



ESG Report 2023



 **Sierra Balmain**

Our Commitment to ESG

Dear Stakeholders,

I am proud to present our company's first ESG report, outlining our commitment to Environmental, Social, and Governance issues. As a property advisory company, we recognise the impact our industry can have on the environment and society, and we are committed to being a responsible corporate citizen.

As a leader in real estate management & advisory, we believe that it is key to place a focus on pro-social initiatives at the local level. We believe that businesses have a responsibility to contribute positively to the communities in which they operate. To this end, we have been partnering with local organisations and charities to support initiatives that promote **education, health, and wellbeing in our communities**, wherever we manage our real estate assets.

Transparency is another key aspect of our ESG policy. We believe in being **open and honest** with our stakeholders about our activities, performance, and impact. We will be regularly publishing reports on our ESG performance, to remain transparent. This will allow our stakeholders to hold us accountable and provide feedback on how we can improve.

Energy savings are a crucial component of our ESG policy. We recognise the importance of reducing our carbon footprint and will be implementing energy saving measures across our operations, be it at the properties we manage with clients or at our own office. This includes using energy-efficient technology, reducing waste, and promoting sustainable travel options.

Our **commitment to our clients** is also a top priority. We understand that they have their own ESG goals, and we are committed to helping them achieve these goals. We will work closely with our clients to understand their needs and provide them with the information and tools they need to make informed decisions.

In conclusion, I am proud of the progress we have made towards becoming a more responsible corporate citizen. Our ESG policy is a reflection of our commitment to making a positive impact on the environment, society, and our stakeholders. I look forward to working with all of our stakeholders to ensure that we continue to make progress on our ESG journey.



Sincerely,
Ola Mazzini, Chief Operating Officer.

#energy efficient
#planet friendly
#community sustainable



Sierra Balmain has been dedicated to upholding the pillars of ESG since our inception as Balmain Asset Management in 2003. We are excited to be sharing our first ESG report to highlight our commitment to our planet, our people, and our governance.

With increased **awareness of social issues** and our **human impact on the environment**, it is now more important than ever that people and businesses from every discipline come together to solve these issues. We wanted to publish this report to not only highlight all the things we've done and continue to do that we find important, but also to hold ourselves accountable to strive to become better every day.

Therefore, we've focussed our report on four areas that mean a lot to us and are at the heart of how we work together. These four areas are:

Our People – how we prioritise, support and empower the people at the heart of Sierra Balmain.

Our Planet – what we do to ensure our beautiful planet is protected.

Our Community – how Sierra Balmain engages with the wider public and benefits the communities we operate in.

Our Governance – why Sierra Balmain believes in full transparency with our people and with the public, and how we achieve this.

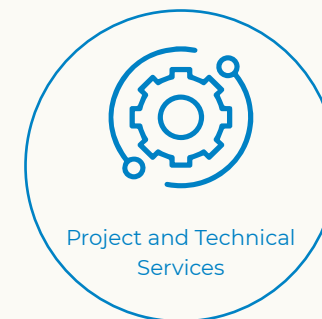


Who is Sierra Balmain?

Sierra Balmain Asset Management and its subsidiary Sierra Balmain Property Management (together **Sierra Balmain**) is a joint venture which was formed in 2019 between Sonae Sierra, an international real estate company, and Balmain Asset Management LLP, a UK Asset Manager and investor.

We are an asset management company with years of experience dealing with shopping and entertainment centres, which has created a wealth of experience across a variety of different challenges and disciplines, and allowed us to work with different people, places and things across all areas of business, all for one ultimate goal; to improve communities and the lives of the people within them.

We work within the core competencies of Asset and Investment Management, Property Management, Leasing, Marketing and PR, Project and Technical Services and Restructuring and Debt Workout, and have a dedicated team for each department who are on hand to build a personal relationship with clients including guiding and advising them of any improvements that could be made to their methods of operating. **We always take the perspective of the client or investor**, and are flexible and understanding in our approach to ensure our partnerships are less business and more human.



