

Sustainability-Linked Financing Framework

2024



Index

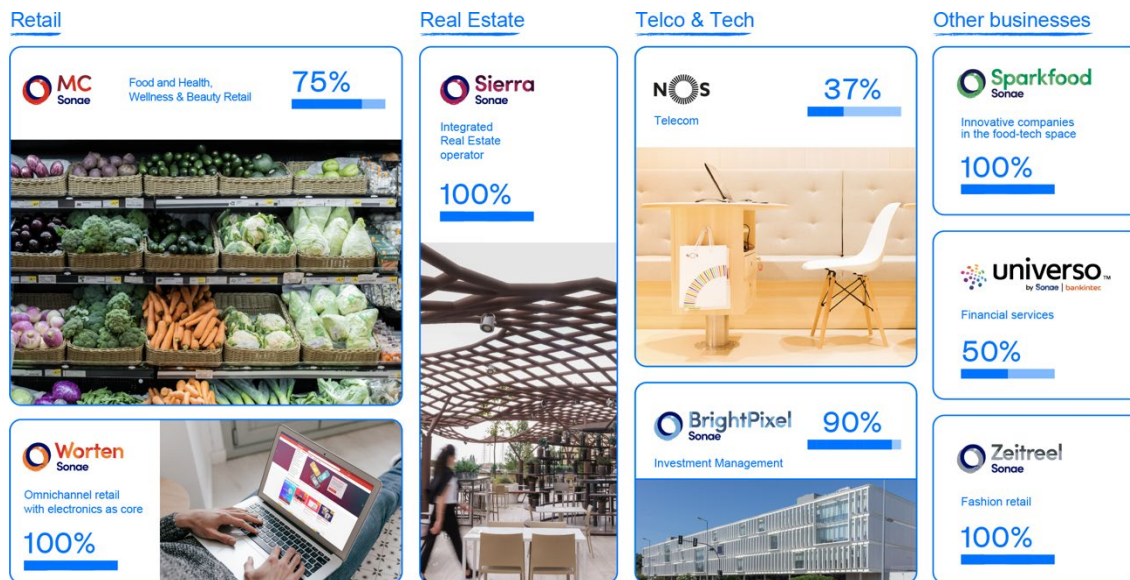
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1. Introduction

About Sonae

Sonae is a long-living, trust-based and purpose-driven family-owned group with a stable shareholder structure which enables a long-term view of economic, natural and social value creation.

As an active parent company, Sonae contains a diverse and nurtured portfolio of businesses¹:




* % ownership as of December 2023


Sonae has demonstrated a strong commitment to sustainability through its values, sustainability vision and mission statements, and various governance instruments for efficient and impactful management.

Sonae's Values:


The principles we live by




Lead with impact →




Own what's next →



Go further together →



Make things simple →



Do what's right →

¹ During 1Q24, a consortium led by Sonae secured the control of Musti Group Plc, a leading pet care retailer and services provider in the Nordics, by reaching 80.65 % of its share capital (on a fully diluted basis).

SUSTAINABILITY STRATEGY

Just as Sonae's mission says to "create long-term economic and social value, taking the benefits of progress and innovation to an ever-increasing number of people" which lands in "creating today a better tomorrow for all". This purpose full focus has taken Sonae to develop a detailed and active Strategy Plan with Sustainability at its core, with a social and natural value overview regarding 2023:



Sonae conducted a Double Materiality approach to assess the relevance of various ESG thematic areas. Material themes were evaluated based on Sonae's potential socio-economic and environmental impact (inside-out impact) as well as the potential financial impact of these themes on Sonae (outside-in impact). Based on the material issues identified for Sonae as a portfolio manager, the results of the previous strategic cycle, the areas highlighted at sector level, the commitments subscribed to by Sonae and in line with the United Nations Sustainable Development Goals (SDG), and the group's Top Management review lens, we defined four axes of strategic action, all driven by a central axis (enabler):

The Plan has 4 strategic action axes:

- Accelerating Decarbonization
- Valuing Biodiversity and Water
- Promoting Circularity
- Enhancing Human Development

And 1 enabler axis:













- Managing with ESG criteria

The strategy relies on a responsible value chain, in this matter Sonae has a [Human Rights Policy](#) which is part of the commitment to adopt internationally recognized ESG principles. In this context, Sonae subscribed to the [CEO Guide to Human Rights of the World Business Council for Sustainable Development \(WBCSD\)](#).

CONTRIBUTION TO THE SDGS

Sonae deeply aligns with the SDGs, primarily through its five strategic axis and the SDGs it contributes to, but Sonae also contributes to many other SDGs through its different action plans on sustainability related matters.

Primary contribution:

Strategic Axis	Guiding Commitments	SDG
0. Managing with ESG criteria	<ul style="list-style-type: none"> Ensure the adoption of ESG criteria in the investment analysis and decision-making process Assure socially and environmentally responsible supply chains Promote more sustainable behaviours and choices among our customers 	 
1. Accelerating Decarbonization	<ul style="list-style-type: none"> Achieve carbon neutrality: Scope 1 and 2 by 2040 Take active measures to reduce scope 3 greenhouse gas emissions 	 
2. Valuing Biodiversity and Water	<ul style="list-style-type: none"> Actively contribute to halt and reverse biodiversity loss by 2030 Ensure zero deforestation in operations and supply chain Take action to protect and improve efficiency of water resources utilization 	 
3. Promoting Circularity	<ul style="list-style-type: none"> Assure the increase of products and services circularity Ensure waste valorisation Promote eco-design in own brand product packaging 	 
4. Enhancing Human Development	<ul style="list-style-type: none"> Ensure a diverse and satisfied team in the workplace Promote the career advancement of our employees Support continuously the community towards its resilience and autonomy Boost educational programs for community as promoters of equal opportunities 	   

SONAE ENGAGES WITH REFERENCE STANDARDS AND INSTITUTIONS

Ensuring that all our activities are governed by the faithful application of the principles of ethics and trust is a key concern of the entire Sonae group. With this purpose in mind, Sonae's Code of Ethics and Conduct was created, defining the ethical standards by which we are governed and covering the main recognized social responsible principles, namely regarding the human rights. To ensure its implementation, compliance and monitorization, an Ethics Committee was appointed by the Board of Directors.

