Annual Integrated
Report 2023

Leading with impact

on people,
planet and business



Sonae

This report is a translation of the original Portuguese version of Sonae's official accountability document, submitted on the CMVM website on 3rd April, 2024, in ESEF format. In case of discrepancies between this version and the official ESEF version, the latter prevails.



Leading with impact

on people, planet and business

We believe the future is human.
A future that respects people, communities and planet.

To get there, we break new ground to make a lasting impact in a rapidly changing world.

And, as a collective of diverse businesses, we harness our expertise and challenge ourselves to create a better future, everyday.

That's why we strive to be uniquely present in the many areas that touch people's lives.

That's how we achieve a lasting impact while serving millions of people.

We exist to actively shape the future we all want and need.

Always driven by our Values:
Leading with impact
Own what's next
Go further together
Make things simple
Do what's right

We create today a better tomorrow for all.

About this report

In 2023, Sonae reinforced the ESG criteria in the management decision-making process, with the Sustainability Strategy review for 2023-2026. Sonae's Annual Integrated Report showcases our ongoing progress in integrated management, consolidating all information into a comprehensive document. This includes a detailed overview of our integrated strategy and performance throughout the year. Our commitment to transparency is also evident in this report, as we strive to communicate openly with all stakeholders. This report is designed to offer an authentic, fair, and balanced evaluation of our business model, strategy, performance, risk management approach, and prospects. We aim to address all the material financial, economic, social, environmental, and governance issues comprehensively. The report also endeavours to present a complete and unbiased picture of Sonae's key topics and their associated impacts and opportunities.

Moreover, our Integrated Report demonstrates how our value creation approach is aligned with the integrated reporting framework, namely with financial, human, social, intellectual and natural capitals, and highlights our performance according to the United Nations Global Compact (UNGC) Principles and the Sustainable Development Goals (SDGs).

Reporting Scope

This Integrated Report provides detailed information on the consolidated financial, economic, environmental, social, and governance performance of the parent company and across our businesses from 1st January to 31st December, 2023. When necessary, notes and further explanations are included to support the text and tables of our performance indicators.

Reporting Standards

Our report is the result of bringing together various frameworks and standards. The information presented in this report was prepared in accordance with the applicable legal and regulatory requirements namely, the Portuguese Companies Act, the Portuguese Securities Code, the Portuguese Securities Market Commission (CMVM) Code and regulations, as well as the requirements of Portuguese Decree-Law no. 89/2017, published on 28th July, Spanish law no. 11/2018, published on 28th December, and the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) published in 2018, amended in 2020 and revised in 2023. In addition, we comply with the requirements of the Integrated Reporting Framework, the International Financial Reporting Standards (IFRS), the Global Reporting Initiative Guidelines (GRI Standards) - 2021, the EU Taxonomy Regulation and the Sustainability Accounting Standards Board (SASB).

Reporting and external assurance

This Annual Integrated Report includes the Integrated Management Report, the Corporate Governance Report (including the Remuneration Report), the Financial Statements and a final chapter with all the additional information, namely (i) GRI Sustainability Reporting Guidelines, GRI 1: Foundation 2021; (ii) the non-financial statements, responding to the requirements of Portuguese Decree-Law no. 89/2017, published on 28th July, and Spanish law no. 11/2018, published on 28th December; (iii) the report about the climate-related risks assessment according to the Financial Stability Board's TCFD Recommendations; (iv) the report about the specific Key Performance Indicators on the eligibility and alignment of environmental activities, written in compliance with the EU Taxonomy Regulation; and (v) the Sustainability Accounting Standards Board (SASB) reporting.

We engaged two third-party organisations to provide independent assurance of the content of this report in 2023.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., audited this anual report, except the Additional information chapter.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., duly verified the sustainability information in the chapters of the Integrated Management Report and in the GRI Sustainability Reporting Guidelines.

Sonae

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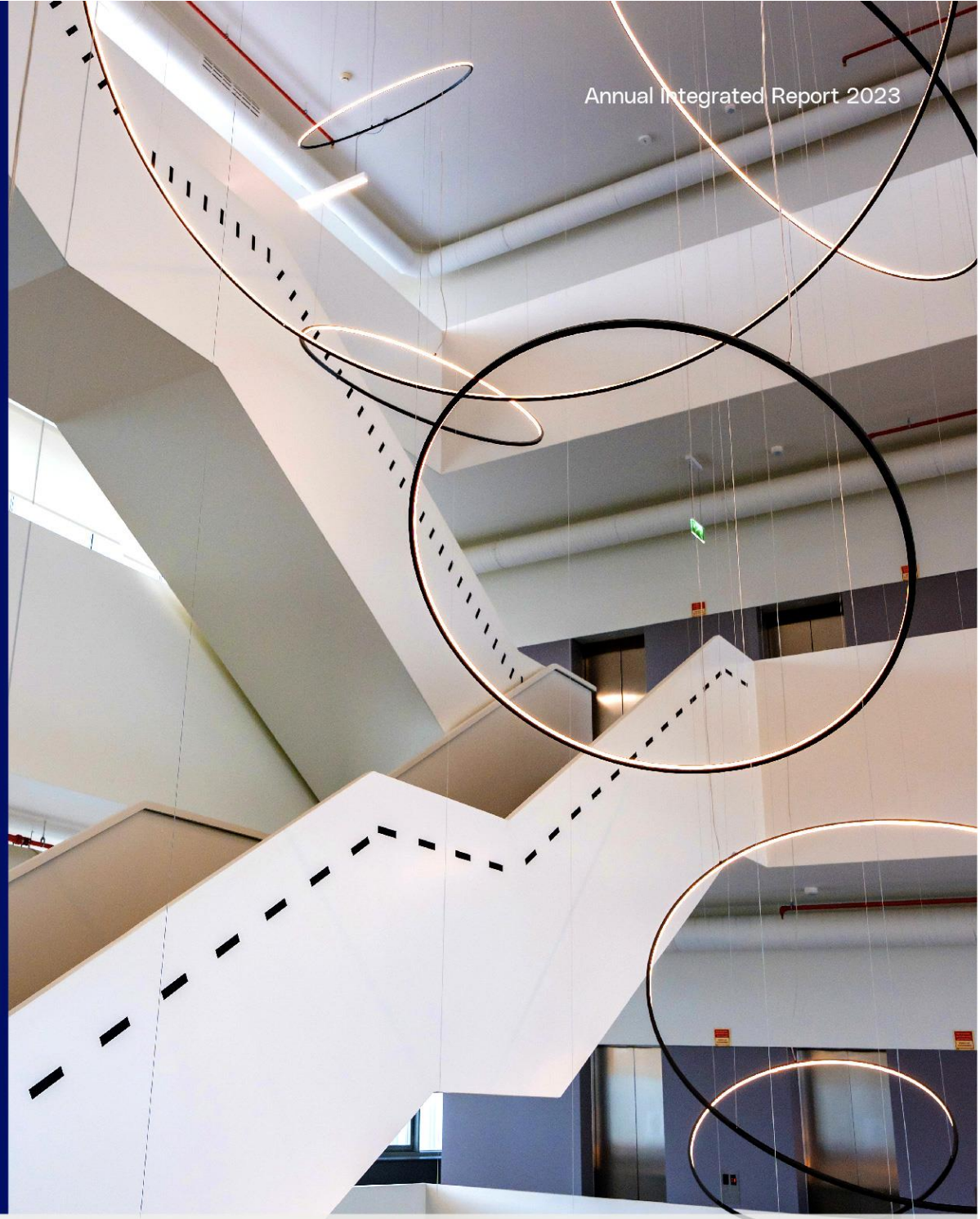
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Leading with impact

through an integrated strategy



1 Integrated Management Report

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1.1. Overview of the year

1.1.1 Our year at a glance



Economic Value

€4.5bn
Net Asset Value
+14% yoy

€103m
Dividends paid to our shareholders
+5% yoy

€8.4bn
Turnover
+9% yoy

€1.0bn
EBITDA
+7% yoy

0.6%
Holding Loan to Value
Target < 15%

13.0%
Return on Invested Capital
Target > 10%

Note: Return on Invested Capital is calculated with proportional figures and historical cost at Sierra and Bright Pixel.
Holding Loan to Value considers average net debt.

Social and Natural Value

-6% tCO_{2eq}
GHG emissions
(scope 1+2) vs 2022

40%
Electricity consumed
from renewable sources
+3 p.p. yoy

48k
Employees

€33m
Community support
+4% yoy

87%
Reusable, Recyclable or
Compostable plastic packaging
+6 p.p. yoy

58%
Deforestation-free

40%
Leadership positions
held by Women

362k
Beneficiaries impacted
by our educational projects

Note: Deforestation-free figure corresponds to our first assessment (for 2022) and only includes MC, Worten and Zeitreel (criteria of no country risk or absence of deforestation through a certification scheme or other control and monitoring mechanisms of the commodities sourced).



1.1.2 Letter from our Chair



The largest companies in our portfolio have successfully progressed in enhancing their competitive position while we have also been able to accelerate expansion of fast-growing sectors and launch new seeds of future growth.

The difficulty of the challenge to simultaneously achieve these goals is obviously increased in times of low macroeconomic growth, high interest rates and geopolitical uncertainty. Our teams have once again found the right path to thrive in these circumstances and we are pleased to report good financial results and strategic steps on all fronts.

As is by now well understood and valued by the vast majority of our stakeholders, these results would be no reason for satisfaction or celebration had we not simultaneously been able to reinforce our commitment to Sustainable Development Goals and to achieve concrete social and environmental results. At Sonae, we know that we must to do our share of the difficult and profound changes that have to be undertaken to reach truly sustainable societies. We welcome these challenges as they speak to our core values and beliefs, and we will continue to assume increasingly demanding goals and to publicly share our progress towards achieving them.

I will highlight some of our significant progress in 2023 regarding Natural, Social and Economic value creation.

"The future is in our hands, and for us it is about driving sustainability, raising the bar on social and natural capital management, incorporating innovation and technology, building competitive advantages, and fostering strong relationships with all our stakeholders."

Natural Value

The Group's renewed sustainability strategy clearly spells out how we will (i) accelerate decarbonisation, and phase out fossil fuels, (ii) promote biodiversity, water protection, and nature restoration, (iii) increase the circularity of businesses, (iv) enhance human development, and (v) ensure we manage with ESG criteria, by formally integrating it in our portfolio decision processes, assuring socially and environmentally responsible supply chains and promoting more sustainable behaviours and choices among our businesses' customers and partners.

Our four largest companies have submitted Science Base Targets for climate action (SBTi) and three of them have seen the proposed targets approved. We are also pleased to report that Sonae (along with MC) was "A" rated by CDP and integrates the honoured CDP 2023 A List.

Progress on emission reduction in 2023 was according to our roadmap to achieve our targets of 53% reduction by 2032 and to achieve carbon neutrality of our operations (scope 1 and 2) by 2040 and we registered a 6% reduction in our total GHG emissions in 2023 despite our portfolio expansion. We have expanded our total own supply of renewable electricity generation by 30%, against 2022. Electricity produced and consumed from the existing solar panel parks, combined with green supply contracts, has increased to 273 GWh, and now represents 40% of electricity consumed (the percentage of renewable sources in the remaining 60% was according to the production of local suppliers).

As part of the food supply chain, we have a heavy responsibility in finding solutions for the environmental impact which food production and distribution currently has. In short, we must do our part in ensuring sustainable and healthy diets for the growing global population, while promoting low impact agriculture regarding nutrient cycles, GHG emissions, water consumption and land usage. Our food retailing business has thus joined the Science Based Targets Network (SBTN) Corporate Engagement Programme, involved in the development and recent release of the first set of methodologies to define science-based targets for nature (land use and water), and guide the definition of plans to foster biodiversity and reduce the impact of climate change.

Regarding circularity of business models, we have seen many projects being developed across our businesses with huge commitment from our teams. They are far too many to describe here but I would point out to two major efforts successfully developed in the last year: i) MC's development of a comprehensive Sustainable Packaging Manual promoting eco-design and setting design4recycling standards across all of its private label range, (ii) Worten's implementation of an extensive repair and reconditioning network as a service to customers and selling second life products which reconditioned more than 154 thousand devices in 2023.

We have stepped up our engagement with supply chain agents to promote sustainable practices and our own brand suppliers are now evaluated and audited according to ESG criteria. I am particularly proud of the progress of Continente Producers Club (CPC) which just celebrated 25 years, and already supports circa 340 local producers, promoting the best production practices to foster growth and efficiency with increasingly smaller impacts on nature. CPC grew 10% in the year in turnover and reached 11,350 hectares of agricultural land and 34% of all of MC's fresh produce purchases.



Social value

Sonae, within its strategy to enhance human development, is actively using its wide social footprint based on its employees and communities, and enthusiastically participating in several fora to promote an agenda focused on education, innovation, and entrepreneurship. In 2023, we have launched a new cycle of conferences named Innovator's Forum, an initiative designed to disseminate knowledge on critical aspects impacting people's lives, in areas in which Sonae invested and developed expertise. The first edition focused on the future of education, emphasising the need to integrate diversity while simultaneously aligning educational models with market demands and social progression. It was an inspirational event that showcased the potential of forward-thinking innovators, culminating in the announcement of the winners of the Sonae Education Award that we proudly established to recognise those who are at the forefront of new educational goals.

Internally, we have stepped up efforts on assuring diversity in our teams at all levels.

We are particularly proud to have surpassed our public commitment to reaching 39% of leadership positions held by women in 2023. Here again we have set new targets, and we are aiming to achieve gender parity by 2026 (defined as >45% and <55%).

Our integration programme "People with a difference", launched in 2021, has grown well again (+15%) and we have now integrated a total of 370 new colleagues through this program.

Reskilling has also been a major focus. With 48 thousand employees and a wide and strong portfolio, we are in a privileged position to anticipate and prepare ourselves for the trends that will shape tomorrow's social and economic landscape. It is also clear that the changes imposed by the fast-moving technological advances, coupled with the European Digital and Green initiatives, will have a strong impact on the job market with millions of Europeans lacking the skills required to fulfil new jobs. We are truly committed to the Reskilling 4 Employment programme and to PRO_MOV together with the European Roundtable for Industry (ERT) and the Business RoundTable Portugal (BRP). As of the end of 2023, the programme was already live in 8 countries having reskilled approximately 26 thousand people in Europe, and Portugal is a particular success case with 32 technical courses in operation. Skilled and motivated people are key drivers for a better society and a flourishing future.

We have also stepped up our efforts promoting community engagement. We continued to collaborate with numerous local entities meticulously working hard to choose the most impactful projects and causes, to ensure the greatest possible reach. Total donations in goods and financial support reached a record €33 million during the year.

Economic value

As previously noted, our largest businesses have performed well facing new entrants and increased competition, improving financial performance, future proofing business models and developing new pockets of growth.

MC has grown 11% and maintained market share with strong financial performance in the midst of strong expansion of numerous players and increased difficulties of some operators. Worten has increased both its offline and online market share and continued to progress towards an omnichannel/marketplace strategy. NOS has managed both to grow market share and operational profitability with mounting evidence of network quality superiority versus competitors. Sierra has improved operational performance of its shopping centres, to the point of more than compensating the negative valuation impacts in markets with yield expansion and accelerated its growth as a service business.

Our growth avenues have been marked by two significant moves – two major achievements for our management teams. Health, Wellness and Beauty has now grown to include a new partnership with Druni's founders. Wells, Arenal and Druni together are now the leading player in this segment in Iberia and we count on the expertise of both our partners to reinforce our position in this market.

Already in 2024, the consortium led by Sonae assured the control of Musti, the leading Nordic pet care retail specialist as a result of the public tender offer launched on the 29th of November 2023. Musti's acquisition marks a step change in our portfolio profile. It is a very sizeable new growth opportunity as pet care retail offers unique growth and value-creation opportunities, and then as it enables Sonae to enter new geographies with sound and sustainable economies. Once again, we have been able to ensure a close partnership with a management team with a remarkable track record.

We also announced a new seed for future growth which we have prepared over the last three years. Sparkfood, dedicated to investing in healthy and sustainable solutions in the food sector, namely in alternative food and new ingredients. We see this sector as a massive and long-term growth trend, which will be key for sustainability of the global food supply chain and presents potential and opportunities for natural, social, and economic value creation.

By the end of 2023, Sparkfood had invested over €120 million in the acquisition of six companies in the United Kingdom, Germany, Italy, and France. In 2024, this team entered in exclusive negotiations to invest in BCF Life Sciences, a company located in France that produces high-value ingredients from the waste of food production process, an excellent asset supported on the principles of circular economy and innovation, and, therefore, fully aligned with our sustainability strategy and goals.

Our active portfolio activity, together with a solid and resilient operational performance from our businesses during the year, resulted in a record-low level of consolidated net debt of €526 million and a holding net cash position at year end, whilst the Group's NAV (measured by the value of listed assets, independent valuations, and market multiples) reached €4.5 billion at year end. Sonae's clear value creation path, evidenced by our businesses' solid and strong operational performance, coupled with value accretive portfolio changes and a consistent dividend policy, has not been mirrored on our stock market performance (-3% in 2023), with the gap to NAV being a concern to the Board, that we are working hard to understand and to address.

Final note

In 2023, Sonae's Board of Directors was reappointed for a new term. Please allow me to extend a special thank you to Lorraine Trainer for her dedication to Sonae over the last nine years and for accepting to prolong her mandate beyond what would have suited her personal objectives. On behalf of the whole board, I would also like to welcome Eve Henrikson and Maria Teresa Ballester as Non-Executive Directors, who have honoured us by accepting the invitation to join Sonae's Board. Finally, the Executive Committee of the Board has grown with the addition of João Günther Amaral as Sonae's Chief Development Officer.

I would like to express my gratitude to my colleagues on the Board of Directors and all other governing bodies for their unyielding commitment to Sonae's ambitious project. Each one has contributed in every way possible with all their experience and dedication.

I would also like to say a special thank you to the Executive Committee led by Cláudia, to the CEOs of our portfolio companies and to our 48 thousand colleagues. I am very proud of what we all accomplished together with all our partners.

The future is in our hands, and for us it is about driving sustainability, raising the bar on social and natural capital management, incorporating innovation, and technology, building competitive advantages, and fostering strong relationships with all our stakeholders. In a time defined by so many unparalleled global challenges, we will continue to play to win and shape a better tomorrow, everyday.

Paulo Azevedo,
Chair

1.1.3 Letter from our CEO

2023 was an eventful year for Sonae, a year in which we continued to grow and generate value for all our stakeholders in a context of great uncertainty and volatility. Our determination, resourcefulness and speed of execution enabled us to excel in our core markets, gaining the trust and preference of an increasing number of customers. At the group level, we remained focused on finding growth options, streamlining and future-proofing our portfolio to be better prepared to face the future.

In 2023, we took significant steps towards achieving our ambition, reorganising and expanding our portfolio. At MC, we reached an agreement to merge Druni and Arenal, which, together with Wells, create the largest Iberian player in Health, Wellness and Beauty (HWB). We launched Sparkfood, after investing €110m in international companies dedicated to sustainable and healthy solutions in the food sector and, already in February 2024, we announced the acquisition of BCF Life Sciences in France. At Universo, we partnered with Bankinter Consumer Finance to create the leading consumer credit player in Portugal. And, before the end of 2023, we announced a takeover bid for Musti, the leading pet care retailer in the Nordic countries, and we have since ensured a controlling stake of c.80.6% of the company's share capital. We also made significant divestments in 2023, in particular by exiting the sports retail sector following the sale of our stake in ISRG (total cash proceeds of €300m and a capital gain of €168m), which fuelled our cash flow generation from asset sales to €331m giving us more flexibility and firepower to invest in new growth avenues.

Sonae delivered another set of sound consolidated results in the year. Top line increased by 9% yoy to €8.4bn, and EBITDA reached a record-high of almost €1.0bn, growing 7% from 2022, underpinned by the solid operational performance of our businesses and by the capital gains from portfolio changes.

MC continued to reinforce its leadership position in the Portuguese grocery retail market and consolidated the HWB business in Iberia. Worten also strengthened its market leadership, while expanding its digital marketplace proposition and actively growing in the services area. Sierra remained focused on executing its strategy, while both its shopping centres and services activities achieved robust results. NOS experienced strong growth, fuelled by an increase in



"I am incredibly proud of the ability and energy shown by our teams in delivering results and humbled by their commitment, which remains critical to our growth, evolution and future aspirations."

Telco customers and revenues driven by market share gains, particularly in mobile where the company became the number two operator in the market.

In 2023, the improved operational performance of our core businesses, the substantial level of organic and M&A investment totalling €665m and the positive impact from our portfolio changes, led NAV to increase 14% and surpass €4.5bn. The historically low level of leverage resulted in an implied holding company LTV of just 0.6%, a great financial position to support our aspirations.

2023 also marked an important milestone in our sustainability journey, with our renewed strategy reinforcing our commitment to continue progressing in the areas where we want to have the greatest impact on our people, our communities, and the planet.

We remain well on track to reach our ambitious goals of Zero Deforestation by 2030 and to achieve carbon-neutral operations by 2040. On the social front, and after achieving 40% of leadership positions held by women in 2023, we are extremely proud of establishing a new ambitious commitment to reach gender parity in 2026.

The support to our communities increased again and reached €33m, as we continued to invest in innovative and inclusive educational projects, reaching more than 360 thousand beneficiaries. Additionally, with the fast and disruptive technological advances and the need to quickly navigate the unknown, we remain dedicated not only to defining reskilling and upskilling plans for our teams, but also to building opportunities for our communities, assuming a leading role in the innovative PRO_MOV project.

All in all, 2023 was a dynamic and challenging year. We experienced the effects of rising inflation and increasing costs on our businesses and operated again in an uncertain context at both national and international levels. I am incredibly proud of the ability and energy shown by our teams in delivering results and humbled by their commitment, which remains critical to our growth, evolution and future aspirations.

Going forward, in today's complex landscape, we must remain focused on future-proofing our companies through strategic initiatives and strong partnerships. We must continue determined, bold, and nimble to quickly adapt to the evolving risks, seize the surging trends and capture the opportunities that lie ahead. As we strive to create superior economic, social, and natural value, the leading positions of our businesses within their respective industries, coupled with our financial strength and unique culture, serve as strong foundations. We will continue to turn ambition into action, while striving to make a meaningful impact today and tomorrow for everyone.

Cláudia Azevedo,
CEO

1.1.4 Our investment case

We are

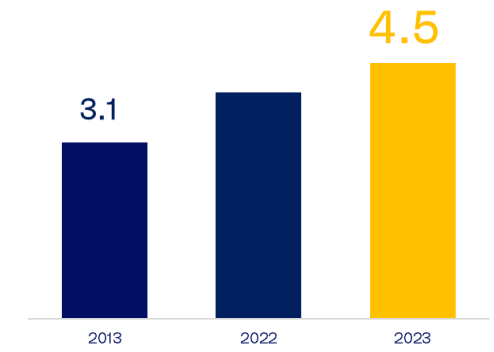
A long-living group driven by an ambitious quest for superior and sustainable growth and value creation.

A trust-based organisation with deep-rooted values and an unwavering purpose leading us into the future.

An active parent company, always looking to ensure that our businesses have the ability to reinvent themselves.

The history of our value creation

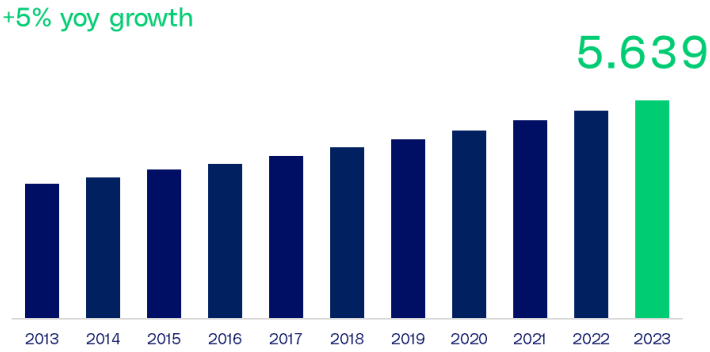
(NAV, €bn)



Pay a steadily dividend

(€ cents)

+5% yoy growth



1.2 Our value creation model

1.2.1 Our journey up until now

Sonae has a long history
and a diversified path

50s-60s Start up



- The foundation of Sonae - wood based panel producer (1959)
- Belmiro de Azevedo is hired (1965)

70s Vertical integration

- Expansion of wood based panels to new markets
- Acquisitions in particleboard manufacturing and wood aglomerate production



80s Diversification

- Sonae IPO (1983)
- Opening of the 1st Hypermarket in Portugal (1985)
- Sonae's 1st culture letter describing Sonae's DNA
- Expansion to real estate and opening of the 1st shopping centre (1989)



90s Expansion

- Launch of Publico newspaper
- Sonae joins WBCSD (World Business Council for Sustainable Development)
- Development of several innovative retail formats
- Expansion of the food retail business to Brazil
- Listing of Sierra and partnership with Grosvenor
- Launch of Optimus mobile operator in Portugal





2000s International Growth

- Sonae Indústria and Sonae Capital spin-offs
- Sale of food retail business in Brazil
- Launch of online food retail business (Continente Online)
- Sonae joins the Global Compact of the United Nations
- The expansion of Sierra to Spain, Greece, Germany, Italy and Romania
- Acquisition of Carrefour Portugal (food retail)
- Launch of Sonae IM (Bright Pixel)
- The expansion of Worten and Sportzone to Spain

10s Portfolio reorganisation

- Creation of "our way" (Sonae's unique culture, values and principles)
- Merger of Zon and Optimus and creation of NOS
- Commitments to European Round Table voluntary targets for Women in Leadership
- Acquisition of Salsa and Losan (fashion)
- Set up of ISRG, a JV with JD Sports and Sprinter
- Acquisition of 60% of Arenal Perfumerias by MC
- Sonae subscribes to the "Paris Pledge for Action"
- Increased stake in Sierra
- Launch of the Universo card





20s Active and sustainable value creation

- Sonae joins the Portuguese Plastic Pact
- Sierra creates Sierra Prime fund
- Commitment to carbon neutrality by 2040
- Sonae joins the Science Based Targets Network Corporate Engagement Program
- Reorganisation of Worten's Spanish operation
- Sale of 25% stake in MC and exit Maxmat, MDS and Maxive
- Entry in AgTech with acquisition of Gosh UK
- Increased exposure to Sierra and NOS
- Creation of a corruption prevention policy aligned with Sonae's code of ethics

- Agreement with Bankinter for a JV in the financial services sector (Universo)
- Sale of stake in ISRG
- Agreement to merge Druni and Arenal in Spain (MC)
- Renewed Sustainability Strategy 2023-2026, reinforcing ESG criteria in management decision-making processes
- Launch of the Innovators Forum
- First edition of the Sonae Education Award
- Launch of the tender offer for Musti

2023

1.2.2 Our mission and values

Our **mission** is to create long-term economic and social value, taking the benefits of progress and innovation to an ever-increasing number of people.

We strive to be at our best on a daily basis, to go further together and positively impact peoples' lives, the communities in which we are present and the planet.

We are driven, restless, bold, and entrepreneurial. We are moved by ambition and see each day as an opportunity to transform ideas into positive impact.

As a diversified group, we make the most of our capabilities and push ourselves to create a better future, every day. When faced with a challenge, we work together to overcome it.

We believe in diversity and creating a community in which every person is valued for their singularity, recognised for their talent and can be themselves.

We like being leaders, but being a leader is not about power or a corporate hierarchy. We see leadership as an attitude. It is our ability to influence, challenge, inspire and nurture. This means we are deeply committed to the development of our people, our teams, our businesses and our communities.

This is leading with purpose.

Our values are at the core of everything we do. They are our legacy and the principles that will guide us in the future. They shape the way we work and our culture as a whole. A culture that adapts and evolves, without ever losing its trademark traits.

We have our eyes set on the future, we take on long-term goals and guarantee that, today, we are building a future that is vibrant, sustainable, and inclusive. A future that celebrates and respects every person, the community, and the planet.

The principles we live by:

Lead with impact

We turn ambition into action. We strive to have a meaningful impact today and tomorrow.

Own what's next

We act as intrapreneurs first and foremost. We challenge the status quo and drive what's next.

Go further together

We champion our diverse talent. We bring our skills, knowledge, and point of views together to learn from one another and translate them into actions.

Make things simple

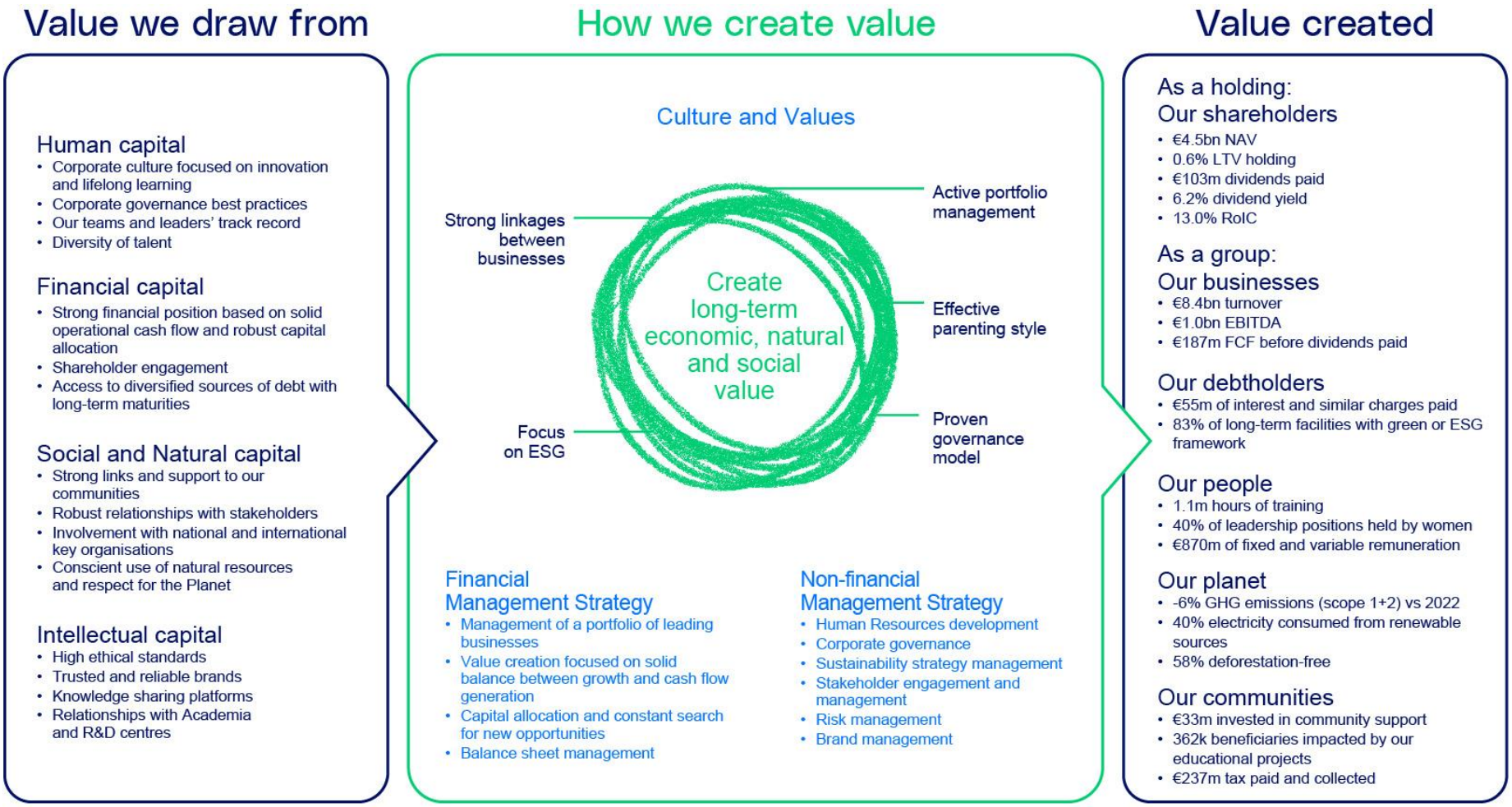
We move quickly and keep things simple. We are continuously improving to be more efficient, adaptive, and nimble.

Do what's right

We are committed to doing good business. We act independently and transparently to make the right choices.



1.2.3 Our value creation model



Note: Return on invested Capital is calculated with proportional figures and historical cost at Sierra and Bright Pixel. Deforestation-free figure corresponds to our first assessment (for 2022) and only includes MC, Worten and Zeitreel (criteria of no country risk or absence of deforestation through a certification scheme or other control and monitoring mechanisms of the commodities sourced). The amount of tax paid and collected is not audited.

