these issues, including the due diligence procedures duly applied.	GRI 103, 205, 301, 302, 303, 304, 305, 306, 307, 308, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 412, 413, 414, 416, 417, 419	«Annual Report 2021» • APPENDIX: Non-financial information supplement GRI disclosures
The results from these policies.	GRI 103, 205, 301, 302, 303, 304, 305, 306, 307, 308, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 412, 413, 414, 416, 417, 419	«Annual Report 2021» • APPENDIX: Non-financial information supplement GRI disclosures
The main risks associated to these issues, related to the Company's activities, including, if relevant and proportionate, its Business relations, its products or services that may have negative impacts on these areas and how these risks are managed by the Company.	GRI 102-15, 103	«Annual Report 2021» • APPENDIX: Non-financial information supplement GRI disclosures
Key performance indicators relevant to its specific activity.	GRI 103, 205, 301, 302, 303, 304, 305, 306, 307, 308, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 412, 413, 414, 416, 417, 419	«Annual Report 2021» • APPENDIX: Non-financial information supplement GRI disclosures
Description of the diversity policy applied by the company with respect to its management and supervisory bodies, namely, in terms of age, sex, qualifications and professional background, the objectives of this diversity policy, how it was applied and the results in the period of reference.	GRI 102-22, 102-24, 103, 401, 405	«Annual Report 2021» • APPENDIX: Non-financial information supplement GRI disclosures

TABLE OF CORRESPONDENCE TO THE SPANISH LAW 11/2018 OF DECEMBER 28

TABLE OF CORRESPONDENCE TO THE SPANISH LAW 11/2018 OF DECEMBER 28

CONTINUES

CONTENTS OF SPANISH LAW 11/2018 OF DECEMBER 28

Global The consolidated statement of non-financial information should include the information necessary to understand: • The development, • The results and situation of the group and • The impact of its activity;	GRI 103, 205, 301, 302, 303, 304, 305, 306, 307, 308, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 412, 413, 414, 416, 417, 419	«Annual Report 2021» • CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights; • CHAPTER SUSTAINABLE DEVELOPMENT • CHAPTER GOVERNANCE PRINCIPLES AND PRACTICES • APPENDIX: Non-financial information supplement GRI disclosures
In relation to: • Environmental issues, • Social issues, • Respect for human rights, • Respect for combating corruption and bribery;		
As well as regarding Employees, including measures that, if applicable, have been adopted to comply with the principle of equal treatment and opportunities for women and men, non-discrimination and the inclusion of People with disabilities and universal accessibility.		
Business model Brief description of the group's Business model should include: 1. The Business environment, 2. The organisation and structure, 3. The markets in which it operates, 4. The goals and strategies, 5. The main factors and trends that could affect its future development.	GR 102-1, 102-2, 102-4, 102-7, 102-14	«Annual Report 2021» • CHAPTER THE YEAR IN REVIEW: Mercado de atuação; Prioridades estratégicas; Value creation model. • APPENDIX: Non-financial information supplement GRI disclosures
Policies A description of the policies that the group applies to these issues, including: 1. Due diligence procedures applied to the identification, assessment, prevention and mitigation of significant risks and impacts. 2. Verification and control procedures including the measures that have been adopted.	GRI 102-15, 103, 201-2, 205-1, 205-2, 406-1, 407-1, 408-1, 409-1, 410-1, 412-1, 412-2, 412-3, 414-1, 308-1, 416-1, 417-1, 419-1, 307-1	«Annual Report 2021» • CHAPTER THE YEAR IN REVIEW: Value creation model • CHAPTER GOVERNANCE PRINCIPLES AND PRACTICES • APPENDIX: Non-financial information supplement GRI disclosures
Results of the policies and key performance indicators The results of those policies, including key performance indicators of relevant non-financial results that allow: 1. The monitoring and assessment of progress and 2. That favour comparability between sectors, according to the national, European or international benchmarks used for each area.	GRI 102-15, 103, 201-2, 205-1, 205-2, 406-1, 407-1, 408-1, 409-1, 410-1, 412-1, 412-2, 412-3, 414-1 and 308-1, 416-1, 417-1, 419-1 and 307-1 Environmental policy	«Annual Report 2021» • CHAPTER THE YEAR IN REVIEW: 2021 highlights. • CHAPTER SUSTAINABLE DEVELOPMENT • APPENDIX: Non-financial information supplement GRI disclosures