James Turner
Group Managing Director



Paul Cawood
Group Director, Leasing



Tim Rylance
Group Director, Property Management



Jonathan Turner
Group Director, Finance



Ana Guedes de Oliveira
Group Director, Sonae Sierra



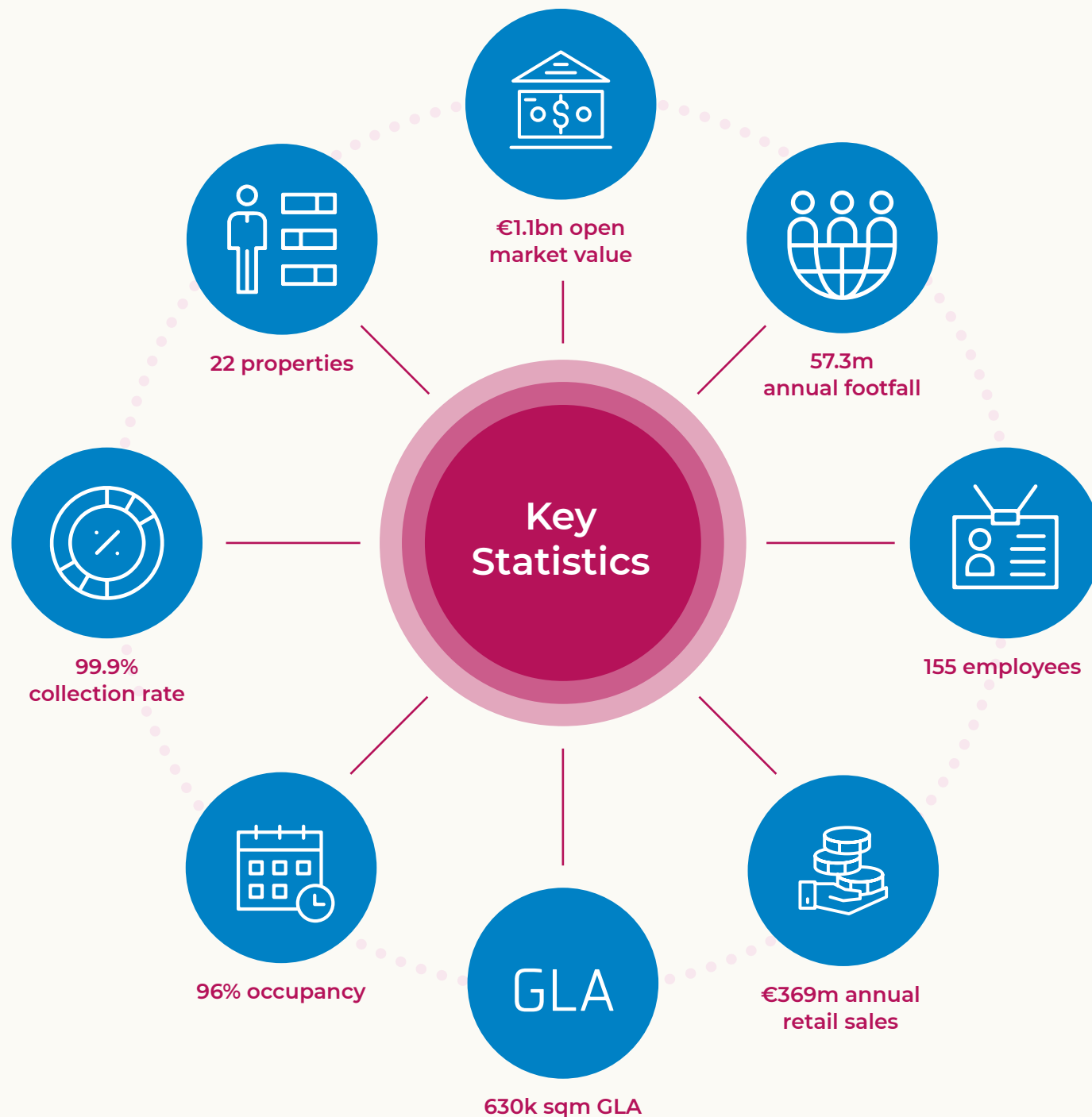
Alberto Bravo
Group Director, Sonae Sierra

With all of this in mind, we find it increasingly important to not only be aware of the important issues facing today's and future generations, but to take affirmative action to make our world a better place to live in. **We have a deep awareness and knowledge of regulations and certifications** to operate within and work towards, and have our finger on the pulse of the latest innovations at all times.

Our team is made up of highly intelligent and qualified people with years of experience and results, and whose differing expertise creates a well-rounded and successful business model.

Sierra Balmain and the wider Sonae Sierra group provide a wide range core services across all commercial real estate asset classes.

Our joint venture has created a marriage of minds, where our company has been able to learn and grow from strength to strength. Sonae Sierra have a strong track record of upholding the pillars of ESG. Company publicly benchmarked and reported this for their 30+ years of operations having a clearly documented policy on not only Sustainability but also Sustainability Governance on their www.sonaesierra.com.





Awards and Certificates

Being recognised for our hard work makes us proud, which is why we're always so happy to receive awards that highlight the work we do. Most recently, we were named the Best Property Management Firm of 2023 and the Best Asset Management Firm of 2023 at the CEE Retail Awards.

For the second consecutive year Sierra Balmain has been awarded the titles:
Best Property Management Company & Best Asset Management Company

Sonae Sierra have a number of accolades under their belts, including taking home awards in both Sustainability and Community Contribution at the 2019 World Business Awards.