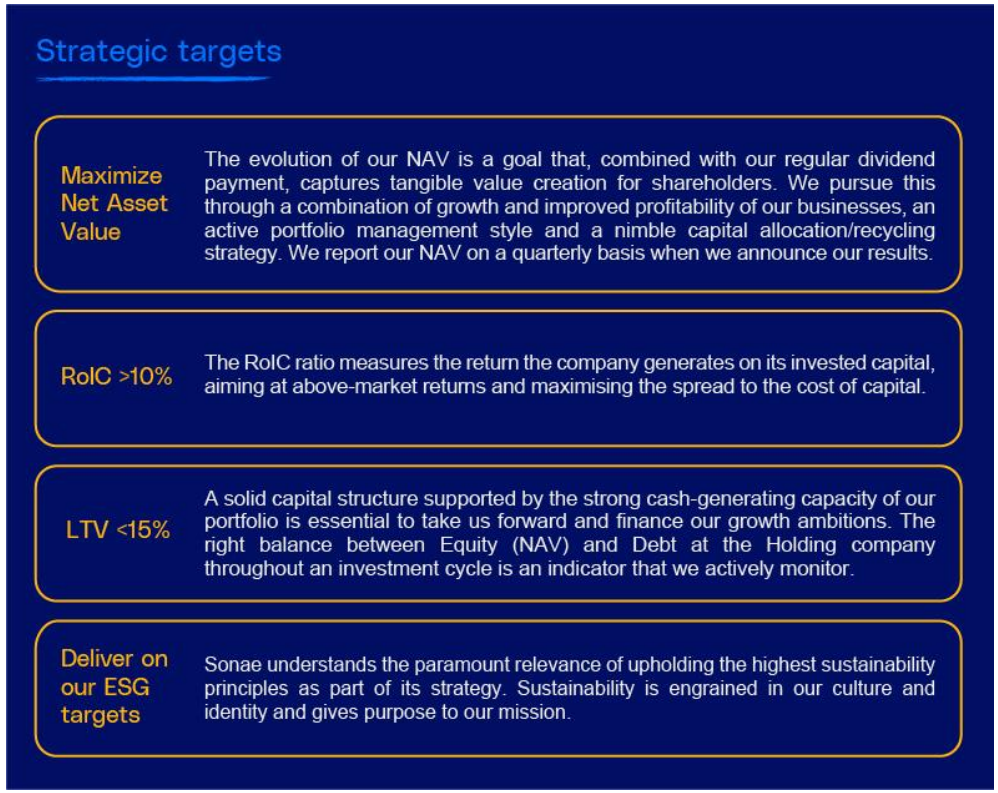
1.2.4 Our Strategy

We are firm in our belief that Sonae's continuous growth and pursuit of best-in-class performance serve as the driving forces behind the creation of opportunities for our stakeholders and the generation of superior economic, social, and natural value.

Our strategy is clearly defined, always with the goal of future-proofing Sonae and our businesses to maximise and create long-term value for all stakeholders. Operating in a globalised, fast-paced, and increasingly digital world, Sonae has been facing a progressively challenging environment with heightened operational standards. In this dynamic context, it is critical to be constantly aware of long-term trends, prioritise innovation, actively identify and invest in areas with robust growth potential, and maintain well-balanced exposure to various risks, namely by diversifying our presence in different geographic areas and sectors.

With a diverse portfolio of businesses, Sonae has a track record of growth and active portfolio management, underpinned by a disciplined capital allocation approach with the ability to create, nurture, invest and scale up new businesses, but also to reduce exposure or withdraw when the operations are value accretive.

This approach continuously requires (1) active portfolio management, through the establishment of a comprehensive understanding of each portfolio business, its market and sector. This enables the strategies and financial plans to be challenged to deliver above-market performances and growth, long-term sustainability and added value creation at the economic, social and natural levels; and (2) a continuous search for new investment opportunities, through a defined investment strategy, which contributes towards our ambition, values and targets. All of which is supported by a (3) central, robust sustainability strategy.



Active portfolio management

Sonae's current portfolio is the starting point, and we continuously monitor it, carefully assessing the performance of our businesses, contrasting how they fare within their sectors and adjusting our expectations for the medium term. Moreover, we permanently assess potential opportunities to place any asset in the market.

Disciplined capital allocation methodology

- Challenging the strategies of the portfolio companies based on Sonae's view of each sector
- Medium-term business financial plans and estimating the value creation of each business

Assessment of the portfolio businesses

An analysis of each business considering the

- Business logic
- Value-added logic
- Capital markets logic

Analysis of the Portfolio Balance

Our structured approach is based on carrying out a **three-faceted analysis, as follows**:

- **Business logic:** is the industry attractive and do we have a strong position in it? Our decision takes the structural attractiveness of a business into consideration, namely the sector or market each business competes in and the strength of its competitive position in that market.
- **Value-added logic:** How likely is Sonae to add value to the business? Sonae continuously assesses if it is the best parent and/or right owner for a given business. In other words, Sonae considers the value it might add to a business, stemming from both the relationship between the parent company and the business, as well as the linkages and synergies established between the businesses within its portfolio that constitute an important competitive advantage.
- **Capital markets logic:** How much is each business worth to Sonae compared to the market? We continuously monitor how the market values Sonae's assets in comparison to how Sonae values those assets, usually by determining the net present value of the future cash flows that Sonae estimates for each business.

In parallel, a **Portfolio Balance analysis** is carried out, providing a holistic view, and an understanding of its capital exposure to specific trends and factors (e.g. sector, market, growth pattern, geography or technological disruption).

This methodology allows Sonae to establish the best options for each business and balance its portfolio, which is ultimately the basis for shaping and optimising it over time in the search for continuous sustainable value creation. This framework has been pivotal for our dynamic portfolio management activity and capital allocation in the last few years.

Continuous search for new investments

Sonae has dedicated teams continuously scrutinising the investment space exploring surging trends, sectors and business models with growth potential, new geographic areas, and partnerships, looking for new long-term opportunities.

Throughout this task, we pursue:

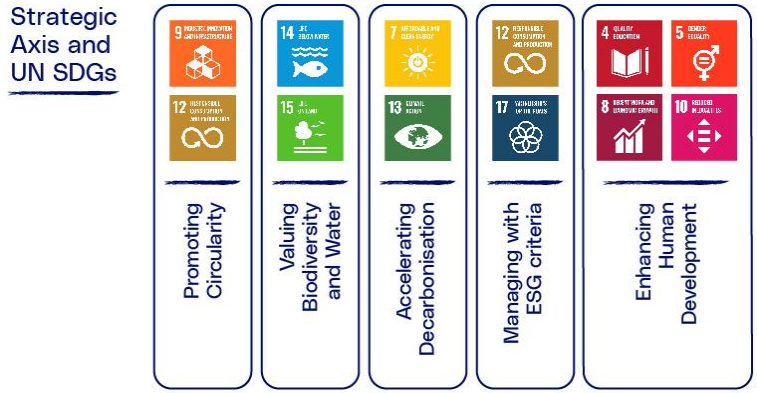
- **Sectors with strong growth and long-term trends:** sectors supported by solid macro trends and that allow long-term positionings. We are looking for best-in-class companies, boasting leading market positions and distinctive value proposals.
- **International exposure:** companies that bring geographic diversification to the portfolio. Additionally, we consider solid international businesses with significant potential to scale up successfully.
- **Flexible investment approach:** although Sonae is not bound by strict requirements, we primarily look for sizeable investments, in listed or unlisted companies, targeting controlling positions or shareholding that enables significant influence.
- **Solid corporate governance model:** investments in companies led by high-quality and entrepreneurial management teams that share a similar vision, passion and high ethical standards. We aim to add value and challenge their strategy through existing governance structures to foster growth and value creation.
- **Responsible and sustainable investments:** identifying investment opportunities aligned with Sonae's mission and supporting companies to develop an ESG strategy and a roadmap according to their objectives, impacts and stakeholders, whilst also actively contributing to the execution of Sonae's ESG commitments.

During 2023, Sonae made important steps towards the diversification of our portfolio with new and important investments, such as Druni in MC and Musti, a Nordic pet retail player. For more information about the portfolio changes please see section 1.4.1.

This growth mindset, global vision and a sustainable approach enables us to partner with the right companies and management teams to deliver our ambition, always in a responsible manner.

Sustainability at the core

In line with the work started in 2019, and to accelerate Sonae's commitment to sustainable development, in 2022, Sonae and its portfolio businesses revisited their sustainability priorities. This work allowed Sonae to redefine its Sustainability Strategy as an active portfolio manager, through a rigorous and comprehensive analysis, leading **to five new strategic axes aligned with the United Nations Sustainable Development Goals** (UN SDGs).

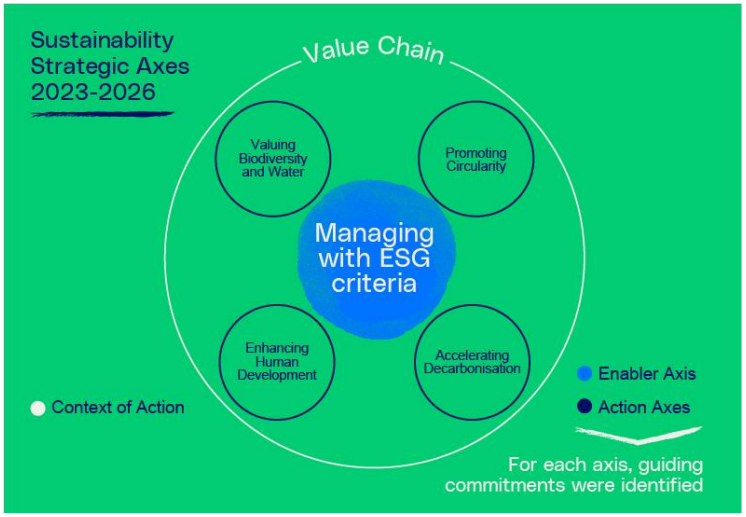


These axes are Sonae's compass to guide its positioning, activities, and sustainability commitments. In a constantly changing socio-economic environment, Sonae updated its Sustainability Strategy, which can be adapted to future challenges, and whenever possible, is rooted in scientific understanding and targets to ensure the long-term well-being of future generations. Each of the five strategic axes has its own roadmap carefully designed to challenge us, to achieve the corresponding commitments and targets.

An integral facet of our corporate responsibility, sustainability is reflected not only in the formulation of our strategy, but also in every operational decision we make. We are committed to ensuring that our choices actively contribute to the achievement of the UN SDGs, proudly reflected in our updated Sustainability Strategy.

At Sonae, **we recognise that integrating ESG criteria into our core strategy is essential for sustained success**. The interconnectedness of financial, social and environmental factors brought managing with ESG criteria to the centre of our Sustainability Strategy.

This is because, on the one hand it is aligned with stakeholder expectations and fosters long-term value creation following the acquisition of the new companies.



On the other hand, it provides a competitive advantage by guaranteeing the evolution of our environmental, social and governance performance throughout the value chain of all our businesses. Finally, this axis helps Sonae to align business practices with the broader goals of sustainable development and responsible corporate citizenship.

1.2.5 Our stakeholders

Together with our stakeholders, we give purpose to our mission.

Sonae is committed to a stakeholder-focused governance model that prioritises our mission. We continuously and actively listen and engage with our diverse stakeholders through a structured process that involves identifying, analysing, planning, and implementing actions that reflect our mission. This dialogue is based on mutual trust and transparency.



Proactive and effective engagement with all key stakeholder groups allows us to uphold our values and follow our strategy focused on identifying opportunities for growth and development.

Moreover, by actively engaging and working together on a regular basis, we ensure that our business operations are responsible and balanced in both the short and long term. In fact, we believe that it is crucial to collaborate with all our stakeholder groups, but we also recognise that each of them is unique and requires a tailored approach and engagement.

The chart includes our most significant stakeholder groups based on their impact on Sonae, their level of engagement, and the extent to which they are affected by our business portfolio.

Our People

At Sonae, we work every day to create an inclusive, safe, and supportive environment for all our team members, whose well-being and commitment to serving our stakeholders are essential for our long-term success.

With over 48 thousand employees spread across the different businesses, the engagement and commitment of our people are key and at the heart of our success. We are committed to fostering a culture of inclusion, diversity, equal opportunities, work-life balance, and fair and transparent compensation structures that provide everyone with the adequate conditions for their and our long-term success. Our Board recognises the benefits of a diverse workforce and an inclusive culture and there has been significant investment and activity to increase diversity, equity and inclusion.

What matters to our people?	What is our approach and how do we engage our people?
• Fair and robust reward and recognition schemes • Opportunity for learning and growth • Work-life balance, employee well-being, experience and engagement • Diverse and inclusive work environment • Agile and flexible working practices • Innovative environment	• €870m of salaries paid, including fixed and variable components. • 40% of leadership positions held by women • More than 1 million hours of training • 0.8% people recruited under the programme “People with a Difference” • Five meetings of the Human Resources Consulting Group

Remuneration and benefits



Sonae’s remuneration policy is governed by a set of principles aligned with best national and international practices, benchmarked against comparable peers, adjusted for its particular market conditions, to balance the objectives of sustainability and talent retention.

The remuneration package consists of a fixed salary and a variable component, which vary depending on the organisational group. Each group has a predefined salary range designed to maintain competitiveness in each sector. The policy assumes that initiative, competence, commitment, and ethics are the essential foundations of good performance, which must be aligned with the group’s medium and long-term strategy, aimed at its sustainability.

The fixed remuneration includes a base salary, established annually and defined according to personal skills, the level of responsibility of the job, and the recommended positioning concerning the comparable market. The variable remuneration aims to guide and reward for achieving predetermined targets (both consolidated and individual). The group’s KPIs are economic, but also related with our sustainability strategy. For 2023, People KPIs are leadership positions occupied by women and talent retention, and Planet KPIs are the evolution of our GHG emissions and the penetration of own brand recyclable packaging.

In addition, recognising the pivotal role that remuneration and benefits policies play in both attracting and retaining talent, we also prioritised incorporating benefits not solely within the confines of formal remuneration policies, but also within the realms of experiential and emotional engagement. In fact, we have expanded our remuneration package to encompass a diverse array of benefits, partnerships, programmes, and initiatives tailored to cater to the

unique needs of various generations within the workforce. In fact, through '*Mais Sonae*', Sonae provides its employees with a comprehensive benefits and advantages system. It has an extensive network of partners in place with several activities, from health and well-being, sports, communications, training and education, retail, and tourism, to culture and leisure, amongst many others.

Diversity, Equity and Inclusion

Sonae recognises the crucial role of fostering diversity, equity, inclusion, and employee well-being to advance human development. This commitment extends not only to its employees but also to those within its value chain and the communities it serves.



Prioritising dimensions such as gender, disabilities, cultural ties, generational diversity, and LGBTQIA+ inclusion, the group empowers each company to define and monitor specific goals. The overarching objective is to cultivate diversity and an inclusive culture that attracts, develops, and retains talent.

Well-being and satisfaction

To maximise the performance and work-life balance of our people, we have flexible work arrangements, set out to actively contribute to integrating the personal and professional lives of employees and, consequently, enhance their well-being and professional fulfilment.

With different formats, adjusted to the needs and reality of each employee, business and team, this programme is designed to: share and encourage the adoption of flexible working models, allowing employees to work remotely, choose when their workday begins and ends, reduce their weekly workload, request for unpaid leave, enjoy more holiday days than those established legally, have up to five extra unpaid days for personal purposes, to work, once a year, for a period of one to three months on a mobility basis in an office of one of the Sonae group companies in a different country, and the possibility of having Friday afternoons off if full office working model , amongst others.

Apart from the legal requirements, such as the use of parental leave, layoff periods and absences to care for their children, Sonae provides on-site lactation rooms in its main offices, aiming to support mothers, as they navigate the transition back to work. In terms of family support, in partnership with the Belmiro de Azevedo Foundation, there is a programme to recognise the merit and encourage outstanding school performance from employees' children.

At our headquarters, **Sonae Campus**, we offer a wide variety of services designed to promote personal and work life balance, namely, the community vegetable garden, sports centres, food courts, hairdressers, laundry, delivery pick-up spots and sustainable mobility solutions such as shuttles and bicycles, and charging points for electrical vehicles. Sonae also has several initiatives available to all employees such as curative medicine, food and nutrition advisory, massage, yoga, pilates and other related initiatives.

Sonae Campus



We regularly engage with our employees, conducting **Employee Net Promoter Score** (eNPS) surveys at least twice a year. Our businesses also conduct other employee satisfaction surveys to track and closely manage employees' satisfaction, namely "*Tu Contas*" at MC and Worten, "*Happy People Survey*" at Zeitreel and "*Employee Climate Survey*" at Sierra.

In addition, during 2023, an "*Organisational Health Index*" survey was also conducted across the group with the support of McKinsey & Company, to help understand how to make Sonae an even healthier and higher performing organisation.

Our Communities

Our communities are a pillar of our sustainability and our success. We recognise the importance of contributing through volunteering, community investment, and long-term partnerships. Community engagement and social value creation are central to our strategy. The impact of our presence on society makes us committed to making positive difference to the communities in which we are present and operate.

We also recognise the importance of the customers of our portfolio companies. They are seen as part of both our people and our communities, and therefore play an important role in Sonae's development by allowing us to predict market trends across the portfolio. In addition, we also recognise the importance of promoting more sustainable behaviours and choices among our customers. By actively engaging customers in sustainable practices and choices, businesses can not only contribute to global sustainability goals, but also foster a positive and responsible brand image. Thus, in 2023, several campaigns were promoted to encourage and enable more sustainable behaviours.

What matters to our communities?	What is our approach and how do we engage with our communities?
• Sustainability and the local environment • Impact on the local economy and society • Adoption of healthier lifestyles • Protection of biodiversity and climate impact • Improved community infrastructure	• 6% reduction in CO_{2e} vs 2022 • 5.2k hours of employee volunteering • Regular updates to Executive Committee on our corporate responsibility activity from all our businesses • €33m of community support • 362k beneficiaries impacted by our educational projects • 1.4k institutions supported • 88k trees donated

Our Companies

Our portfolio is comprised of eight businesses. Despite sharing a common culture and values, each company has its own strengths and expertise, allowing the group to diversify its operations and mitigate risks. This enables us to weather economic cycles and take advantage of opportunities in various markets.

The success of each business is not dependent on the other businesses, although they leverage each other's know-how and resources to drive growth and efficiency. Sonae's role is to constantly challenge its management teams to achieve outstanding results and performance and grasp market opportunities.

For further information about our portfolio, please see the 1.4 section.

What matters to our companies?	What is our approach and how do we engage with our companies?
• Strong and long-term economic and sustainable performance • Financial and operational support • Capital structure management • Regular communication and meetings • Network and knowledge sharing • Support decision-making • Guarantee independence and autonomy	• Sonae's Executive Committee is part of each Board of Directors of our portfolio companies • There are regular meetings between Sonae's Executive Committee and each of our portfolio CEOs • Annual strategy planning cycle • Include people from all our portfolio companies on the dynamics of the group's platforms (commissions, consulting groups and other fora)

Our Investors and Shareholders

We proactively engage with investors and shareholders to share perspectives on significant issues, including company performance and strategy, corporate governance, executive compensation, and ESG topics. This helps us better understand their priorities and perspectives and gives us an opportunity to elaborate on our initiatives with relevant experts, as well as foster constructive dialogue. Following our commitment with shareholders and other stakeholders, we take the feedback and insights provided into consideration as we review and evolve our practices and disclosures and share them with our Board as appropriate.

Sonae carefully manages its capital structure to align the interests of all investors, including minority shareholders and debt providers. The support of our equity and debt investors and continued access to capital is vital to long-term success and a very important asset.

What matters to our investors and shareholders?	What is our approach and how do we engage with our investors and shareholders?
• Understand the purpose, values and culture of the group • Understand the risks and opportunities that impact the group's strategy execution and performance • Good and transparent governance model • Regular investor and analysts' meetings and roadshows • Long-term sustainable and profitable growth • Transparent and increased dividend policy • Solid capital structure • Financial and non-financial reporting • Responsible investment	• Board engages with all shareholders at the Annual Shareholders Meeting. • Dividends paid every year with +5%: totalling €103m in 2023. • More than 300 meetings with investors and analysts throughout the world and virtually. • 83% of ESG and green-linked loans • Collaborative approach with prestigious ESG rating agencies. • 17 market announcements and four quarterly earnings reports. • Regular updates to the Board on market sentiment and relationship with capital markets. • Perception survey to the investment community in 2023.

Our Partners

Several of our businesses are supported by strong and long-term partnerships between Sonae and reference market players and/or investors. We recognise that partnerships grant us access to resources, new investment opportunities, knowledge and expertise, in addition to increasing our investment flexibility.

From a wider perspective, we also consider our businesses' suppliers as important partners on our journey and with whom we share a common vision based on corporate responsibility principles. It is vital to build strong working relationships with all those involved throughout the value chain. Our retail businesses continued to be actively engaged in strengthening their supplier management programs, encompassing several stages of interaction with our business partners. These initiatives are designed to manage ESG risks associated with supply chain, while encouraging our businesses' suppliers to adopt the best environmental and social practices, and at the same time influencing their own supply chains.

What matters to our partners?	What is our approach and how do we engage with our partners?
• Values based on trust, ethics and transparency • Investment and growth opportunities • Shared corporate values • Peer-to-peer support • Pro-active engagement	• Recurrent meetings during the year • Share know-how and experiences • Supporting local producers, namely promoting the best production practices, with MC Continente's producers club which already counts with c.340 members • Suppliers code of conduct, performance assessments to promote development, offer training and share experiences namely with MC Continente's Producers Club Academy, with 83 producers involved

Organisations and Public entities

Sonae and its portfolio companies are members of relevant national and international organisations. Listening and engaging with multistakeholder organisations are a critical way to understand our impacts and inform our work.

Sonae works openly and transparently with several public entities to share our plans, understand their priorities and concerns, and find mutually beneficial solutions.

We also strive to maintain positive and constructive relationships with regulators so that we can operate correctly, help to shape policy in our markets and position our portfolio to seize future opportunities.

What matters to our organisations and public entities?	What is our approach and how do we engage with our organisations and public entities?
• Legal and safe operations fully compliant with relevant regulations namely: remuneration policy, sound environmental practices, including waste management, consumer protection, food and product safety, digital and cybersecurity, supply chain, trade, competition and taxation, inequalities gap and reskilling, and socioeconomic issues	• Maintain a constructive and open relationship with regulators, organisations and public entities • Meet regularly and always respond to direct queries • Nurture relationships with all external stakeholders • Relevant network by engaging with more than 56 national and international organisations

1.3 Our leadership

1.3.1 Our shareholder structure

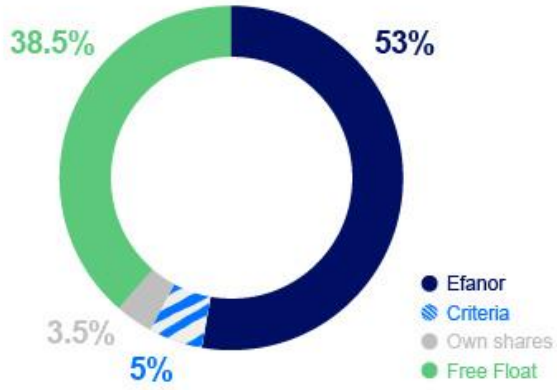
The Sonae share

Sonae's share capital is €2,000,000,000, fully subscribed and paid, divided into 2,000,000,000 nominative ordinary shares, each with a nominal value of one euro. The company's shares are quoted on the Portuguese stock exchange, Euronext Lisbon with the ISIN code PTSON0AM0001, and included in the PSI index and several ESG indexes.

Shareholder Structure[1]

Sonae has a stable shareholder structure, with a controlling family shareholder, through Efanor Investimentos SGPS, SE, a family holding company.

At the end of 2023, the Company held 70,272,539 own shares, representing 3.5%, and the free float represented 38.5% of the share capital.[2]



1.3.2 Our Corporate governance structure

Sonae's corporate governance model is based on a strong set of corporate values that reflect our identity, legacy and are fully aligned with our strategy and our mission. As a holding company, Sonae ensures that these core values resonate throughout the portfolio companies through a flexible Governance framework that enables fast decision-making and effective oversight.

Corporate governance practices involve the frameworks and processes through which a company is controlled and directed by its owners, either directly or through delegation. Effective corporate governance is not only vital for the group, it also forms a fundamental aspect of our main business operations.

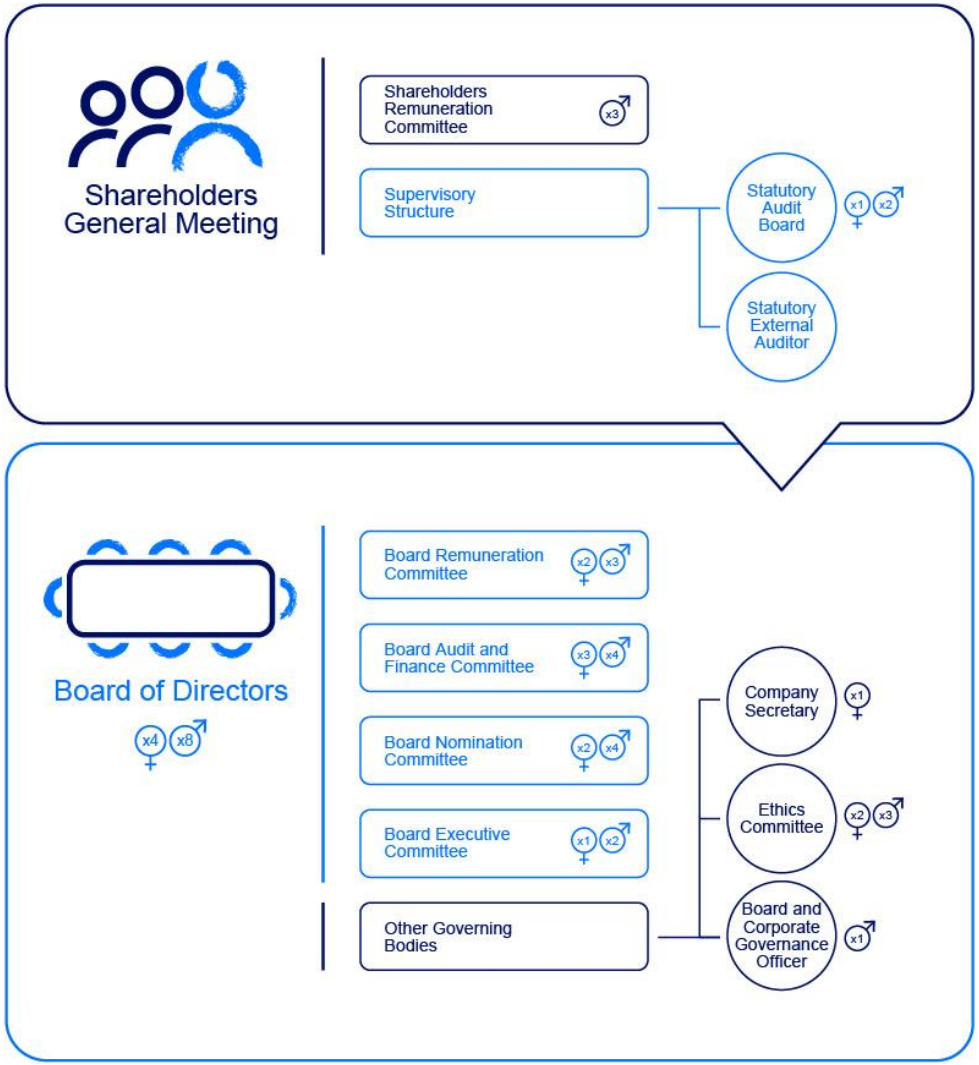
Sonae adopts a one-tier governance model structured around the Board of Directors. Therefore, the Board of Directors is responsible for the general running of the company's businesses. The Shareholders General Meeting, which is held annually, deliberates on all matters for which the law and the company's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

As of 31st December 2023, the Board of Directors comprised 12 members and hosted three specialised committees – the Board Audit and Finance Committee, the Board Remuneration Committee, and the Board Nomination Committee – in order to support the non-executive directors' activity and ensure maximum effectiveness of the management of the Board. The Board also appoints an Executive Committee, which has delegated powers to conduct the daily management of the company. The Executive Committee is composed of three Executive Directors from the Board - the CEO, the CFO and the CDO and is responsible for the monitoring and development of the group's businesses, as well as investment and divestment projects. Moreover, the Board and the Corporate Governance Officer, the Company Secretary and the Ethics Committee (chaired by a non-executive member of the Board) act as advisors to the Board of Directors.

[1] The shareholder structure's information refers to the dates of the latest qualified shareholding notifications received from the respective shareholders.
[2] For more information about Sonae's shareholder structure, please see Chapter A. of the Corporate Governance Report.

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. All members of the Board of Directors are highly respected both individually and as a team, and their specialised expertise and collective knowledge are valuable assets to the Sonae's Executive Committee.

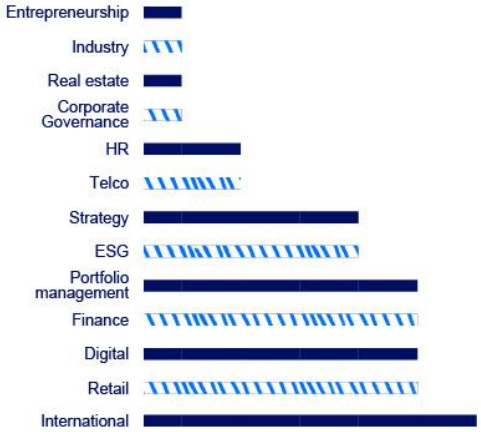
The current Board of Directors was elected in the 2023 Shareholders' General Meeting and its mandate ends at the end of 2026. The members of the Board increased from 10 to 12. During the year, one member resigned, and a new member was co-opt. Of the twelve members that compose the Board of Directors, nine are Non-Executive Directors, five are Independent and its composition ensures diversity in gender, nationality, experience, and expertise.



Board Diversity



Main areas of expertise



Our Board of Directors

Non-Executives



Paulo Azevedo

Chair since 2015

Appointed to the Board: 2000
Nationality: Portuguese
Age: 58
Areas of expertise: ESG, Retail, Telco and Strategy

C M ●



Ângelo Paupério

Director

Appointed to the Board: 2000
Nationality: Portuguese
Age: 64
Areas of expertise: Finance, Retail, Telco, Real Estate

M M ○



José Neves Adelino

Lead Director

Appointed to the Board: 2007
Nationality: Portuguese
Age: 69
Areas of expertise: Finance, International and Corporate Governance

C C



Marcelo Faria de Lima

Independent Director

Appointed to the Board: 2015
Nationality: Brazilian
Age: 62
Areas of expertise: International, Finance, Portfolio Management and Digital

M M



Carlos Moreira da Silva

Director

Appointed to the Board: 2019
Nationality: Portuguese
Age: 71
Areas of expertise: Portfolio Management, Industry and Entrepreneurship

M



Fuencisla Clemares

Independent Director

Appointed to the Board: 2019
Nationality: Spanish
Age: 49
Areas of expertise: Digital, Retail and Strategy

C M M

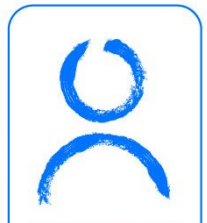


Philippe Haspeslagh

Senior Independent Director

Appointed to the Board: 2019
Nationality: Belgian
Age: 73
Areas of expertise: International, Portfolio Management, ESG and HR

M M M



Eve Henrikson

Independent Director

Appointed to the Board: 2023
Nationality: German
Age: 43
Areas of expertise: Digital, Retail, International

M M



Maria Teresa Ballester

Independent Director

Appointed to the Board: 2023
Nationality: Spanish
Age: 60
Areas of expertise: Finance, International and Portfolio Management

M M

Executives



Cláudia Azevedo

CEO

Appointed to the Board: 2019

Nationality: Portuguese
Age: 53
Areas of expertise: Strategy, Portfolio Management, Digital and ESG

C ● ●



João Dolores

CFO

Appointed to the Board: 2019

Nationality: Portuguese
Age: 43
Areas of expertise: Finance, Strategy and International

M ● ● ○



João Günther Amaral

CDO

Appointed to the Board: 2023

Nationality: Portuguese
Age: 54
Areas of expertise: Digital, Retail, Human Resources and ESG

M M ● ●

Board Committees
● Executive ● Audit and Finance ● Remuneration ● Nomination Ⓒ Chairperson Ⓜ Member

Other Committees, Commissions and Consulting Groups (C.G.)
● Ethics Committee ● Human Resources C.G. ● Sustainability C.G. ● Risk M. C.G. ● Audit Coordination Commission ○ Corporate Finance Commission

The Executive Committee is supported by a Corporate team at the holding compromising several teams that support them. In fact, the holding structure is focused on portfolio management, capital and talent allocation activities, while maintaining central coordination in key areas such as talent, sustainability, risk management, and digital to further future-proof our companies and strengthen competitiveness in their markets.

Our **Corporate team** is focused on[3]:

- Understanding the market dynamics and developing an independent and comprehensive long-term view on each sector in which is present as well as in potential new ones;
- Ensuring businesses develop strategies and business plans that translate into above average sustainable returns and future-proof business models with financial and ESG requirements embedded into them;
- Assessing significant capital reallocations, investment into new business areas and divestment (partial or total) from existing businesses;
- Ensuring a balance between capital employed and debt provided for the desired risk and return levels;
- Certifying that businesses abide by Sonae's values and high ethical standards;
- Ensuring businesses invest in the development of human capital and produce outstanding leaders;
- Managing top talent across the group, promoting internal mobility and ensuring the right skill set and diversity across all senior leadership teams;
- Ensuring management teams have adequate incentive schemes, fostering balanced behaviours, adequate risk-taking attitudes and long-term focus without discarding short-term goals;
- Ensuring transparent reporting and attracting the best investors.

In addition, and as a parent company, Sonae has evolved over time to a model that promotes a higher degree of autonomy for each business and a more uniform **parenting style across the portfolio**, focused on strategic, financial and sustainable challenges and risks to each of its businesses, thus creating the conditions to respond more rapidly to the rising challenges of ever-changing competitive landscapes and contexts.

Each portfolio company has its own corporate governance structure, which operates under the same directives of accountability and transparency and is fully aligned with Sonae's Governance framework. The Corporate team interacts regularly with each business management team.

Each portfolio company has its own corporate governance structure

Sonae's Executive Committee is involved with the Boards of the portfolio companies

Furthermore, and as the holding company, Sonae is engaged in the Governance structure of each portfolio company through the involvement of Sonae's Executive Committee with the respective Board of Directors and by providing advice to each company in transversal and relevant issues to ensure coherence within the group. These mechanisms are key to making sure that all relevant information channels are in place for quick and informed decision-making.