CONTENTS OF SPANISH LAW 11/2018 OF DECEMBER 28

<p>Risks</p> <p>The main risks related to these issues with respect to the activities of the group, including, when relevant, their Business relations, products or services that may have negative effects on them:</p> <ul style="list-style-type: none"> • How the group manages these risks; • Explaining the procedures used to detect and assess risks, according to the national, European or international benchmark structures for each area; • Information should be included on the impacts detected, detailing the main risks in the short, medium and long-term. 	<p>GRI 102-15, 201-2, 205-1, 407-1, 408-1, 409-1, 413-1</p>	<p>«Annual Report 2021»</p> <ul style="list-style-type: none"> • CHAPTER GOVERNANCE PRINCIPLES AND PRACTICES • APPENDIX: Non-financial information supplement GRI disclosures
<p>Key performance indicators</p> <p>Key non-financial performance indicators that are relevant to the Business activity and that meet the comparability, materiality, relevance and reliability criteria.</p> <p>in order to allow the comparison of information, both over time and across entities, standard key nonfinancial indicators will be used that can be generally applied and that comply with the European commission's guidelines on this subject and the standards of the global reporting initiative, mentioning in the report the national, European or international scope used for each area.</p> <p>The main indicators of non-financial results should be applied to each of the non-financial information topics.</p> <p>These indicators should be useful, taking into consideration the circumstances, and consistent with the parameters used in their internal assessment and risk management procedures.</p> <p>In any event, the information presented must be accurate, comparable and verifiable.</p>	<p>GRI 102-54</p>	<p>«Annual Report 2021»</p> <ul style="list-style-type: none"> • CHAPTER THE YEAR IN REVIEW: 2021 highlights. • APPENDIX: Non-financial information supplement GRI disclosures

ENVIRONMENTAL ISSUES

<p>Global environment</p> <ol style="list-style-type: none"> 1. Detailed information on the current and possible effects of the company's activities on the environment and, when applicable, health and safety procedures, environmental assessment or certification; 2. Resources dedicated to the prevention of environmental risks; 3. The application of the precautionary principle, the quantity of provisions and guarantees for environmental risks. 	<p>GRI 102-11,103, 201-2, 308-1</p> <p>Environmental policy</p>	<p>«Annual Report 2021»</p> <ul style="list-style-type: none"> • CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights. • CHAPTER SUSTAINABLE DEVELOPMENT • APPENDIX: Non-financial information supplement GRI disclosures
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ENVIRONMENTAL ISSUES

<p>Contamination</p> <ol style="list-style-type: none"> 1. Measures to prevent, reduce or repair damage from carbon emissions, which seriously affect the environment; 2. Taking into consideration any form of air pollution, which is activity-specific, including noise and light pollution 	<p>GRI 103, 305-5, 305-6, 305-7</p> <p>MC does not have significant impacts at the level of noise and light pollution.</p>	<p>«Annual Report 2021»</p> <ul style="list-style-type: none"> • CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights. • CHAPTER SUSTAINABLE DEVELOPMENT • APPENDIX: Non-financial information supplement GRI disclosures
<p>Circular economy and waste management and prevention</p> <ul style="list-style-type: none"> • Circular economy; • Waste: prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste 	<p>GRI 103, 301-2, 301-3, 306-1, 306-2, 306-3, 306-4, 306-5</p>	<p>«Annual Report 2021»</p> <ul style="list-style-type: none"> • CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights. • CHAPTER SUSTAINABLE DEVELOPMENT • APPENDIX: Non-financial information supplement GRI disclosures
<p>Sustainable use of resources [material issue]</p> <ul style="list-style-type: none"> • Water consumption and water supply according to local restrictions; • Consumption of raw materials and the measures adopted to improve the efficiency of use; • Energy consumption, direct and indirect, measures adopted to improve energy efficiency and the use of renewable energy 	<p>GRI 103, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 303-4, 303-5</p>	<p>«Annual Report 2021»</p> <ul style="list-style-type: none"> • CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights. • CHAPTER SUSTAINABLE DEVELOPMENT • APPENDIX: Non-financial information supplement GRI disclosures

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

Sonae invests significantly in continuous improvement of its companies environmental management, namely through an environmental certification programme, according to the international standard NP EN ISO 14001:2015. The implementation of this programme allows us to minimise our environmental impact, improve our infrastructure and strengthen our compliance to legal obligations from an environmental perspective.