A Human Rights Policy was also established and adopted, available on Sonae's website ([Human Rights Policy](#)), reinforcing our commitment to the United Nations Guiding Principles on Business and Human Rights. This policy expressly defines that respect for human rights is an integral part of our commitment to sustainability and a guiding and transversal principle across its business activities in any sector or geography, thus including those activities exercised through companies, directly or indirectly controlled.

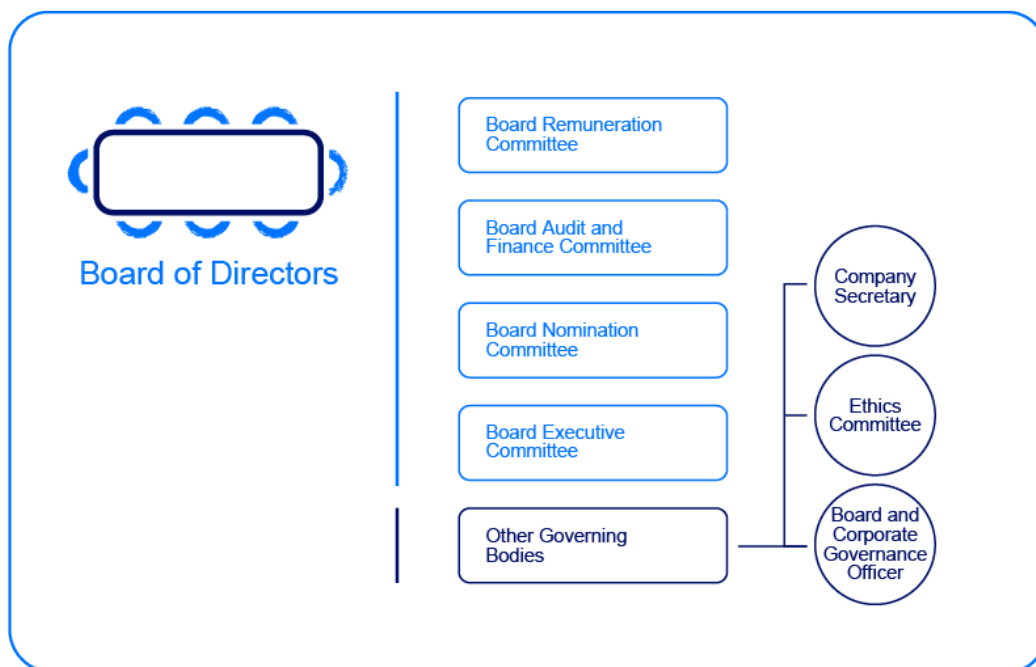
In addition, we are committed to make all stakeholders aware of the essential need to ensure respect for our values and human rights criteria, both in our direct operations and our subsidiaries and throughout our

supply chain, in line with the [Code of Ethics and Conduct](#) and the [Supplier Code of Conduct](#) in force.

Sonae also subscribes to the following policies and commitments: United Nations Universal Declaration of Human Rights; The United Nations Global Compact Principles; The Paris Pledge for Action; Women Initiative of the European Roundtable of Industrials (ERT); BCSD Portugal Charter of Principles; World Business Council for Sustainable Development (WBCSD) CEO Guide For Human Rights; Portuguese Plastics Pact; Code of Ethics and Conduct for Sonae Employees; Code of Conduct for Sonae Suppliers; Environmental Policy; Sustainable Fishing Policy; Sonae Companies' Charter of Principles for CO2 & Climate Change; Sonae Companies' Charter of Principles for Plastic; Plan for Gender Equality; Business for Nature's Call to Action; act4nature Portugal, promoted by BCSD Portugal; Science Based Targets Network (SBTN) Corporate Engagement Program; and Future of Work Leadership Statement developed by the WBCSD.

GOVERNANCE

Sonae adopts a one-tier governance model structured around the Board of Directors. Therefore, the Board of Directors is responsible for the general running of the company's businesses. The Shareholders General Meeting, which is held annually, deliberates on all



matters for which the law and the company's statutes attribute it powers.

The Board of Directors is responsible for developing policies and plans, providing oversight, and acting in the best interest of Sonae and its stakeholders, by taking informed, objective, and independent decisions, while also monitoring the executive management and ensuring Sonae's success, namely by fulfilling its commitments such as the sustainability linked.

The Board of Directors is supported by a number of Committees, including the Board Remuneration Committee (BRC) that among others, oversights sustainability metrics and targets linked to employees variable remuneration. The indicators and targets, specifically scope 1 and 2 carbon emissions and leadership positions held by women, are shared with the BRC semi-annual so that they can be part of the remuneration of executives and all other employees of the companies, as mentioned in the annual integrated report², relative to the successful management of sustainability agenda.

As a holding company, Sonae recognises the potential for value creation through its diverse portfolio. We know that effective governance is crucial, and to achieve it, Sonae has various platforms to enhance collaboration and participation between businesses and the holding company, promote networking and knowledge transfer.