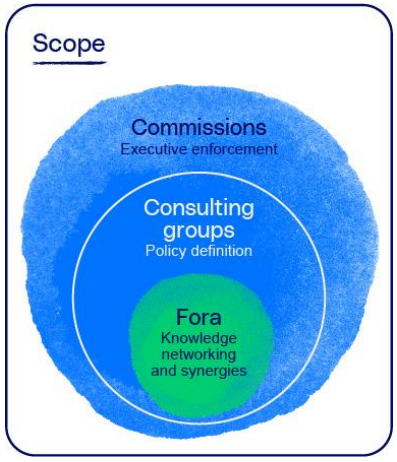
Finally, and to increase the Executive Committee's engagement with our portfolio businesses there are a Group of Senior Executives (CEO of each business) that meets regularly during the year.

[3] For more information on the areas of the holding, please see paragraph 21 of the Corporate Governance Report.

1.3.3. Our linkages between businesses

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.

These platforms not only fuel and encourage value creation and create synergies but also serve as a means for talent and career advancement. There are three types of platforms depending on their scope (see image)[4].



Sonae has established **Commissions** to coordinate and execute business decisions and implement corporate policies mostly related to Finance and Audit matters.

Moreover, Sonae also 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.

Furthermore, Sonae has **other Fora** to address specific themes across the portfolio. These fora are designed to be flexible and facilitate knowledge sharing, networking opportunities and synergies throughout the entire portfolio.

There are several fora: administrative and tax, digital, e-commerce, finco (IT solutions), finov (innovation), International, legal and planning and control.

All these initiatives are a crucial aspect of our business model, fostering connections and synergies between our portfolio companies, opening communication channels, and facilitating knowledge sharing, providing Sonae with a comprehensive view of the business landscape.

	Total members	Board members	# of meetings in 2023
Commissions			
Audit coordination Commission	21	1 (CFO)	4
Finance Commission	20	2 (Non-Executive and CFO)	10
Consulting groups			
Sustainability Consulting Group	38	3 (Chair, CEO and CDO)	5
Human Resources Consulting Group	15	2 (CEO and CDO)	5
Risk management Consulting Group	20	1 (CFO)	4
Improving our work Consulting Group	14	2 (CEO and CDO)	14

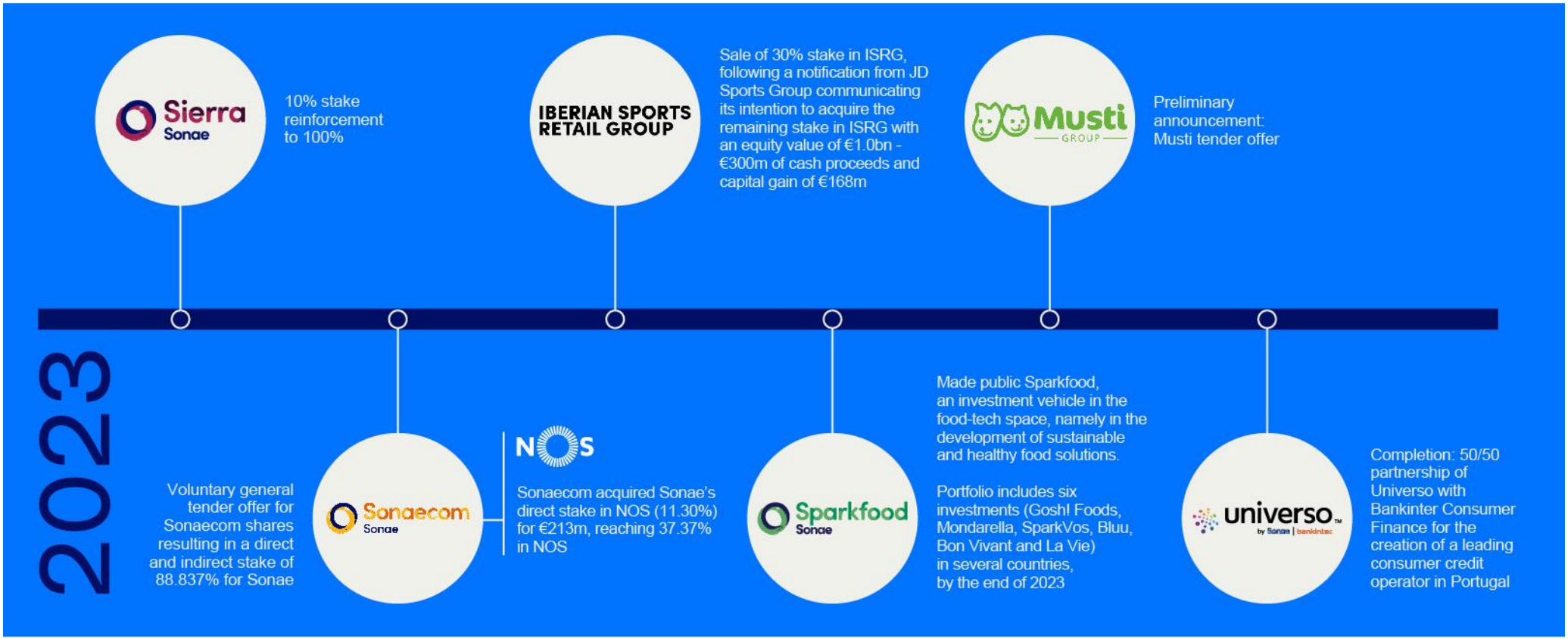
For more information about the Sustainability and Human Resources Consulting groups please see section 1.5.

[4] For more information about these platforms, please see paragraph 21 of the Corporate Governance Report.

1.4. Our strong and resilient portfolio

1.4.1. Our Portfolio and changes during the year

As a holding company, we are an active portfolio manager, and 2023 was no exception. In 2023, there were important changes with the aim of strengthening the future of our group.





Tender offer for Musti

Sonae took an important step to grow and internationalise its retail portfolio with a public tender offer for Musti shares. The tender offer was launched in November 2023 by a consortium led by Sonae and two directors and the CEO of Musti.

Musti is the leading pet care retailer in the Nordic region, with a successful omnichannel strategy leveraged by its own and exclusive product offering and a distinctive physical and digital footprint. Musti's core Nordic markets in Finland, Sweden and Norway have a solid macroeconomic context characterised by high household income levels when compared to the European average, and a positive growth outlook in the pet retail segment, with increasing consumer preference for specialised retail and online channels for pet-related purchases.

The consortium intends to initiate the next development phase of Musti by further enhancing its value proposition and catering to the needs of an increasing number of pet parents. To accomplish this, the consortium relies on the combination of (i) Sonae's expertise in omnichannel retail, resources and geographic outreach, which have enabled the successful development of leading retail businesses in different markets, (ii) the experience and know-how of the consortium partners in the pet care retail business, together with Musti's strong management team, ensuring continuity with its core values and culture, and (iii) Musti's differentiated value proposition underpinned by its own and exclusive brands and complementary services, coupled with in-depth consumer knowledge leveraging its unique loyalty programme with over 1.5 million active and recurrent customers.

The tender offer was concluded in March 2024, resulting in an 80.65% control of the company.

Our resilient portfolio (and our stake in each business)

Retail

MC Sonae

Food and Health, Wellness & Beauty Retail

75%



Worten Sonae

Omnichannel retail with electronics as core

100%



Real Estate

Sierra Sonae

Integrated Real Estate operator

100%

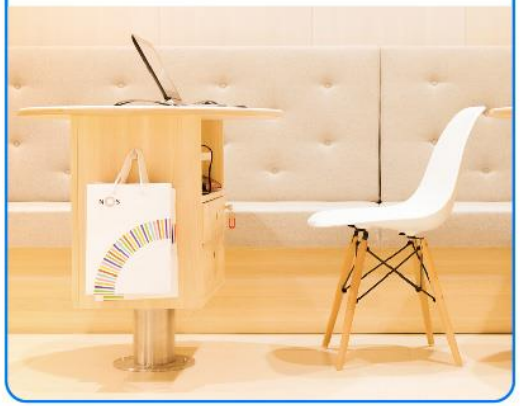


Telco & Tech

NOS

Telecom

37%



BrightPixel Sonae

Investment Management

90%



Other businesses

Sparkfood Sonae

Innovative companies in the food-tech space

100%

universo by Sonae | bankinter

Financial services

50%

Zeitreel Sonae

Fashion retail

100%

1.4.2 Our Retail businesses | 53% of €4.5bn NAV

MC Sonae

Leading grocery retailer in Portugal with an important role in the Health, Wellness and Beauty sector in Iberia

In 2023, MC has continued to show a solid and positive operational performance, and a benchmark profitability. MC continued to actively fulfil its role by ensuring that customers receive a high quality and affordable offering, both in stores and online. Amid a challenging operating setting during the year, MC was able to sustain its leadership position in the Portuguese grocery market.

Financial (€m)	2022	2023
Turnover	5,978	6,607
uEBITDA mg	9.4%	9.7%
Net debt /EBITDA	2.7	2.8
Dividends paid	243	214
ESG	**2022**	**2023**
Leadership | Women	39.4%	40.6%
Community support	€29.8m	€30.8m
GHG emissions (1+2)	152k t CO_{2e}	142k t CO_{2e}
Plastic pack. recyclability (own brand)	80%	86%

Also in 2023, MC announced that it has entered into an agreement with the founding shareholders of Druni and Arenal Perfumerias for the combination of these two companies. The strong geographical complementarity of both store chains will enable a comprehensive coverage of the Spanish territory, reinforced by a reference online operation, providing a unique omnichannel value proposition to the market. This partnership allows MC to strengthen its position in the HWB segment, one of its main strategic pillars, enhancing the joint assets and capabilities of Druni and MC (most notably of Continente, Wells and Arenal), to create the market leader in the Iberian HWB sector.

MC will remain focused on consolidating its leadership in the Portuguese grocery retail market, further expanding and remodelling its store network and offering the best value and products to its customers. For HWB, the priority will be on the successful integration of Arenal and Druni, while positioning the company to maintain its attractive growth profile and capture the synergies from this combination.

Worten Sonae

Leading omnichannel retailer, for products and services, with electronics and appliances at the core

During 2023, both its electronics and home appliances' core segments, as well as the new categories, leveraging on its marketplace, and adjacent services, continued to perform positively. In terms of profitability, the favourable sales evolution was more than offset by the ongoing digital transformation and inflationary pressure in some operational costs.

Worten will continue to push its omnichannel strategy on both products and services, focusing on accelerating its digital transformation and defending its market leadership position.

Financial (€m)	2022	2023
Turnover	1,238	1,298
Online share	15.9%	16.0%
uEBITDA mg	6.2%	5.8%
ESG	**2022**	**2023**
Leadership | Women	28.9%	30.4%
Community support	€56k	€17k
GHG emissions (1+2)	4.0k t CO_{2e}	3.5k t CO_{2e}
EEE reconditioned (electrical and electronic equipments)	135k	155k



1.4.3 Our Real Estate business | 23% of €4.5bn NAV

Sierra Sonae

Vertically integrated real estate developer, manager and investor

In 2023 Sierra recorded a strong financial performance and continued to successfully execute its strategy across the different business units.

Financial (€m)	2022	2023
NAV INREV	972	1,057
EBIT	77	99
Net Result	31	89
Gross LTV	43.0%	38.1%
ESG	**2022**	**2023**
Leadership | Women	38.5%	39.1%
Community support	€412k	€728k
GHG emissions (1+2)	8.9k t CO_{2e}	9.8k t CO_{2e}
Accident rate per million of visits	1.2	1.2

The year was marked by the achievement of key strategic milestones, such as i) a strong performance of its shopping centre portfolio, with tenant sales achieving record levels accompanied by high footfall; ii) the continuation of the development and commercialization of five projects (ranging from mixed-use buildings to office and residential spaces) and iii) the addition of a new real estate investment vehicle in the German market and the management of CTT (Portuguese postal service) real estate portfolio in Portugal, comprising 363 assets.

The company experienced notable growth in its third-party services, marked by a double digit increase in EBITDA, particularly driven by the expansion of property management services, securing 27 new and renewed contracts throughout Europe and Morocco.

At Sierra, prime assets are expected to continue performing well while the company executes its strategy, looking for further asset management initiatives to foster value creation across its shopping centre portfolio, to accelerate growth in the services area across diverse asset classes, while executing and growing its development pipeline.

1.4.4 Our Telco and Tech businesses | 20% of €4.5bn NAV

NOS

A leading convergent player in the Portuguese telecoms market

In 2023, NOS delivered solid and resilient figures. In terms of shareholder remuneration, the company's Board of Directors approved a proposal to the next AGM of a dividend payment of 35 euro cents per share, 26% above last year's ordinary dividend and corresponding to a payout of 99.6% of net results and 10.6% dividend yield. Total dividend distribution proposal amounts to €180m, of which €67m for Sonaecom. Please see the company's results here.

NOS will leverage the strong investments done in recent years to continue to attract new customers in both B2C and B2B and improve its market position in Portugal.

BrightPixel Sonae

Active venture capital investor specialized in technology with 43 companies in the portfolio

In 2023, Bright Pixel continued to explore opportunities to expand its active portfolio, which already includes 43 companies around the globe, through investments in new ventures and follow-ons within its existing portfolio. For more information, please see Sonaecom's results announcement here. Bright Pixel investment activity led to an increase in both NAV and cash invested in the active portfolio to €340m and €177m, respectively, reflecting a potential cash-on-cash of 1.9x on the existing portfolio.

Bright Pixel will continue to actively manage its portfolio of investments in leading-edge technology companies.



1.5. Our sustainability ambition: our new strategy

1.5.1 Our Sustainability journey so far

Sustainability is not a new concept for Sonae and its portfolio. For more than 20 years, Sonae has been a strong advocate for sustainability by endorsing organisations with sustainable causes and establishing internal policies, structures, and external commitments.

With a long-term vision, and urgency to go beyond the economic value generated by its business, 2019 was a landmark year for Sonae. On one hand, was the first full year of our **Sustainability Consulting Group** (created in 2018, reinforcing the governance model in sustainability), a forum responsible for developing and adopting common policies and principles of action and fostering the definition of clear objectives for the priority axes. On the other hand, 2019 marked the year when the performance and the synergies built between businesses resulted in the first-ever transversal sustainability commitments.

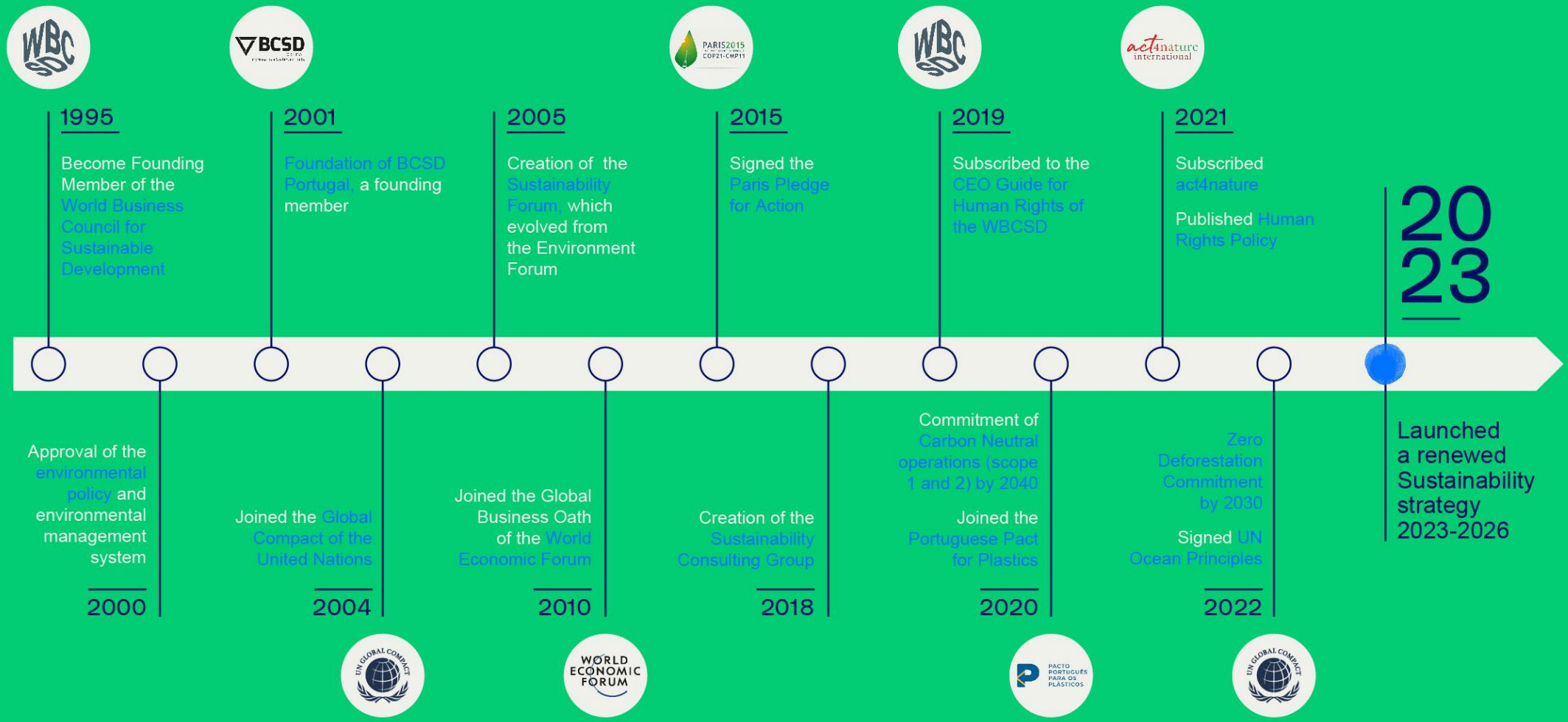
With these transversal commitments in place, all our companies have accelerated their sustainability efforts over the past four years. Thus our businesses developed their strategies, established (science-based) targets, improved performance, and remained in the current race of the continually changing and challenging global and local contexts in which they operate.

During 2022, building in the foundation, Sonae reviewed, updated and in 2023 announced its Sustainability strategy for the period 2023-2026.

The Sustainability area of the holding company in the process of revisiting the strategy and consequently the priority axes and transversal commitments, initiated a comprehensive reassessment of Sonae´s sustainability strategic approach. The study undertaken considered Sonae's role as an active portfolio manager, as well as a benchmark coupled with an assessment of the current and anticipated regulatory agenda, experts focus groups, stakeholder feedback, and executive vision.

This process resulted in the formulation of **five strategic axes,** which now constitute the renewed sustainability strategy for the 2023-2026 period. **This strategy aims to accelerate the commitment and performance of our portfolio businesses in the ESG terms.**




1995
Become Founding Member of the World Business Council for Sustainable Development
2001
Foundation of BCSD Portugal, a founding member
2005
Creation of the Sustainability Forum, which evolved from the Environment Forum
2015
Signed the Paris Pledge for Action
2019
Subscribed to the CEO Guide for Human Rights of the WBCSD
2021
Subscribed act4nature
Published Human Rights Policy
2023
Launched a renewed Sustainability strategy 2023-2026
Approval of the environmental policy and environmental management system
2000
Joined the Global Compact of the United Nations
2004
Joined the Global Business Oath of the World Economic Forum
2010
Creation of the Sustainability Consulting Group
2018
Commitment of Carbon Neutral operations (scope 1 and 2) by 2040
Joined the Portuguese Pact for Plastics
2020
Zero Deforestation Commitment by 2030
Signed UN Ocean Principles
2022

1.5.2 Our approach to sustainability

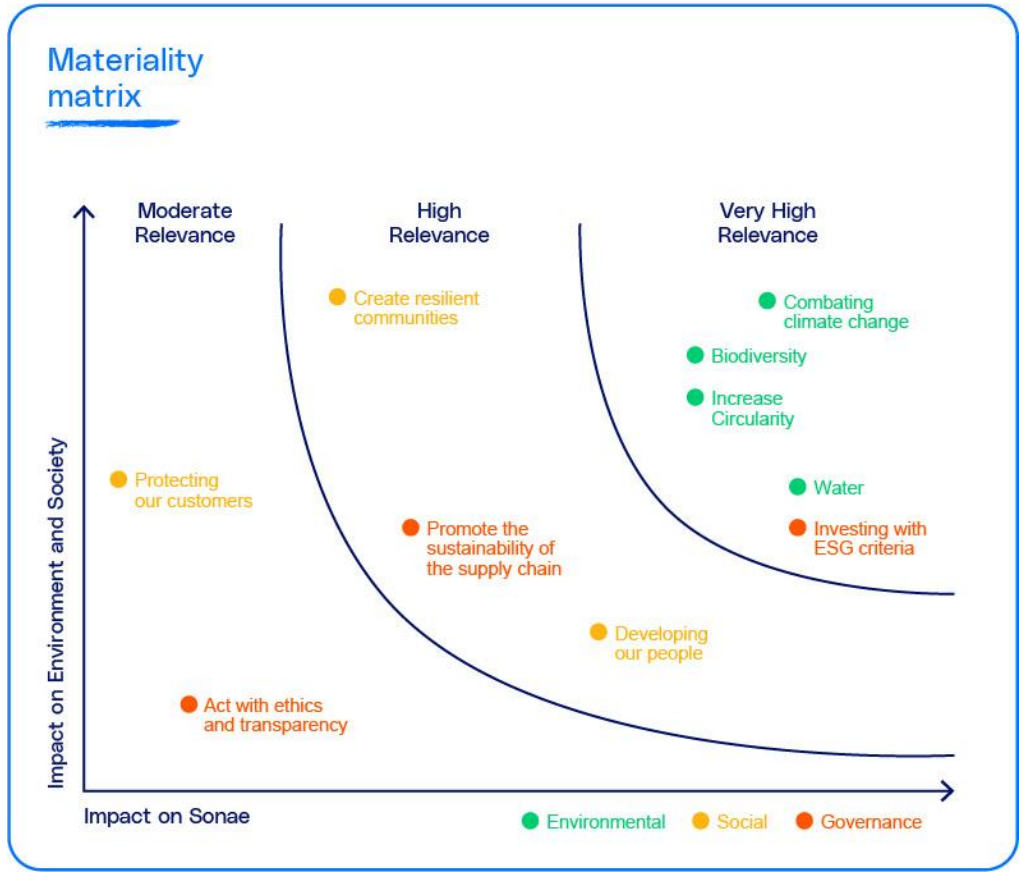
Our approach to defining materiality and keeping our strategy up to date

With a history spanning over 50 years, Sonae firmly believes that safeguarding the present is imperative for enduring success and achieving a future that is prosperous, just, and sustainable.

With that in mind, in 2022, Sonae initiated the update of its Sustainability Strategy. The formulation of our new strategy underwent a thorough process that encompassed listening, analysing, researching, and gathering feedback, engaging a diverse array of stakeholders, both internal and external, as well as peers. This process also considered key global and sectoral trends and the ESG regulatory landscape.

The methodology employed incorporated an extensive feedback loop, serving as the foundation for co-creating strategic axes, guiding commitments, minimum guidelines, and cross-cutting indicators applicable to companies within the existing portfolio. This approach stands as a best practice, not only for organisations currently within our portfolio but also for any new company joining the group. It provides orientation for updating our strategy as it takes into account the European Corporate Sustainability Reporting Directive (CSRD) and our internal strategic imperatives and business acumen.

As part of the process, the relevance of the various ESG thematic areas was analysed using the Double Materiality[5] approach. Themes considered material were assessed based on our potential socio-economic and environmental impact on the theme (inside-out impact) and the potential financial impact of these themes on Sonae (outside-in impact). Out of 29 potentially material themes, we reached ten strategic themes for Sonae (see matrix).



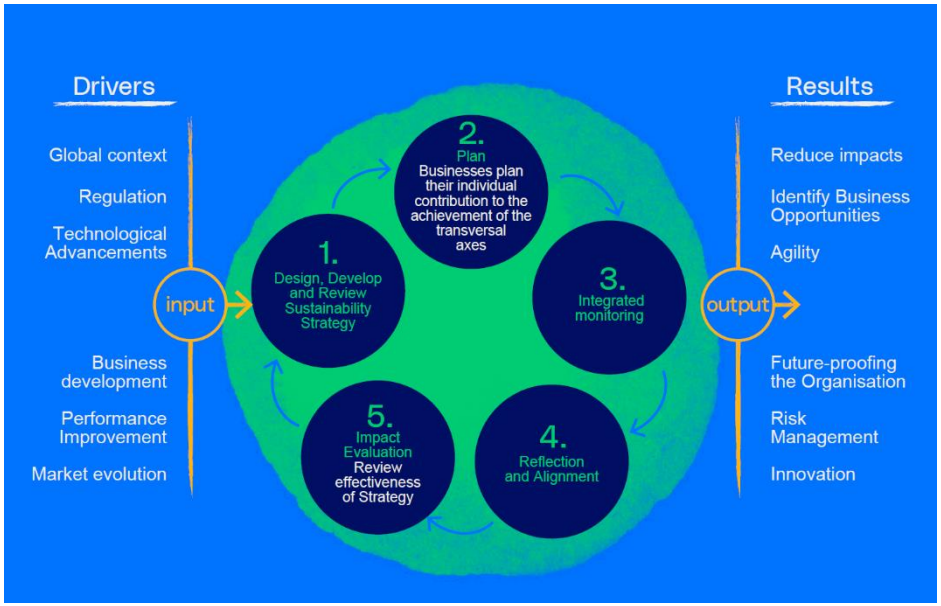
[5] The Double Materiality analysis, because it requires both perspectives to be considered, allows a more holistic assessment of impacts and dependencies, and is required by the CSDR.

The outcomes of this Double Materiality process led to the identification of topics, which were subsequently organised into four strategic action axes, designed to be universally applicable across the portfolio, all revolving around a central axis considered as an enabler.

This central axis serves the purpose of facilitating the seamless integration of the sustainability strategy within companies and, much like the other four axes, aims to exert a positive influence on our impact throughout the entire value chain.

By adopting a proactive and adaptive approach, regularly engaging stakeholders, and staying informed about relevant developments, Sonae can ensure that its Sustainability Strategy remains a dynamic and effective tool for long-term success. Therefore, we work in a cycle of continuous improvement and collaboration, with the goal of swiftly achieving the expected results and responding to external and internal drivers to deliver strong performance.

Management cycle



Our Impact

Sonae's Risk Management framework incorporates an additional layer of annual analysis focused on actively addressing social and environmental impact within the scope of its operations and exposure to ESG risks.

Sonae's history underscores the benefits of prioritising a better planet and society. As a portfolio manager, Sonae acknowledges the potentially significant impact that its businesses can have on climate change and biodiversity. As a result, the group gives precedence to impact management as a key focus area.



Under the scope of our Risk Management process, the group is aware and acts based on potential consequences, including financial implications, stemming from reputational, regulatory, physical and transition risks. This integrated approach is embedded in Sonae's portfolio, allowing the group to take the actions necessary to contribute positively to societal and environmental well-being both today and in the future. These are the safeguards incorporated as part of our approach to manage impacts, identify, measure and implement mitigation roadmaps to reduce risks and improve results.

1.5.3 Our Sustainability Strategy 2023-2026

Our renewed strategy includes four strategic axes and one enabler. Each strategic axis includes a clear roadmap that embodies ambition and serves as a challenge to drive us towards fulfilling the corresponding commitments and targets. While each axis has its unique features, all axes share a well-defined set of guiding commitments and metrics. Additionally, there were established reporting and monitoring mechanisms, ensuring complete transparency. These mechanisms are subject to annual review, allowing for a comprehensive assessment of goal attainment and facilitating necessary adjustments.



Central Axis | Managing with ESG Criteria

Our overarching goals on this axis, which is integrated on our global strategy and business model are: 1) mitigate the negative impact of our businesses, and 2) identify and leverage value-creation opportunities arising from emerging social and environmental risks.



Hence, **Managing with ESG Criteria** serves as the enabler axis for fostering responsible, ethical, and transparent management within Sonae and its portfolio companies. It ensures the incorporation of ESG criteria into decision-making processes.

Moreover, it emphasises our commitment to encouraging sustainable patterns within our businesses' supplier and customer base. The effective implementation of ESG criteria management is pivotal for us to set as a benchmark in ESG performance throughout its value chain. This approach allows the group to showcase the holistic integration of sustainability into its business strategy, establishing Sonae as a leader in comprehensive and responsible corporate practices.

Action Axis 1 | Accelerating Decarbonisation

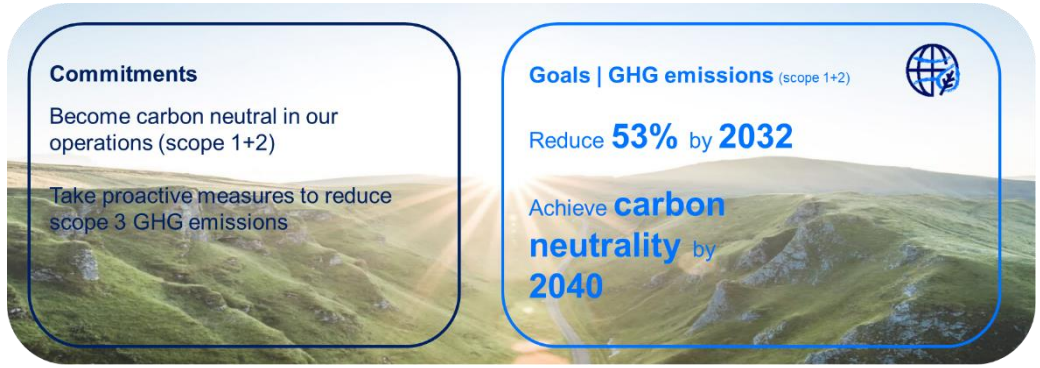
Addressing climate change is a top priority on our agenda, given its substantial threat to the ability of current and future generations to live in a peaceful, prosperous world and maintain a biodiverse planet. The risk of failure of climate change mitigating and adapting is recognised as a critical risk in our annual Enterprise-Wide Risk Management (EWRM) process.

Since 2015, Sonae has been at the forefront of climate action as it was among the first signatories of the Paris Pledge for Action. We have actively collaborated with our businesses to set and strive towards ambitious targets aimed not only at reducing energy consumption but also mitigating greenhouse gas (GHG) emissions and contributing to decarbonisation. To achieve this goal, the following approaches are essential (for more information on our position paper for climate change please see here):

- **Mitigation and compensation of GHG emissions**: Implement measures to reduce GHG emissions and, when necessary, offset them through carbon capture;
- **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.

In line with our guidelines, **both Sonae and our 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 optimising 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).



Moreover, in 2021 the Risk Management Consulting Group launched an initiative to implement the Task Force on Climate Related Financial Disclosures (TCFD) project focused on identifying and assessing material climate risks and opportunities. In 2022, the teams worked to identify its potential financial impact on our portfolio companies, a process that we continued in 2023. In fact, in 2023, both MC and Sierra achieved SBTi approval for their ambitious targets Scope 1, 2, and 3.

MC Sonae

- **-51%** GHG emissions (scope 1+2) by 2032 vs 2022 (base year)
- **-31%** GHG emissions (scope 3) from purchased goods and services

Sierra Sonae

- **- 73%** GHG emissions (scope 1+2) per square metre by 2030 vs 2019 (base year)
- **-55%** GHG emissions (scope 3) from purchased goods and services per square meter developed and **-46.2%** all the other

Also, Worten has submitted its Commitment Letter and its targets to SBTi. Recognizing the urgency of the climate crisis, our near-term targets outline clear pathways for substantial emissions reductions over the next 10 years, contributing to the collective effort to limit global warming to 1.5°C.

Action Axis 2 | Valuing Biodiversity and Water

The looming threats of climate change, habitat loss, invasive species, resource overuse, and pollution on biodiversity decline are perilously endangering our ecosystems, pushing numerous species to the brink of extinction. Given the reliance of our portfolio on natural capital and their capacity to influence, either directly or indirectly, the preservation or degradation of natural habitats, the safeguarding of nature and biodiversity is deemed strategic for our group.

Sonae recognises the crucial necessity of **Valuing Biodiversity and Water, contributing to a long-lasting positive environmental outcome, which ensures the protection, restoration and regeneration of biodiversity and ecosystem services, encompassing soils, drinking water and the oceans**. As such, within this axis, our commitment is to avoid and reduce the impacts and pressures of our businesses on natural ecosystems, and to contribute to their conservation and regeneration.

To achieve our commitments, we have adopted a set of guiding principles:

- Assess the impacts and dependencies of the businesses on natural capital along the value chain, measuring it and defining targets, when applicable;
- Define roadmaps of action to avoid and reduce biodiversity loss, regarding land use, water, oceans and other ecosystems;
- Collaborate in the restoration of critical ecosystems and deploy actions on biodiversity regeneration;
- Prevent the conversion of new ecosystems for production purposes;
- Promote balanced consumption patterns via awareness actions and improved offer.

As part of working to deliver this commitment, Sonae has joined in 2020 the **Science Based Targets Network Corporate Engagement Programme**, aiming to collaborate on developing a methodology for setting specific, achievable, and time-bound goals aligned with the Earth's ecological limits. This programme focuses on four crucial areas: freshwater, biodiversity, land, and oceans.

The progress towards Valuing Biodiversity and Water is intrinsically related to these methodological developments (SBTN for Nature) that steer our businesses in the identification, and prioritisation of key pressures within the value chain, such as drivers of biodiversity loss and freshwater degradation, therefore establishing where to focus their main efforts towards achieving a positive outcome.

Since 2010, Sonae has upheld a **Sustainability Fishing Policy**. In 2021, the company joined **act4nature Portugal**, and in 2022, Sonae **subscribed to the UN Global Compact Sustainable Ocean Principles** and signed a manifesto urging Heads of State to involve the corporate sector in assessing and disclosing their performance on nature and biodiversity by 2030.

Furthermore, in 2022, Sonae took another important step by taking the public pledge of **Zero Deforestation by 2030**.



Action Axis 3 | Promoting Circularity

Given the relevance of retail businesses within our portfolio, we have been actively addressing the issue of plastics.