<p>Climate change [material issue]</p> <ul style="list-style-type: none"> • The important elements of greenhouse gas emissions released as a result of the company's activities, including the use of goods and services it produces; • Measures taken to adapt to the consequences of climate change; • The voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions and the measures implemented to achieve this. 	<p>GRI 103, 201-2, 305-1, 305-2, 305-3, 305-4, 305-5</p>	<p>«Annual Report 2021»</p> <ul style="list-style-type: none"> • CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights. • CHAPTER SUSTAINABLE DEVELOPMENT • APPENDIX: Non-financial information supplement GRI disclosures
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Combating climate change is a central topic in the MC's sustainable development agenda. We believe that the Companies can and should play an important role in this regard.

In 2019, MC advanced with the definition of their greenhouse gases emissions (GHG) reduction targets, of direct and indirect emissions scopes. As a result MC pledged to reduce their Scope 1+2 emissions by 55% in 2030, compared to 2018.

ENVIRONMENTAL ISSUES

In terms of actions in this area, 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 consumption, and developing procedures to enhance the investment carried out. In addition, we decarbonise our energy matrix by producing electricity actually produced from renewable sources.

Furthermore, MC strove to integrate the guidelines defined by the task force on climate-related financial disclosure (TCFD), having launched a project in 2021 to ensure its transposition. This project focused on the identification and assessment of material climate risks and opportunities and their potential financial impacts by all Sonae companies, with the support of third-party experts.

Biodiversity protection [material issue] <ul style="list-style-type: none"> Measures taken to preserve and restore biodiversity; Impacts caused by the activities or operations in protected areas. 	GRI 103, 304-1, 304-2, 304-3 Fish Sustainability policy Environmental policy	«Annual Report 2021» <ul style="list-style-type: none"> CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights; CHAPTER SUSTAINABLE DEVELOPMENT APPENDIX: Non-financial information supplement GRI disclosures
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MC does not own any facilities in areas classified as *habitats* rich in biodiversity. Although it does not have operations that can directly affect biodiversity negatively, MC is aware of this issue and has been acting and reinforcing its activities with its Suppliers in the entire issue of environmental sustainability, which naturally includes the protection of biodiversity.

In 2021, there were no operations leading to alterations of surrounding *habitats* that would require their restoration.

SOCIAL AND WORKER-RELATED ISSUES

Employment [material issue] <ul style="list-style-type: none"> Total number and distribution of Employees by gender, age, country and professional category; Total number and distribution of work contract modalities; Annual average of undefined contracts, temporary contracts and part-time contracts by gender, age and professional category; Dismissal numbers by gender, age and professional category; The average remuneration and its evolution disaggregated by gender, age and professional category or equal value; Salary difference, the remuneration of equal or average positions in the company; The average remuneration of managers and executives, including variable remuneration, allowances, compensation, payment to systems for forecasting long-term savings and any other situation disaggregated by gender; Implementation of labour disconnection policies; Employees with disabilities. 	GRI 102-8 (table: contracts by type), 102-35, 102-38, 102-39, 103, 401-1 (table: departures), 405-1, 405-2 (table average remuneration)	«Annual Report 2021» <ul style="list-style-type: none"> CHAPTER THE YEAR IN REVIEW: 2021 highlights; CHAPTER GOVERNANCE PRINCIPLES AND PRACTICES CHAPTER SUSTAINABLE DEVELOPMENT APPENDIX: Non-financial information supplement GRI disclosures
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When Employees disconnect, compliance to the legal requirements applicable to these situations is ensured.