Sonae formed Consulting groups as part of its approach to ensure effective and transparent governance, fostering a culture of knowledge sharing. These groups are not only aligned with our strategy but also with our

long-standing values. These groups produce, recommend, and consolidate the implementation of our corporate policies across different businesses and coordinate projects. These groups include the Human Resources Consulting Group (HRCG) and the Sustainability Consulting Group (SCG):

Human Resources Consulting Group (HRCG)

Oversees human resources policies and metrics of Sonae and its companies

Sustainability Consulting Group (SCG)

Oversees sustainability strategies and metrics of Sonae and the companies

Sonae defines its sustainability strategy and framework with guidelines and metrics that the companies shall contribute to. The consulting groups monitor business plans and achievements at specific times throughout the year, this includes presenting past performance and setting goals for the upcoming year in the initial meetings of each year, as well as providing a semi-annual status update with challenges to address later in the year. The consulting groups seek to enable and potential unblock common challenges by sharing knowledge, experiences, and best practices.

² www.sonae.pt/en

2. Rationale for establishing a Sustainability-Linked Financing Framework

By establishing this Sustainability-Linked Financing Framework (the “Framework”), Sonae primarily aims to further emphasize its commitments to sustainability, explicitly committing to address relevant, core and material sustainability issues. This Framework is also a means to further communicate to investors and stakeholders the Sustainability Strategy and commitments and moreover, the sustainability-linked instruments further expedite its commitment to embed the sustainability pledge transversally across the organization.

THE FRAMEWORK AS PART OF SONAE' SUSTAINABILITY STRATEGY

The approach consisted in linking the sustainability strategy of Sonae as borrower to the terms of general corporate purposes debt, incentivizing the achievement of pre-determined Sustainability Performance Targets (SPTs) within a pre-determined timeline.

These include, among others, sustainability-linked bonds and commercial papers issuance, sustainable loans, and other forms of financing instruments. The company's path towards increasing sustainable finance shows how much it can be instrumental to support the organic growth of a sustainable company: the aim is to progressively refinance upcoming maturities and raise new funding via Sustainability-Linked instruments.

COVERAGE AND ALIGNMENT

The Framework aims at covering Bonds, Commercial Papers Issuance, Loans, and any other financing instruments whose characteristics are linked to sustainability performance targets (together the “Sustainability-Linked Financing Instruments”).

Unless otherwise stated, the proceeds of such Sustainability-Linked Financing Instruments are intended to be used for general corporate purposes. This Framework has been established in accordance with the Sustainability-Linked Loan Principles 2023 (“SLLP 2023”) and the Sustainability Linked Bond Principles 2023

(“SLBP 2023”), as administered by the Loan Market Association (“LMA”) and the International Capital Markets Association (“ICMA”), and their five core components:

- i. Selection of Key Performance Indicators (KPIs)
- ii. Calibration of Sustainability Performance Targets (SPTs)
- iii. Bond & Loan Characteristics
- iv. Reporting
- v. Verification

Sonae may review this Framework from time to time, including, but not limited to, its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to the best practices in the market. Such review may result in this Framework being updated and amended.

If changes are not minor in nature, any amendment or update should be verified to at least a limited level of assurance of an appropriately qualified independent party, which shall issue an Independent Assurance Report.

The updated Framework, if any, along with the Independent Assurance Report, will be published on Sonae's website (www.sonae.pt/en).

Instruments issued under previous versions will not be affected by any updates or new iterations of this document, unless explicitly stated by Sonae.

2.1. Selection of Key Performance Indicators (KPIs)

KPIs were designed and assessed for Sonae Group including information about the fully consolidated portfolio's companies in the financial statements, that Sonae controls: Holding, MC (which includes Continente's different formats, Meu Super, Note!, Make Notes, Well's, ZU, Bagga, Go Natural, Arenal (Tomenider) and Sonae RP), Worten (which includes Worten and Worten mobile, iServices, Satfiel and Zaask), Zeitreel (which includes Salsa, MO, Zippy and Losan), Sonaecom (which includes Bright Pixel and Media) and Sierra, unless otherwise stated. The scope does not consider:

- Equity consolidated companies: NOS, a company in which Sonae holds, directly and indirectly 37%
- Universo, financial services company in which Sonae holds 50%
- Sparkfood: the new business unit dedicated to sustainable and healthy solutions in the food sector, which was launched in November 2023. Sonae foresees an adaptation period so that new companies and businesses that are part of the portfolio can implement processes to integrate consolidated reporting.
- Musti, the acquisition of the company was concluded in March 2024 and its data will be included according with the "2.3 Recalculation Policy" of this Framework.

Sonae has selected the following three Key Performance Indicators (KPIs), for inclusion in Sustainability-Linked Instruments issued under this Framework, which are core, relevant, and material to our business and measure the sustainability progress of the company on two of the top sustainability commitments of the group (greenhouse gases (GHG) and diversity):

KPI #1: Reduction of GHG (scope 1 and 2) Absolut Emissions for Sonae, excluding Sierra (market based and control approach)

KPI #2: Reduction of GHG (scope 1 and 2) Emissions Intensity in Sierra (location based and equity approach)

KPI #3: Women in leadership positions in Sonae, excluding Arenal

KPI #1: REDUCTION OF GHG (SCOPE 1 AND 2) ABSOLUT EMISSIONS FOR SONAE, EXCLUDING SIERRA (MARKET BASED AND CONTROL APPROACH).

Definition and scope #1

Reduction of GHG (scope 1 and 2) Absolut Emissions for Sonae Group market based and controlled operations, excluding Sierra. Sierra is considered on KPI #2 since the company submitted and had its targets approved on SBTi with a different methodology from the rest of the group. For Sonae Group, excluding Sierra, the target for scope 2 follows a market based approach for emission factor.