Considering the ability to influence the design of both the product and packages, our businesses focused their actions on own brand. For this reason, the plastic used on products (including packaging) is closely monitored.

We publicly pledged its commitment to responsible plastic use through **Sonae Companies' Charter of Principles for Plastics** (available here) **and joined the Portuguese Pact for Plastics in 2020** and continues to actively show its support today.



However, as an outcome of the updated strategy, Sonae identified the need to address the wider aspect of circularity leading to the definition of this **Axis**.

Promoting Circularity is crucial to extending the life cycle of materials and products, driving new production and consumption models that aim to progressively eliminate waste and associated adverse impacts.

At Sonae, our approach to rethinking our business' operations, activities, products, and services is grounded in the principles of reducing waste and pollution, reusing materials, repairing and refurbishing products, recycling, and recovering resources. This foundation of circularity guides our efforts to eliminate waste and pollution while promoting the circulation of products and materials, as well as the regeneration of nature.

Regarding **waste**, the approach is to define and promote measures for prevention, re-use, recycle, and other forms of waste recovery and disposal (including plastics, electronic waste, and hazardous waste) in addition to actions to combat food waste.

These actions are replicated, whenever possible, along the value chain, involving and supporting suppliers in their transition to circularity.

Sonae and its businesses have been increasingly active in these aspects by reinforcing circularity principles across our operations and value chains, establishing partnerships with universities and research centres to encourage the development of innovative and sustainable solutions and regularly monitoring and communicating the group's performance in these initiatives.

Action Axis 4 | Enhancing Human Development

Our value creation is rooted in our people and our businesses. At Sonae, our people are at the core of everything we do. We foster a positive work environment, encouraging personal and professional development, and prioritising our people's well-being. By nurturing a culture that values and empowers our employees, Sonae enhances each individual's potential and also ensures a collective commitment to achieving the group's goals.

We are strongly committed to achieving **gender parity**, always prioritising and recognising the merit of employees, promoting equity, inclusion, diversity and well-being in the workplace.



The values of inclusion and diversity have been part of Sonae's mindset from the start, and they are intrinsically related to the development, growth and diversification of our businesses, holding a prominent place on our leaders' agendas.

Over the course of time, these same values have been actively fostered across the entire group, through the promotion of equal opportunities for all, regardless of their role and position within the organisation, as well as their gender, ethnicity, age, religion or sexual orientation. As a diversified group, Sonae embraces and celebrates heterogeneity and is committed to having this diversity represented in the organisation, making the most of the plurality of the people in different businesses, roles and geographic areas. The group aims to create a community in which everybody is valued for their singularity.

In line with our strategy, we set Diversity, Equity and Inclusion (DEI) Goals, namely focused on Women in Leadership KPI, indexed to the variable remuneration of all employees. The DEI approach is rooted in five dimensions – gender, disabilities, generations, culturalities and LGBTQIA+.

For this purpose we have a Plan for Gender Equality that is subject to a systematic follow-up process in order to monitor the effectiveness of actions and the achievement of goals, identifying potential areas of improvement or new measures to be implemented.

Our mid-term target is to reach 45% of leadership positions held by women by 2026, the ambitioned gender parity.

Under the motto "to be a long living company", it has been fundamental for Sonae to develop and implement a strategy that focuses on employee's valorisation by investing in their professional merit-based development, reskilling and upskilling, adopting an approach that aims to ensure sustainability in people management, namely by fostering equal opportunities for all.

Sonae expressly states respect for human rights as an integral part of its commitment to sustainability and a guiding principle across its business activities in any sector or geographic area. This commitment is explicit in **Sonae's Human Rights Policy** fully aligned with the UN Guiding Principles on Business and Human Rights, its Code of Ethics and Conduct and "Our way", the set of values and principles that guide our conduct and actions.

We have also defined a **governance model** that ensures the acceleration and monitoring of the defined plan and the relevant metrics to be monitored. We have adopted an approach that defines common principles and synergies, but, at the same time, promotes the autonomy of the different businesses enabling them to define specific objectives and initiatives, adjusted to their reality.

For this purpose, we have a Human Resources Consulting Group, sponsored by our CEO and CDO, which meets quarterly and contributes to the dissemination and sharing of best practices within the group regarding the management of our team.

Regarding our portfolio companies, we have also put into practice our **engaged long-term ownership** approach through our representation on their Boards.

We believe that boards should not be too large, but still allow for sufficient breadth of competence and experience to support each company's strategy and long-term ambitions. We believe that a board which is diverse in terms of gender, background and competences, is better able to drive value creation decision-making.

Given Sonae's significant impact on creating qualified jobs in Portugal and abroad and its dedication to people's development, the group actively focus on its people in all aspects of their employment. This includes investing in professional development through training and reskilling initiatives, valuing individuals across all generations, and maintaining a meritocratic approach.

At Sonae, we work every day to foster an environment that is inclusive, safe and supportive for all members of our workforce.

We continually explore new ways to invest in our teams' development, promoting a culture of teamwork and creative thinking. We firmly believe that our group thrives on innovation and excellence when our employees feel empowered, supported, and are given the opportunity to excel as their true selves.

Integral to Sonae's mission is the **creation of social value**, **prompting our companies to implement strategies aligned with their expertise**. These strategies aim to enhance the resilience and autonomy of communities, contributing to the eradication of poverty in its various forms.

Additionally, **Sonae commits to promoting equal opportunities in education**, qualification, and employment within the community. As part of its contribution to a more inclusive society, Sonae invests in community initiatives that identify, mitigate, and eliminate factors of inequality and exclusion. This commitment reflects Sonae's dedication to creating positive social impact and fostering a society where equal opportunities are accessible to all.



Guiding and implementing sustainability | Our way

As an active portfolio manager and considering the diversification of our businesses, we identified an interaction model that outlines how different areas, governance bodies and businesses interact within a sustainability context in a way that accelerates decision making, facilitates knowledge sharing and assured solid progress and a strong performance. It can also involve interaction between different stakeholders such as other businesses, partners, communities, and non-profit organisations to collectively work towards sustainable goals.

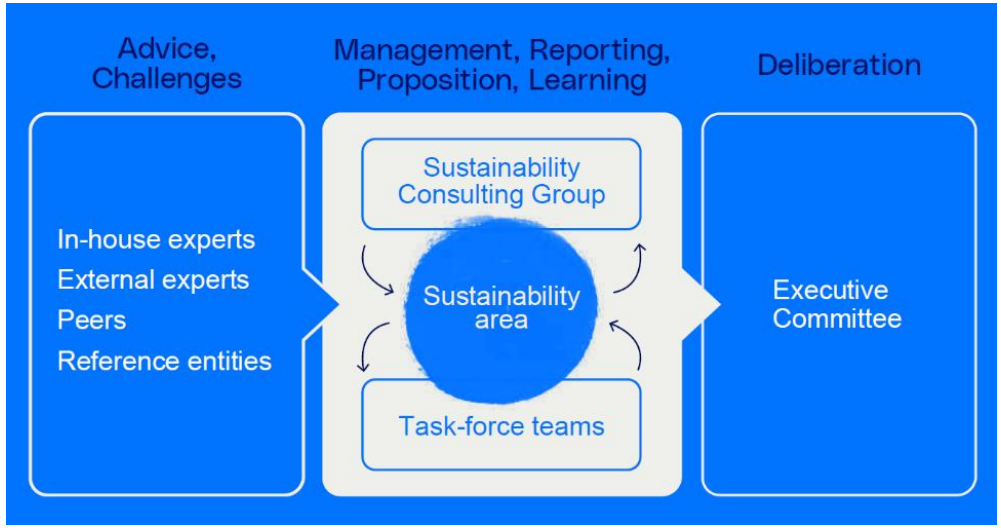
The Sustainability area of the holding is responsible for overseeing the implementation and progress of the sustainability strategy based on these five axes. Therefore, all companies in the portfolio have analysed and committed to specific contributions aligned with the overall Sustainability Strategy, with a three-year timeframe for implementation. New companies in the portfolio must conduct their own assessment, outlining how they will contribute to Sonae's broader sustainability goals.

Our Interaction model

As Sonae has entered a new phase of its Sustainability strategy, it has undergone a comprehensive review process, including a revision of its interaction model with portfolio companies and other entities within the group. The updated interaction model is designed to underscore Sonae's commitment to maintaining and nurturing close relationships with its portfolio companies. This approach is in line with its role as an active portfolio manager, emphasising the ongoing promotion of synergies among the various entities within the group. Each business will share their plans and achievements at specific times throughout the year. This includes presenting past performance and setting goals for the upcoming year in the initial meeting as well as providing a semi-annual status update with challenges to address later in the year. Specific corporate bodies have been set up to guide these processes.

Sustainability Consulting Group (SCG)

At a strategic level, the **SCG** serves as one of our corporate bodies with the overarching role of both challenging and supporting companies. Our chair and CEO play a crucial role, sponsoring it, as well as our CDO, who has the important work of leading it. As an extended group, the SCG comprises representatives from all companies of the portfolio. This group aims to develop a global vision on sustainability management integrated across Sonae's portfolio companies and recommends the implementation of common sustainability guidelines. Its primary focus is accelerating performance by seamlessly integrating the group's values and commitments to sustainable development and the future. The SCG facilitates an environment for sharing and debating trends, challenges, and progress tracking, accompanying companies in their sustainability endeavours. For more information please refer to Corporate Governance Report.



The SCG convenes regularly throughout the year, with a minimum of four meetings scheduled. In 2023, five meetings were held covering a diversity of topics, which included circularity in business models, traceability in supply chain and human rights and environment due diligence.

To enrich discussions and stimulate innovative thinking, inspiring speakers, both internal and external experts, are invited to challenge and support our Sustainability Teams. The overarching goal is to contribute valuable knowledge and ideas that are aligned with the sustainability targets of the group.

During 2023, six meetings were held covering a diversity of topics, which include progress of internal activities like the sustainability training programme, regulatory updates on aspects like the Corporate Sustainability Due Diligence Directive (CSDDD). Traceability and Deforestation, in addition to sharing moments of best practices for inspiration from other companies and peers. Beyond actively driving change and participating in projects that contribute positively, Sonae proactively advocates for and engages in causes that promote a broader social and institutional understanding of the need for change to create a better tomorrow today. The company not only actively joins and participates in various institutions and forums but also builds bridges to facilitate collaboration and dialogue.

Sustainability Transversal Task Force

The cross-functional task force, established at a tactical level, is dedicated to expediting the sustainability strategies of our portfolio companies across ESG dimensions. Its primary focus is on identifying requisite solutions and fostering synergies to overcome limitations and actively contribute to the realization of sustainability goals.

With a nimble approach, the task force is poised to swiftly accomplishment specific action-oriented task forces if deemed necessary. This Task Force was designed to serve as a centralised and agile structure within the organisational framework of the portfolio companies. To ensure ongoing interaction and responsiveness, the established structure comprises the Sustainability area of the holding and the Heads of Sustainability from the portfolio companies, along with their respective teams.

As needed, the cross-functional task force can mobilize multidisciplinary teams, consisting of technical experts from the companies, which are activated to address, and resolve specific problems/issues. The duration of these task forces vary depending on the specific theme and the objectives to be achieved.

The focus of its meetings is always to find solutions and overcome constraints. Task force meetings may be attended by invited experts to share urgent and cross-cutting challenges for businesses.



1.6. Managing our risks and creating opportunities

1.6.1. How we manage our risks

Sonae's risk management framework is designed to identify and evaluate risks and opportunities that may arise in the global business ecosystem, taking appropriate measures to mitigate the former and seize the latter to ensure long-term value creation.

Risk management governance structure



Risk taking is inherent to value creation and effective risk management is a strong competitive advantage. At Sonae, we understand that risks can threaten our business model and hinder our ability to achieve our strategic goals, therefore we are focused on converting risks into successful opportunities. Risk Management is deeply rooted in Sonae's culture, as it is one of its key Corporate Governance pillars. It forms part of the management process and is a responsibility of all group's employees.

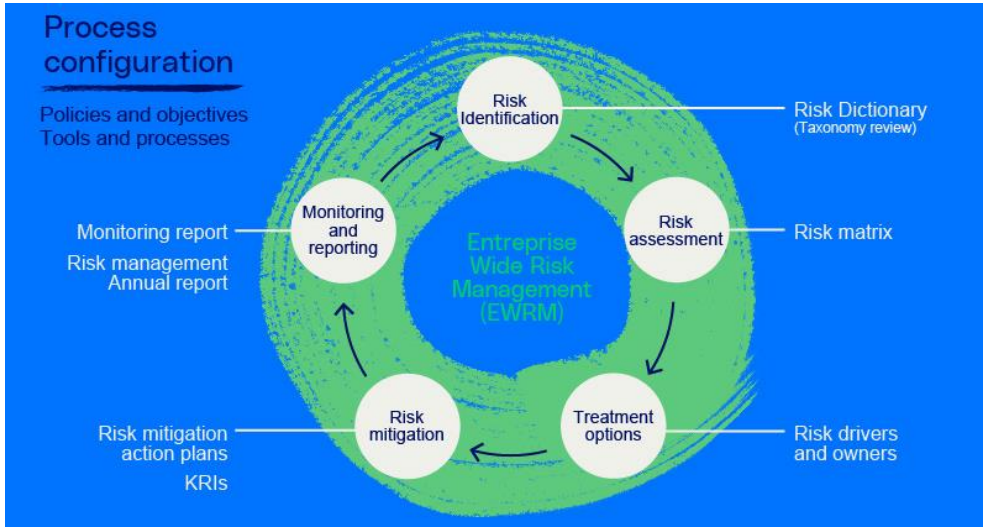
Our risk management framework is dynamic in nature, being an ongoing process that operates at both the individual business and the group levels, and is a key feature given our diversification in terms of markets, sectors, and geographic areas. Risk Management is integrated into Sonae's planning process, as a structured and disciplined approach that ensures strategy, processes, people, technologies, and knowledge are aligned. Its goal is to identify, evaluate and manage threats and opportunities that Sonae and our portfolio companies face in the pursuit of our business objectives and value creation.

Close monitoring and regular review of this system, besides ensuring its effectiveness, allow us to identify and address risks in a timely manner and to ensure that we are well-prepared to handle potential challenges.

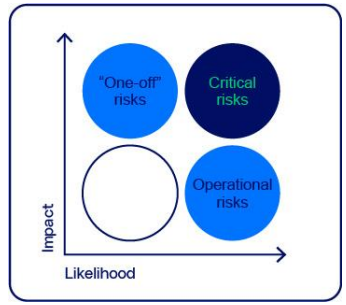
This system is directly overseen by the Board of Directors and supported by the Risk Management Consulting Group. This consulting group coordinates the process and ensures an integrated view of the entire portfolio to guarantee that risk management is applied within the context of our strategy, as well as adaptable and effective to each portfolio company given their increasingly complex business landscapes. The Board of Directors has the responsibility of monitoring the effectiveness of our risk management system and implementing procedures for identifying, evaluating, and managing risks that may impact the company and its stakeholders.

To proactively identify and manage key risks for achieving our strategic objectives, we have put in place a well-defined EWRM framework, that consists of five main steps: (i) risk identification, (ii) risk assessment, (iii) treatment options, (iv) risk mitigation, and (v) risk monitoring and reporting. Our risk identification process helps us to identify potential risks.

We then use a Risk Matrix to assess both the likelihood of the risk event occurrence and its impact. By taking both factors into account, we can accurately assess the overall risk level and determine the appropriate response. This helps us prioritise risks and allocate resources efficiently to manage and mitigate those that pose the greatest threat to the group.



Our extensive understanding of our businesses operations and the specific nature of the respective risks we face, are essential to mitigate their potential impact. The identified risks are grouped in two major categories: Business Environment Risks (the sources are external to Sonae) and Business Process Risks (the sources are internal to Sonae). Moreover, risks are classified as low, medium, high, or critical, according to the likelihood of occurrence and their impact.



For all risks that are classified as critical (meaning they have both an increased likelihood of occurrence and a high impact), we appoint a risk owner and a deputy to identify and outline a mitigation action plan and the key risk indicators that are relevant and critical to the group.

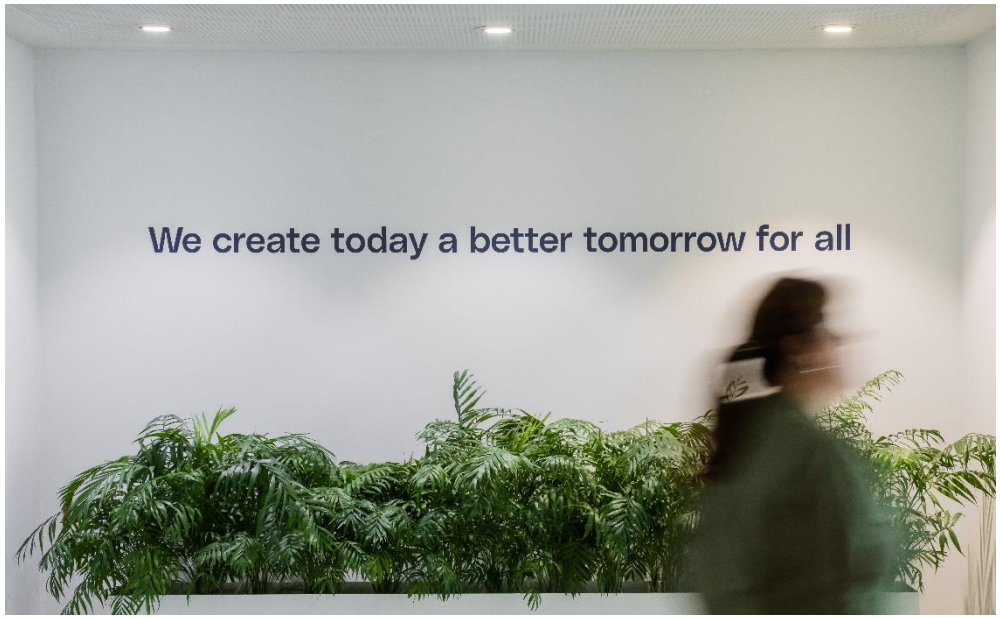
Whilst the Board of Directors recognises that it has limited control over the external critical risks, it reviews their potential impact on our businesses, and these are considered in the decision-making process. For our **internal critical risks**, the Board of Directors makes sure that appropriate controls and processes are in place to manage these risks and to mitigate their impact. This approach helps us to proactively manage and mitigate critical risks, ensuring that they do not pose a threat to the group and our portfolio companies. The critical risks are generally long-term in nature and do not change significantly in the short-term, notwithstanding we review them yearly.

During the year, Sonae's corporate risk management area continued to coordinate the implementation and operationalisation of our EWRM exercise, ensuring the alignment of the risk management methodologies, practices, and calendar. In the context of the dynamic nature of the risk management process, during the first quarter of the year, the risks that we currently face were identified, considering the 2023 exercise, and the risk taxonomy was reviewed. In the second quarter of 2023, a risk assessment was carried out by Sonae's Executive Committee, and after the individual assessment and calibration of the risks, the Board of Directors approved the 2023 risk matrix, the identification of the current critical risks (including one new critical risk: cost of living crisis) and the appointment of its respective owner. During the second half of the year, joint work was carried out with each risk owner in which risk indicators were defined and monitored, and mitigation actions were identified and implemented.

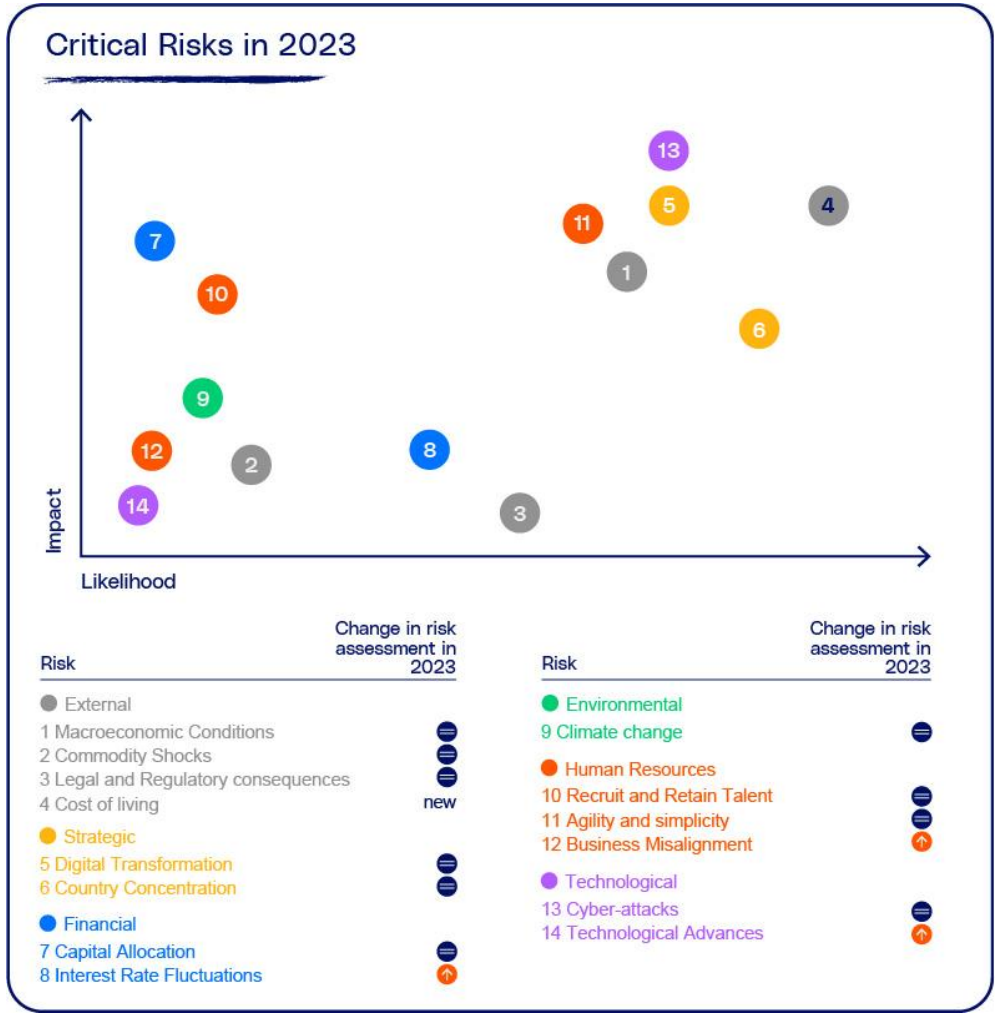
Finally, the TCFD report framework is included in this Integrated Annual Report, to monitor the "Failure of Climate change mitigation and adaptation" that has been identified as a critical risk for the group since 2020.

Thus, another complete cycle of risk and financial impact assessment took place, in accordance with the corporate procedure established for this purpose. For more information see section 4.3 of this report.

The adequacy of procedures to ensure compliance with the law of protection of whistleblowers (Law 93/2021 of 20th December) and with the general scheme for the prevention of corruption (Decree-Law 109-E/2021 of 9th December), was also assessed.



1.6.2. Our main risks and opportunities



EXTERNAL RISKS

1. Unfavourable Macroeconomic Conditions | Risk owner - CFO | Risk Stable vs 2022

The deterioration of the macroeconomic conditions in which we operate, exacerbated by the crisis created by the pandemic and worsened by the war, can lead to prolonged economic stagflation. This is a combination of slow economic growth/recession and an increase in inflation rates and high rates of unemployment that could result, along with other consequences, in sovereign debt crises or in the imposition of austerity measures. The loss of households' purchasing power and confidence, coupled with the deterioration of their wealth resulting from the tightening of monetary policy, could result in a contraction in the economy with direct adverse effects on the group's financial performance. More than a macroeconomic risk, the permanent conflicts in Europe pose a significant geopolitical risk with effects that will undoubtedly persist in the long term.

Mitigation actions:

- Publication of MarketWatch, a quarterly economic analysis focused on the recent developments of the international and Portuguese economies
- Monitor the main developments in economics and politics and produce actionable information to support strategy deployment and business decisions.
- Analyse relevant economic topics and produce research notes on expected impacts for our portfolio companies.
- Track the evolution of high frequency economic indicators (such as GDP, employment, inflation rate) and follow the publication of economic forecasts from the main official institutions.
- Actively and regularly produce and update economic forecasts and develop adverse scenarios to support businesses planning exercises.

2. Severe Commodity Shocks | Risk owners - portfolio companies | Risk Stable vs 2022

Abrupt shocks to the supply and demand of systemically important commodities at a global scale (scarcity and cost of raw materials and essential services) due to supply chain disruptions on business suppliers that operate in the conflict zones, may strain corporate, public and/or household budgets (food, energy, metals, minerals, chemicals, emissions, etc.), with a direct impact on the performance of the businesses.

Mitigation actions:

- Identify and pre-approve alternative suppliers and origins of each major commodity.
- Split the volumes purchased of main commodities among several suppliers.
- Identify alternative raw materials for composed products, that deliver similar quality/taste products.
- Move the production of agro-products to alternative locations (e.g. due to water scarcity).
- Encourage the development of national production in raw materials with greater external dependence, and establish contracts with local producers in the medium and long term (e.g. cereals). In 2023, we reached 82% of purchases from local suppliers.
- Increase inventory levels (purchasing from current suppliers) once the risk has been identified and until possible, namely using outsourced warehouse capacity.

3. Rising Legal and Regulatory negative consequences | Risk owner - CFO | Risk Stable vs 2022

The existence of new legislation or changes to the current legislation, with an impact on operations and products, particularly in the areas of environment and data protection, health and safety, marketing and competition, and corruption may lead to fines due to noncompliance, threaten the ability of the company to develop its business, affect its economic profitability, incur reputational risks and even affect the continuity of the businesses given the inability to operate due to legal factors.

Mitigation actions:

- Dedicated teams responsible for addressing legal and regulatory areas in corporate governance and public affairs.
- Contribution to public consultations aiming to achieve the most suitable legal and regulatory framework both at the national and European levels.
- Support the group's legal views vis-à-vis Portuguese and international stakeholders.
- Support the group's legal interests and views with public supervisory authorities.
- Close collaboration with sectorial associations (national and international) to access relevant information and provide our input in different areas of relevance for the interest of our businesses.
- Identification, analysis, anticipation, and close follow-up (at all stages) of national and European political and legislative initiatives and actions with a potential impact for the group.

EXTERNAL RISKS

- Strategic alignment and timely anticipation of legislative trends, which allows the group to identify competitive advantages across different sectors and geographies.
- Advise our businesses of the best frameworks and how to better adapt to regulatory developments.
- Active involvement in legislative processes with expertise built on extensive market knowledge.
- Strengthen our transparency and influence, positioning the group as a trusted and reliable voice on the co-construction legislative process and stakeholder consultations.
- Position our group for sustainable success amid dynamic regulatory landscapes, ensuring operational continuity and reinforcing our commitment to ethical business conduct.

4. Cost of living crisis | Risk owner - CFO | NEW risk in 2023

Significant inability among broad sections of the population to maintain their current lifestyle leading to loss of purchasing power and excessive consumer debt, due to a high level of inflation and interest rates. Lower wages that are not matched with a rise in real household income, may affect business profitability.

Mitigation actions:

- Development of company-wide projects to identify sizeable new opportunities. For more information, please section 1.4.1. (portfolio moves during 2023).
- Production and distribution of actionable insights (research notes) regarding the evolution of private consumption to monitor relevant market and business patterns and improve the decision-making process.
- Track of high frequency public and private economic indicators (employment rate, inflation rate, gross wage per worker and house prices evolution) and producing data reports to help decision makers read the context more quickly.
- Publication of MarketWatch, a quarterly economic analysis with particular focus on private consumption dynamics

STRATEGIC RISKS

5. Failure to address Digital Transformation | Risk owner - CDO | Risk Stable vs 2022

Changes in the consumer profile (from bricks to clicks) and the inability to ensure the digital transformation of traditional business models can jeopardise the group's long term sustainability.

Mitigation actions:

- Keep challenging mid and long-term digital business growth.
- Follow IT architecture transformation programmes.
- Follow and challenge Cultural transformation programmes.
- Digital, E-commerce and Finco Forums as vehicles to stimulate sharing and learning.

6. Country Concentration | Risk owner - CFO | Risk Stable vs 2022

The concentration of the group's businesses in Portugal can create excessive exposure to specific local market risks (political, economic or social).

STRATEGIC RISKS

Mitigation actions:
- Diversification of categories and retail formats in our businesses with internationalisation potential.
- Internationalisation efforts of different businesses of our portfolio.
- Continuous monitoring of macroeconomic conditions, competitive environment, and relevant trends.

FINANCIAL RISKS

7. Inadequate Capital allocation | Risk owner - CFO | Risk Stable vs 2022

The inability to deploy capital in business opportunities, which yield superior returns and give Sonae the desired levels of growth and internationalisation, might put the group's long-term sustainability at risk.

Mitigation actions:
- Diversification of categories and retail formats across the consumer spending pool.
- Internationalisation efforts of different businesses.
- Increased levels of capital allocation to identified growth avenues and close monitoring of strategy execution. Please see section 1.4.1 for more information.
- Continuous monitoring of macroeconomic conditions, competitive environment and relevant trends.

8. Interest Rate Fluctuations | Risk owner - CFO | Risk increased vs 2022

Interest rate fluctuations can generate incomes lower than expected, or financial costs related to loans higher than budgeted, affecting the group's financial performance.

Mitigation actions:

Financial Hedging:
- Use financial hedging instruments to help mitigate the impact of interest rate risk on financial operations.
- Balance fixed rate debt exposure, maintaining a portion of non-indexed debt is advisable to offset the effects of interest rate fluctuations.

Portfolio allocation decision:
- Real estate exposure: shifting from investments tied to real estate value fluctuations to investments influenced by changes in inflation rates with cap's (sale and leaseback).
- Sovereign risk exposure: implement strategies aimed at diminishing exposure to a particular country or region while diversifying investments into more stable markets.

Prefunding:
- Secure financing at current rates before potential future increases (in the case of fixed rate debt), or
- Secure financing at current credit spread levels before potential future increases (in the case of indexed debt).

ENVIRONMENTAL RISK

9. Failure of Climate change mitigation and adaptation | Risk owners - CFO and CDO | Risk Stable vs 2022

The inability to enforce, enact or invest in effective measures to adapt (ex. lack of climate-resilient infrastructure) and to mitigate (ex. carbon-neutral economy), protect, and help to adapt the population or businesses most impacted and the failure in transition to a carbon-neutral economy can negatively affect the image and financial performance of our portfolio businesses. In addition, failure to adapt and mitigate climate change can lead to natural resource and food scarcity, causing disruptions in production.

Mitigation actions:

- Foster the development and adoption of sustainability policies, under the coordination of the SCG and the Sustainability area in the holding, promoting a transversal approach, as well as the pursuit of common goals and targets.
- Define priority action axes towards a low carbon economy and act proactively in tackling climate change as outlined in Sonae Companies' Charter of Principles for CO2 and Climate Change
- Continue mitigation actions including roadmaps for energy efficiency improvement and decarbonisation of energy sources, permanently monitoring carbon indicators and targets.
- Extend the mapping of scope 3 GHG emissions, covering more portfolio companies and additional categories.
- Commit to decarbonisation ambition under SBTi, to increase the coverage of the group's emissions.
- Update and maintain a procedure and support tool for assessing climate risks and opportunities according to the guidelines of the TCFD framework, enabling the monitorization and report of businesses exposure to climate risks and opportunities.
- Continue to invest in *Sonae Forest* project to compensate the GHG emissions of the car fleet.
- Adapt existing buildings and develop/rent/acquire new buildings that perform better in predicted climate change scenarios (such as LEED).
- Strengthen the presentation, discussion and dissemination of emerging regulations, which may have a potential impact, to ensure compliance.
- Track stakeholders' feedback on climate action through reputation studies, public relations monitoring, and other communication channels.

For more information on these actions please see section 1.5 and the TCFD report in the Additional information chapter.

HUMAN RESOURCES RISKS

10. Inability to recruit and retain talent | Risk owner - CDO | Risk Stable vs 2022

Operating in an increasingly competitive labour market, in correlation with the lack of attractive career plans, mismatched work models (remote vs presential), digital nomads, inadequate compensation, training programmes and leadership, can compromise the ability to recruit and retain the group's human resources with a direct impact on the execution of its objectives and strategy, undermining competitiveness and the ability to grow and develop the business.

Mitigation actions:

- Annual salary reviews in line with the market.
- Salary surveys and benchmarks.
- People and Leadership team focused on talent, career, and employer branding management.
- Specific talent retention programmes/Fast trackers - top talent acceleration salary.
- Talent development programmes (management & leadership academy, accelerated development programme, IOP GT).
- "be.Flex": ensuring work flexibility, expanding opportunities coming from new work models (on site, hybrid and remote), to attract and retain talent.
- Employee Net Promoter Score (eNPS) surveys at least two times/year.