SOCIAL AND WORKER-RELATED ISSUES

Organisation of work <ul style="list-style-type: none"> Organisation of workable hours; Number of hours of absence; Measures to facilitate parental leave and encourage joint responsibility by both parents. 	GRI 103, 401-3, 403-2	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures
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MC has been developing flexible work initiatives, boosting internal investment in training, technological development, and innovation knowledge. Among the benefits provided by MC are extra vacation days, flexible hours, unpaid leave and reduced

working hours or remote work. These initiatives are the result of an analysis carried out on an international level, identifying best practices in Businesses to maximise the productivity and work-life balance of our People.

Health and safety <ul style="list-style-type: none"> Health and safety conditions at work; Work accidents, their frequency and severity; Occupational diseases; disaggregated by gender. 	GRI 103, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures
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The health and safety impacts attributable to commercial relations are not considered relevant in MC operations and activity context.

Social relations <ul style="list-style-type: none"> Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them; Percentage of Employees covered by collective bargaining agreements by country; The balance of collective bargaining agreements, especially in the field of health and safety at work. 	GRI 102-41, 103, 403-1, 407-1	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures
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More information can be found on [MC's Code of Ethic and Conduct for Employees](#).

Training [material issue] <ul style="list-style-type: none"> The policies implemented in the field of training; Total number of hours of training by professional category. 	GRI 103, 404-1, 404-2	«Annual Report 2021» <ul style="list-style-type: none"> CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights. CHAPTER SUSTAINABLE DEVELOPMENT APPENDIX: Non-financial information supplement GRI disclosures
Universal accessibility for People with disabilities	Table of Employees with disabilities	<ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures

At MC, we continuously work to provide an inclusive, non-discriminatory work environment, and the inclusive development is one of our strategic axes. Our facilities are developed to ensure universal accessibility.

TABLE OF CORRESPONDENCE TO THE SPANISH LAW 11/2018 OF DECEMBER 28

CONTINUES

SOCIAL AND WORKER-RELATED ISSUES

Equality [material issue] <ul style="list-style-type: none"> Measures taken to promote equal treatment and opportunities between men and women; Equality plans (chapter iii of the organic law 3/2007, of March 22, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender harassment, integration and universal accessibility for People with disabilities; The policy against all types of discrimination and, when appropriate, the management of diversity. 	GRI 103, 405-1, 406-1	«Annual Report 2021» <ul style="list-style-type: none"> CHAPTER THE YEAR IN REVIEW: Value creation model; 2021 highlights. APPENDIX: Non-financial information supplement GRI disclosures
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More information can be found on [Sonae's Plan for Gender Equality](#).

Human rights <ul style="list-style-type: none"> Application of the due diligence procedures in the field of human rights; Prevention of the risks of human rights violations and, when appropriate, measures to mitigate, manage and repair possible abuses committed; Reports on cases of human rights violations; Promotion and enforcement of the provisions of the fundamental conventions of the international labour organization concerning the respect for freedom of association and the right to collective bargaining; The elimination of employment and occupational discrimination; The elimination of forced or compulsory labour; The effective abolition of child labour. 	GRI 102-16, 102-17, 103, 406-1, 407-1, 408-1, 409-1, 410-1, 412-1, 412-2, 412-3	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures
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More information can be found on [MC's Code of Ethic and Conduct for Employees](#).

Corruption and bribery <ul style="list-style-type: none"> Measures taken to prevent corruption and bribery; Measures taken to combat money laundering; Contributions to foundations and non-profit entities. 	GRI 102-16, 102-17, 205-1, 205-2, 205-3, 413-1, 419-1	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures
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More information can be found on [MC's Code of Ethic and Conduct for Employees](#).

TABLE OF CORRESPONDENCE TO THE SPANISH LAW 11/2018 OF DECEMBER 28

CONCLUSION

SOCIETY ISSUES

The Company's commitment to sustainable development <ul style="list-style-type: none"> The impact of the Company's activity on employment and local development; The impact of the Company's activity on the local population and territory; The relations maintained with the representatives of the local Communities and the modalities of dialogue with them; Association and sponsorship actions 	GRI 102-12, 102-13, 102-43, 102-44, 103, 203-1, 203-2, 413-1	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures
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More information can be found on [MC's Code of Ethic and Conduct for Employees](#).