The scope includes information about the controlled companies, except Sierra, as of the date of this framework: Holding, MC (which includes Continente's different formats, Meu Super, Note!, Make Notes, Well's, ZU, Bagga, Go Natural, Arenal (Tomenider) and Sonae RP), Worten (which includes Worten and Worten mobile, iServices, Satfiel and Zaask), Zeitreel (which includes Salsa, MO, Zippy and Losan) and Sonaecom (which includes Bright Pixel and Media).).

Rational and Materiality #1

Climate change, given the threat it poses to our ability and the ability of future generations to live and grow in a peaceful and prosperous world, is central to our agenda. For the EU to achieve carbon neutrality by 2050, companies will have to step up and assume their role, to contribute to this common target Sonae assumed the commitment of carbon neutrality by 2040. As a holding company with participations in different sectors decarbonizing is a goal across industries, furthermore from the double materiality exercise conducted in 2022, accelerate decarbonization came as a material topic for Sonae. Sonae chooses the themes that arise as material also from sector specific analysis in sources such as MSCI and SASB (the report under this framework can be found in Sonae's Annual Integrated Report) and even peer benchmark. In this context, Sonae has the ambition that the controlled companies submit SBTi targets. Naturally, GHG reduction target materializes a significant part of the ambition for sustainability at Sonae.

Sonae recognizes the importance of scope 3 and in 2023 both MC and Sierra achieved SBTi approval for their ambitious targets Scope 1, 2, and 3. Also, Worten

has submitted its Commitment Letter and its targets to SBTi on the 3 scopes. Nevertheless, given the level of maturity on scope 3, Sonae is still prudent about providing annual targets on its evolution.

Contribution to UN SDGs



UN SDG 7: Affordable and Clean Energy



UN SDG 13: Climate Action

Methodology for calculation #1

Sonae absolute emissions target, calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard methodology, consider the companies defined on the scope. Each business emissions are included as a simple sum of the parts.

Sierra is excluded given the methodology approved on the SBTi commitments (see KPI#2 for further details). For the companies considered on the KPI#1, emissions are calculated on a control approach basis. Scope 2 is assessed using market-based approach, given the ability to decide over the purchase of market-based solutions for decarbonizing scope 2.

Scope 1 is calculated based on the GHG Protocol, namely arising from own fleet vehicle emissions, boilers, F-gases from cooling systems, and emissions from leased fleet recognized as a right of use (according to IFRS16).

Scope 2 includes indirect emissions from electricity consumption on a market-based approach, considering the purchase of green energy sources.

Emissions are measured in metric tons of Carbon Dioxide equivalent (t CO_{2e}).

Historical Performance

³ GLA – Goss leasable area is the amount of space in a commercial building that can actually be rented by a tenant. In most cases, this includes basements, mezzanines, or upper floors that a tenant can potentially utilize. Typically, GLA is measured from the centre of a wall or

Methodology: control approach, excluding Sierra, and market based

GHG (t CO _{2e})	2021	2022	2023
Scope 1*	52,294	64,086	65,556
Scope 2	123,912	98,497	86,121
Scope 1 and 2	176,207	162,583	151,677

* Scope 1 data was restated for 2021 and 2022 in order to exclude Universo, as a result of the joint-venture operation with Bankinter concluded in 2023. Targets do not include Universo as it is not controlled since 2023.

KPI #2: REDUCTION OF GHG (SCOPE 1 AND 2) EMISSIONS INTENSITY IN SIERRA (LOCATION BASED AND EQUITY APPROACH).

Definition and scope #2

Reduction of GHG (scope 1 and 2) Emissions Intensity in Sierra, measured in kilograms of Carbon Dioxide equivalent (kgCO_{2e}) per square meter (m²) of Gross Leasable Area (GLA)³. As defined on the SBTi approved near-term commitment of Sierra, all assets where Sierra has a share are considered under the equity share approach. Given that, with minority shares, Sierra might not be able to decide over the purchase of market-based solution for decarbonizing scope 2, the intensity emissions for Sierra are assessed location based.

Given the dynamic portfolio of Sierra, the intensity ratio measures progress on decarbonizing with different portfolio combinations, since it assesses GHG per m².

Given the fact that participated companies at Sonae group submit individually their SBTi targets, these processes occurred in different moments in time. Sierra submitted its SBTi during 2022 using 2019 baseline, for this reason the baseline considered for Sierra KPI is the one aligned with the approved SBTi process.

other partition that separate tenants (such as retail stores in a shopping mall) from the lease line in common areas. It also fully takes into account any walls that are not shared with other tenants.

Rational and Materiality #2

The European Green Deal commits with the 2030 greenhouse gas emission reduction target and climate neutrality by 2050. According to the 2020 UNEP Emissions Gap report, to be on track for the 1.5 degree goal, the world needs to reduce global emissions by over 50% by 2030 and work towards carbon neutrality by 2050. As the buildings and construction sector accounts for 35% of final energy use and 38% of energy and process related carbon dioxide (CO₂) emissions globally, the retail real estate (RRE) sector will have to play a major part in achieving this vision. Sonae Sierra's 2020 materiality review reconfirmed that Climate Change Resilience remains one of the core focus areas for acceleration of our business, as GHG emissions is crucial for Sustainable Buildings. Reducing GHG emissions intensity is a key strategic goal for Sonae Sierra, within our commitment to address Climate Change, the biggest environmental challenge the world faces, and our ambition to become carbon-neutral by 2040. For this Framework, we have chosen to focus on GHG Scope 1 and 2 Emissions on the basis that they are both within Sierra's control and material to our business. An Intensity KPI is used to accommodate for some variation in the portfolio and because it is the only way we can compare our pathway against the SBTi Services-Commercial building sector.