G R E S B

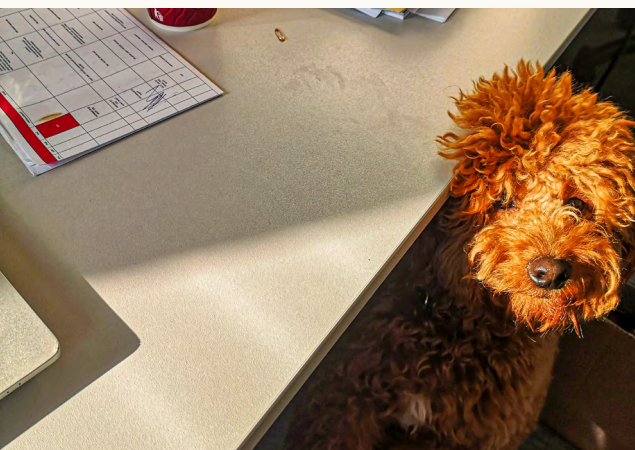
SUSTAINABLE ENERGY EUROPE AWARDS

Recognise outstanding projects for their innovative efforts in the field of energy efficiency and renewables



GRESB | GLOBAL ESG BENCH MARK FOR REAL ASSETS
 "Green Stra" recognition by GRESB

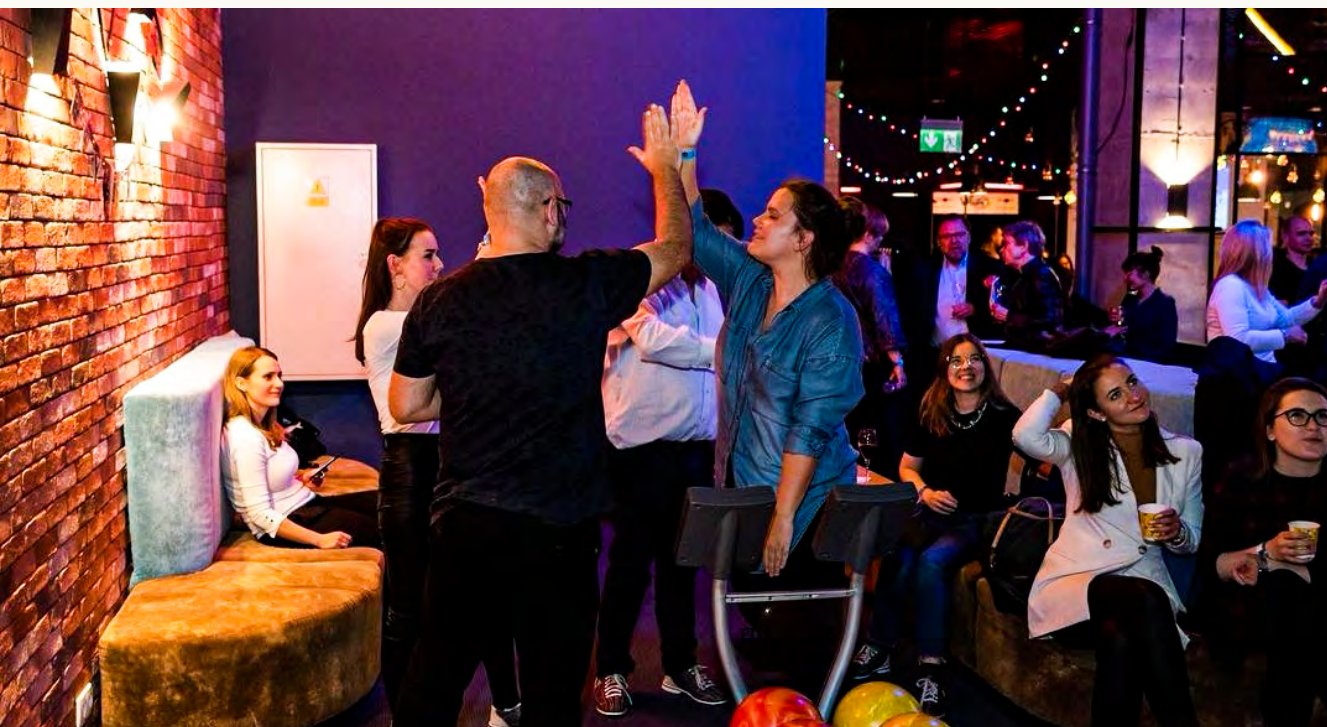




Our People

Our employees are a key asset to our company, and we are committed to providing them with a safe, healthy, and supportive work environment. We will prioritise employee wellbeing, diversity, and inclusion, and provide ongoing training and development opportunities to ensure that our employees have the skills and knowledge they need to succeed.

Ola Mazzini, Chief Operating Officer.





Aleksandra Mazzini
Chief Operating Officer



Agata Stańkowska
Director |
Head of Leasing



Paulina Szymczukiewicz
Head of Marketing

Promoting female leadership

80%

of head
office staff

64%

of staff
across entire
operations

87%

of centre
directors
are women



Dorota Suchodolska
Director | Head of Property
Management Operations



Marta Szymańska-Późdik
Head of Lease
Administration



Ewa Wróblewska
Director | Head
of PM Finance

We are nothing without our team. We think it's increasingly important that our teammates feel seen, heard and represented, understanding what a pivotal part they play in every success and progress we have as a company. With this in mind, we work to ensure our team feels supported and equipped with everything they need to become the best they can be. Self development is equally as important to us as company development, and we want to nurture this.