HUMAN RESOURCES RISKS
• Organisational Health Index diagnosis as a tool to understand the current culture and induce transformation. • Talent attraction and training programmes – Sonae Academy, External training initiatives (seminars, workshops), Mentoring & Coaching, Contacto Programme, Summer Internships, Master Thesis Internships. • Career development opportunities – creating a rotation model to foster internal mobility through zig-zag careers. • Develop a robust succession planning programme to identify internal talent for leadership and key positions. • Prioritise diversity, equity and inclusion to create a workplace that is welcoming and respectful. • Promote a healthy balance between personal and professional life, privileging employee' well-being. • Greater emphasis given to internal and external communication, in order to make Sonae more attractive in the market. For more information, please see section 1.2.
11. Lack of organisational agility and simplicity | Risk owner - CDO | Risk Stable vs 2022
The existence of highly complex and stiff organisational structures, due to the size of the group and the businesses diversity, can inhibit agile decision-making, with the consequent loss of opportunities.
Mitigation actions: • Sonae Academy Training Programmes focused on empowerment, decision-making, agility, and organisation simplicity. • Monitor the agile ways of working through consulting groups and other forums. • Monitor eNPS to assess evolution of morale. • Implement new working methods based on the High Alignment & High Autonomy principle. • Drive participation in Sonae Academy's programmes that address agility and simplicity. • EVP (Employee Value Proposition) and Cultural Transformation programme leveraging on our values, with a clear definition of the transversal axis that should be applied across businesses: People Performance Management and Business Performance Management. • Top-down definition of Strategic cross businesses Initiatives (Sonae data and Consumer Platform).
12. Business Misalignment | Risk owner CDO | Risk increased vs 2022
The effective parenting style of Sonae as a holding company might promote the existence of organisational silos due to the increased autonomy of businesses. In addition, the creation of business' cultures can contribute to the loss of a shared vision and business synergies, with a direct impact in the overall performance of the group.
Mitigation actions: • Launching the *Cultural Transformation Programme*. • Executive Committee's communication plans. • Fostering the dynamics of the group's platforms, such as commissions to implement corporate policies (Corporate Finance and Audit), consulting groups to define policies and promote knowledge sharing (Sustainability, Human Resources, Risk Management and Improving our Work) and other fora to address specific themes across the portfolio. For more information, please see section 1.3.3.

TECHNOLOGICAL RISKS
13. Cyber-attacks | Risk owners - CFO and CDO | Risk Stable vs 2022
The occurrence of a breach in the privacy and/or security of data of employees, suppliers or customers, and other commercial information, due to an inadequate level of protection of the information systems and/or employees' risk behaviour may subject the company to fines, affect its reputation and continuity. **Mitigation actions:** • Cybersecurity awareness programme and ethical test campaigns. • Incident management procedure. • Cyber threat intelligence with the National Cybersecurity Centre (*Centro Nacional de CiberSegurança*). • Bitsight Cybersecurity rating. • Network security perimeter. • Periodic ethical hacking tests of internet websites. • Periodic ethical phishing tests targeting employees. • Disaster recovery for critical systems. • Identity and access management. • Adoption of double factor authentication. • Critical data encryption. • EDR (Endpoint Detection and Response), Antivirus, anti-spam and anti-malware detection. • Cybersecurity controls maturity baseline definition. • Sonae's representation on external fora: Eurocommerce and the National Cybersecurity Alliance ("*Aliança Nacional para a Cibersegurança*"). • Assessment of Sonae High Value Profiles. • Resilience capabilities evaluation implemented on the portfolio. • Preparation programme for the Network and Information Security Directive (NIS 2). • CSIRT (Computer Security Incident Response Team) Sonae Operation.
14. Adverse consequences of technological advances | Risk owner - CDO | Risk increased vs 2022
Intended or unintended adverse consequences of internal and external technological advances such as artificial intelligence (eg. Large Language Models (LLMs) such as ChatGPT), geo-engineering and synthetic biology may cause human (unemployment), environmental and economic damage. This risk may significantly impact the organisation, requiring that the group ensures that its employers are AI literate and adapts its strategy. **Mitigation actions:** • Develop the Community of Practice on GenAI. • Discuss ethical standards for the use of GenAI. • Define a policy to prevent data leaks.

In addition, due to its diversified profile, Sonae is exposed to a variety of other financial risks, such as exchange rate risks, market and equity risks, which are all clearly identified and properly managed. For additional details please refer to the notes to the Consolidated Financial Statements.

Creating Opportunities

By employing a comprehensive approach to managing risks, including thorough analysis, proactive mitigation strategies, and adaptive response mechanisms, businesses can not only safeguard against potential threats but also cultivate an environment conducive to identifying and capitalizing on emerging opportunities, thereby fostering sustainable growth and competitive advantages.

Adding value through loyalty cards



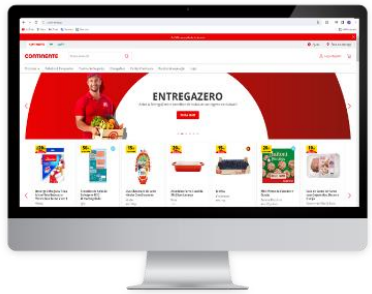
MC loyalty card continues to be the most used loyalty card in Portugal with more than 4.3 million families. The app was used by 2.8 million and this number has been increasing significantly yoy. In fact, our clients were able to save €323m in Sonae's ecosystem. Our MC's clients were able to see, through a personalized film with the Continente Card, their savings throughout 2023, which products were most purchased, their favourite categories and savings on partner brands. Every week, Continente presents each customer with their 'Personalised Brochure', with a selection of products that they like most and usually buy, with special offers and at the lowest prices, making their purchases easier and, naturally, saving. The innovation is in the DNA of the Continente Card, benefiting from the digitalization and the technological advances.

Worten loyalty card has also been expanding its market share and at the end of 2023, it counted with 2.6 million active users. With this card, our Worten clients: don't need paper proof receipt to return or activate a warranty; can increase the satisfaction/return period from 15 to 30 days; and can have online access to their purchase history.

Our Universo card, apart from other advantages, has the possibility to incorporate Continente's and Worten's loyalty cards, and at the end of 2023, had more than one million active clients (72% digital).

These powerful tools can be an important way to understand and anticipate potential emerging consumer and market trends, and consequently enabling tailor-made adjustments to be made to loyalty benefits and adding value proposition to our customers. The extensive data gathered through our loyalty cards enables Sonae to swiftly respond to market shifts and understand individual consumer preferences, thereby introducing fresh loyalty rewards and enhancing our value proposition to distribute the benefits derived from these emerging opportunities. Our inventive strategy towards loyalty programmes set a new standard in the industry.

Leading the digital way



Our retail businesses continue to strength their omnichannel propositions. MC reached 3.5% of online sales, with a strong omnichannel value proposition leveraged on his loyalty card, benefiting from the digitalization and the technological advances. Worten continued to expand its range of products of its marketplace, with online sales reaching 16% of total turnover.

Sustainability a catalyst for change

Financing linked to sustainability

Sonae has over 80% financing linked with sustainability goals, representing 85% for the holding and 92% for MC. Such financing agreements also improve the group's liquidity, increase average debt maturity and reduce financing costs. The spreads are linked to the

group's performance in promoting the number of women in leadership positions, and reducing GHG emissions.

Sonae Tech Hub, located at the group's headquarters in Maia, and managed by Sierra, is the only building in Portugal to procure both LEED and WELL platinum-level certifications and is part of the limited list of about 300 buildings in the world with the WELL certification at the highest rating granted in 2023 by the International WELL Building Institute and by the US Green Building Council. This building, inaugurated in 2019, features 570 m^2 of solar panels, which contribute to a 40% decrease in electricity consumption, 100% LED low energy lights with automatic regulation depending on outside lighting, efficient water use by harnessing rainwater, a concept that privileges a premium environment, both in terms of air quality and thermal comfort and a parking area with electric charging stations.



Strong linkages between businesses

Consulting groups and other Fora are important tools to enhance collaboration and participation between businesses and the holding company. For more information, please see section 1.3.3.

Innovation and technology to be key differentiators

Bright Pixel has 11 cybersecurity companies on its portfolio of more than 40 companies, including Picinic and Sekoia investments in 2023. Picnic is the first automated enterprise-wide human attack surface management platform and Sekoia is the European cybertech company that develops the Sekoia.io XDR (eXtended Detection & Response) platform for real-time detection of cyberattacks.

New growth levers – shaping tomorrow

Sonae strengthened its commitment to the healthy and sustainable food business with the creation of Sparkfood. This new company in our portfolio operates and invests in companies in the food value chain, through two main business platforms: (i) Alternative.s, which positions itself as a European supplier of next-generation alternatives to animal proteins, namely plant-based, and (ii) Ingredient.s, a global supplier of natural ingredients for the health and wellness sectors, food systems and animal nutrition. In addition, Sparkfood created a venture capital arm directly linked to these two platorms – Venture.s – dedicated to investing in scale-ups that will bring innovation to both platforms in different areas (products, technologies and solutions).

Sparkfood
Sonae

1.7 Our performance

1.7.1. Our context[6]

2023 was marked by the unfolding of a more complex geopolitical context. In addition to the prolonged war in Ukraine, the escalation of the conflict in the Middle East towards the end of the year added to the challenges and clouded the global economy landscape. Despite these obstacles, supply chain bottlenecks eased and energy and food commodity prices in international markets saw a significant reduction. These developments, along with the consistent increases in interest rates, allowed a pronounced deceleration of inflation in the major economic blocs. In the Eurozone, the ECB reference rate increased by 2 p.p. in 2023, stabilizing at 4% by September. This rise in interest rates swiftly intensified financial pressure, leaving less space for consumption and investment, negatively affecting the economic activity. In 2023, the Eurozone exhibited a relatively weak economic performance, with a 0.5% GDP growth, although with a gradual improvement in purchasing power due to a decelerated inflation trend during the year. In the USA, despite rising financing costs, the resiliency of labour market indicators supported domestic demand and laid the foundation for a positive level of economic activity, with GDP +2.5%. In China, the delayed lifting of pandemic-related restrictions facilitated the rebound of private consumption, despite the negative momentum in the real estate sector and its spillovers to households and corporations.

In Portugal, despite the challenges posed by the international context, the economic performance in 2023 was positive: GDP grew by 2.3%, standing out positively in the European context as one of the more dynamic economies in the region. The labour market played a key role in this performance, proving to be resilient to the adverse shocks. Employment levels increased by 1.8% reaching an all-time high, being driven especially by the services sector, but unemployment rate reached 6.6% (vs 6.1% in 2022), due to an increase in active population. On a less positive note, overall prices rose 5.3% in 2023, however price pressures eased throughout the year, culminating with an inflation of 1.9% in December. This trend was largely influenced by an 8.9% decrease in energy prices, which played a pivotal role in curbing overall inflation. In turn, the lagged passthrough of cost pressures and worse agriculture harvest in Portugal due to climacteric events kept food inflation elevated at 10.0%, being still a burden on households' budget. Notwithstanding, wage growth on the back of a solid labour market, coupled with a consistent deceleration in inflation, helped to alleviate some of the financial pressure on households and contributed to a gradual recovery of purchasing power. Consequently, private consumption, in real terms, had a positive year, though decelerating to 1.6% from the previous year's 5.6%. This was boosted by Government support measures and the utilization by families of extraordinary savings built during the pandemic. In the retail sector, total sales (excluding fuels) increased by 6.7% in nominal terms, with non-food (excluding fuels) sales closing the full year with a 4.0% rise, and in turn, food sales posting a 9.7% growth, driven by a robust price dynamic. The positive momentum of international tourism was also instrumental to the performance of the Portuguese economy. Notably, demand surged from markets which traditionally have a lesser prominence such as the United States or Canada, with touristic overnight stays from these countries increasing by 32.9% and 56.9%, respectively, compared to 2022 figures. All in all, the Portuguese economy remained solid despite the challenging economic conditions faced by its major trade partners.

On the non-financial side, the global pressure on sustainable practices and ESG principles intensified during 2023. The urgency to address environmental concerns grew, spurred by extreme weather events, heightened awareness campaigns, and scientific reports indicating the acceleration of climate impacts. The complex geopolitical context forced some nations to increase fossil fuel production to stabilize energy markets amidst supply disruptions. Furthermore, climate change, social justice, and governance issues became increasingly apparent, shaping public discourses and policy agendas worldwide. Organisations faced mounting pressure to integrate sustainability into their strategy decisions and operations, driven by a combination of consumer preferences, investor demands, and regulatory requirements. Those at the forefront recognize the competitive advantages of adopting robust ESG strategies, including enhanced resilience, improved reputation, and facilitated access to capital.

Overall, 2023 was another challenging year, marked by geopolitical tensions and economic uncertainties, with the climate crisis intensifying and ESG considerations gaining central importance in financial decision-making and long-term value creation.

[6] Used sources: ECB, Eurostat, INE and Bureau of Economic Analysis.

1.7.2. Our evolution during the year

Sonae and the Capital markets

Sonae kept a regular and transparent communication with the capital markets, recording more than three hundred interactions with investors and analysts in 2023. During the year the investor relations team participated in five conferences and roadshows, three presential and two virtual.

At the end of 2023, there were seven analysts with active coverage of Sonae, six with a "Buy" recommendation and one with a "Hold" recommendation. The implicit average target price at the end of the year was €1.41 per share, representing an upside potential of 56% vs. Sonae's closing price as at December 29th, 2023 (€0.9045).

During 2023, Sonae's average share price stood at €0.9580 and the average daily turnover decreased to 2.1 million shares.

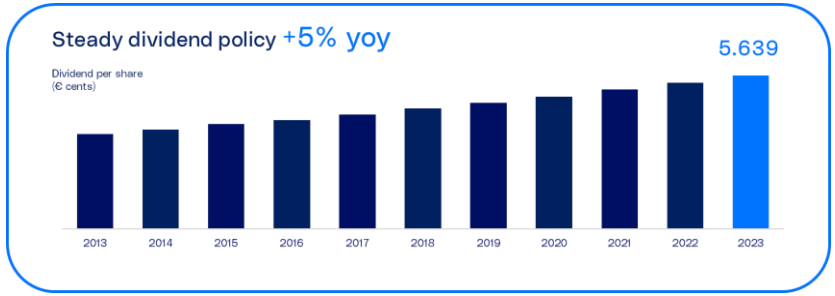
Total Shareholder Return (TSR), at the end of 2023, was +2%, penalised by the share price performance volatility and its contraction of 3%.

The PSI index, which reflects the performance of the most actively traded shares listed on Euronext Lisbon, Portugal, including Sonae, registered a TSR of +16%, with a price performance of +12%, at the end of 2023.

Sonae	2022	2023
Share price (€)		
Close	0.9350	0.9045
Maximum	1.1770	1.0630
Minimum	0.8240	0.8985
Average	1.0081	0.9580
Average daily volume	**3.3m**	**2.1m**
Market Capitalisation	**€1,870m**	**€1,809m**

Dividend policy and proposed dividend

Sonae has a stable and growing dividend distribution policy, based on a 5.0% increase of dividend per share every year, except in exceptional years, such as during a crisis, as the Board of Directors, to protect liquidity can propose to keep the same amount distributed in the previous year.



Considering the dividend policy, the Board of Directors proposes to the General Meeting, under the applicable legal and statutory terms, that the net result of the separate financial statements of Sonae, SGPS, S.A., for the financial year 2023, in the amount of 258,619,589.49 euros, be applied as follows:

- Legal Reserves: 12,930,979.47 euros;
- Dividends: 112,780,000.00 euros;
- Free Reserves: 127,010,698.02 euros.
- Other reserves: 5,897,912.00 euros

In view of the net results for the 2023 financial year, and according to our dividend policy, the Board of Directors proposes the payment of a dividend of 5.639 euro cents per share, 5% above last year. This dividend corresponds to a dividend yield of 6.2%, based on the closing price as of December 29th, 2023 and to a payout ratio of 25% of the consolidated direct result (assuming own shares at the end of December 2023 totalling 70,272,539).

Consolidated operational and financial performance

€m	31.12.22	31.03.23	30.06.23	30.09.23	31.12.23
NAV [1]	**3,974**	4,079	4,240	4,411	**4,513**
Market capitalization	**1,870**	2,010	1,802	1,840	**1,809**
Net Debt	**540**	922	1,067	982	**526**

€m	4Q22 R	4Q23	yoy	2022	2023	yoy
Turnover	2,225	2,363	*6.2%*	7,693	8,399	*9.2%*
Underlying EBITDA	198	216	*9.1%*	644	722	*12.1%*
Underlying EBITDA margin	*8.9%*	*9.1%*	*0.2 p.p.*	*8.4%*	*8.6%*	*0.2 p.p.*
EBITDA	381	410	*7.6%*	923	990	*7.2%*
Direct Result	241	260	*7.9%*	446	427	*-4.4%*
Net result group share	126	222	*76.6%*	336	357	*6.4%*
Sale of assets	229	317	*38.1%*	301	331	*10.0%*
M&A capex	-46	-47	*-3.9%*	-277	-223	*19.7%*
Free cash flow before dividends paid	483	464	*-3.8%*	187	187	*0.3%*
Dividends paid	0	0	-	-169	-161	-

	1Y	3Y	5Y	10Y
Total Shareholder return [2]	2%	61%	48%	36%

[1] Based on market references [2] Source: Bloomberg.
R - Restated as Universo was considered as asset held for sale and all periods in 2022 were restated to consider this asset as discontinued operation.

Sonae's NAV, based on market references, amounted to €4.5bn at YE23, implying +2% qoq and +14% yoy. The quarter improvement was mainly fuelled by the contribution of MC, driven by both its improved operational performance and favourable market multiples.

During 2023, the retail and real estate businesses performed strongly despite the demanding macroeconomic conditions and tough competition environment. In fact, a still though decelerating high inflation scenario continued to pressure our cost structures, but our businesses were able to deliver a solid and resilient operational performance driven by reinforced market shares.

Consolidated turnover increased 9% yoy to €8.4bn, and uEBITDA grew 12% yoy (+€78m) to €722m, with an 8.6% margin, +0.2p.p. yoy, mainly fuelled by MC. Consolidated EBITDA delivered a €1.0bn record-high in the year, +7% yoy, despite lower equity method results, on the back of our portfolio management activity, that was more than offset by uEBITDA improvement.

Higher level of D&A driven by our businesses' store network expansion and digitalization efforts, coupled with increased financial costs and tax expenses, led Direct Result to €427m, and the Net result (group share) to €357m at the end of year, 6% above last year.

NAV (€m)	2022	2023	Var %
Retail (food & electronics)	2,027	2,418	19.3%
Real estate	875	1,057	20.9%
Telco and technology	962	885	-8.0%
Other investments*	342	202	-41.0%
Holding	-232	-49	79.0%
o.w. net debt	-248	-26	89.4%
NAV	**3,974**	**4,513**	13.6%

* Includes: Universo, Zeitreel (Salsa, MO and Zippy/Losan), Sparkfood (www.sparkfood.com) and ISRG (only in 2022).
Note: NAV based on market references and for more detail please see Investor Kit in www.sonae.pt

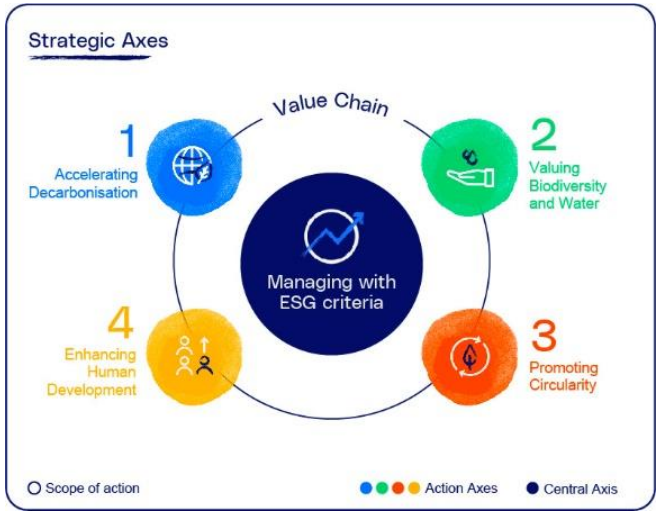
€m	2022	2023
EBITDA (inc. rents and taxes)	423	466
Working capital and others	35	1
Operational capex	-357	-443
Operational cash flow	**101**	**25**
Net financial activity	-21	-39
M&A capex	-277	-223
Sale of assets	301	331
Dividends received	83	93
FCF before dividends paid	**187**	**187**

Operational cash flow evolution reflected the increased capex from MC on its retail network expansion and refurbishment, which more than offset our main businesses improved operational performance.

Moreover, our portfolio management activity and dividends received during the year led to a free cash flow before dividends of €187m, in line with last year. After the dividend payment to our shareholders and partners of €161m, consolidated net debt slightly decreased in 2023 to €526m.

Consolidated ESG performance

We continuously monitor and assess our businesses' performance through comprehensive metrics and reporting mechanisms, and, over the past few years, our portfolio of companies has been very active in pursuing our ambitious goals, continuously designing new initiatives and investments to further improve our sustainability journey. During 2023, we were able to progress across all our new sustainability axes.



Managing with ESG criteria

Recognition by prestigious ESG rating agencies

Our ESG performance has been recognised by prestigious rating agencies, which benchmark our evolution and reporting, against the market best practices. In 2023, Sonae maintained a good, pro-active, and collaborative approach with these agencies, in the last assessments:

- an **S&P Global ESG Score of 60/100**, ranking above the industry's average, with 65/100 in the Environmental Dimension and 69/100 in the Social Dimension;
- a **"Leadership A" rating in the CDP Climate Change,** being one of the World Leaders in the fight against climate change, and we also received an A score on CDP Supplier Engagement Rating, and maintaining a management level (B for timber, cattle, soy and palm oil commodities) in the CDP Forest, higher than the industry average (C));
- an improved ESG Risk Rating in the **Sustainalytics Core Framework** to 19.4, representing a Low Risk of experiencing material financial impacts from ESG factors.

ESG Ratings		2021	2022	2023	YoY
S&P Global	CSA and ESG Scores (0-100) [1]	CSA 43	CSA 59	**ESG 60** **CSA 58**	-
CDP	Climate Change (D- - A)	A-	A-	**A**	↑
	Forest (D- - A)	B (C for soy)	B	**B**	-
MORNINGSTAR SUSTAINALYTICS	Core Framework [2] (40+ - 0; Severe - Negligible Risk)	23.1 Medium Risk	20.6 Medium Risk	**19.4** **Low Risk**	↑

[1] Sonae achieved a score of 43/100, 59/100 and 58/100 in the S&P Global Corporate Sustainability Assessments (CSA) for 2021, 2022 and 2023, respectively, ranking above the industry's average. Scores dates: July 2022, June 2023 and January 2024, respectively. The S&P Global ESG Score measures a company's performance on and management of material ESG risks, opportunities, and impacts informed by a combination of company disclosures, media and stakeholder analysis, modeling approaches, and in-depth company engagement via the S&P Global CSA. In 2023, Sonae achieved a S&P Global ESG Score of 60/100 (score date: January 2024).

[2] The Sustainalytics Core Framework scores are from April 2021, May 2022 and November 2023, respectively.

ESG criteria as an integrated part of our investment process

In 2023, we crafted a robust Responsible Investment Framework for Sonae, drawing inspiration from leading references and practices, particularly those exemplified by our companies, Sierra and Sparkfood's successful models.

Responsible Investment Policy in Sierra

Sierra formally adhered to the UN Principles for Responsible Investment (UN PRI), which promote ESG principles in the investment decision-making process and formalised its own Responsible Investment Policy. Consequently, due diligence procedures were developed, covering Sierra activities (land acquisition and new development projects, acquisition of existing buildings and companies, and the operation of buildings of owned and managed assets) to integrate sustainability risks and identify adverse sustainability impacts on investment decisions, considering the Corporate Sustainability Guidelines aiming for more transparency and oversight of potential impacts and risks.

ESG Due Diligence for M&A - Sparkfood

In 2023, Sparkfood defined its Impact Strategy, aligned with the UN SDGs, and an Investment Handbook that provides the overarching charter for its approach to investments aligned with the strategy. These tools are intended to provide a framework for how the company applies ESG considerations to the way it pursues, evaluates, and implements investments, how it operates its businesses, and how it engages with targets and portfolio companies. Since then, Sparkfood has undergone ESG Due Diligence on its M&A processes and started working with its portfolio companies in defining and advancing their Impact agendas, aligned with their strategy.

Sustainable and responsible supply chain with ESG criteria

We are committed to a sustainable and responsible supply chain, guiding our management decisions and investments. Our businesses actively promote socially and environmentally responsible practices with suppliers. In 2023, MC, Worten and Zeitreel conducted around 560 audits of their own brand suppliers, which included ESG criteria. As a result, we achieved an **82% compliance rate among our suppliers in meeting these criteria.**

Identifying critical suppliers helps to manage risks and build resilience. Our businesses continued enhancing engagement with suppliers, as well as revising prioritisation criteria and ESG assessments. Their businesses have supplier management programmes in place designed to mitigate ESG risks, promote best practices, and influence broader supply chains. With these as guiding principles, our businesses are actively engaged in strengthening their supplier management programmes, as they incorporate stages of interaction with our business partners. These initiatives are designed to manage ESG risks associated with our supply chain, while encouraging our suppliers to adopt the best environmental and social practices, and at the same time influencing their own supply chains.

Our management and relationship procedures cover multiple stages to regulate risk levels during selection and regular monitoring of suppliers. The procedures include (i) supplier selection processes that considers social and environmental criteria, including labour practices and human rights; (ii) collection and evaluation of necessary documentation, such as environmental (e.g. ISO 14001), social (e.g. OSHAS 18001, SA 8000) and other specific certifications according to the suppliers' business; and (iii) assessment of exposure to ESG risks in the value chain, particularly country of origin risk analysis and conducting audits based on internationally recognised standards and including ESG criteria related to quality, supply ethics, environment, hygiene and safety, human rights, and labour rights. Depending on the relevance of the results obtained, strategies are defined for process optimisation and improvement actions are implemented with suppliers. For more information about our suppliers management see here.

"Footprint MC" platform

MC has developed the "Footprint MC" platform, which allows it to work directly with suppliers in measuring and reducing the carbon and water footprints of their products.

The success of the project resulted in the measurement of more than 290 footprints and the involvement of more than 70 suppliers.



ESG score matrix - Worten

At Worten, all strategic partners were identified, to understand their impact and performance on environmental and social aspects, from both a medium and a long-term perspective. To this end, Worten developed a questionnaire addressed to tier 1 partners and suppliers, the results of which have translated into an ESG score, positioning the assessed parties in a pre-defined ESG score matrix. Depending on the result obtained, Worten has made itself available to collaborate with its partners, in the development of an action plan aimed at improving their global scores, whenever needed.

Promoting sustainable behaviour and choices by consumers

By actively engaging customers in sustainable practices and choices, businesses can not only contribute to global sustainability goals, but also foster a positive and responsible brand image. Furthermore, they can also ensure that they are aligned with the growing demand for ethical

and sustainable business practices, setting the stage for long-term success in a socially and environmentally conscious market. We are committed to promoting sustainable choices among our business' customers, and in 2023, several campaigns were promoted to encourage and enable more sustainable behaviour.

"Poupe o Planeta" - MC

To challenge Continente's customers to adopt more sustainable behaviour, MC launched the "*Poupe o Planeta*" campaign, a gamified experience aimed to raise awareness among users of the Continente Card App, by contributing to the conservation and protection of the Planet. This initiative was designed to encourage users to adopt 10 eco-friendly practices, including the reduction of paper usage, and choosing sustainable products. Users earned points that would then be converted into the commitment to plant 1 tree for every 10 points accumulated.

Activated at the begin of June, in celebration of World Environment Day, this initiative successfully engaged approximately 200 thousand customers and allowed us to finance 15 thousand trees in national forests. The interactive and gamified approach not only promotes individual responsibility, but also cultivates a community driven towards environmental sustainability and preservation.



Regarding the four action axes, in 2023, the group delivered important achievements towards its main commitments and targets.

Action axes	Target KPIs	Performance 2021	Performance 2022	Performance 2023	Comment
Accelerating decarbonisation	-53% GHG emissions (scope 1+2) by 2032 (vs 2022), to achieve carbon neutral operations (scope 1+2) by 2040	190k t CO2e	171k t CO2e	**162k** t CO2e	In 2023, our operations **decreased by 6%** the GHG emissions (scope 1+2) vs. 2022.
Valuing biodiversity and water	Zero Deforestation by 2030	1st assessment (for 2022): **58%**			Deforestation-free figure for the **1st assessment** considering MC, Worten and Zeitreel, with the criteria of no country risk or absence of deforestation through a certification scheme or other control and monitoring mechanisms of the commodities sourced.
Promoting circularity	100% Plastic packaging recyclability (own brand) by 2025	76%	80%	**87%**	Recyclability of packaging **increased** to 87% in 2023, according to the Sociedade Ponto Verde matrix.
	30% Recicled plastic incorporated in new packaging (own brand) by 2025	12%	14%	**14%**	In 2023, the level of recicled plastic incorporated in new packaging **remained stable.**
Enhancing Human Development	45% Leadership positions held by women by 2026	37%	39%	**40%**	Leadership positions held by women (considering Executives and Senior & Middle Managers) **increased** to 40%.

Notes:
GHG emissions (scope 1 and 2) for 2022 restated considering the SBTi targets submission process.
Plastic packaging recyclability for 2021 restated due to methodology criteria changes with improvement in total plastic mapping in MC.
The number of leadership positions held by womem does not include Arenal's (MC) employees.

1. Accelerating decarbonisation

GRI 3-1 | 3-2 | 3-3 | 201-4 | 302-1 | 305-1 | 305-2 | 305-3

Our GHG emissions (scope 1 and 2) decreased by 6% yoy and we are on track to achieve carbon neutral operations by 2040

Recognising the urgency of the climate crisis, our near-term targets outline clear pathways for substantial emission reductions over the next 10 years, contributing to the collective effort to limit global warming to 1.5°C.

In 2023, our portfolio companies went through a process of revising and setting ambitious emission reduction targets, aligned with the Science Based Targets initiative (SBTi) framework. Both MC and Sierra achieved SBTi approval for their ambitious targets, and Worten has submitted its Standard Commitment Letter to SBTi.



Regarding the performance against our targets: (i) we achieved a 30% reduction of GHG emissions (scope 1+2) in 2022, when compared to 2018 (base year of the previous mid-term target commitment), and (ii) during 2023, our operations decreased the GHG emissions (scope 1+2) by 6% when compared to 2022 (base line year of the current mid-term target that was revised considering the new strategy, i.e. reduce our GHG emissions (scope 1+2) by 53% by 2032).

In terms of breakdown, in 2023: (i) scope 1 emissions increased by 5% yoy, mainly due to the expansion of both services and business trips together with the recovery in economic activity, compared to a period still strongly affected by the pandemic; and (ii) scope 2 emissions decreased by 12% yoy despite the effect of the energy crises experienced in the past two years.

Our strategic approach on energy efficiency processes and investments in renewable energy produced or acquired through green contracts, such as Power Purchasing Agreements and Guarantees of Origin, have been the main reason behind this positive performance.

Our renewable energy increased by 10% yoy in 2023

In 2023, our consolidated energy consumption surged by 4% yoy, primarily due to increased office attendance and business expansion, despite all our efforts to promote energy efficiency, like process optimization, maintenance revisions, energy audits, and equipment upgrades.

However, we remained committed to renewable energy transition, with a total of 52.3 MWp installed capacity in photovoltaic panels and a 30% yoy rise in renewable energy production. Own production and consumption of renewable energy represent 7% of the total electricity consumption. To pursue the objectives of our decarbonisation roadmaps, alongside our self-production evolution, the green energy contracts together, contributed to a 40% share of renewable energy in total electricity consumed.

MC and Sierra contributing to the energy transition route

In 2023, **MC** continued the "Energy Forum" project aimed at promoting initiatives geared towards energy optimisation. The work carried out enabled MC to implement a practical recommendations guide for use in stores, improve energy consumption control systems, and accelerate the installation of renewable energy power plants, among other initiatives. MC created the "Energy Forum" initiative in 2022 to accelerate the execution of its decarbonisation roadmap.

In addition, MC has continued to invest in the expansion of its photovoltaic parks. In 2023, a total of 264 plants were installed and are now in operation. This represented a growth of 22 new plants compared to 2022, and a photovoltaic park with an installed power of about 52 MWp.

Sierra's "Tech to Zero" and "Bright" programmes

Sierra created "Tech to Zero", a solution that offers an innovative and integrated approach to building management to achieve carbon neutrality, improve operational efficiency and enhance the customer experience though the implementation of state-of-the-art technology.

Since 2013, Sierra has also the Bright programme in place to reduce energy expenditure and improve the carbon footprint of real estate assets. In 2022, Bright 2.0 was launched, extending to most of its investment property portfolio, including specialized audits and performance monitoring initiatives, with updated technical standards based on the Best Available Technologies.

By the end of 2023, 31 measures were implemented, rendering 3% of energy potential savings vs the 2019 baseline, out of the total 33% energy potential savings identified in 150 measures. This equates to €902k in consumption savings implemented vs a total of €6.5m of all measures or 44.5 GWh.

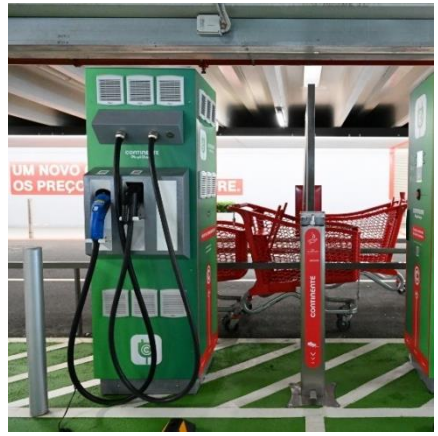
Taking measures to reduce our scope 3 GHG emissions

Regarding **scope 3 emissions**, our portfolio continued to focus on mapping the most material categories, recognising the intricate nature of tracing value chain information. In this context, we continued to work on improving our calculations for the different categories and are taking measures to define our reduction roadmaps. In 2023, scope 3 emissions represented 5.94m tCO_{2e}, a decrease of 6% yoy[7], as a result of our effort to engage with suppliers to decarbonise their value chain and also to promote the most energy-efficient products for clients. Given the nature of our portfolio activities, the most representative categories refer to the "Purchased goods and services" and "Use of sold products", with a weight of 82% and 15%, respectively.

MC "Plug&Charge" network

MC's Plug&Charge network for electric vehicles is expanding nationwide, providing customers with an improved shopping experience that includes convenient car charging facilities.