MC endorsed the Universal Declaration of Human Rights and recognizes the rights of Indigenous Peoples. Principles that are incorporated into the qualification and evaluation processes of Suppliers and Partners.

Subcontracting and Suppliers [material issue] <ul style="list-style-type: none"> The inclusion in the purchasing policy of social issues, gender equality and environmental issues; Consideration in relations with Suppliers and subcontractors of their social and environmental responsibility; Supervisory systems and audits and their results. 	102-9, 103, 308-1, 414-1	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures
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More information can be found on [MC's Code of Ethic and Conduct for Employees](#) and on [Sonae's Suppliers' Code of Conduct](#).

Consumers <ul style="list-style-type: none"> Measures for the health and safety of consumers; Complaints systems, complaints received and their resolution. 	102-43, 102-44, 103, 416-1, 417-1	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures
Tax information <ul style="list-style-type: none"> Benefits obtained by country Taxes on benefits paid 	103, 201-1, 201-4	«Annual Report 2021» <ul style="list-style-type: none"> APPENDIX: Non-financial information supplement GRI disclosures

The amounts received by MC in Portugal are reported in the 201-4 indicator.



INDEPENDENT LIMITED WARRANTY REPORT



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INDEPENDENT LIMITED ASSURANCE REPORT

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

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

Introduction

We were engaged by the Board of Directors of **Sonae MC, SGPS, S.A.** (“Sonae MC”) to report in the form of an independent limited assurance conclusion on the sustainability information included in the chapter “Sustainable Development” and in the “Non-financial information Supplement” of the Annual Report of Sonae MC (“the Report”) for the year ended 31 December 2021, identified in the “GRI Disclosures” table included in the “Non-financial information Supplement”.

Board of Directors’ responsibilities

The Board of Directors of Sonae MC is responsible for:

- The preparation and presentation of the sustainability information included in the Report in accordance with the GRI Standards, for the level Core, as described in the Introduction of the appendix “Non-financial information Supplement” of the Report, and the information and assertions contained therein;
- Design, implementation and maintenance of such internal control as the Company’s Management determines is necessary to enable the preparation of information that is free from material misstatement, whether due to fraud or error,
- Prevention and detection of fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities; and,
- Process to ensure that the Board of Directors and the personnel involved with the preparation and presentation of the sustainability information are properly trained.



Our responsibilities

Our responsibility is to perform a limited assurance engagement and to report a conclusion based on the work performed.

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

We have complied with the independence and other ethical requirements of the Ordem dos Revisores Oficiais de Contas' code of ethics and of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Scope

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and complied with further technical guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors), and it was planned and performed to obtain limited assurance about whether anything came to our attention that causes us to believe that the sustainability information included in the Report for the year ended 31 December 2021 is not prepared, in all material aspects, in accordance with the GRI Standards, for the level Core.

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

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



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

Conclusion

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

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

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information included in the chapter "Sustainable Development" and in the "Non-financial information Supplement" of the Annual Report of Sonae MC ("the Report") for the year ended 31 December 2021, identified in the "GRI Disclosures" table included in the "Non-financial information Supplement", is not prepared, in all material respects, in accordance with the GRI Standards, for the level Core.

Restriction of use

Our limited assurance report is issued exclusively for the information and use of the Board of Directors of Sonae MC for the purpose expressed in the "Introduction" paragraph above, for the disclosure of the sustainability information included in the chapter "Sustainable Development" and in the "Non-financial information Supplement" of the Annual Report of Sonae MC and is not intended to be used for any other purpose. We accept or assume no responsibility and deny any liability to any party other than Sonae MC for our work, for this independent assurance report, or for the conclusions we have reached.

13 April 2022

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(nr. 189 and registered at CMVM with the nr. 20161489)
 Represented by
 Pedro Manuel Bouça de Moraes Alves da Costa
 (ROC nr. 1466 and registered at CMVM with the nr. 20161076)