Throughout the years, we have worked to foster an **inclusive working atmosphere**, and are proud of what we have achieved. We follow a blind hiring model, removing pictures and reference to age, gender or institutions, to ensure the best employees are chosen based on merit and nothing else. We also ensure our language is ungendered when advertising for jobs, and have a clear and circulated equal treatment policy in which we define discrimination and state what Sierra Balmain is doing to combat this. As a result, we've created a powerful **workforce that's made up of 80% women in our Head Office** and 64% across the entire operation. **87% of our centre directors are women (all heads of departments are female)**, amplifying the female voice and allowing us to understand, identify and tackle issues women working in property face. With this, we have a responsibility to ensure everybody is taken care of, and we've developed **maternity and paternity, parental and child-care leave policies** to support all new parents in these exciting chapters in their lives.

#Women's Power

We encourage and support our employees to continuously develop their skills and knowledge, and offer study assistance, including reimbursing fees for approved, completed courses or units, providing study leave and organising **English Language courses** once a week for all Head Office employees. We also have an internal hiring preference where all vacant positions are offered to internal candidates before being advertised externally, encouraging our team to reach new career goals and milestones.

Sierra Balmain believes that a workplace is about more than just work, which is why we offer a range of benefits and incentives to work with us. As well as a competitive salary and employee capital plans, our employees can enjoy a flexible hybrid working model in modern, comfortable offices that are child, plant and even dog-friendly.

After passing their probationary period, all Sierra Balmain employees are offered 3 employee benefits to choose from; life insurance, healthcare packages and a MultiSport card. They can choose 2 of these benefits, or to have all 3 at a small premium. We chose these **to promote health and wellbeing**, and as part of the MultiSport card our team has access to online classes on mindfulness and meditation. We also support all of our employees across our offices and shopping centres by giving them gifts including gift cards and vouchers on occasions such as weddings or the arrival of a new baby.

Creating a **friendly and positive workplace culture** is a priority of ours, which is why we host annual christmas parties and drinks every two months to give our team a chance to connect and share with one another. In our yearly performance reviews given to all employees, we not only evaluate and

give feedback on their performance so far but also give them the opportunity to voice how they feel we are doing as employers and what we can do to improve on this. We regularly instruct line managers on best practices for supporting, listening to and empowering the employees they are managing, and a two-way conversation is created to ensure all employees are reaching their full potential and feeling equipped, seen and heard. They are constantly given the opportunity to set and achieve goals that aid in personal development and make it known they are part of something important and structurally integral to the company. **Performance reviews** held every six months help us to identify strengths and areas of development together, furthering personal and professional progression. We also use these reviews to check on any goals set in the main performance reviews to ensure all employees are on track and feeling supported.



Throughout the Covid-19 pandemic, we identified more of a need than ever for wellbeing and unitedness amongst Sierra Balmain employees. While trying to figure out how to navigate an ever-changing world ourselves, we were tasked with the challenge of how to keep morale and connection amongst our employees. Firstly, we closely monitored the situation and acted in the best interests of public health. This included adapting where necessary to home working, using conferencing tools and limiting corporate travel.

We also found it necessary to remind and encourage employees to maintain proper hygiene such as wearing masks where possible and washing their hands more often than usual. To support wellbeing, we decided to create and send out a company-wide survey in which we asked our employees what support they would like to have from us during the pandemic, and whether they would take up certain tools. From these results, we decided to provide all employees with a **free psychological consultation** and access to online wellbeing resources. We encouraged people to keep working from home where they could, but when employees started returning to the office, they were clearly instructed on how to ensure public health and safety with a set of rules and guidelines, including pre-booking desks, meeting virtually where possible, cleaning their workstations after use and social distancing.



Our Planet



In recent years there has been a growing interest in the long-term impact of companies on the environment and society, ranging from employment creation, equitable growth and protection of natural resources, among others. Prioritising Environmental, Social and Governance issues is important to us for several reasons. A strong and meaningful ESG strategy can provide value both internally and externally; it helps tackle climate change through **reduction of carbon footprint, responsible procurement and elimination of unnecessary waste**. Investing in ESG has become vital for Sierra Balmain's clients and investors, who understand the impact of their ESG strategies not only on their companies themselves, the shopping centres and social environments in which they operate, but also on their financial returns. By prioritising sustainable and socially responsible initiatives and working together we can improve the company's long-term brand reputation, attract talent, target future consumers, facilitate innovation and potentially attract more investors.

ESG plays a big part in the process of creating strategies, business planning and budgeting.



It became an important topic in all stages of a property's lifecycle, starting from design and construction (or remodelling) through to more sustainable usage and maintenance of buildings and further modernisations. While looking into potential acquisitions, **investors are more and more interested in how sustainability issues are addressed** and the results of environmental due diligence, or ESG strategies in general, influences their decisions. In order to secure the long-term success of the centres under management, we incorporate the sustainability agenda to all areas of management: procurement of goods, services and utilities, capital expenditure planning, green certifications, etc.