The number of users using the network expansion service doubled in 2023. Currently the Plug&Charge network has 254 charging spots in 69 stores, thus becoming an important charging network in mainland Portugal.



[7] This value only considers category 1 in 2022 and 2023 for MC, and the other companies cover all categories in general. MC's SBTi target validation, in 2023 its scope 3 carbon footprint is focused on category 1, as it represents more than 67% of scope 3 emissions. A new reassessment will be carried out every 5 years, to ensure consistency with the latest climate science and best practices.

2. Value biodiversity and water

GRI 3-1 | 3-2 | 3-3 | 303-3 | 303-5 | 304-1

Decisive steps on our path to contribute to halting and reversing biodiversity loss by 2030 and improving water protection and efficiency

In response to the urgent need to halt and reverse biodiversity loss, we are taking decisive steps to address the impacts and pressures of our business activities on natural ecosystems and contribute to their conservation and regeneration. To this end, Sonae continues to be actively involved in the Corporate Engagement Programme of the Science-Based Targets Network (SBTN) since its launch in 2020, collaborating in the development of methodologies and tools to define objectives aligned with science for our business. This involves a thorough analysis of our value chain activities, identifying and quantifying the key biodiversity loss factors within our business.

As part of this commitment, and in parallel with the development of the SBTN methods (first version launched in May 2023) and the Taskforce on Nature-related Financial Disclosures (TNFD guidance, launched in September 2023), efforts to quantify the major impacts are ongoing. Preliminary insights, considering both the direct operations (mainly infrastructure developments and management) and the supply chain, highlight that the main footprint of our businesses activities is likely to be associated to upstream activities, whereby the extraction and production of key commodities, can have strong impacts on natural ecosystems through land use conversion, pollution, and water use, but also across the subsequent transformation processes up to the products we use and trade.

Regarding **water use**, we have been testing methodologies outlined by SBTN, with a specific focus on evaluating setting SBTN's water targets, including reductions in consumption and organic pollution (nitrogen and phosphorus).

Since 2021, our partnership with SBTN has been instrumental in enhancing our traceability in water-related matters. In 2023, we remained committed to promoting these efforts, investing in improving our monitoring, control, and process optimisation mechanisms. This proactive approach also aims to anticipate our performance in line with new regulatory requirements.

Additionally, in 2023, we started to account for the water impact across the value chain of our businesses. More specifically, this initiative started with direct operations but aims to extend throughout the value chain and product manufacturing processes, prioritising areas at higher risk of water stress. We monitor and report water usage while developing a comprehensive water commitment recognising its critical role in ecosystems and well-being. Furthermore, we actively engage in biodiversity conservation and regeneration through on-the-ground actions, projects, and external initiatives for positive outcomes.



MC – Continente Producers Club (CPC)

In 2023, CPC celebrated its 25th anniversary. This long-established club continues to pursue its mission of supporting national producers and promoting the best production practices. This is in line with the strategic dimension that allows fresher products to be offered at MC stores, while reducing the environmental impact and improving the well-being of local communities offering new businesses and economic opportunities. MC has been closely involved with each member, providing them with training and opportunities to share experiences and find new partnerships. In 2023, **83 producers** were involved in the CPC Academy.



In 2023, this dedication translated into the purchase of **€570m** of certified national products, an increase of 10**%** yoy, bringing together c.340 producers, and reaching c.11,350 hectares of agricultural land and 34% of all of MCs food purchases. These initiatives cover several areas such as improved production practices, packaging, and nutritional solutions.

For example, the **Regenerative Agriculture Programme** through a cultivation protocol, includes a set of diagnostic tools and supports decision making for producers, to ensure better soil conditions, safeguard plant nutrition and manage available water, was, extended to 7 producers in 2023.

Also, the **Agroecology Program**, was designed to support 23 producers to establish an action plan for their farms based on 3 key factors: Water, Biodiversity and Carbon (ABC).

Sierra Plaza Mayor Garden

In 2023, the Sustainable Gardens in Plaza Mayor managed by Sierra, were announced as the winners of the Best Sustainability Action category at the AECC 2023 Awards. Plaza Mayor boasts ISO 14001, OHSAS 18001, BREEAM IN-Use (rating of «Very Good» for the Building and «Excellent» for Building Management) and accessibility certifications (Global Accessibility Standard UNE 170001-2).



Since 2010, the centre has been replacing its garden plants with native species that promote increased local biodiversity and require less irrigation.

Following the decrease in the use of aggressive chemical treatments, shrubs and trees serve as hotels for insects necessary for the garden. In addition, vertical gardens were installed with automated irrigation and the water used for irrigation is recycled through a treatment and recirculation system, reducing its consumption.

Plaza Mayor's dedication resulted in:78% reduction in water consumption since 2004; 44% reduction in electricity consumption since 2006; and 542% (70p.p) increase in recycling rate since 2007.

Targeting Zero Deforestation – our progress

Progress towards the Zero Deforestation commitment adopted in June 2022 was assessed based on the period from January to December 2022. In line with the Carbon Disclosure project, progress towards Zero Deforestation was determined for our own brand products with the following commodities cattle, soy, palm oil and timber.

Overall, the current progress for MC, Worten and Zeitreel is considered to be 58% deforestation-free (according to the criteria of sourcing these commodities from non-risk countries or if the commodities hold a relevant third-party certification (for instance FSC, RSPO)). When key information is not available (such as the country of origin) the commodities are assumed as potentially contributing to deforestation and trigger further efforts of engaging with suppliers to improve and increase traceability. For Sierra, as no new infrastructure or expansions were developed in Forest Risk Countries, no conversion/deterioration of natural forest, following IFC guidelines, occurred.

Sonae Forest – a project that gathered momentum in 2023



Our Sonae Forest project represents the commitment of all Sonae companies to protect nature and restore biodiversity, while contributing to offsetting their carbon footprint, partly due to some unavoidable emissions and increasing carbon storage in forests.

In 2023, more than 70 hectares were added to this project and approximately 88k native trees were donated.

Since the beginning of the project a total of 269 hectares were restored, forest was conserved and the fire risk was decreased, enhancing the protection of local communities.

3. Promoting circularity

GRI 3-1 | 3-2 | 3-3 | 301-3 | 306-3

Promoting circularity across the portfolio

Sonae also remains focused on extending the **life cycle of materials and products**, contributing to a more efficient use of resources, and, fostering innovation consumption and production models throughout the value chain. Thus, in 2023, Sonae and our companies remained active across its supply chains and through its activities in the search for innovative solutions and services that promote the circular economy. Some examples are outline below:

MC and Worten promote circularity

"Re]cycle, [Re]style, [Re]born, [Re]use, Refill Spot" by Continente and Eco Spots
MC innovated its circular approach to several second-hand products, which include such initiatives as the "[Re]cycle for bicycles, [Re]style for clothing, [Re]baby" for childcare items, and "[Re]use for electric tools", encompassing more than 150 different types of products covering three piloting stores. The "Refill Spot" initiative by Continente, an automated bulk sales solution, has products like dry food, detergents and pet food, and recorded more than 4,400 transactions. In 2023, MC also implemented a system for collecting coffee capsules in its food retail stores, in the eco spots available.

"Worten Resolve"
Worten, regardless of where customers have purchased their products, provides a complete repair service – Resolve – that contributes to extending the useful life of electronic equipment. Two subscription plans are available, Tech and Home Plans. Tech Plan encompasses a monthly subscription that ensures technical assistance for computer devices, smartphones, small appliances and consoles, including diagnostic service, configuration and setup, remote technical assistance, and cartridge filling, among other services, available nationwide and 24/7. Home Plan consists of technical assistance service plans for home/household appliances that will guarantee comfort, convenience and safety through a network of highly qualified providers. In-store repair services are also available for small IT devices. Through the sale of refurbished products, repair services, and reuse products, Worten reconditioned more than 154k items and generated approximately €51m in sales from circular products/services in 2023.

Waste management in 2023

Our portfolio companies are also committed to adopting a comprehensive approach to waste management, addressing key environmental issues such as waste generation, plastic disposal, and electronic waste. Our focus is on enhancing waste valorisation, with the aim of diverting a significant percentage of waste away from landfills. In 2023, our businesses achieved a rate of 85% waste sent to recycling, reuse, or other forms of waste recovery.

Waste management in MC and Sierra

MC has been working to ensure smarter and more assertive waste management. Efforts are complemented by mechanisms to accelerate the flow of products and minimise food waste, such as Zer0% Waste Boxes and pink labels that focus on selling items close to their expiration date, but that can still be consumed, as well through initiatives to reuse and redistribute food, through the food surplus donation programme.

The mechanisms of accelerating the flow of products and the food surplus donation programme allowed to avoid about €65.7m of food waste to be avoided, which represented a growth of €12m compared to 2022.

In 2023, **Sierra** performed waste characterisation studies on a set of assets aiming to identify valuable materials within undifferentiated waste streams to drive optimisation in processes for resource recovery and increase the recycling rate.

As a result of waste management improvement initiatives, c.70% of its assets have processes in place to separate organic waste for composting or anaerobic digestion.

Managing plastic in our value chain

At Sonae, we are also committed to prioritising eco-design principles for the packaging of own brand products, aiming to enhance sustainability throughout our supply chain. As part of our commitment to being part of the solution, we engaged stakeholders across the supply chain to collectively work towards reducing plastic usage upstream, adapting operations to minimise plastic usage, and promoting responsible plastic use and disposal to our customers.

Sonae's plastic usage in 2023 increased by 14% yoy. A more granular analysis shows that packaging accounted for 64.4%, products for 31.2%, and operations for 4.5% of total plastic usage.

The use of plastic in packaging (own brand) increased by 30.6% yoy, which cannot be disassociated from the increase in sales volume (in some cases, products with a greater weight of plastic in their packaging) and with the increase in the number of product units mapped. However, reflecting Sonae's efforts in material choices and across the supply chain, the use of plastic in the products (textile, electric and electronic equipment, and non-food) and operations of our businesses was reduced by 6% and 15% yoy, respectively.

Although there was an increase in the use of plastic packaging, in terms of the incorporation of recycled plastic in new packaging of own brand products we maintained the level of 14% in 2023. Furthermore, substantial progress has been made by the portfolio towards the public commitment to make the plastic packaging of its own brand products 100% reusable, recyclable or compostable by 2025, with the recyclability of packaging increasing from 80% to 87% in 2023, according to the *Sociedade Ponto Verde* matrix.

This positive progress was due to the transformative efforts in the packaging approach, guided by the principles of eco-design, during the packaging development, including material selection criteria, size reduction, minimising unnecessary packaging, and the incorporation of recycled and recovered materials.



Regarding this target, we are reaching a stage where it is recognised globally how ambitious the accomplishment of this is. Viable solutions are urgently needed from the leading industry to address the final stage of plastic packaging recyclability, such as multi-material flexible packaging.

Additionally, it is crucial to ensure that collection, sorting, and recycling systems also keep pace with this development, guaranteeing that all the recyclable packaging is actually recycled, because in some cases, despite being recyclable are not recycled, from an upcycling perspective (example, polystyrene cups). We are actively monitoring and engaging with key players in this ecosystem to identify solutions and be part of the first movers in driving this change.

Following the same path in 2023, UK-based Gosh!, Sparkfood's first investment in healthy and sustainable food solutions, finalised the mapping of its packaging consumption. This analysis encompassed both plastics and cardboard, and primary and transit packaging. In 2023, c.80% of primary packaging was recyclable. It is the ambition of Gosh! to convert 100% recyclable, reusable or compostable primary packaging.

Managing the impact of our plastic packaging of our own brands with our suppliers

To minimise plastic waste and prevent its harmful impact on marine ecosystems and wildlife, at Sonae we prioritise reducing plastic usage across our own brands products where we can have the most significant influence. Our portfolio companies take this responsibility seriously with initiatives and investments in changing primary packaging that streamline the entire process with collaboration and co-innovation with suppliers.

One such example comes from Worten concerning for one of our own Hi-Fi & IT cable brands, which until 2023 used a combination of PET plastic (polyethylene terephthalate) and cardboard packaging. In 2023, working with our partner identifying a new solution, we achieved a transition to 100% cardboard packaging, reducing three tonnes of PET for this segment.

Additionally, for MC packaging is a fundamental factor in the development of its own brand products, affecting their transportation, storage and conservation and directly influencing the quality and shelf life of their products. To this end, MC created a Sustainable Packaging Manual for their private and exclusive brands to be considered in the process of developing or changing packaging that outlines key principles:

- minimise unnecessary packaging;
- optimise dimensions and weight while ensuring product preservation and packaging functionality;
- prioritise recycled materials over virgin materials, whenever possible; and
- focus on recyclability, favouring mono-materials for ease of recycling.

The main purpose of this "guide to good practices" is to make the packaging of our own and exclusive brands, such as the Continente brand, more sustainable, innovative and informative for the customer. To ensure its understanding and adoption, a training course was created for MC employees and suppliers.

Moreover, in 2023, MC continued to eliminate problematic plastic, that is through efforts to reduce the plastic footprint, which included replacing it with other recyclable plastics and/or paper/cardboard. Liquid yogurts and rice own brand are two clear examples of MC's effort to reduce its plastic footprint.

Continente, was one of the first Portuguese retailers to eliminate plastic lids from its own brand liquid yogurt, representing the opportunity to save around 100 tonnes of plastic per year, thus reducing the quantity of this material by 15% in the approximately 69 million bottles of liquid yogurt sold per year.



In 2023, Continente's own brand rice packaging was also replaced by paper, reducing the use of 61 tonnes of plastic. Continente was a pioneer in this area and was the first retailer to eliminate plastic in rice packaging.



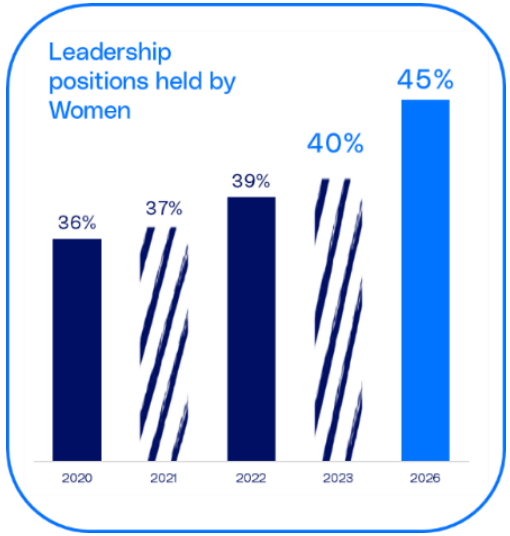
4. Enhancing human development

GRI 2-7 | 3-1 | 3-2 | 3-3 | 404-1 | | 405-1 | 413-1

A diverse and satisfied team

In 2023, Sonae's workforce remained at 48 thousand employees, with 65% of the total workforce made up of women, most of our team is based in Portugal (95%) and the vast majority (77%) have a permanent contract. In terms of age diversity, at the end of 2023, we employed 38% of people less than 30 years old, 47% from 30 to 50 years old and 15% above 50 years old.





Respecting different races, ethnicities, languages, customs, and nationalities is crucial for the development of society. As a multinational company, Sonae recognises that diversified cultural backgrounds will contribute to a collective history and future ambition. Therefore, by the end of 2023, 5% of Sonae employees were non-Portuguese nationals.

In 2023, we reached 40% of leadership positions held by women.

As we truly believe in an inclusive workplace, where diversity contributes to a more innovative and skilled team, since 2021, we have been implementing the initiative "People with a difference" with key partners and associations. Through this initiative, we aim to recruit people with disabilities. By the end of 2023, Sonae had 375 employees with a disability.

In 2023, Sonae launched two Employee Resource Groups (ERGs) focused on the LGBTQIA+ dimension, one of which was launched at a corporate level, with the intention of impacting all Sonae employees, and the other one was creating at MC, fostering a closer connection to its employees. The purpose is the same for both groups: foster an inclusive workplace, enhance employee experience and also raise awareness and strengthen allyship. These ERGs are voluntary, employee-led groups within Sonae that bring together individuals with shared characteristics or interests, creating a safe environment to discuss, learn and share experiences, while also hosting activities that promote community engagement and cultural awareness.

The group's ERG launch campaign was marked by an invitation to all employees at Sonae's headquarters to create a diversity mural, expressing their commitment to cultivate an environment where everyone feels valued, respected, and empowered to bring their whole selves to work.

Aware of the influence that unconscious bias has on decision-making processes, Sonae has a transversal training programme dedicated to this topic, aiming to foster the non-discrimination principle, providing employees with knowledge, tools and strategies that allow them to recognise the importance of diversity and inclusion and the benefits of such practices for the organisation. This training programme aims to help individuals understand, control, and minimize their prejudices, leading to a more respectful, safe, and diverse workplace. This is a mandatory e-learning programme for all employees at the group, and is already part of the Onboarding Training Programme.

Embracing diversity - MC

MC launched a programme aimed at actively engaging individuals with cognitive disabilities and mental disorders in its stores. This endeavour involved several stages, with a primary focus on offering secure employment contracts to these individuals, distinguishing it as an onboarding initiative rather than an internship programme.

In collaboration, **MC** overhauled its recruitment process, proactively assessing the accessibility of stores in advance and refined the selection approach, incorporating "on-the-ground interviews" as needed, and customised training sessions for leaders and teams. A policy was implemented to ensure that every new hire was assigned to at least one internal tutor. Furthermore, MC redefined the onboarding day and the framework for working conditions, such as initiating with a fixed working schedule that excluded weekends to facilitate a smoother transition into the workforce. MC provided continuous supervision and support to the stores throughout the entire six-month project, actively showcasing successful integration stories.

Over 80% of the employees welcomed into the team, in the context of this programme, now have permanent contracts. The sense of belonging to a team has deepened, and leaders have developed new skills, particularly in the realm of inclusive leadership.

Inclusive Leadership - Worten

Recognising the importance that leaders have as ambassadors and promoters of Diversity, Equality and Inclusion (DEI), Worten held a workshop for executive line managers and directors to deliver and implement a comprehensive, long-term plan based on understanding, acceptance and endorsement of the company's leaders.

Following this workshop, individual sessions were conducted to present the results, understand the perspective and secure commitment. The initiative rolled out with specialised training to all leaders with the tools to communicate concepts effectively and conduct exercises tailored to their respective team dynamics. At the end of the training, leaders were invited to implement activities within their teams, followed by a subsequent gathering to openly exchange insights (leader to leader) to share experiences, key lessons learned, best practices to adopt and request assistance in resolving any challenges.

Career progression of our employees

We aim to promote the career progression of our employees, investing in merit-based development and with several reskilling and upskilling programmes.

The training programmes were revised to reach a larger number of colleagues, using a more tailor-made approach, increasing by 6.8% yoy (total of approximately 1.1m hours) to c.53k participants attending training sessions. We will keep investing in the skills' development of our employees, to continuously improve their performance and find new professional opportunities. Sonae's merit-based system recognised the potential of 24 thousand (52%) colleagues with promotions. Sonae considers reskilling and upskilling to be life-changing and empowering for people and they are an important part of the solution to the evolving demands of the job market. In addition to working through public-private partnerships and industry partnerships, we strive to provide a continuous learning environment in our organisation and to deliver training, reskilling, and upskilling opportunities for our employees. Thus, Sonae is enrolled on a variety of initiatives that have been crucial to succeed:

Reskilling and upskilling our people

Sonae Academy – is a corporate academy accessible to all employees, which provides training programmes on management and leadership, productivity and personal development, strategy, creativity**,** and innovation.

Qualifica Centre – is a lifelong learning initiative developed by Sonae and the Portuguese Government that aims to recognize employees' skills and award them certifications. Through this initiative, our employees can increase their qualifications and simultaneously acquire official certifications and diplomas.

"**#EuEscolhoAprender"** – is an upskilling & reskilling programme with the objective of preparing Sonae's food retail business workforce for the future. It is developing and training more than 6,000 employees per year for the skills of the future (Leadership; Interpersonal skills and empathy; Digital Literacy and Programming; Analytics; Critical thinking and decision making)

Innovative programmes – Sonae has established partnerships with innovative education programs, such as the School 42, to learn from new and disruptive programmes.

In 2023, **Sonae was recognised as one of the best companies to work for in Portugal** by Magma Studio. This award highlights the values and expectations of young professionals at the beginning of their careers, solidifying Sonae's position as one of the most desired employers.

We also believe that training and education play a crucial role in building the resilience and autonomy of people and communities, helping to mitigate inequalities and eradicate poverty in its various forms.

As a diversified group, Sonae sees internal mobility as a game changer to underpin the company's growth and foster the personal and professional development of its employees. The group wants to strength careers and paths that give employees access to diverse experiences.

Sonae has unique characteristics and is able to offer different experiences, in its various businesses and geographic areas, challenging its employees to own their journey, tapping into an ecosystem where they can curate a meaningful career for the long-term, driven by their motivations and interests, and supported by their leaders, as facilitators of human development and sponsors in identifying and accelerating talent, playing a decisive role in shaping these paths. In 2023, 10% (c.4.5k vs 4.7k in 2022) of our team were involved in internal mobility programmes across the portfolio companies.

"*Giving wings to talent*" - MC

Through the "Giving wings to talent" programme, MC encourages people to discover internal opportunities and change roles, allowing everyone to make the most of every moment of their professional career. In parallel, leaders are encouraged to take on the role of enablers, promoting exposure to new professional experiences, developing new skills and valuing each person career. The company facilitates access to all its internal opportunities through the "Better Together" App and the internal social network "Workplace MC", where it regularly shares testimonials.

Our community support continues to increase, encompassing educational and innovate programmes

In terms of community support, in 2023, Sonae increased its investment in communities to €33m, representing a 4% yoy growth. This investment included €31m in in-kind support primarily through surplus food donations, benefitting vulnerable Portuguese families and significantly contributing to food waste reduction. Additionally, we supported 1,676 organisations in 2023. This expansion of support reflects our commitment to maximising the impact of our actions by reaching more people in need. Investment in our communities is rooted in our DNA, with social responsibility deeply integrated into our corporate culture. We firmly believe in giving back to society to foster development and prosperity, aligning with our mission to create social value. One way we fulfil this mission is by supporting projects dedicated to creating a better tomorrow for all.

Over time, this initiative evolved, culminating in a rebranding in in the end of 2022, resulting in the **Sonae For All** programme. This is our CSR programme, through which we invest in diverse social and community projects across three main areas of intervention: social investment in education; volunteering; and response to social emergencies.

Sonae For all

Education

Through Sonae For All, we strive to transform lives, empower communities, and lead meaningful educational initiatives that shape a brighter future for all. At Sonae we recognise that education is the most powerful catalyst for the social and economic development of our society. Thus, our educational projects implemented in 2023 reached more than 360 thousand people.



In 2023, **Sonae launched the 1st edition of the Sonae Education Award**, an initiative that aims to promote innovative and inclusive projects with a significant impact on improving the access and the quality of education in Portugal, contributing to eliminating and mitigating inequality and social exclusion factors. With more than 400 applications, the winners were: NoCode Institute, a digital platform that aims to reskill and relaunch careers at risk by the digital economy, and EKUI a project aiming to eliminate barriers in linguistic communication.

The winners were announced at the **Innovators Forum**, an initiative introduced by Sonae for sharing knowledge about critical dimensions directly impacting society, particularly in areas where Sonae is investing and developing expertise, always with a forward-looking perspective.

Sonae has also established long-term partnerships that focus on children's and youth's access to education sharing Sonae's vision that all children have the right to an education that allows them to reach their full potential. Namely through:

(i) *Ensico*, which promotes computer science education and since the beginning of the project in 2020, more than 3 thousand students have already been reached;

(ii) *Entrepreneurs for Social Inclusion* (EPIS) which actively coordinates a programme to enhance academic success and promote opportunities for more inclusive social development. Since 2013, the programme has reached 396 students, including 38 in the 2022/2023 academic year;

(iii) *Junior Achievement,* an organisation dedicated to promoting citizenship and financial literacy, entrepreneurship, and employability skills. In our 17 years of partnership, we have already reached over 33 thousand students, involving more than 16 thousand hours of volunteering the Sonae Team;

(iv) *Teach for Portugal* aims to create a movement of exceptional leaders committed to reducing educational inequality and capable of transforming reality both inside and outside the classroom. Since 2019, we have reached 12.7 thousand students, including 1.6 thousand in 2023; and

(v) 42 Porto, a programming school without classes or, schedules, and that is free, it is funded by patrons like Sonae that in 2023 reached more than one thousand students.

In Missão Continente's context, MC was pioneer in launching *Escola Missão Continente*:

Missão Continente – MC

Missão Continente celebrates its 20-year journey as a central platform for all brand social responsibility initiatives, strengthening its position as an essential pillar in building a more just and sustainable society.

Its three major areas of action are defined as Food, People, and Planet, demonstrating a comprehensive approach that addresses social and environmental dimensions.

In 2023 the first edition of Missão Continente Impact Report was launched, presenting the its involvement with the community in various aspects in terms of philanthropy to social investment, but also highlights the progress made, changes promoted, and impact generated throughout this journey, in promoting social well-being, sustainable nutrition, and environmental care.

Over the years, Missão Continente has aligned its actions with the Sustainable Development Goals agenda. This involves not only internal initiatives but also participation in external campaigns and projects contributing to a broader positive impact.



Sonae is aware of the urgent need to encourage lifelong learning and **reskill** people, collaborating with our value chain partners and communities, and contributing to the education and training of workers and the unemployed.

> "Reskilling is something we have to do throughout our lives."
>
> Cláudia Azevedo,
> Davos 2024

In this context, we are proud supporters of the European programme *R4E - Reskilling for Employment* and the similar national programme *PRO_MOV*, both focused on reskilling people for the jobs of the future. Internally, MC is leading the *#I Choose to Learn* (*#EuEscolhoAprender*) initiative, focused on upskilling employees within the food retail business and based on a learning-acceleration strategy with self-learning initiatives.

Currently, we also lead the PRO_MOV programme, a national programme promoted under the European R4E Initiative, created by the European Round Table for Industry (ERT), promoting the collaboration of more than 70 Portuguese companies from different sectors to advocate for the requalification of people in underemployment with a qualification and/ or professional experience inadequate to the current and emerging changes and needs of a labour market in deep transformation.

With seven laboratories in action: Digital, Green Jobs, Health Care, Industry, Agriculture, Sales and Business Intelligence, the results are a promising step toward to reinforce Sonae's commitment to shaping a resilient and adaptive workforce.

Sonae sees support for education as a key investment in the sustainable development of the communities where we operate.

We are committed to empowering, and requalifying all generations through the knowledge and educational opportunities we provide with our partners.

Volunteering and response to Social Emergencies

To create a positive and sustainable impact on the communities we serve and promote the engagement of our employees with these communities we established a volunteering programme addressing themes such as Animals, Environment, Education, Health, and Vulnerable Populations. With more than 160 volunteer initiatives, aprox. 1,300 employees actively participated in volunteering actions in 2023, contributing their time (5,187 hours of voluntary work) and skills to make a positive impact. Since 2022, Sonae For All expanded its reach, through the Sonae For Ukraine initiative to provide response to social emergencies. Sonae For Ukraine played a pivotal role in supporting more than 7 thousand people, by providing essential goods, supporting reception centres, and promoting the professional integration of Ukrainian refugees in Portugal.



1.7.3 Outlook

The global economy faces challenges stemming from geopolitical tensions, climate concerns and technological advances. On the one hand, economic activity may prove to be sluggish, as central banks try to balance growth with sustainability and inflation concerns. On the other hand, technology drives innovation and demands adaptability. Politics will also play an important role in 2024, as after the general elections in Portugal, there will be elections for the EU Parliament and for the USA Presidency, all with the potential to significantly impact the outlook for our main businesses. In this challenging context, flexibility, collaboration, and a forward-looking approach are essential to navigate the uncertainties and seize the opportunities that lie ahead.

During 2024, Sonae will be focused on growth, both by providing its portfolio companies the conditions to succeed in their respective markets and by successfully integrating acquired companies, namely Musti, BCF Life Sciences in Sparkfood and Druni in MC. These investments are important steps towards Sonae's ambition to build a more international and long-lasting portfolio.

Sonae

Annual Integrated Report 2023



Leading with impact

through excelent corporate governance

2 Corporate Governance Report

2.1 Part I: Shareholders' structure, organisation and Corporate Governance
2.2 Part II: Statement of Compliance
2.3. Part III: Remuneration Report
2.4. Appendix



2.1. Part I: Shareholders' Structure, Organisation and Corporate Governance

A. Shareholders' Structure

I. Share Capital Structure

1. Share Capital Structure

Sonae SGPS SA's (hereinafter "Sonae" or the "Company) share capital is 2,000,000,000 euro, fully subscribed and paid up, divided into 2,000,000,000 nominative ordinary shares, each with a nominal value of one euro.

The breakdown of qualified shareholdings regarding share capital and voting rights is listed below in section II.7.

All the shares representing the Company's share capital are admitted to trading on the Euronext Lisbon regulated market.

2. Restrictions on the transfer of ownership of shares

There are no restrictions on the ownership or transfer of Company's shares.

3. Own shares – number, percentage of share capital they represent and percentage of voting rights that would correspond to own shares

On 31st December 2023, the Company held 70,272,539 own shares, representing 3.514% of the Company's share capital, which would correspond to the same percentage of voting rights.

4. Significant agreement with ownership clauses

There are no agreements executed by the Company that include protective contractual mechanisms (either by changing or by terminating such agreements) against change of control events, namely following a takeover bid.

The majority of the share capital of the Company is attributable to a single shareholder.

5. Defensive measures in case of change of control

No defensive measures were adopted by the Company.

6. Shareholders' agreements

The Board of Directors has no knowledge of any shareholders' agreements involving the Company.

II. Qualified shareholdings and securities held by members of the statutory governing bodies

7. Qualified shareholdings

Qualified shareholding, by reference to 31st December 2023, pursuant to article 16 of the Portuguese Securities Code relying on the notices received by the Company, the respective attributable share capital and voting rights, as well as the source and the grounds for such attribution, calculated according to article 20 of the Portuguese Securities Code, in compliance with article 29-H of the Portuguese Securities Code:

Shareholder	Nr. of shares	% Share capital	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, S.E. (I)				
Directly	200,100,000	10.0050%	10.0050%	10.3693%
By Pareuro, BV (controlled by Efanor Investimentos, SGPS, S.E.)	849,533,095	42.4767%	42.4767%	44.0235%
By Maria Margarida Carvalhais Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, S.E.)	14,901	0.0007%	0.0007%	0.0008%
By Maria Cláudia Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, S.E.)	1,017,900	0.0509%	0.0509%	0.0527%
By Duarte Paulo Teixeira de Azevedo (Director of Sonae, SGPS, S.A. and Efanor Investimentos, SGPS, S.E.)	1,318,819	0.0659%	0.0659%	0.0683%
By Ângelo Gabriel Ribeirinho dos Santos Paupério (Director of Sonae, SGPS, S.A. and Efanor Investimentos, SGPS, S.E.)	1,007,523	0.0504%	0.0504%	0.0522%
By Migracom, S.A. (company controlled by Efanor Investimentos, SGPS, S.E.. and Sonae, SGPS, S.A.'s Director Duarte Paulo Teixeira de Azevedo)	4,221,599	0.2111%	0.2111%	0.2188%
By Linhacom, SGPS, S.A. (company controlled by Efanor Investimentos, SGPS, S.E.. and Sonae, SGPS, S.A.'s Director Maria Cláudia Teixeira de Azevedo)	189,314	0.0095%	0.0095%	0.0098%
By Enxomil - Consultoria e Gestão, SA (company controlled by Efanor Investimentos, SGPS, S.E.. and Sonae, SGPS, S.A.'s Director Ângelo Gabriel Ribeirinho dos Santos Paupério)	2,021,855	0.1011%	0.1011%	0.1048%
By Enxomil - Sociedade Imobiliária, SA (company controlled by Efanor Investimentos, SGPS, S.E.. and Sonae, SGPS, S.A.'s Director Ângelo Gabriel Ribeirinho dos Santos Paupério)	662,987	0.0331%	0.0331%	0.0344%
By Carlos António Rocha Moreira da Silva (Director of Efanor Investimentos, SGPS, S.E.)	50,000	0.0025%	0.0025%	0.0026%
Total attributable to Efanor Investimentos, SGPS, S.E.	**1,060,137,993**	**53.0069%**	**53.0069%**	**54.9372%**
Criteria Caixa, S.A.U.	100,018,273	5.0009%	5.0009%	5.1830%
Total attributable to Criteria Caixa, S.A.U.	**100,018,273**	**5.0009%**	**5.0009%**	**5.1830%**

Source: communications received by the Company regarding qualified shareholdings up to 31 December 2023.
(I) As from 29th November 2017, Efanor Investimentos SGPS, S.E. ceased to have any controlling shareholder pursuant to the set forth in articles 20 and 21 of the Portuguese Securities Code.

* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code.

**Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise.

Updated information regarding qualified shareholdings is available at the Company's website, http://www.sonae.pt/en/investors/shareholder-structure/.