In 2023, Sierra had its near-term targets revised and approved by the SBTi for scopes 1, 2 and 3. The Scope 1 and 2 near term target is "Sonae Sierra commits to reduce scope 1 and 2 GHG emissions 73% per square metre by 2030 from a 2019 base year".

Contribution to UN SDGs



UN SDG 7 : Affordable and Clean Energy



UN SDG 13: Climate Action

Methodology for calculation #2

GHG (Scope 1 + 2) Emissions intensity, from Sierra's equity share shopping centres in operation during the full reporting year, measured in kilograms of Carbon Dioxide equivalent (kgCO₂e) per square meter (m²) of Gross Leasable Area (GLA).

The numerator used to calculate this KPI includes the total amount of Scope 1 and 2 emissions from Sierra's equity share portfolio, measured in kilograms of Carbon Dioxide equivalent (kgCO₂e), calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard methodology. Scope 2 emissions are calculated per location-based method.

The denominator includes the total GLA of Sierra's equity share portfolio, measured in square meters (m²).

Historical Performance

Methodology: equity-share and location based

GHG (kgCO ₂ e/m ² GLA)	2019	2020	2021	2022	2023
Scope 1 and 2	30.7	NA*	22.5	20.5	20.3

* NA: Not Available data as Sierra considers that the year 2020 is not representative, impacted by the pandemic context

KPI #3: WOMEN IN LEADERSHIP POSITIONS IN SONAE, EXCLUDING ARENAL.

Definition and scope for KPI #3

Women in leadership positions KPI measures the women representativeness in leadership positions, which are defined as roles of high responsibility and/or impact (Executives, Senior and Middle Managers). This KPI was designed and assessed for Sonae Group, excluding Arenal.

Rational and Materiality for KPI #3

Gender equality is an established right, regarded as an essential human right for the development of society and for the full participation of all people, regardless of their gender.

The concept of gender equality translates into equality of rights, freedom and opportunities among genders, with the goal of promoting equal value, recognition and participation in all spheres of public and private life. It has been receiving special attention and relevance from key international bodies over the last few years, and Portugal has been no different.

The resolution approved in the Council of Ministers no. 19/2012, on March 8th, 2021, determined that all

organisations in the Government's business sector were required to adopt an equality plan, designed to achieve equal treatment and opportunities for all genders, eliminate discrimination and facilitate the balance between professional, family and personal life.

This legal requirement was later extended to companies listed on the stock market, through Law no. 62/2017 of the 1st of August 2017, which approves the regime of balanced representation between genders for the boards of directors and supervisory boards in public and listed companies, stipulating in Article 7 the requirement to draft and communicate annual gender equality plans.

This law also came to establish that the proportion of men and women shall be 20%, as of the first elective general assembly after 1 January 2018, and 33.3% as of the first elective general assembly after 1 January 2020, with regards to the board of directors and supervisory boards.

Considering the pivotal contribution of business organisations to a fully democratic and inclusive society, as well as the relevance of diversity, particularly gender, for the balance and development of its businesses, Sonae SGPS has been dedicating special attention to this topic, seeking to balance the representation of men and women throughout the organisation, with a special focus on leadership positions.

The Group considers gender diversity as a critical factor for the balance of organisations, particularly urgent in decision-making roles, given the proven impact on business outcomes.

Thus, aiming to reinforce women representation in leadership positions, a specific indicator was included in Sonae's ambition.

Contribution to UN SDGs



UN SDG 5: Gender Equality

- ⁴ It covers Sonae Group controlled companies that have defined gender equality targets and are governed by the segmentation of functions defined for the Group, thus excluding Arenal. Arenal's headcount is immaterial in the Sonae context and does not follow the same structure of functional groups.



UN SDG 8: Decent Work and Economic Growth



UN SDG 10: Reduce Inequalities

Sonae's establishment of women in leadership positions as a KPI aligns with both SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities). By prioritizing women in leadership roles, Sonae promotes gender equality within its organization, providing equal opportunities for career advancement and empowering women economically and socially. This commitment not only addresses gender disparities but also contributes to reduced inequalities by fostering a more inclusive work environment and challenging gender stereotypes. Through these efforts, Sonae not only advances its corporate goals but also contributes to broader societal objectives of gender equality and social inclusion.

Methodology for calculation

(Nr. of women "Executives" and "Senior & Middle Managers" / Total population "Executives" and "Senior & Middle Managers") x 100⁴

Results on the 31st December.

Historical Performance

Sonae Group control approach, excluding Arenal

	2019	2020	2021	2022	2023
KPI #3 *	34.0%	36.0%	36.9%	39.0%	39.6%

* restated to exclude Universo as a result of the joint-venture operation with Bankinter concluded in 2023. Targets do not include Universo as it is not controlled since 2023.

- Consolidated: weighted by BU (Business Unit) leadership population
 - Leadership positions: Executives, Senior & Middle Managers

2.2. Calibration of Sustainability Performance Target (SPTs)

The Sustainability Performance Targets (SPTs) for each KPI, are fully aligned with Sonae's Sustainability Strategy and Targets, as published in their Integrated Report of the Year.

SPT #1: REDUCTION OF GHG (SCOPE 1 AND 2) ABSOLUT EMISSIONS FOR SONAE, EXCLUDING SIERRA (MARKET BASED AND CONTROL APPROACH).

Sustainability Performance Target Observation Date:

31 December of each relevant year (2024 – 2030).

Rational and Ambition (description + tables) #1

GHG (t CO ₂ e)	Base Year 2022	Real 2023	Target 2024	Target 2025	Target 2026	Target 2027	Target 2028	Target 2029	Target 2030
Scope 1 and 2	162,583	151,677	151,436	145,184	139,184	133,424	117,840	104,086	91,943
Δ vs base year		-7%	-7%	-11%	-14%	-18%	-28%	-36%	-43%

Sonae depends at least partially on factors such as innovation, that are not entirely controlled by Sonae. For instance, decarbonizing heavy fleet requires innovation either on the electrification of the fleet or by spreading an alternative technology. In this context, Sonae is assuming an acceleration on the heavy fleet decarbonization more ahead on the time horizon, as a result the path won't be linear.