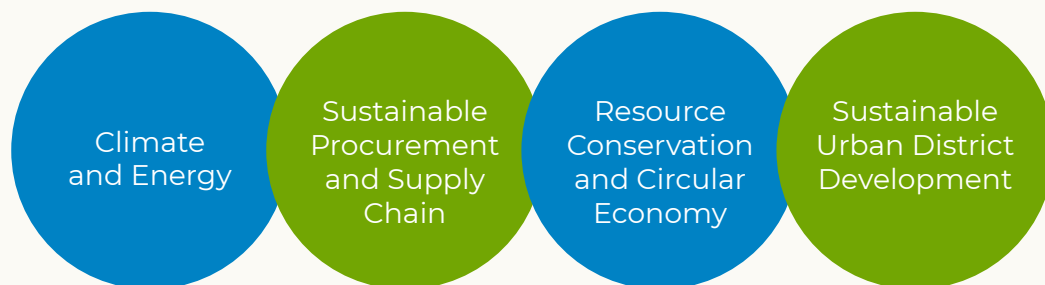
Dorota Suchodolska,
Director | Head of Property Management Operations.

In our shopping centres, offices and work, the **planet is at the centre of what we do**. Now and forever. We want to protect the environment and are always striving to improve on our sustainability and eco-friendly efforts.



Our Offices

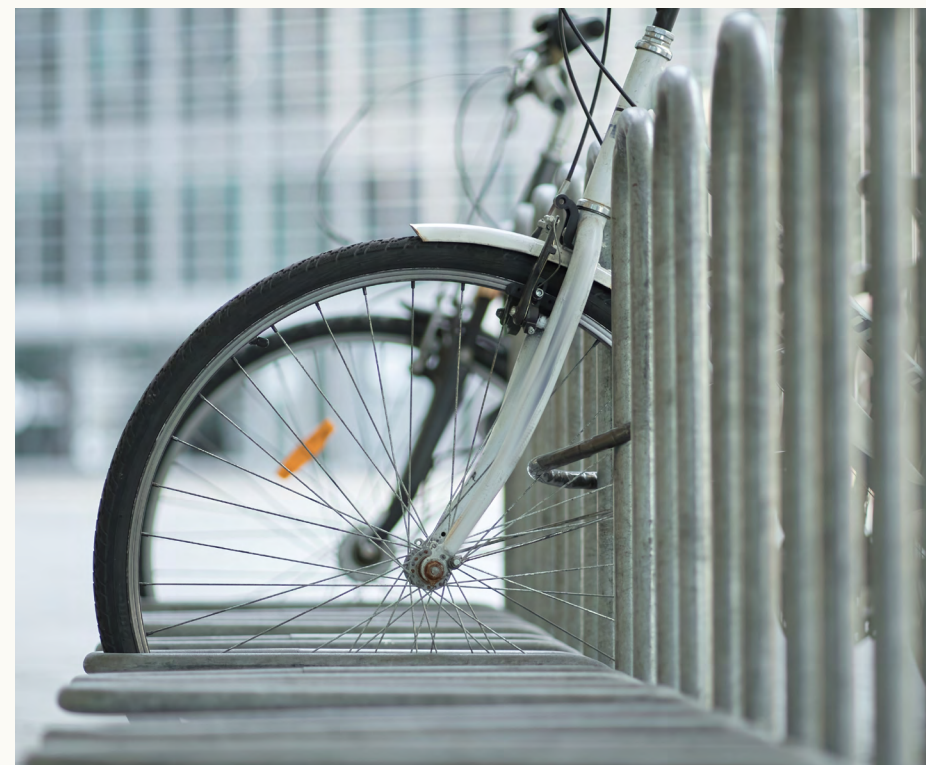
It is important to us that we occupy space that is maintained in a sustainable and environmentally conscious way. We currently rent our office spaces from CA Immo, a real estate company who are committed to protecting the environment and reducing impact through the four main focus areas of climate and energy, sustainable procurement and supply chain, resource conservation and circular economy, and sustainable urban district development. Their clear reporting of impact and goal setting is important for us as we want to be a **demanding and conscious occupier and tenant**. The space we use is not just used for working, but also has further implications for the environment and our employees.



The offices have been green certified for its use of renewable energy from onshore wind farms, and were BREEAM certified in 2015. Our windows are also triple-glazed for maximum energy retention, and our bathrooms have occupancy sensors so that their LED lighting is only on when it needs to be. The landlord conducts a legally compliant waste management process including sorting by paper, metal and plastic, glass, organic and general waste.

Getting to the Office

The building has plenty of secure bike storage to enable employees to **choose greener modes of transport**, which is also something we encourage through our corporate travel policies. We've even recently decided to get rid of our underutilised company cars in favour of carsharing or rail travel where possible.



Throughout our offices, you'll find water filters and dispensers so we can all cut down on our consumption of single use plastic bottles. We also use energy efficient monitors and laptops with sleep mode turned on automatically to minimise the power used. It's the little things.

The materials we use on a daily basis in our offices are carefully chosen to be **environmentally friendly**, and we make sure to either reuse or return the packaging our office supplies come in.

We're working toward becoming **paperless** through using online management platforms and services where we can collate and sign documents, but the waste we do produce is carefully recycled—not only do we take our hazardous and electronic waste to the recycling points in our nearby shopping centres, but we also use DataBank's Eko-Box service to dispose of our waste paper confidentially. They deliver cardboard boxes to our offices which we then fill with waste paper to be taken away and liquified at a paper disposal plant. The boxes are never unsealed or sorted, meaning the privacy of our clients and employees is protected as well as the planet.