8. Number of shares and bonds held by the members of the statutory governing bodies, pursuant to paragraph 5 of article 447 of the Portuguese Companies Act

Disclosure of the number of shares and other securities issued by the Company held, and of the transactions executed over such securities, during the financial year in analysis, by the members of the statutory managing and auditing bodies and by people discharging managerial responsibilities ("dirigentes"), as well as by people closely connected with them pursuant to article 29-R of the Portuguese Securities Code:

	Date	Acquisitions		Sale			Balance on 31.12.2023
		Number of shares	Aver. Price (€)	Number of shares	Aver. Price (€)	Position on 31.12.2023	Number of shares
Duarte Paulo Teixeira de Azevedo (*) (**) (***)							
Efanor Investimentos, SGPS, SE (1)						Minority	
Migracom, SA (3)						Dominant	
Sonae, SGPS, SA							1,318,819
Compra	03/04/2023	195,767	1.005				
Ângelo Gabriel Ribeirinho dos Santos Paupério (*) (**)							
Enxomil - Consultoria e Gestão, SA (6)						Dominant	
Enxomil - Sociedade Imobiliária, SA (7)						Dominant	
Sonae, SGPS, SA							1,007,523
Maria Margarida Carvalhais Teixeira de Azevedo (**)							
Efanor Investimentos, SGPS, SE (1)						Minority	
Sonae, SGPS, SA							14,901
Maria Cláudia Teixeira de Azevedo (*) (**) (***)							
Efanor Investimentos, SGPS, SE (1)						Minority	
Sonae, SGPS, SA							1,017,900
Linhacom, SGPS, SA (5)						Dominant	
Carlos António Rocha Moreira da Silva (*) (**)							
Sonae, SGPS, SA							50,000
Philippe Cyriel Elodie Haspeslagh (*)							
Sonae, SGPS, SA							112,300
João Pedro Magalhães da Silva Torres Dolores (*)							
Sonae, SGPS, SA							158,149
Compra	03/04/2023	91,974	1.005				
João Nonell Gunther Amaral (*)							
Sonae, SGPS, SA							356,658

	Date	Acquisitions		Sale			Balance on 31.12.2023
		Number of shares	Aver. Price €	Number of shares	Aver. Price €	Position on 31.12.2023	Number of shares
(1) Efanor Investimentos, SGPS, SE							
Sonae, SGPS, SA							200,100,000
Pareuro, BV (2)						Dominant	
(2) Pareuro, BV							
Sonae, SGPS, SA							849,533,095
(3) Migracom, SA							
Sonae, SGPS, SA							4,221,599
Imparfin - Investimentos e Participações Financeiras, SA (4)						Minority	
(4) Imparfin - Investimentos e Participações Financeiras, SA							
Sonae, SGPS, SA							5,398,465
(5) Linhacom, SGPS, SA							
Sonae, SGPS, SA							189,314
Imparfin - Investimentos e Participações Financeiras, SA (4)						Minority	
(6) Enxomil - Consultoria e Gestão, SA							
Sonae, SGPS, SA							2,021,855
(7) Enxomil - Sociedade Imobiliária, SA							
Sonae, SGPS, SA							662,987

* Member of the Board of Directors of Sonae - SGPS, SA

** Member of the Board of Directors of Efanor Investimentos SGPS, SE (directly and indirectly dominant company) (1)

*** Member of the Board of Directors of Imparfin - Investimentos e Participações Financeiras, SA (4)

9. Powers of the Board of Directors on share capital increases

The Board of Directors does not have powers to decide on this subject, being the decisions on share capital increase the sole responsibility of the Shareholders' General Meeting.

10. Relevant business relationship between owners of qualified shareholdings and the Company

There are no relevant business relationships between the Company and owners of qualified shareholdings.

B. Governing Bodies and Committees

I. Shareholders' General Meeting

The Shareholders' General Meetings are directed by the Board of the Shareholders' General Meeting, elected by the shareholders for a four-year mandate which begins and ends within the same calendar mandate as that of the other statutory governing bodies.

a. Composition of the Board of the Shareholders' General Meeting

11. Board of the Shareholders' General Meeting: members and mandate

At the Shareholders' General Meeting held on 2023, the following members of the Board of the Shareholders General Meeting were appointed for the 2023-2026 mandate:

Board of the Shareholders' General Meeting	
Carlos Manuel de Brito do Nascimento Lucena	Chair
Maria Daniela Farto Baptista Passos	Secretary

b. Exercising Voting Rights

12. Restrictions on voting rights

12.1 Restrictions on voting rights depending on the number or percentage of share ownership

The Company's share capital is entirely made up of a single class of ordinary shares, in which one share equals one vote, and where there are no statutory limitations on the exercise of the voting rights by any shareholder. Share blocking is not required in order to attend the Shareholders' General Meeting. In compliance with paragraph 1 of article 23-C of the Portuguese Securities Code, the "Registry date" is the key moment in time for the proof of the shareholder's legal entitlement to attend and exercise voting rights at the Shareholders' General Meeting. The "Registry Date" is also the decisive time reference regarding the application of the voting and attendance rule for professional shareholders who own shares in their own name, but which are held on behalf of their respective clients.

12.2. Representation

The right to vote by proxy and the way in which this right is exercised is described in the respective notices convening Shareholders' General Meetings, in accordance with the law and the Company's Articles of Association.

Shareholders can be represented at the Shareholders' General Meetings by presenting a written representation document before the meeting begins (or, when attending through telematic resources, in the deadline stated in the respective notice of meeting), addressed and delivered to the Chair of the Board of the Shareholders' General Meeting, stating the name and

address of the proxy and the date of the meeting. The abovementioned information may be sent by using an electronic email address provided by the Company.

A shareholder can nominate different proxies for each group of shares held in different securities accounts, without prejudice to the principle of one share one vote, in accordance with article 385 of the Portuguese Companies Act. Shareholders who professionally own shares in their own name but which are held on behalf of their respective clients can vote in different ways.

The Company provides appropriate information on its website, at https://www.sonae.pt/en/investors/shareholder-s-general-meeting/ to enable shareholders, who wish to be represented, to give their voting instructions to their respective proxy holders. Such information, which includes the proposals to be submitted to the Shareholders' General Meeting and a template of a representation letter, is disclosed on the website, within the legally established time limits.

12.3. Voting in writing

Shareholders can vote in writing in relation to all items on the agenda of the Shareholders' General Meeting. Without prejudice to the obligation of proving shareholding legal entitlement, written votes will only be taken into account when received at the Company's head office by registered post, with acknowledgement of receipt addressed to the Chair of the Board of the Shareholders' General Meeting or by electronic means, at least three business days prior to the General Meeting. The voting ballot, if sent by registered post, must be signed by the owner of the shares or by a legal representative. In the case of an individual, it should be accompanied by an authenticated copy of his/her identity document, pursuant to subparagraph 2 of article 5 of Law no. 7/2007, of 5th February, in its current version, or, alternatively, the signature shall be authenticated pursuant to the legal applicable terms. In the case of a corporate entity, the signature should be authenticated with confirmation that the signatory is duly authorised and mandated for that purpose. If the ballot is sent by electronic means, it must respect the requirements and procedures established by the Chair of the Board of the Shareholders' General Meeting as set out in the notice of the meeting, in order to ensure an equivalent level of security and authenticity.

It is the responsibility of the Chair of the Board of the Shareholders' General Meeting, or the person replacing him, to verify compliance with written voting requirements, and those written votes which do not fulfil such requirements, will not be accepted and will be treated as null and void.

12.4. Voting by electronic means

Shareholders have the right to vote electronically, which is available as an electronic vote, and the manner by which such right can be exercised is set out in the notice convening the Shareholders' General Meeting. A template for requesting the technical information necessary for exercising the shareholders' right to vote by electronic means is also available at https://www.sonae.pt/en/investors/shareholder-s-general-meeting/.

The Shareholders' Annual General Meeting held on 28th April 2023 was held through telematic resources, pursuant to subparagraph b) of paragraph 6 of article 377 of the Portuguese Companies Act and to article 24 of the Company's Articles of Association, considering the significant proportion of attendance in the shareholders' general meetings held by telematic resources in the previous years.

The Chair of the Board of the Shareholders' General Meeting encouraged the shareholders to use the vote through electronic means. For that purpose, shareholders were provided all the necessary means which were verified in order to ensure authenticity and confidentiality. The shareholders were also provided with all the requested information concerning their participation.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by a group of shareholders that are related to the latter as set forth in paragraph 1 of article 20 of the Portuguese Securities Code

There are no limitations on the number of votes that may be held or exercised.

14. Deliberative Quorum

Under the terms of the Company's Articles of Association, the Shareholders' General Meeting may only adopt resolutions on the first occasion that it is convened, if shareholders holding more than 50% (fifty percent) of the Company's share capital are present or represented.

If that quorum is not met and the meeting is reconvened, resolutions may be adopted by the Shareholders' General Meeting regardless of the number of shareholders present or represented and of the percentage of share capital held.

The rules regarding the deliberative quorum of the Shareholders' General Meeting comply with the Portuguese Companies Act.

II. Management and Supervision

a. Composition

15. Identification of the adopted governance model

The Company follows a one-tier governance model, where the management structure lies with the Board of Directors, and the supervisory structure includes a Statutory Audit Board and a Statutory External Auditor.

The Board of Directors is responsible for ensuring the management of the Company's business, exercising all management acts pertaining to the Company's corporate purpose, setting strategic guidelines and appointing and generally supervising the activity of the Executive Committee and of its specialised committees.

The Board of Directors' assessment is that the corporate governance model adopted is adequate to the performance of the governing bodies' duties, ensuring, in a well-balanced manner, their respective functional independence and interaction. Additionally, the specialised committees assigned to support the Board of Directors in matters of particular relevance, optimise the Board of Directors' performance, ensuring the effectiveness of its decision-making process.

The members of the Board of Directors and of the Statutory Audit Board appointed for the 2023-2026 mandate were evaluated in light of the Internal Policy for the Selection and Suitability Assessment for Membership of the Management and Audit Bodies approved at the Shareholders' General Meeting held on 30th April 2021 and which was in force at the time of their appointment.

The Policy currently in force is available at the Company's website, https://sonae.pt/fotos/ag/04._proposta_efanor_ag2023_item_4_selection_policy_97551173964_2c01f32fbca.pdf referred to as Proposal number four, presented and approved at the Shareholders' General Meeting held on 28th April 2023.

This policy is guided by underlying principles, including regarding diversity, herewith transcribed:

„1. Scope of the Policy

The candidates for membership of the Company's management and audit bodies of Sonae shall be appointed through clear selection processes that objectively assess their individual and collective suitability, considering the legal and statutory competences of the statutory governing body they will be part of and, if applicable, the executive or non- executive nature of the role to be performed, as well as the scope of the respective functional area. In the selection processes, criteria of meritocracy and diversity in the overall composition of the body, with specific emphasis on men and women equality, shall be taken into account, including gender, to maximise the overall performance of the body and the balance of its respective composition, in accordance with the best market practices and the applicable legal and recommendatory framework.

2. Individual Merit Criteria

2.1. Experience. The candidate's profile should demonstrate experience in the performance of sufficiently senior roles required for the evaluation and challenging of the senior top management of the Group, and the respective attributes of the candidate constituting a relevant contribution towards the definition of the Group's corporate strategy, as well as that of its main subsidiaries. In the suitability assessment it should be considered the candidate's former experience in complex decision-making processes, subject to time and intricacy constrains, which confirms the candidate's clarity of purpose guided by resilience and perseverance, analytical capacity and communication skills.

2.2. Competence. The candidates should have specialised knowledge in fields of activity, markets and geographies relevant for Sonae's businesses or purposeful technical competences that allow the board, as a whole, to unequivocally identify and evaluate the strategic surrounding and the risk factors associated with the Group's activity. The candidates should undertake to consistently maintain an updated knowledge, adjusted to a high level of excellence in order to, at each given moment, being qualified, according to the profile of the respective role, to implement, supervise and challenge the Group's strategy and policies.

2.3. Independence and integrity. In the selection process of each candidate consideration should be given to a profile that ensures reliability, loyalty and transparency in the timely fulfilment of the respective fiduciary duties, which is also materially aligned with the best corporate governance practices and with Sonae's values and ethical principles. The candidates' profile should attest his/her capacity for performance of his/her role guided by impartiality, critical thinking, autonomy and independence.

2.4. Availability. The assessment should value a suitable availability for the appropriate performance of the candidate's role and respective responsibilities.

3. Requirements for the Collective Composition of the Body

3.1. Complementarity. The body's composition should ensure complementarity between the candidates' profiles in order to maximise the performance of the body, in compliance with the respective legal and statutory role across all relevant areas of performance.

3.2. Diversity. In the selection process of the candidates for the management and audit bodies, it should be promoted the diversity in the composition, with specific emphasis on men and women equality but also considering, among other factors, the gender, nationality, education and professional background, to the extent suitable and proportional to the particular competences of the body. The composition of the governing bodies shall always comply with the gender diversity imposed by the applicable law.

3.3. Conflicts of Interests. The Board of Directors and the Statutory Audit Board shall define the internal procedures on the prevention of conflicts of interests, and the required actions to be taken when a conflict of interest or an incompatibility for the performance of the role arises, in line with the best corporate governance practices and the applicable legal requirements.

3.4. Representativeness of Independent Members. The Board of Directors should include a suitable number of independent non-executive members, considering the recommendations of the corporate governance code adopted by Sonae.

3.5. Particular rules for the Statutory Audit Board. The Statutory Audit Board shall, in its composition, respect the legal framework in force at each moment, both with regards to

professional qualifications, gender diversity, as well as representativeness of independent members.

4. Responsibility for the Assessment

The responsibility for the assessment of the suitability of the candidates to be appointed as members of the Board of Directors and the Statutory Audit Board, subject to election at the Shareholders' General Meeting, belongs to the proponent shareholder, or shareholders, or, at the request of the proponent shareholder or shareholders, to the Shareholders' Remuneration Committee, whose competences comply with article 399 of the Portuguese Companies Act.

The responsibility for the assessment of the suitability of candidates to be co-opted as members of the Board of Directors pertains, under the applicable legal framework, to the Board of Directors, which can, if it so deems necessary, ground its decision on a proposal from the Board Nomination Committee, as foreseen in the Board of Directors' Internal Regulation and in the Board Nomination Committee's Terms of Reference, available at https://sonae.pt/en/. The co-option process described above is nevertheless subject to ratification at the next Shareholders' General Meeting, as required by paragraph 4 of article 393 of the Portuguese Companies Act.

The responsibility for the assessment of the suitability and independence of the Statutory External Auditor and the proposal of the member to be elected for this role lies exclusively with the Statutory Audit Board, under the mandatory legal provisions."

In the Board of Directors and the Statutory Audit Board, whose composition is described in section 17 and section III, a) below, the proportion of members of each gender complies with the provisions of article 5 of Law no. 62/2017, of the 1st of August.

Additionally, the Company approves, since 2019, an annual Plan for Gender Equality, applicable to the employees and members of the governing bodies of the Group, the full content of which is available at https://sonae.pt/fotos/governo_sociedade/sonaeplanforgenderequality2024_1753824438650346b8ba93f.pdf.

The diversity and the professional experience of the members of the Board of Directors and of the Statutory Audit Board are described in Annex II to this Report.

16. Rules for nominating and replacing board members

In accordance with the terms of the Portuguese law and the Company's Articles of Association, the members of the Board of Directors are appointed for this governing body at the Shareholders' General Meeting.

Under the terms set forth in the Company's Articles of Association, one Director may be individually elected if there are proposals submitted by shareholders who, either by themselves or together with other shareholders, hold shares representing between ten and twenty percent of the share capital. The same shareholder cannot propose more than one list. Each proposal should identify at least two eligible persons. If there are several proposals submitted by different shareholders or groups of shareholders, voting will take place on all lists.

The Company's Articles of Association establish, in accordance with the applicable law, that the Board of Directors may co-opt a substitute in case of the death, resignation, temporary or permanent incapacity, or lack of availability of any member, as long as the vacating Board member has not been elected under the above described minority rule (in which case a new similar election shall take place). Such appointment is, nonetheless, subject to ratification by the shareholders at the next Shareholders' General Meeting.

As part of the Board of Directors' power to co-opt, the Board Nomination Committee is responsible for proposing potential candidates with the suitable profile for Board roles, and in accordance with the approved policy.

The definitive absence, for whatever reason, of a replacement director individually elected according to the abovementioned special minority rules, determines that a new election must take place at the Shareholders' General Meeting.

The Board of Directors is responsible for the election of its Chair.

17. Composition of the Board of Directors

Under the terms of the Company's Articles of Association, the Board of Directors can be composed of an odd or even number of members, between three and thirteen, elected by the shareholders at a Shareholders' General Meeting, and the Chair of the Board of Directors holds a casting vote.

At the Annual General Meeting held on April 28, 2023, the members were elected to join the Board of Directors for the 2023-2026 term, which currently has the following composition:

Board of Directors	First appointment	End of current mandate
Duarte Paulo Teixeira de Azevedo	2000	2026
Ângelo Gabriel Ribeirinho dos Santos Paupério	2000	2026
José Manuel Neves Adelino	2007	2026
Marcelo Faria de Lima	2015	2026
Carlos António Rocha Moreira da Silva	2019	2026
Fuenciscla Clemares	2019	2026
Philippe Cyriel Elodie Haspeslagh	2019	2026
Eve Alexandra Henrikson	2023	2026
Maria Teresa Ballester Fornes	2023	2026
Maria Cláudia Teixeira de Azevedo	2019	2026
João Pedro Magalhães da Silva Torres Dolores	2019	2026
João Nonell Günther Amaral	2023	2026

On the 14th November 2023, Margaret Lorraine Trainer resigned as a non-executive member of the Board of Directors, having been replaced, on the same date, by Maria Teresa Ballester Fornes, appointed by co-optation.

18. Distinction between executive and non-executive members of the Board of Directors

Board of Directors	
Duarte Paulo Teixeira de Azevedo	Non-Executive Chair of the Board of Directors
Ângelo Gabriel Ribeirinho dos Santos Paupério	Non-Executive Director
José Manuel Neves Adelino	Lead Non-Executive Director ("Lead Director")
Marcelo Faria de Lima	Independent Non-Executive Director
Carlos António Rocha Moreira da Silva	Non-Executive Director
Fuencisla Clemares	Independent Non-Executive Director
Philippe Cyriel Elodie Haspeslagh	Senior Independent Non-Executive Director ("SID Director")
Eve Alexandra Henrikson	Independent Non-Executive Director
Maria Teresa Ballester Fornes	Independent Non-Executive Director
Maria Cláudia Teixeira de Azevedo	CEO – Chair of the Executive Committee
João Pedro Magalhães da Silva Torres Dolores	CFO – Executive Director
João Nonell Günther Amaral	CDO – Executive Director

Regarding the composition of the Board of Directors, a collective balance is maintained between the number of Executive Directors and the number of Non-Executive Directors, and among these, an adequate number of independent members. Such composition ensures an adequate supervision, monitoring and proper assessment of the activity developed by the Executive Members of the Board of Directors, thereby befitting the size, nature and complexity of the businesses of the Company and the Group as well as the associated risks therewith.

The director José Manuel Neves Adelino fulfils the conditions to allow his qualification as an independent director in light of the applicable legal framework and the criteria established by point 18.1 of the Appendix I to the Regulation no. 4/2013 of the Portuguese Market Securities Commission, in light of which this Corporate Governance Report is drawn up. However, this director does not fulfil all the requirements to be qualified as independent, as imposed by Recommendation III.4 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (in its version of 2020), since he has been a member of the Board of Directors for over 12 years.

In line with the best corporate governance practices and in compliance with paragraph 3 of article 1 of the Board of Directors' Internal Regulation, the Board of Directors, in its meeting held on the 9th May 2023, has appointed the director José Manuel Neves Adelino as Lead Non-Executive Director ("Lead Director"). On 16th May 2023, the Board of Directors appointed Philippe Cyriel Elodie Haspeslagh as Senior Independent Non-Executive Director ("SID Director").

Continuing the governance model consistently adopted by the Company, these non-executive directors, in the context of their respective responsibilities assigned by the Board of Directors, as "Lead Director" and "SID Director", respectively, have enabled the exercise of the roles and functions of the remaining non-executive members of the Board, by promoting:

- The coordination, in accordance with the Corporate Governance best practices, of the effective performance of the Non-Executive Directors' duties, whether within the Board of Directors or within the Board's specialised committees, granting therefore the existence of strengthened conditions for the independent and informed exercise of such directors' duties;

- The existence of an adequate and time-efficient flow of information to be provided by the Executive Committee, through the compliance with the established transparent information-sharing procedures;

- The compliance with an information disclosure process which ensures a time-efficient access of the remaining governing bodies and committees to the necessary information for the execution of their legal and statutory duties, with the particular disclosure of all convening notices, minutes and documentation supporting the decision-making process;

- The achievement of the scope and mission of the Ethics Committee, which is chaired by the Lead Non-Executive Director ("Lead Director").

19. Professional qualifications and curricular references of the members of the Board of Directors

The curricula of the current members of the Board of Directors are disclosed in the Appendix to this Report.

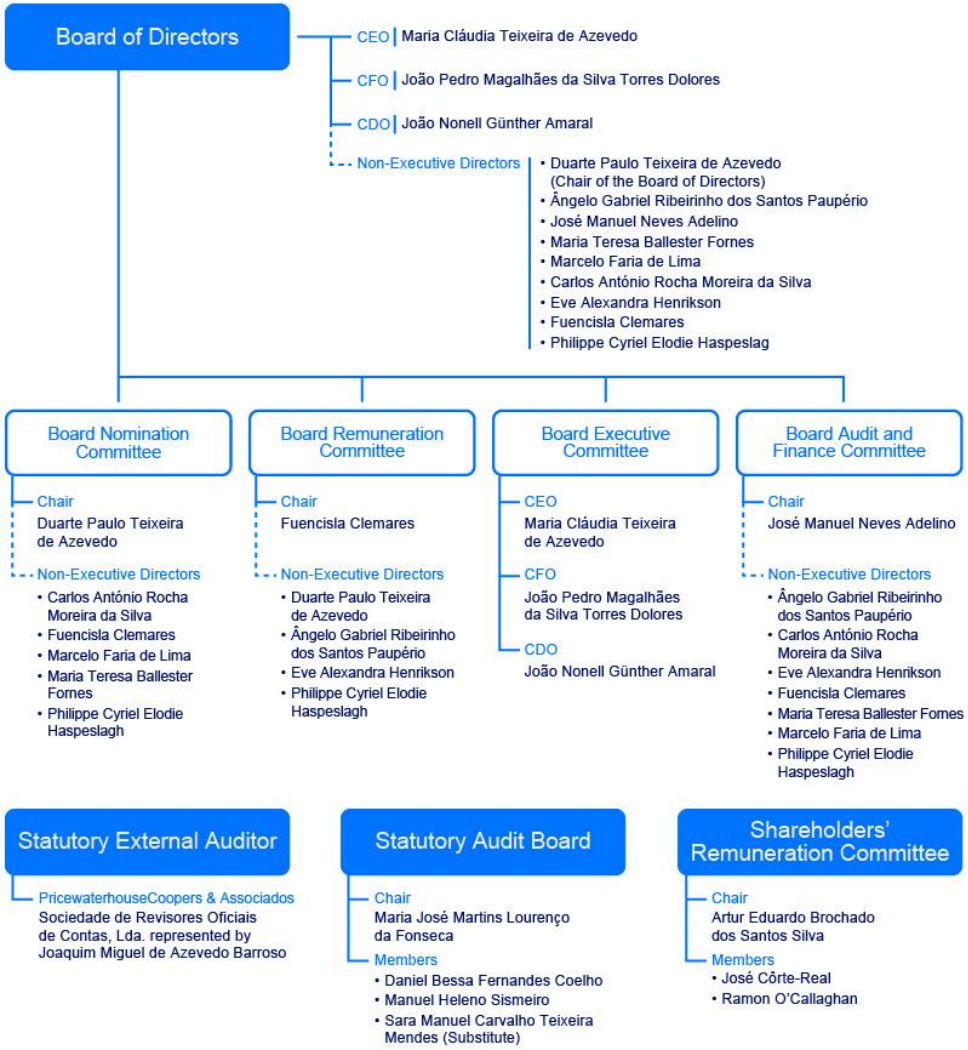
20. Usual and significant family, business and commercial relationships between members of the Board of Directors and shareholders with attributed qualified shareholdings

The Chair of the Board of Directors, Duarte Paulo Teixeira de Azevedo and the CEO, Maria Cláudia Teixeira de Azevedo are siblings, and both of them are shareholders and members of the Board of Directors of Efanor Investimentos, SGPS, SE ("Efanor"), the legal entity holding the majority of the share capital and voting rights of Sonae. The Directors Ângelo Gabriel Ribeirinho dos Santos Paupério and Carlos António Rocha Moreira da Silva are both members of the Board of Directors of Efanor.

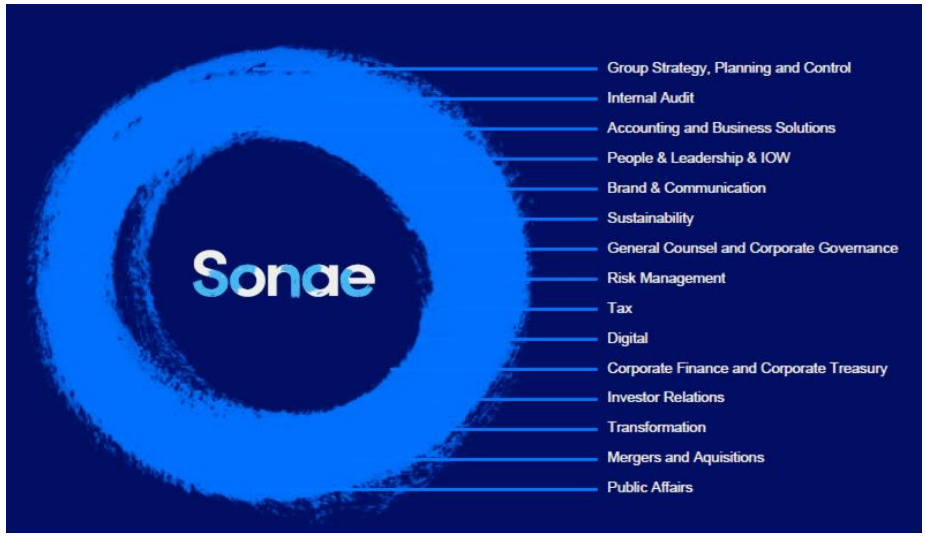
In addition to the abovementioned, and in accordance with the individual statements provided, there are no other significant or usual family, business and commercial relationships between shareholders with attributed qualified shareholdings, and the remaining members of the Board of Directors.

21. Division of powers between the different boards, committees and/or departments within the company, including the delegation of powers, particularly with regards to the delegation of the Company's daily management

Competencies are divided among the various statutory governing bodies, in accordance with the following terms:



The corporate structure is supported by the following corporate areas:



General Counsel and Corporate Governance

Main responsibilities:

- Legal support to the Board of Directors and Executive Committee;
- Monitor the evolution of the legal and regulatory framework applicable to the Company and respective risks;
- Provide legal support to the Corporate Centre and its areas and activities;
- Provide legal advice to Sonae's business activity and portfolio management;
- Manage the relations with Euronext Lisbon, the Portuguese Securities Market Commission (CMVM) and with the shareholders in relation to legal matters;

- Manage the legal aspects of the Corporate Governance policy, supporting the compliance with the best corporate governance practices;
- Coordinate the sharing of knowledge and experience between legal teams within Sonae companies regarding governance and other legal issues;
- Active participation in discussion forums sponsored by other external supervised entities/issuers;
- Legal support to M&A Projects (*mergers and acquisitions*).

Tax

Main responsibilities:

- Develop, provide training for and share tax knowledge;
- Support the definition of the corporate structure, in particular by giving support to the international expansion;
- Provide tax support to the M&A activity as well as to restructuring operations;
- Manage Institutional Relations, namely the proactive management of tax matters;
- Optimise tax efficiency, namely by:
  - Controlling and monitoring tax procedures;
  - Ensuring compliance with all tax obligations;
  - Controlling all group Companies' fiscal consolidation.
  - Manage the price transfer dossier and the country by country financial and tax declaration (CBCR: country by country report);
- Monitor all open litigation with the tax authorities;
- Support the implementation of business processes with tax impacts.

Internal Audit

Main responsibilities:

- Perform internal audits (business relevant processes, food safety and information systems) of Sonae's corporate centre and Retail, Real Estate (Sierra) and Investment Management (Bright Pixel);
- Provide operational support to Sonae's Audit Co-ordination Committee.

Communication and Brand

Main responsibilities:

- Safeguarding Sonae's overall image and reputation in alignment with its brand positioning and visual identity;
- Effectively conveying Sonae's message, culture and values to both internal and external stakeholders;
- Creating a unified and consistent image across all of Sonae's digital channels to establish trust with stakeholders and strengthen brand recognition;
- Acting as an advocate for the corporate culture and embodying Sonae's values;
- Developing and implementing a corporate activism strategy to maximise long-term social value creation through social impact partnerships, patronage, and internal volunteer programs.

Corporate Finance and Treasury

Main responsibilities:

- Optimise the financial function through the proposal, implementation and control of appropriate financial risk policies;
- Conduct all financing operations of the Company and of its retail businesses;

- Negotiate and contract banking products and services for the Company and for its retail businesses;
- Manage treasury and payment needs and instruments of payment and receivables of the Company and its retail businesses;
- Manage the several financial risks of the Company and of its retail businesses;
- Develop credit risk policies suitable to the characteristics of Sonae's different businesses;
- Provide support to the different functional areas in the allocation of capital and financial risk management;
- Provide support on mergers, acquisitions, and divestments;
- Provide support to Sonae's businesses in the execution of transactions in monetary, interest rate or foreign exchange and commodities markets;
- Support the work of Sonae's Finance Committee;
- Support the preparation of financial reporting and monitoring of the main financial risks.

Mergers and Acquisitions

Main responsibilities:

- Support portfolio management and corporate M&A planning and execution across the Sonae Group;
- Ensure the identification, assessment, due diligence, negotiations and closing of acquisitions, divestitures, and joint ventures across the Sonae Group;
- Reinforce Sonae's business networking with industry players and key M&A players.

Risk Management

Main responsibilities:

- Promote a risk-aware culture within the organisation;
- Develop the risk management policy and keep it up to date;
- Develop, implement, review and maintain the Company's risk management processes and methodologies;
- Follow-up on the risk management activities and report its results;
- Help to identify the critical risks and follow-up on the development and implementation of risk indicators and risk reduction measures;
- Support the development of procedures for preparing the business to respond to catastrophic events, in particularly contingency and business continuity programmes;
- Operational support to Sonae's Risk Management Consulting Group.

Continuous Improvement Centre of Expertise (IOW – Improving our Work):

Main responsibilities:

- Develop Sonae's Continuous Improvement System (IOW);
- Develop and provide IOW training programs for all Sonae businesses, in good management practices;
- Coordinate, challange, empower and support the Continuous Improvement Leaders of each business, which are responsible for the implementation and support of IOW in all Sonae businesses and geographies;
- Challange and advise business leaders on the adoption of good management practices, as the way to achieve world-class performance;
- Promote the exchange of good management practices among businesses, aiming to obtain world class results;
- Coordinate the IOW Advisory Group's activity, proposing new policies and guidelines on good practices to work better.

Digital

Main responsibilities:

- Challenging, advising and accompanying each of the companies of Sonae's universe in its path of digital transformation, including by:

Promoting a mindset towards a digital future;

- Fostering knowledge sharing and internal and external best practices;
- Stimulating internal and external networking;
- Promoting the continuous development of digital talent aiming at preparing Sonae companies' staff for an increasingly digital present and future;
- Identifying digital business development opportunities and fostering its development.

Group Strategy, Planning and Control

Main responsibilities:

- Support the development of strategy both at the corporate and business units levels;
- Coordinate Sonae's annual budgeting process, and control budget execution;
- Challenge the businesses and corporate areas on their objectives in order to constantly improve and optimise Sonae's efficiency, performance and results;
- Prepare management information on individual businesses, and at a consolidated level, on a monthly, quarterly, and annual basis;
- Provide support to decisions about capital allocation to existing businesses and to new business opportunities (responsibility for analysing invested capital and its respective returns);
- Share the latest trends, best practices and information between the different businesses and corporate areas;
- Monitor, interpret and share relevant macroeconomic insights and forecasts with the several businesses.

People and Leadership

Main responsibilities:

- Lead the People function, actively shaping the Group's Culture, leadership mindset and Employee Value Proposal ("EVP");
- Maximise the long-term value of the Companies in our portfolio ensuring that Sonae's businesses have competitive edge and future-proof capabilities through activating and deploying, in alignment with the Group's Companies Talent Management, Performance Management, People Development, Total Rewards, Employee Experience and Diversity, Equity & Inclusion strategies;
- Drive Sonae's future regarding culture and talent management by challenging the status-quo, acting as a change agent and encouraging transformational thinking and creating a culture of continuous learning;
- Define the people strategy overarching principles across the Group, and key people processes that will ensure a common framework across different Companies within the Group, whilst respecting our decentralised operating model;
- Steward the Human Resources Advisory Group to guarantee alignment among the Group's Companies and that our People practices remain on strategy;
- Support the Board of Directors in ensuring that conduct and behaviour are consistent with Sonae's values and culture.

Investor Relations

Main responsibilities:

- Manage the relationship between Sonae and the financial community, namely with investors and analysts, through the continuous preparation and disclosure of relevant and up to date information about the Company;
- Support the Board of Directors and the Executive Committee, providing them with the relevant information about the capital market, as well as feedback from the financial community about Sonae;

- Support External Communication, contributing towards providing a consistent corporate message to the capital markets and to the media.

Public Affairs

Main Responsibilities:

- Manage and coordinate Sonae's institutional relations with the government, European institutions, public entities, and non-governmental organisations;
- Develop effective and qualitative relationships with internal and external stakeholders, to pro-actively anticipate issues that could represent opportunities or risks for Sonae's activities, and promote corresponding roadmaps;
- Represent Sonae in associations, forums, and events (in Portugal and abroad) and promote strategic issues for the group.