In 2023 we were able to accelerate the roadmap and the path is not expected to be linear rather include quantitative jumps.

Action Plan

With the ambition to reduce energy consumption but also mitigate GHG emissions and contribute to decarbonisation, the following approaches are essential (for more information on our position paper for climate

Baseline (Data and Introduction) #1

Despite having started measuring its baseline in 2018 and setting a first level of ambition with reference to that year, it was only in 2023 that most of Sonae businesses submitted their SBTi with baseline in 2022 as required by the methodology.

change please see here: [PP_ClimateChange_EN-1.pdf \(sonae.pt\)](#):

- Energy transition to renewable sources: reduce dependence on fossil resources by opting for renewable and clean energy sources, contributing to environmental sustainability, and reducing the carbon footprint; and
- Gradually increasing energy autonomy: promote the progressive increase of energy autonomy, based on the consumption and production of energy from renewable sources, aiming at reducing dependence on non-renewable sources.

Both Sonae and the portfolio companies have integrated roadmaps towards carbon neutrality. This involved assessing the exposure of each business to climate risks, defining mitigation measures and roadmaps development to increase their resilience, implementing in

a continuing way projects focused on monitoring and optimizing energy consumption, as well as increasing the share of renewable energy.

To achieve these objectives, we foster partnerships with various entities, including suppliers, research institutes, experts, and other strategic partners, actively measuring our carbon footprint using the GHG Protocol, assessing climate risks for each business and setting goals aligned with science through the Science-Based Targets Initiative (SBTi).

Potential obstacles

Sonae depends at least partially on factors such as innovation, that are not entirely controlled by Sonae. For instance, decarbonizing heavy fleet requires innovation either on the electrification of the fleet or by spreading an alternative technology.

Rational and Ambition (description + tables) #2

GHG (kgCO _{2e} /m ² GLA)	Base Year 2019	2020	Historic 2021	Historic 2022	Real 2023	Target 2024	Target 2025	Target 2026	Target 2027	Target 2028	Target 2029	Target 2030
Scope 1 and 2	30.7	N/A	22.5	20.5	20.3	19.6	17.6	15.6	13.7	11.8	10.1	8
Δ vs base year	0%	N/A	-27%	-33%	-34%	-36%	-43%	-49%	-55%	-61%	-67%	-73%

The target reduction in 2030 was assessed and validated by science through the Science Based Target initiative (near-term target).

Action Plan

For Investment properties under management (owned/co-owned assets):

1. Sonae Sierra is mid-phase of a renovation process of their assets based on NZEB (Net-Zero Energy Building) principle, i.e., buildings with very high energy performance, focused on High-Efficient Lighting Systems, Renovation of the heating and cooling systems of buildings, Increasing Building Enclosure Insulation Conditions.

The initiative's first phase started in 2022 and relates to energy auditing and renewable energy feasibility studies.

Acquisition of new companies or the sale of any company of the portfolio may require adjustments.

SPT #2: REDUCTION OF GHG (SCOPE 1 AND 2) EMISSIONS INTENSITY IN SIERRA (LOCATION BASED AND EQUITY APPROACH).

Sustainability Performance Target Observation Date:

31 December of each relevant year (2024 – 2030).

Baseline (Data and Introduction) #2

Sierra had its SBTi approved for the process with baseline in 2019.

These informed the actions, investment requirements and estimated reductions that are achievable by each asset.

This exercise will be repeated in 6/9 years (2028-2032), to valuate latest technological developments like new emerging technologies and technologies whose CAPEX decreased considerably.

2. Photovoltaic installations planned for 2024-2026 across the whole owned/co-owned portfolio and owned development assets.

3. Renewable electricity purchase (through Guarantees of Origin), is also considered, accounting all electricity use in our corporate offices and owned/co-owned properties business unit. We are acutely aware that this option is volatile due to its high market demand and will

prefer to work on gaining energy efficiency through long-lasting solutions in our building portfolio.

Since 2021/2022, each of our operational assets has a decarbonization roadmap, based SBTi tools and on the CRREM results, in which the above-mentioned options are detailed, as well as evaluating the purchased chilled water (scope 2) and co-generation alternatives.

4. Achieve a Green Building Certification for owned development assets and owned operating assets.

Offices:

Progressing with a fleet electrification program.

Potential obstacles

Sierra is including assets through equity share, that means that it might not be able to influence investment decisions on minority shares (e.g. REITs⁵, funds, other service companies): these account circa 20% of the Scope 1 and 2 inventory. Additionally, the target for

Sierra is assessed using location-based energy emission factor, exposing the company to the volatility of the energy sources of the markets where its assets are located without power of decision or even influence from Sierra.

SPT #3: WOMEN IN LEADERSHIP POSITIONS IN SONAE, EXCLUDING ARENAL.

Sustainability Performance Target Observation Date:

31 December of each relevant year (2024 – 2030).

Baseline (Data and Introduction) #3

Sonae has defined its baseline for the Women in Leadership (WiL) positions in 2019, when the company established new KPI's for the mandate that was about to start. By then, Women in Leadership was one of the People KPI's defined as a priority for the Group.