Our Centres

Our centres are essential places for communities. We work to respect the local environment and traditions, and to give voice to the issues that are most important to our shoppers through community-focussed campaigns and events at all of our centres.

We **choose to work with sustainably-minded, impact-driven clients** wherever we can, and set a high standard for the properties in our portfolio. We empower clients to focus on their ESG efforts by informing them of any operational or investment improvements that could be made.

We are proud to hold BREEAM certificates on 7 of our shopping centres, conducting regular audits to ensure we are doing the best we can. We believe in modernising and investing to maximise energy efficiency, and have brought in measures across our shopping centres such as low energy lightbulbs and low flow faucets.



We continuously monitor our gas, electricity and water usage to identify areas of improvement, and are incredibly mindful of wasting energy through means such as lighting and ventilation, which is why we have put together a careful strategy; for example, limiting lighting based on the weather and time of day. So far this has meant a **reduction of 40% in our electricity usage, and 15% in gas for heating.** Where relevant, we plant trees to offset any carbon we produce, with the added benefit of improving our local environment. We also provide information and facilities for proper waste management and segregation, including providing electronic waste disposal points in our shopping centres and monitoring the amount and type of waste produced.

We aim to encourage customers to travel more sustainably, which is why all of our shopping centres either have, or are in the process of having, electric car charging stations, bike stations and allocated parking spots for carshare companies installed in their parking lots.



We also love to use our shopping centres to raise awareness and give a platform to issues surrounding the environment and sustainability. One way in which we did this was through our 'No Plastic' campaign, where we gave out stickers, provided information and signposted graphics around our shopping centres in order to educate visitors on the impacts of single-use plastics, especially when they get into our oceans, and encourage them to shop and live more sustainably. We'll be looking at more community-focussed campaigns in our next section; 'Our Community'.

Our Community

At Sierra Balmain, we know how important it is to take daily care of the environment and we have been undertaking initiatives related to its protection for many years. Every day we act responsibly and care about what is most valuable to us — from the construction of buildings, through projects and implemented processes, to education and support for local initiatives and communities; giving people the opportunity to be together is what our group is all about. We see our centres as places of local change, giving them space for their own growth, development and collective strength, a space people feel they belong.

Sierra Balmain's shopping centres are at the hearts of communities, where customers live and work. All of our shopping centres are connected to public transport. We believe that operating sustainably is a key cornerstone in creating long-term value. **We are committed to sustainable development**, high ethical principles, and contributing to the community in everything we do. We aim to take into account environmental aspects and well-being in the areas surrounding our properties. **We are committed to promoting the health, safety, security, well-being and prosperity of the communities where we operate.**



Paulina Szymczukiewicz,
Head of Marketing.

#children safety
#local communities



We've always held the view that shopping centres can and should be more than just somewhere to buy things, but rather they should be pivotal to the areas they serve. Whether through creating jobs and opportunities, transforming places or upholding heritage, Sierra Balmain is all about building communities.

One of our favourite ways to engage with the community is through hosting events. Whether they be to showcase talent, raise awareness or for charity, we love working with our clients to host special events in and around our properties. One of our favourite recent events included working with Galeria nad Jeziorem shopping centre in Konin, the City Police Headquarters, the City Headquarters of the State Fire Service and the Foreign Integration Centre in Konin on an event named '**Safe Holiday**', where we educated the local people on how to stay safe during the summer holidays. This event was also amazing for facilitating **cultural integration and awareness.**



We also worked with Galeria nad Jezorciem to host a **street basketball tournament** along with the ETAP association and American basketballer Michael Hicks, the aim of which was to raise awareness for and prevent addiction amongst young people aged 10 – 19. Alongside the tournament we held contests with prizes, challenges, face painting and a barbecue, making it a fun and educational day for all.

In October of 2022, Pasaż Łódzki organised a design fair to showcase **local talented artists and creators** and to give them a space to sell their work. We also continue to work with the Gdansk Photographic Society to hold monthly exhibitions, mainly of work concerning Gdansk.

Sierra Balmain cares deeply about animals, which is why we support **cat and dog adoption events** and charities. For example, we held a cat adoption event at Centrum Handlowe Arena where we educated and encouraged people to rescue a cat in need of a home. We had an amazing result, with all of the cats being adopted that day. We also run a yearly “Adopt a Pet” campaign where we make people aware of all of the animals that need homes, in the hopes that they will be adopted, and also set up collection points for people **to donate needed items to animal shelters**.

We respect the areas our shopping centres are in, aiming to honour and uplift them by connecting with the local community about culture, history and tradition. One of the most effective ways we find to do this is via social media and other platforms; for example, we wanted to **educate local people on Osowa’s eco centre and especially its apiary**, so we held a fun, engaging contest on Facebook to choose a name for it, giving out jars of honey from the apiary as prizes. We also got local schools and kindergartens involved by holding a beehive decorating contest.