Rational and Ambition (description + tables) #3

	Base Year 2019	Historic 2020*	Historic 2021*	Historic 2022*	Real 2023	Target 2024	Target 2025	Target 2026	Target 2027	Target 2028	Target 2029	Target 2030
KPI #3	34.0%	36.0%	36.9%	39.0%	39.6%	41.0%	42.4%	44.5%	45-55%	45-55%	45-55%	45-55%

* data restated excluding Universo

Sonae believes that having more gender diversity in management roles has huge impact on the businesses' performance and sustainability. Therefore, bearing in mind that in an organization where about 65% of the workforce are women, having only 34% (in 2019) of them in leadership positions was not reflecting the full potential of our workforce, nor making the most out of our talent.

Thus, aiming to reach gender parity, the Group has defined its targets and has been bi-annually monitoring the progress. This KPI is indexed to the variable

remuneration of all Sonae employees, proving that this is a shared commitment.

Action Plan

Sonae has been dedicating special attention to gender equality, seeking to balance the representation of men and women throughout the organisation, with a special focus on leadership positions.

Thus, the Group has been publishing its Plan for Gender Equality on an annual basis, aiming to promote good

⁵ REIT – Real Estate Investment Trust

practices under the scope of gender equality, applicable to both its employees and the members of its governing

bodies, and remains committed to its continuous implementation, monitoring and improvement.

Every year, Sonae rolls out a comprehensive self-assessment of gender equality, summarises a retrospective of the measures implemented and those in progress, and sets out the plan for the following year. The plan for 2024 is available [here](#).

Potential obstacles

In the dynamic landscape of portfolio management, Sonae acknowledges the potential challenges inherent in its approach.

While the Group has set ambitious targets, it's important to recognise the complexities of managing a diverse portfolio. Fluctuations in portfolio composition can impact the KPIs, potentially affecting the progress towards the defined target.

Additionally, since the KPI is measured annually on December 31st, unexpected turnover in the latter part of the year may occur, potentially hindering our ability to react promptly and meet our targets for that year.

Despite these challenges, our commitment to diversity remains unwavering, and we are continually adapting our strategies to navigate these complexities while striving to achieve our goals.

2.3. Recalculation Policy

The KPIs baselines and the SPTs set out in this Framework may be changed and recalculated to reflect Recalculation Events that, individually or in aggregate, affect positively or negatively the value of said KPIs by at least 10% cumulative when compared to the respective baselines.

Recalculation Events are defined as a material change in:

- The calculation methodology of the KPI.
- The change in applicable laws, regulations, guidelines and policies which are required for the determination of the KPI and/or the SPT.
- The data due to better data accessibility and accuracy or discovery of data errors.
- The perimeter of Sonae Group due to any acquisition, demerger, merger, corporate reconstruction, divestiture, or disposal, where any such change is defined as material.

Any recalculation shall be performed by Sonae in good faith, provided that:

- An external verifier has independently confirmed that the proposed revision:
 - is consistent with the Sonae's sustainability strategy; and
 - is in line with the initial level of ambition of the SPT(s),

all as described in the specific documentation of each Sustainability-Linked Financial Instrument, if any, and in this Framework.

Any such change will be communicated as soon as reasonably practicable by Sonae. In the specific case of mergers, acquisitions and disposals, Sonae will have a full reporting year after such Recalculation Event in order to be able to implement the internal control systems that allow the collection of data to recalculate the KPIs baselines and SPTs.

2.4. Bond & Loan Characteristics

Sonae will use the proceeds of any Sustainability-Linked Financing for general corporate purposes, unless otherwise stated.

Sustainability-Linked Financing Instruments will incorporate one or several of the KPIs outlined in the "Selection of Key Performance Indicators" section, excluding the possibility of selecting KPI#2 in isolation; KPI #2 must always be chosen alongside KPI #1, as specified in each Sustainability-Linked Financing Instruments legal documentation. Although this Framework defines several KPIs and SPTs, the choice of KPI and SPT for a given transaction will be specified in the relevant documentation.

The financial characteristics of a given Sustainability-Linked Instrument will be impacted by the failure and/or by the success of Sonae to meet the relevant SPTs at the respective Observation Date in the following way:

- If by the failure, in the form of a step-up in the margin/interest rate, a premium payment at maturity or a combination of both, and/or
- If by the success, in the form of a step-down in the margin/interest rate, a discount payment at maturity or a combination of both.

For a given Sustainability-Linked Instrument, such impact on its financial characteristics shall be commensurate and meaningful relative to its original financial terms.

If a Sustainability-Linked Instrument incorporates more than one KPI, each KPI may be assigned with a different impact in the margin/interest rate step-up/step-down and/or the premium/discount payment, as applicable.

The specific characteristics of a given Sustainability-Linked Instrument issued under this Framework, including, but not limited to, the relevant KPI(s), SPT(s), step-up/step-down margin/interest rate amount and/or premium/discount payment amount, will be identified in the relevant documentation of such Sustainability-Linked Instrument. Such documentation will specify the exact financial and/or structural implications (which could include for instance, but are not limited to, redemption premium, interest rate or margin adjustment, depending on the nature of the instrument). Each KPI may be assigned with a relative weight of the aggregate redemption premium, interest rate or margin adjustment, as applicable, and will be also specified in the documentation of each Sustainability-Linked Financing instrument. If, (i) following an SPT Observation Date and within the time limit prescribed in the Sustainability-Linked Instrument documentation (which shall not be more than 6 months after such SPT Observation Date), Sonae does not make publicly available information on the actual performance of the relevant KPIs relative to the respective SPTs, together with the Verification Assurance Certificate, in accordance with the Reporting and Verification sections of this Framework, or (ii) for any reason, the performance level of the relevant KPIs relative to the respective SPTs cannot be calculated or observed as prescribed, or not in a satisfactory manner (non-satisfactory manner to be understood as the Verification Assurance Certificate to be provided by the appropriately qualified independent party containing a reservation or such independent party not being in a position to provide such certificate):

- For a Sustainability-Linked Instrument impacted by the failure, but not by the success, to meet the relevant SPT(s), the step-up in the margin/interest rate and/or premium payment, as applicable, shall be triggered;
- For a Sustainability-Linked Instrument impacted by the success, but not by the failure, to meet the relevant SPT(s), the step-down in the margin/interest rate and/or discount payment, as applicable, shall not be triggered;

- For a Sustainability-Linked Instrument impacted by both the failure and the success to meet the relevant SPT(s), the step-up in the Margin / interest rate and/or premium payment, as applicable, shall be triggered.