*#youth mental health #local art
#animal well being #biodiversity*





Shaping the young minds and lives of tomorrow is one of our top priorities when engaging with the community, and we like to partner with young people wherever possible. As well as holding events and contests, we enable creative workshops and tasks by giving them our seasonal decorations when we're done with them, and we regularly donate to competitions, raffles and causes run by and for kindergartens, schools and housing cooperatives. We also support a number of charities and NGOs helping children; for example, we ran a campaign with Pasaż Łódzki to promote fostering by **encouraging new foster families** and supporting existing ones. We've also worked with Pasaż Łódzki and MotoMikołaje for the last 11 years to collect donations for Christmas **presents for orphanages** across the city. Every Christmas we also support The Great Orchestra of Christmas Charity by setting up donation points throughout our shopping centres and making our own donations.

Elifar
when life is turned upside down

The Elifar Foundation, is a charity supporting profoundly disabled children and young adults by funding the purchase of highly specialised equipment. Elifar was founded by Paul Cawood 25 years ago, our Group Director, and is a key charity we have supported for years through various financial contributions, events and other fundraising initiatives such as representing them on charity walks. We believe this kind of participation is invaluable and encourage all of our staff to get involved in charity and important causes, such as marches for women's and LGBTQ+ rights.

#foster families #children charity



We're always thinking of the best ways to utilise our spaces in order to benefit not just shoppers but also members of the community, and often play host to initiatives such as food banks and blood drives. As well as this, we have set up Dobromats in many of our premises; these are fundraising machines that allow you to easily donate to your choice of a number of charitable organisations. Brought in as a response to the COVID-19 pandemic to encourage donations while limiting contact via money and volunteer collectors, these are a quick and easy way to support your favourite charities.

#contact free donations

We worked with Centrum Handlowe Borek to create a community fridge for people to share their excess and unwanted food, **tackling poverty and food waste.**

The 'social fridge' is free for all to use, and is financed and run by the local NGO 'Foodsharing Wrocław' as part of the 'Wrocław doesn't waste' campaign. Volunteer food 'rescuers' also collect any unwanted or unsold food from restaurants, markets etc. and put these in the social fridge.

We're not only interested in looking after our local people and communities; assimilation into a new place can be really hard, which is why we worked with the city of Jelenia Gora to establish registration **points for Ukrainian refugees** where they could receive help and information about living in the Karkonosze county. We also worked with the city hall to create a personal identity number issuing point in one of our centres.



#refugee support

Finally, we're all about creating opportunity; as well as providing good jobs to local people, we also facilitate a service called Hop to Pop-Up, where online brands and local entrepreneurs who may not have a lot of money to invest long-term can rent out a space on a flexible basis for up to 6 months. We find this to be an amazing opportunity for brands to gain some public awareness, network and establish relationships. We want to give platforms and spaces to help as many local, independent retailers grow their business as possible.

Our Governance

One may say; 'How can I help with ESG related matters? It has nothing to do with me or my daily work, I am just an Accountant/Analyst/CFO, I don't have any influence on it.' Well, nothing could be further from the truth.

*Corporate governance looks at the company's leadership, its internal controls and audits, board governance oversight and executive pay. This element of ESG is said to be the most important as it combines everything all in one. We should be looking at competencies of governing bodies in the company, risk and opportunities, **ethical behaviour, bribery and corruption and compliance with country regulations to ensure we are doing the best we can.***

ESG has become a part of the financial statement in some regions. ESG matters have direct and indirect impacts on the numbers in companies' financial statements. In 2021, the Financial Accounting Standard Board (FASB) published the Intersection of Environmental, Social and Governance Matters With Financial Accounting Standards. The European Commission has officially adopted in November 2022 a new directive "CSRD (Corporate Sustainability Reporting Directive)". The IFRS (International Financial Reporting Standards) established the ISSB (International Sustainability Standards Board) to work on the new IFRS sustainability standards related to ESG reporting, which are IFRS-S1 and IFRS-S2.

Ewa Wróblewska,
Director of Property Management Finance.



At the forefront of everything we do is the need for us to be as **transparent** as possible to our people and the public, and to make fair and informed decisions that benefit everybody. We recognise the importance of sound governance and acting in an ethical manner in all aspects of our operations. Promoting effective governance practices, together with effective monitoring and control of the underlying business, will enable Sierra Balmain to develop and grow across the CEE region whilst ensuring the interests of the business' stakeholders are being met.

We have a clearly defined **code of ethics** and mission statement, communicated effectively to all of our stakeholder. In this, we lay out the importance of; running our business in a manner which maximises shareholder return, compliance with laws and regulations, promoting and implementing best business practice above and beyond regulations, transparency with our clients and employees, and employee wellbeing and development.

Sierra Balmain’s corporate governance framework includes:

- Promoting a **corporate culture** that ensures ethical business practices are followed at all times
- Ensuring all staff members are treated fairly and given the right tools and resources to carry out their roles effectively
- Creating business strategies to achieve long-term goals and objectives
- Clearly defining the roles and responsibilities of the board of directors, executive committee and department heads
- Implementing internal controls and procedures to ensure operations comply with relevant legal requirements regarding reporting, tax, health and safety and employment.

We believe in regular, clear communication to get our people on board and in the loop and have implemented the following measures to engage with stakeholders across the business.

Shareholders	Regular reports and board meetings
Employees	Effective communication, training, appraisals and feedback surveys
Clients/Partners	Reporting, regular communication on asset performance, corporate communications
Service Providers and Suppliers	Establishing long-term relationships

Decision Making/The Board

Sierra Balmain's Board of Directors is made up of two directors from Sonae Sierra and four from Balmain Asset Management, and it is their responsibility to represent shareholders in all corporate matters. The Sierra Balmain Joint Venture Agreement (the JVA) sets out the key corporate governance requirements and, together with the company's Articles of Associations, gives the Board of Directors authority in corporate and operational matters.



James Turner
Group Managing
Director



Paul Cawood
Group Director,
Leasing



Tim Rylance
Group Director,
Property Management



Jonathan Turner
Group Director,
Finance



Ana Guedes de Oliveira
Group Director,
Sonae Sierra



Alberto Bravo
Group Director,
Sonae Sierra

All decisions are made by the board, and the JVA sets out specific approvals and requirements for passing necessary corporate resolutions. The board then delegates authority to the Executive Committee (The Exco), whose primary responsibility is to make decisions and take actions to ensure the business' strategies and objectives are achieved whilst also ensuring oversight and control over the business' operations.

The Exco then delegates authority to individual department heads, who are tasked with carrying out various aspects of day-to-day business operations. All department heads are suitably experienced, professionally qualified and, where applicable, licensed to carry out their roles and responsibilities.

Exco meetings are held monthly, and in these the financial performance of the business is reviewed against business plan targets, relevant corporate and human resource matters are discussed and agreed upon, and business segments are reviewed and discussed for any material operational matters.

Specific Exco members have primary responsibilities for the following matters:

1. Financial Reporting/Auditing → CFO, supplemented by Head of Finance
2. Tax Compliance → CFO, supplemented with Head of Finance
3. Internal Controls and Procedures → CFO (Financial and Corporate), COO (Operational)
4. Statutory and Legal Compliance (non-financial) → COO
5. Human Resources/Employee Wellbeing → COO, supplemented by department heads
6. Business Planning → Exco, formally approved by the board
7. Risk Assessment → CFO (Financial, corporate and legal), COO (Operational)
8. IT Systems and Controls → Exco, supplemented by IT Manager

Corporate:

- Amendments to the Articles of Association
- Changes to the business
- Approval of accounts
- The granting of powers of attorney
- The acquisition of shares in any other companies by the Joint Venture Companies
- The formation of Joint Venture Companies' subsidiaries.

Operational:

- Authorisation limits for expenditure
- The appointment of contractors and service agreements above specified expenditure limits
- Financial matters
- Approval of the Joint Venture Companies' strategies and annual business plans
- Personnel policies.



Compliance

Our board recognises the **importance of compliance procedures**, which is why we've put a range of measures in place to ensure all operations and management are in compliance with all applicable laws and regulations. We've also implemented policies to ensure best practice is carried out, and regularly monitor these policies to ensure ongoing compliance. These policies and procedures include:

- Annual accounts and statutory audits → prepared and filed within required statutory deadlines and audited by a recognised international audit firm
- Financial reporting → prepared on a monthly basis and reported to the board/Exco
- Tax compliance → including monthly VAT return preparation and filing, monthly and annual corporate income tax calculation and filing, and monitoring and preparation of returns/filing for withholding tax
- Anti Money Laundering → Sierra Balmain has implemented policies in compliance with AML statute and regulations.
- Transfer pricing and mandatory disclosure reporting → we ensure the relevant legislation is followed, and update documentation annually within the required timeframe
- Employee Welfare
- RODO (GDPR).



Risk Management

Sonae Sierra's risk management team and Sierra Balmain work in cooperation to identify and **control business risks**. Sonae Sierra have produced a risk management matrix which we follow, including:

- Ongoing risk management, cyber security, legal and regulatory, pandemics/ global events, fraud and financial control.

And based on:

- Medium/Long-term risks, competition, brand reputation, growth and financial stability and succession planning.

Our Goals

*We recognise that we are never at the end of our ESG journey, and we are committed to improving our performance every year. We will be setting ambitious targets and regularly reviewing our progress to ensure that **we are on track to meet our goals.***

Ola Mazzini,
Chief Operating Officer.



As you can tell, we're pretty proud of all we've achieved over the last almost 20 years.

But, if we want to **keep benefitting our planet** and the lives of the people on it, there's plenty more work to do. So consider this a promise:

- We will endeavour to **listen to our people** and continuously **improve our office spaces** to make them as comfortable and conducive to both employee wellbeing and productivity as possible, including introducing standing desks, break rooms, areas to have private phone calls and social areas.
- We will constantly strive to **build the most diverse and inclusive atmosphere** we can, allowing individuals from all walks of life to feel seen, heard and supported.
- We will stay **on top of the latest innovations in sustainability** and implement these in our shopping centres and offices wherever we can.
- We will continue to **monitor waste as well as energy usage**, and make changes where we need to.
- We will keep working together as a team, for our planet.





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 Sierra Balmain