Further information will be provided in the specific documentation relevant to each issue of “Sustainability-Linked Instruments”.

2.5. Reporting

Sonae SGPS will annually provide sufficiently up-to-date information to monitor the performance of the KPIs and to verify the accomplishment of the SPTs.

As transparency is of value in the Sustainable Finance market, the company commits to publicly report the information by incorporating the KPIs into their Annual Integrated Report, which is verified by an external party.

This reporting would be published regularly, at least annually, in order to enable investors to monitor the progress of the SPT, especially when it is included in a facility, and will be made available on Sonae’s website (www.sonae.pt/en).

In order to provide investors and lenders with adequate information about the progress made on the KPI(s) and the achievement or not of the SPT(s) set out in this Framework and in the legal documentation of the Sustainability-Linked Financing Instruments, if any, and any impact on the Sustainability-Linked Financing pricing, Sonae SGPS commits to publicly report at least annually in its Annual Integrated Report, which is verified by an external party, or in a specific publication regarding SPTs kept readily available and easily accessible on the Company’s website (www.sonae.pt/en):

- Up-to-date information on the performance of the selected KPI, as per the relevant reporting period and when applicable, as per the Target Observation Date including the calculation methodology and including the baselines where relevant;
- Any relevant information enabling investors/lenders to monitor the ambition of the SPTs including any update in the issuer’s sustainability strategy and/or on the related KPI/ESG governance, and more

generally any information relevant to the analysis of the KPIs and SPTs.

- When relevant, any re-assessments of KPIs and/or restatement of the SPTs and/or pro-forma adjustments of KPI scope more generally any information relevant to the analysis of the KPIs and SPTs.

Information may also include, when feasible and possible:

- Qualitative or quantitative explanations on the contribution of the main factors to the evolution of the KPIs performance, on an annual basis, and/or
- Illustration of the positive sustainability impacts of the performance improvement.

Following the occurrence of a Recalculation Event leading to a recalculation of a KPI baseline and/or a SPT, Sonae SGPS will publish on its website, Report or otherwise information on such recalculation, together with the associated verification assurance report (please refer to topics "Recalculation Policy" for more details).

2.6. Verification

Sonae has appointed KPMG & Associados, SROC S.A. to provide independent limited assurance on the alignment of

this Framework with the five core components of the SLLP and SLBP. The Independent Limited Assurance Report and the Framework will be made available on Sonae's website (www.sonae.pt/en).

Post-Issuance Review

Sonae's annual performance of each KPI will be included in their Annual Integrated Report and will be verified by an appropriately qualified independent party of their Annual Integrated Report.

Additionally, following an SPT Observation Date, Sonae's actual performance of the KPIs relative to the respective SPTs will be verified by an appropriately qualified independent party, which shall issue an Independent Assurance Report.

Our Annual Integrated Report as well as the Verification Assurance Certificate confirming the performance of the KPIs relative to the respective SPTs will be made publicly available on Sonae's website (www.sonae.pt/en).

3. Other alternative uses

Sonae intends to apply this framework to other types of Sustainability-Linked Instruments other than Sustainability-Linked Financial Instruments, namely but not limited to, Foreign Exchange Derivatives or Rates Derivatives. Such

use shall be agreed upon between Sonae and corresponding stakeholders.

4. Disclaimer

This Framework is intended to provide general and non-exhaustive information. It has not been approved by any security regulatory authority.

The Framework contains certain forward-looking statements that reflect the Sonae's management's current views with respect to future events and financial and operational performance of the Sonae Group. These forward-looking statements are based on Sonae's current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Sonae to control or estimate precisely. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document.

Sonae has and undertakes (i) no obligation to update, modify, amend or correct this Framework, nor the statements contained herein; and (ii) no obligation to notify any Addressee if any information or statement changes or becomes inaccurate.

This Framework is not intended to be and should not be construed as providing legal or financial advice. It also does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe, purchase or any other kind of recommendation regarding Sonae's Sustainability-Linked Bonds or Loans. Each potential purchaser should determine for themselves the relevance of the information contained or referred to in this Framework or the relevant documentation for such Sustainability-Linked Bond or Loan and their purchase should be based on such investigation, as they deem necessary. Nothing contained herein shall form the basis of any contract or commitment whatsoever and it will not be an event of default or breach of any contractual obligations under the Terms and Conditions of the Sustainability-Linked Bond or Loan if Sonae fails to adhere to this Framework in any respect.

Any decision to purchase the Sustainability-Linked Bond or Loan issued by Sonae should not be made solely based on the information contained in the respective Terms and Conditions. Prospective investors are required to make their own investigations and assessments of the business and financial condition of Sonae and the nature of the Sustainability-Linked Bond or Loan before taking any investment decision.

The distribution of this Framework and of the information it contains may be subject to legal restrictions in some countries. Anyone who might come into possession of it must inquire as to the existence of such restrictions and comply with them.

The Addressee is solely liable for any use of the information contained herein and Sonae shall not be responsible for any damages, direct, indirect or otherwise, arising from the use of this Framework by the Addressee.