Sustainability

Main Responsibilities:

- Support the Executive Committee in the definition, implementation and monitoring of Sonae's sustainability strategy;
- Coordinate the Sustainability Consulting Group's activity, as plataform for sharing, networking, challenging and accelerating the results of the companies of the Group;
- Coordinate the implementation of the sustainability strategy to continue building a first-class sustainability practices across Sonae's businesses;
- Create, develop and maintain a network of knowledge and experimentation in sustainability (both internally and externally), aiming to position Sonae as a national and international reference;
- Coordinate the consolidation of Sonae companies' sustainability management and performance for reporting and communication purposes;
- Represent Sonae in relevant entities and foruns (nationally and internationally) and promote the awareness and knowledge of sustainability both internally and externally.

Accounting & Business Solutions (ABS)

Main responsibilities:

- Efficiently and effectively manage all administrative processes of the Company and its retail businesses units, including in the following areas: Accounts Payable; Accounts Receivable; Accounting; and Consolidation;
- Ensure the effective control of the accounting processes, records and transactions, and also the accuracy and timely reporting of financial, tax and management information;
- Preparation of the separate and consolidated Sonae companies' financial statements.

Transformation

Main responsibilities:

- Lead Transformative Initiatives: spearhead initiatives aimed at fostering positive change within Sonae and extending its impact beyond organisational boundaries. Key focus areas:
  - Cultural Transformation: act as a catalyst in driving the cultural transformation process, positioning Sonae strategically for the upcoming decades.
  - Reskilling for Employment: oversee reskilling programs designed to empower individuals, foster lifelong learning, and facilitate the transformation of companies towards a sustainable future.
- Stakeholder Collaboration: collaborate effectively with internal and external stakeholders to establish partnerships that enhance the reach and effectiveness of our transformation initiatives.

- Expert Advisory Role: contribute expertise to relevant initiatives that stand to benefit from the team's knowledge and offer guidance on cultural transformation matters and educational initiatives, playing a key role in shaping strategic decisions.
- Proactive Initiative Anticipation: anticipate the need for additional transformation initiatives that hold strategic importance. Stay ahead of the curve in identifying emerging opportunities for positive change.

The Company created the following coordination and knowledge sharing permanent structures, all of them chaired by members of the Board of Directors:

Corporate Finance and Treasury Committee

Sonae's Corporate Finance and Treasury Committee is composed of each of the Group's financial directors, the directors responsible for corporate finance from each of Sonae's main business areas, as well as the managers of the Corporate Centre functional teams, who are relevant to the subjects on each meeting's agenda. The Committee meets monthly and has the following main responsibilities:

- Analyse and discuss all financial matters considered relevant to Sonae's businesses;
- Keep track of the evolution of debt markets and bank relationships;
- Keep track of the evolution of capital markets;
- Keep track of developments in financial markets;
- Develop reports regarding the financial status of Sonae Group and budget execution;
- Share experiences in the financial areas and best practices and coordinate the approach to the financial markets;
- Monitor the financial evolution of the Group and funding policies of each business.

Audit Co-Ordination Committee

Sonae's Audit Co-ordination Committee is composed of members of the board of directors of Sonae's businesses and of the internal audit managers responsible for this role in the Company and in its business areas, the Board and Corporate Governance Officer and the Group Chief Risk Officer. This Committee meets quarterly and has the following main goals:

- Give opinion to the Board of Directors regarding the internal audit policies and level of relation with external auditors;
- Inform about internal audit plans of Sonae Companies;
- Monitor internal audit activities, namely through the analysis of quarterly reports, and recommended improvements;
- Monitor external audit activities through the analysis of the respective reports;
- Decide on the execution of unplanned internal audits;
- Promote the development of internal audit human resources;
- Propose the acquisition, development and implementation of new internal audit systems and methodologies to be applied by Sonae Group;
- Give opinion and cooperate in the proposal for the selection of the Company's External Auditor;
- Promote the exchange of knowledge and experiences between the internal audit teams of Sonae' different business areas.

Risk Management Consulting Group

Sonae's Risk Management Consulting Group is composed of members of the board of directors of Sonae's businesses, the risk managers responsible for this role in the Company and in its main businesses, the Board and Corporate Governance Officer and the Group Chief Internal Auditor. This Group meets quarterly and has the following main tasks:

- Review existing policies and propose new guidelines on risk management;
- Revise the risk management plans for each Sonae company;
- Monitor risk management activities execution, namely through the revision of periodic reports and proposal of recommendations;
- Propose unplanned risk management activities;
- Recommend the acquisition, development and implementation of new risk management systems and methodologies for the Group;

- Foster specialised knowledge in risk management issues.

Human Resources Consulting Group

The Human Resources Consulting Group is composed of members of the board of directors of Sonae's businesses in charge of Human Resources and by the managers in charge of this role in Sonae and in each of the businesses. This Group meets bimonthly and has the main following tasks:

- Make recommendations on all policies directly related with the business strategy implementation at HR's level;
- Contribute to Sonae's culture dissemination and transversal policies follow-up;
- Encourage the dissemination and sharing of best practices regarding People and Talent Management between companies;
- Acquire synergies through the coordination and negotiation of investment related to the Human Resources areas, when applicable;
- Guarantee the articulation and coordination of the opinions provided to the various Sonae Management and Supervisory Bodies.

IOW Consulting Group

The Improving Our Work Consulting Group is attended by the CEO's of the main businesses of the Group as well as by the persons responsible for the implementation of the best practices of continuous improvement.

This Group meets quarterly and has the following main tasks:

- Share continuous improvement activities in all companies;
- Share best practices and results of each company;
- Analyse and adapt case studies for internal use;
- Identify needs and adjustments to the ongoing IOW implementation and support efforts;
- Decide on resources allocation.

Sustainability Consulting Group

The Sustainability Consulting Group is sponsored by the Chairman of the Board of Directors and the CEO, chaired by the CDO, and composed of the directors and the heads of functional teams of the Company and of its main businesses with roles in environmental and corporate responsibility. This consulting group meets quarterly, having the following main goals:

- Build a common vision on sustainability management integrated across Sonae companies' businesses;
- Recommend the implementation of common sustainability guidelines aligned with the United Nations agenda and global references;
- Promote sharing and challenging moments discussing about market trends and future scenarios benefiting from external experts and reference cases;
- Guarantee the communication of the drafted recommendations to the various Sonae Management Bodies;
- Coordinate projects and working groups transversal to Sonae companies;
- Encourage sharing and reporting practices among Sonae companies for a more transversal and broaden communication on sustainability.

Other than the Groups mentioned above, there are also the following specific specialists forums, ensuring the communication and sharing of the best practices in fields considered critical for the Group, namely:

FINOV, with the purpose of stimulating and supporting an innovation driven culture at Sonae, capable of sustaining high levels of value creation;

Strategic Planning and Management Control Forum, with the purpose of promoting and discussing the implementation of the best management control and strategic planning methodologies across the Company;

Legal Forum, with the purpose of sharing experience and knowledge among legal teams, promoting the wide discussion of essential legal issues and a common approach to legal interpretations and procedures;

FINCO, with the objective to increase the value of Information Technology within each business unit through knowledge sharing and promotion of innovative IT solutions;

E-commerce Forum, aiming at fostering the excellence and growth of the several e-commerce channels across the Group;

International Forum, aiming at promoting knowledge sharing on Sonae's internationalisation initiatives;

Digital Forum, aiming to encourage the internal and external knowledge sharing, as well as the development of common grounds between the teams that lead the group's Digital Transformation;

Administrative and Tax Forum, aiming at sharing knowledge and experiences, promoting the existence of synergies between the administrative services and the tax departments.

b. Functioning the Board of Directors

22. Internal regulation of the Board of Directors

The Internal Regulation of the Board of Directors and of its internal committees are available for consultation at the Company's website https://www.sonae.pt/en/investors/government-of-society/.

23. Number of meetings held and attendance level of each member of the Board of Directors

The Board of Directors meets at least four times a year, as required by the Company's Articles of Association and its Internal Regulation, and whenever the Chair or two Board members call for a meeting. The quorum for any Board of Directors' meeting requires that the majority of its members are present or represented by proxy.

Decisions are taken by a majority of the votes cast. When the Board of Directors is composed of an even number of members and there is a tied vote, the Chair has a casting vote.

The Board of Directors receives information about the items on the agenda for the meeting as well as supporting documents with at least seven days in advance.

Minutes are recorded in a minutes book.

During 2023, 11 (eleven) Board of Directors' meetings were held, with an attendance rate of 98%, having the absences being based in valid motive, unanimously approved.

24. Competent bodies of the company to appraise the performance of Executive Directors

The Shareholders' Remuneration Committee, appointed by the Shareholders' General Meeting, is the committee responsible for approving the remuneration of the Board members and of other statutory governing bodies, on behalf of the shareholders, under the terms specified in the Remuneration Policy approved by the shareholders at the Shareholders' General Meeting.

The Board Remuneration Committee (BRC), appointed by the Board of Directors and composed of non-executive directors, the majority of which is independent, supports the Shareholders' Remuneration Committee in carrying out its duties in relation to the assessment of the performance of the Executive Directors and the remuneration of the statutory governing bodies of the Company.

In the execution of this duty, the BRC and the Shareholders' Remuneration Committee may freely decide to hire external consultants of recognised competency and with international activity and expertise.

The independence of such consultants is ensured by the fact that they are not bound in any way to the Board of Directors, to the Company nor to the Group, as well as by their broad experience and market recognition, being ensured that the selected consultants are sufficiently independent for the purposes for which they are contracted and, in particular, that their independence is not jeopardised by supplying significant other services to the Company or any related parties.

25. Predetermined Criteria for evaluating the performance of Executive Directors

The performance evaluation of Executive Directors is based on predetermined criteria, consisting of objective performance indicators established for each appraisal period, which are aligned with the Group strategy for growth and business performance under a medium and long-term perspective.

Such indicators consist of collective and individual KPIs (Key Performance Indicators). The collective KPIs represent 70% of the variable bonus and include Economic KPIs (80%) and Social KPIs (20%). The Individual KPIs represent 30% of the variable bonus, which can combine subjective and objective indicators.

For the Medium-Term Variable Remuneration, the KPI is based on measuring Value Creation, with a predefined annual target. The pre-determined criteria for the assessment of the Executive Directors' performance arise from the Remuneration Policy approved at the Shareholders' General Meeting following a proposal of the Shareholders' Remuneration Committee.

At the Shareholders' General Meeting held on 28th April 2023 was approved the Remuneration Policy for the 2023-2026 four-year mandate, being its current version in force available at: https://www.sonae.pt/en/investors/shareholder-s-general-meeting/.

26. Availability of the members of the Board of Directors

Information on other positions held in other entities, whether or not in Sonae Group, by members of the Board of Directors, as well as information on other relevant activities exercised during 2023, is disclosed in the Appendix to the present Report.

c. Committees within the Board of Directors

27. Identification of committees created by the Board of Directors

The Board of Directors has created the following committees: Executive Committee, the Board Audit and Finance Committee, the Board Nomination Committee and the Board Remuneration Committee.

The terms of reference of each of these Committees are available for consultation at the Company's website - https://www.sonae.pt/en/investors/government-of-society/.

The Board of Directors appointed an Ethics Committee with specific competencies in promoting Sonae's Code of Ethics and Conduct, which, including the terms of reference of the Ethics Committee, is available for consultation at the Company's website https://www.sonae.pt/en/investors/government-of-society/.

27.1 Role and Duties of the Executive Committee

The Executive Committee has all the necessary powers to manage the Company on a day-to-day basis, under the terms of the delegation of powers and competencies granted by the Board of Directors, in light of the applicable legal framework as well as of its internal regulation.

The following matters were excluded from the terms of delegation by the Board of Directors and are considered to be matters exclusively of the competence of the Board of Directors:

- To appoint the Chair of the Board of Directors;

- To co-opt a substitute for a member of the Board of Directors;
- To request the convening of the Shareholders' General Meetings;
- To approve, under the terms set forth by the applicable law, the Management Report and Financial Statements;
- To grant any personal or asset secured guarantees;
- To decide on any change to the Company's registered office or to approve any share capital increases;
- To decide on mergers, de-mergers or modifications to the corporate structure of the Company;
- To approve the annual business portfolio management strategy and respective policies;
- To approve the Company's annual budget and the financing of the Group's Business plan and any significant changes thereto.

In addition to the daily management of the Company, the Executive Committee is also responsible for:

- Support the Board of Directors in supervising the strategic steering and financial performance, the portfolio management, the risk management and in the strict compliance with the law;
- Recommend and submit to the approval of the Board of Directors the Company's strategy, policies and main business and capital allocation decisions, implementing them after being approved by the Board of Directors and periodically reporting to the Board on its development and results;
- Prepare and propose for the approval of the Board of Directors the strategic and financial plan of the Group, as well as the consolidated annual budget and the investments to deploy;
- Represent Sonae on the Board of Directors of the different business units of the Group, exercising and effective influence over their strategy and management to ensure that those are aligned with the Group's corporate and sustainability strategies, financial plans and objectives, as well as they abide with the Sonae values and policies;
- Review and approve the financial statements and periodic reports, the annual budgets, and the strategic and financial plans of the Group's business units, through its presence on the respective Board of Directors;
- Report quarterly to the Board of Directors the consolidated financial results of the Company and of its business units, as well as prepare and propose to the Board the proposal for the earnings announcement to the market, in accordance with the applicable requirements;
- Maintain a transparent and effective communication with the Company's stakeholders, seeking to be involved in relevant discussions that impact the Company as a listed entity, as well as with institutional and retail investors, financial analysts, and the banking sector in order to attract external financing to support the Company's operations, finance projects and ensure its sustainable growth;
- Ensure that the Company has effective internal control systems, robust risk management processes and that complies with the applicable legal and regulatory requirements, without prejudice to the monitoring and supervision powers that in this matter are attributed to other bodies of the company and committees of the Board of Directors, namely the Statutory Audit Board and the Board Audit and Finance Committee.

28. Composition of the Executive Committee

The Executive Committee is composed of members from the Board of Directors, as follows:

Executive Committee	
Maria Cláudia Teixeira de Azevedo	Chief Executive Officer (CEO)
João Pedro Magalhães da Silva Torres Dolores	Chief Financial Officer (CFO)
João Nonell Günther Amaral	Chief Development Officer (CDO)

28.1. Operating Rules of the Executive Committee

The Executive Committee meets once a month on an ordinarily basis and extraordinarily whenever any of its members convenes a meeting. The Executive Committee may not function without the presence of a majority of its members, and any executive director may be represented at the meetings of the Executive Committee by any other member by means of a letter addressed to the CEO, indicating the day and time of the meeting for which it is intended, which shall be mentioned in the minutes and filed. Participation by telematic means and voting by mail are permitted, in accordance with the law.

The decisions of the Executive Committee shall be taken by unanimity of the votes cast.

The resolutions taken at the Executive Committee meetings are recorded in minutes, as well as the attendance, the topics discussed, and the decisions taken. The meetings' agendas and minutes shall be distributed to the Chair of the Board of Directors in a timely manner.

Whenever deemed convenient, the Executive Committee may submit to the consideration of the Board of Directors any matter within its competencies.

The Executive Committee shall present to the Board of Directors, on a quarterly basis, a summary of its most relevant activities in the period and the respective results, recommendations and proposals, as well as provide all clarifications and information requested.

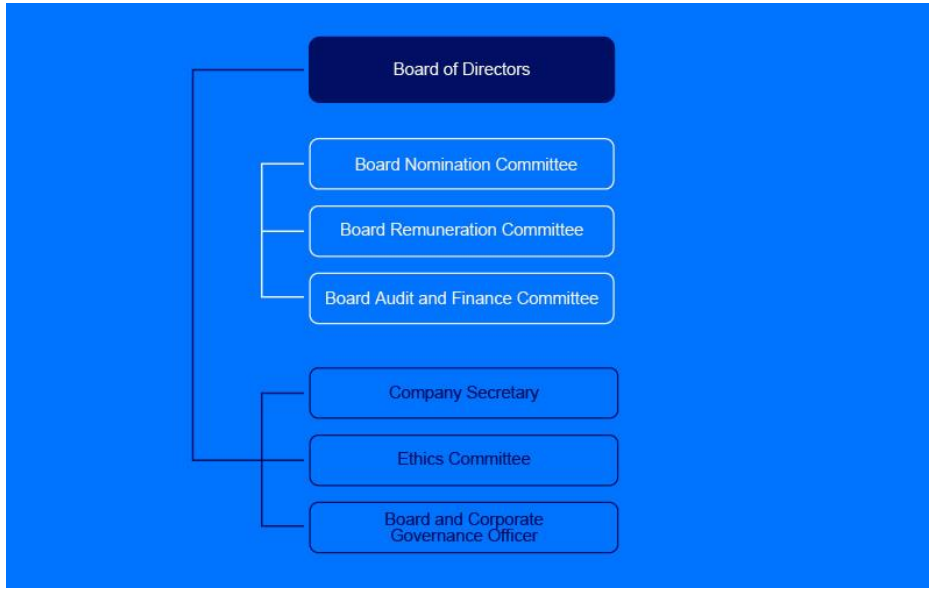
The Executive Committee can set up internal committees, which will operate dependently to the Executive Committee, to monitor particular matters.

The members of the Executive Committee, as well as the remaining members of the Board of Directors, must obtain the previous approval of the Board of Directors, with the advice of the Board Nomination Committee, before accepting positions in governing bodies or other significant activities, in Companies that are not part of Sonae Group, with the exception granted to those that are authorised by the Shareholders' General Meeting, in compliance with the principles adopted by the Company regarding the prevention of conflicts of interest.

Minutes are recorded in the respective minutes book.

During 2023, 23 (twenty-three) Executive Committee meetings were held with an overall attendance rate of 100%.

29. Board committees and other advisors to the Board



Board Audit and Finance Committee ("BAFC")

Role

The BAFC is a committee appointed by the Board of Directors, composed of a majority of Independent Non-Executive Directors, being its number and background deemed suitable considering both the Company's dimension as well as the complexity of its activity and related risks, and its terms of reference are set out in its Internal Regulation. The BAFC is responsible for providing support to the Board of Directors and monitoring and evaluating the activity of the Executive Committee in carrying out its management responsibilities, not overstepping the Statutory Audit Board's duties and responsibilities as an auditing body. The BAFC regularly reports to the Board of Directors about its work, the conclusions that it has reached and proposes plans of action with the goal of proactively ensuring internal control and the functioning of the Company's risk management system.

The duties of the BAFC, as a committee of the Board of Directors, are to:

a) Review the Company's consolidated and separated financial statements, the annual and interim consolidated reports of the Company, and other documents and announcements to be disclosed externally and to report its findings to the Board, before these documents are approved and signed by the Board;

b) Advise the Board of Directors on the adequacy and appropriateness of internal information provided by the Executive Committee, including systems and standards on internal business controls and risk management implemented by the Executive Committee;

c) Liaison with the Statutory Audit Board on the appointment of, the assignments to, and the remuneration of the External Auditor;

d) Advise the Board on the quality and independence of the Internal Audit and Risk Management functions, as well as in the appointment of the Internal Auditor and Risk Manager;

e) Review the scope of the Internal Audit functions and its relation to the scope of the External Auditor. The BAFC discusses with the External Auditor, Internal Auditor and Risk Manager their periodic reports, as well as the internal control reports (which are simultaneously shared with the Statutory Audit Board) and advises the Board thereon.

In performing its duties and assignments the BAFC devotes special attention to:

i. The system of internal controls, business controls, and risk management (including cybersecurity, data protection and health&safety), operated by management, and the Board's responsibility to review these areas;
ii. Any changes in accounting policies and practices;
iii. Significant adjustments resulting from the audit;
iv. The going concern assumption;
v. Development of relevant financial rations and changes in the Company's formal or informal ratings, including reports from rating agencies;
vi. Compliance with accounting standards;
vii. Compliance with the statutory and legal requirements and regulations, in particular, in the financial domain;
viii. Significant financial exposures in the treasury area (such as currency risks, interest rate risks, and derivatives);
ix. When faced with major judgemental issues subject to interpretation and the adoption of possible alternative solutions, evaluate their impacts on the company;
x. Fraud and defalcation;
xi. Developments in the Company's corporate governance;
xii. Transactions with related parties, including any transactions that could involve significant transfer pricing risk, namely the review and approval of the half yearly related party transactions report which is made available by the department responsible for the administrative and accounting areas of the Company, and issue a previous opinion on all transactions between Sonae and its related parties which, based on the aforementioned report, fulfil the criteria established in the Company policy on this matter;
xiii. The terms of reference of the Board Audit and Finance Committee regulate the performance of its duties and the respective time schedule for their execution and is available at https://www.sonae.pt/en/investors/government-of-society/.

Composition

The BAFC is composed of eight members appointed by the Board of Directors. All members are Non-Executive Directors, the majority of which is independent. The composition of the Board Audit and Finance Committee is as follows:

Board Audit and Finance Committee	
José Manuel Neves Adelino	Non-Executive Chair*
Ângelo Gabriel Ribeirinho dos Santos Paupério	Non-Executive
Carlos António Rocha Moreira da Silva***	Non-Executive
Marcelo Faria de Lima	Independent Non-Executive
Fuencisla Clemares	Independent Non-Executive
Philippe Cyriel Elodie Haspeslagh	Independent Non-Executive
Eve Alexandra Henrikson	Independent Non-Executive
Maria Teresa Ballester Fornes**	Independent Non-Executive

* further detail on the qualification of this member's independence is available in section 18 above.

** Member of the BAFC since 14 November 2023

*** Although the composition of the Board Audit and Finance Committee during the financial year 2023 is as presented above, it is hereby informed that since March 8th, 2024, Carlos António Rocha Moreira da Silva has ceased to serve as a member of this Committee, which is now composed of 7 members.

Operating Rules

The BAFC meets at least six times a year and additionally whenever convened by its Chair, the Chair of the Board of Directors or by the Executive Committee.

Minutes of all BAFC meetings are prepared and distributed to other Board members.

During 2023, 6 (six) meetings of the BAFC were held with an overall attendance rate of 98%.

Board Nomination Committee ("BNC")

Role

The Board Nomination Committee is responsible for:

a) Identify and assess the suitability of potential candidates with a profile fit for appointment to the Board of Directors and to its committees, in accordance with the internal policy on selection and evaluation, in particular when the Board decides to co-opt a Board member and when the Board is responsible for assessing candidates for CEO roles in the main subsidiaries of Sonae Group;

b) Provide oversight of succession planning, contingency planning and talent management in general for Board members and other senior management positions in Sonae Group, and ensuring that the appointment process and training of the candidates is suitably conducted;

c) Advise the Board of Directors on prior disclosures made by members of the Board of Directors in relation to accepting outside directorships and other significant roles or activities, which were not approved by the Shareholders' General Meeting, as required by the Company's approved policy on conflicts of interest.

The terms of reference of the Board Nomination Committee regulate the performance of its duties and the respective time schedule for their execution, and is available at https://www.sonae.pt/en/investors/government-of-society/.

Composition

The BNC is composed of six Non-Executive Directors, being its number and background deemed suitable considering both the Company's dimension as well as the complexity of its activity and related risks, the majority of which is independent, and its composition is as follows:

Board Nomination Committee	
Duarte Paulo Teixeira de Azevedo	Chair of the Board of Directors – Non-Executive
Marcelo Faria de Lima	Independent Non-Executive
Carlos António Rocha Moreira da Silva	Non-Executive
Philippe Cyriel Elodie Haspeslagh	Independent Non-Executive
Fuencisla Clemares	Independent Non-Executive
Maria Teresa Ballester Fornes	Independent Non-Executive

Operating Rules

The BNC meets at least once every year and additionally whenever its Chair or the Board of Directors deem necessary. The BNC members can also meet on an ad-hoc basis, either personally or through telematic means. Minutes are kept of all meetings of this Committee.

During 2023, 2 (two) meetings of the BNC were held, with an attendance rate of 100%.

Board Remuneration Committee ("BRC")

Role

The Board Remuneration Committee is responsible for:

a) Acting with the objective of ensuring that the remuneration policy and practice reflect and support the long-term strategic goals and that they are compatible with the Company's risk policies and systems and that they take into account pay and employment conditions elsewhere in the Sonae Group and in the external market;

b) Giving feedback to the Board of Directors on the proposed remuneration policy prepared by the Executive Committee and subsequently submit the policy to the Board of Directors for review, before the Board of Directors submits a final proposal to the Shareholders' Remuneration Committee for their review and approval and subsequent inclusion in the agenda of the Shareholders' Annual General Meeting to obtain the approval of shareholders;

c) Receiving, analysing, and, in some cases, preparing, as and when required by approved internal processes, proposals for the remuneration of the Board of Directors and other Statutory Governing Bodies and present them for approval to the Shareholders' Remuneration Committee. All proposals must be in line with the Company's approved Remuneration Policy;

d) Providing oversight in relation to remuneration resolutions taken by the Executive Committee for the group senior executives who report directly to the Executive Committee.

The terms of reference of the Board Remuneration Committee regulate the performance of its duties and the respective time schedule for their execution, and is available at https://www.sonae.pt/en/investors/government-of-society/.

Composition

The BRC is composed of five Non-Executive directors, being its number and background deemed suitable considering both the Company's dimension as well as the complexity of its activity and related risks the majority of which is independent, and its composition is as follows:

Board Remuneration Committee	
Fuencisla Clemares	Chair – Independent Non-Executive
Duarte Paulo Teixeira de Azevedo	Non-Executive
Ângelo Gabriel Ribeirinho dos Santos Paupério	Non-Executive
Philippe Cyriel Elodie Haspeslagh	Independent Non-Executive
Eve Alexandra Henrikson	Independent Non-Executive

Operating Rules

The BRC meets at least twice every year and additionally whenever its Chair or the Board of Directors deem necessary. In addition to the formal meetings, BRC members meet informally, and on an ad-hoc basis, either personally or through telematic means, to discuss relevant matters. Minutes are kept of all meetings of this Committee.

During 2023, 4 (four) meetings of the BRC were held, with an overall attendance rate of 100%.

Ethics Committee

Sonae's Code of Ethics and Conduct, in accordance with Sonae's principles and values, establishes rules of conduct as well as the ethical and moral principles and practices to be complied with by the members of the Board of Directors and of the other statutory governing bodies and employees.

The Code of Ethics and Conduct applies to all the companies directly or indirectly controlled by Sonae. The Code also sets out the values and forms of conduct required from individuals appointed by Sonae to the statutory governing bodies of companies or other entities in which Sonae participates. This applies to their respective individual functional duties and acts, and also requires them to promote the adoption of similar ethical principles and standards of conduct when establishing or amending codes of ethics and conduct or similar internal regulations at those companies or other entities.

Sonae's Code of Ethics and Conduct establishes a commitment for third party entities, hired by, or acting on behalf of Sonae, when the Company may be held accountable for their actions.

Sonae's Code of Ethics and Conduct is available at https://www.sonae.pt/en/investors/government-of-society/ and has the fundamental objectives of:

- Establishing principles that guide the activities of Sonae Group of companies and setting rules of ethical and moral nature that are expected to guide the behavior of all of its employees and governing bodies. It includes promoting the adoption of ethical and moral principles and practices by the Group's partners;
- Promoting and encouraging the adoption of the guiding principles and rules of conduct defined in Sonae's Code of Ethics and Conduct, which reflect the Company's values, namely with regards to the relationships between employees, statutory governing bodies, Sonae, and its remaining stakeholders;
- Consolidating Sonae's institutional image, which is characterised by Determination, Dynamism, Enthusiasm, Creativity, and Openness.

In addition to Sonae's Code of Ethics and Conduct, internal regulations covering independence and conflicts of interest and related party transactions remain in force.

Employees are also made aware internally of Sonae's Code of Ethics and Conduct. During 2023, and in line with the previous practices the Company promoted e-learning internal training courses to employees and members of the statutory governing bodies, concerning business ethics, covering whistleblowing policies and procedures, clarifying staff responsibilities as well as those of the Company's management bodies, and presenting practical examples of situations involving: conflicts of interest, privacy, information confidentiality and integrity, staff relationships and those with the suppliers and business partners.

The Ethics Committee has the following main tasks:

- Foster the existence of means to disseminate the Code of Ethics and Conduct to its main target audience;
- Consider and answer questions sent by the members of the statutory governing bodies of the Group' companies, as well as those sent by employees, clients or other third parties which fall within its scope, making recommendations it deems appropriate to the nature of each case;
- Check the existence of internal mechanisms to report irregularities, making sure they comply with the law, particularly in terms of confidentiality, the handling of information and the non-existence of reprisals for participants;

- Propose to the Board of Directors, after consulting with Sonae's Executive Committee, the approval of changes to the Sonae Code of Ethics and Conduct, whenever considered appropriate;
- Issue clarifications regarding the interpretation of provisions in the Sonae Code of Ethics and Conduct, on its own initiative, or after being requested to do so, by members of the Governing Bodies or employees;
- Receive, evaluate and forward reports of founded irregularities, received by the Ethics Committee, to the respective governing bodies, whenever they consider such irregularities as violations of the rules in the Sonae Code of Ethics and Conduct;
- Receive and adequately treat the reports received in the Reporting Channel when they concern matters within the scope of competencies of the Ethics Committee, pursuant to the set forth in the Regulation on Communication of Infractions and on the Policy on prevention of Corruption – documents approved by the Company and available at https://sonae.pt/en/investors/government-of-society/.
- Forward to the Statutory Audit Board any reports that might indicate alleged irregularities, under the terms established in article 420, paragraph 1, subparagraph j) of the Portuguese Companies Act;
- Regulate its operation and regularly report its activities to the Board of Directors, and the entities it is legally bound to report to, according to legislation or the corporate governance model adopted.

Any report of irregularities addressed to the Ethics Committee must be sent to the email address: comissaoetica@sonae.pt.

The Ombudsperson has the responsibility of receiving and forwarding reports involving employees, clients or suppliers and other service providers to the relevant bodies.

Other than communicating with the companies involved, the Ombudsperson delivers a half-year summary of all irregularities to the Statutory Audit Board.

Reports addressed to the Ombudsperson can be sent to his email address: provedoria@sonae.pt.

Composition

Ethics Committee	
José Manuel Neves Adelino (Chair)	Lead Non-Executive Director ("Lead Director")
João Günther Amaral	Chief Development Officer (CDO)
Marta Cordeiro Cunha	Ombudsperson
Célia Sá Miranda	Head of General Counsel and Corporate Governance
David Graham Shenton Bain (Secretary)	Board and Corporate Governance Officer

Operating Rules

The Ethics Committee meets at least twice every year and whenever its Chair or two of its members convene a meeting. In addition to the formal meetings, the Ethics Committee members meet informally, and on an ad-hoc basis, either personally or through telematic means, to discuss relevant matters. Minutes are kept of all the Committee's meetings and are distributed to all Board Members.

During 2023, 2 (two) meetings of the Ethics Committee were held, with an overall attendance rate of 100%.

Board and Corporate Governance Officer ("BCGO")

Main duties of the BCGO:

- Ensure the smooth running of the Board of Directors and Board Committees;
- Participate in Board Meetings and relevant Board Committee Meetings and, when appointed, serve as a member;

- Facilitate the acquisition of information by all Board of Directors' and Committees' members;
- Support the Board of Directors in defining its role, objectives and operating procedures;
- Take a leading role in organising Board of Directors evaluations and assessments;
- Keep under close review all Legislative, Regulatory and Corporate Governance issues;
- Support and challenge the Board of Directors to achieve the highest standards in Corporate Governance;
- Support the proceedings adopted by the Board of Directors to ensure that the stakeholders and the minority shareholders' interests are taken into account by the Board of Directors when important business decisions are being taken;
- Support the procedure to nominate and appoint Directors and assist in the induction of new Directors;
- Act as a primary point of contact and source of advice and guidance for, particularly, Non-Executive Directors regarding the Company and its activities;
- Facilitate and support the independent Non-Executive Directors to assert their independence;
- Ensure compliance with the IPCG Recommendations for Portuguese listed companies;
- Participate in making arrangements for the Shareholders' General Meetings;
- Participate in the arrangement of insurance cover for members of the statutory governing bodies;
- Participate, on behalf of the Company, in external initiatives to debate and improve Corporate Governance regulations and practices in Portugal.

Company Secretary

The Company Secretary is responsible for:

- Keeping the formal minute books and attendance lists at the Shareholders' General Meetings;
- Forwarding the legal documentation to convene the Shareholders' General Meetings;
- Supervising the preparation of supporting documentation for the Shareholders' General Meetings and the meetings of the Board of Directors and preparing the respective formal minutes;
- Providing feedback, pursuant to the applicable legal provisions, to Shareholders' requests for information;
- Executing the legal register of any act or resolutions of the Company's statutory governing bodies.

29.1. Activity developed by the Committees created by the Board of Directors

At the Shareholders' Annual General Meeting held on 28th April 2023 the members of the Statutory Governing Bodies were elected for the 2023-2026 mandate.

Following its election, the Board of Directors appointed, in May 2023, the Executive Committee and the board specialised committees created to support the Board of Directors' activity.

Non-Executive Directors have been performing, independently and permanently, the continuous monitoring of the activity of the Executive Committee, influencing the decision-making process of strategic and structural decisions, particularly in the development of the corporate strategy and the main policies, including the risk management policy, monitoring the respective compliance thereof and taking action in the preparation and disclosure of the financial reports, as described in section 55 of this Report.

Non-Executive Directors performed their role, both as members of the Board of Directors, as well as members of its specialised internal committees they incorporate, as described in section 29, and which support the activity of the Board of Directors.

During 2023, the Executive Committee managed the Company on a day-to-day basis, monitoring the business activity under the terms of the delegation of powers to the Executive Committee, and executed the strategic decisions of the Board of Directors, implementing the policies approved by this body. The Executive Committee reports to the Board of Directors and remaining governing bodies, including supervisory bodies, on the work performed during the financial year, providing information on the most significant decisions taken, the main actions implemented in the fulfilment of its competencies and duties and for the compliance of the strategy and policies approved by the Board of Directors.

The Ethics Committee has carried out its duties, supervised the dissemination of Sonae's Code of Ethics and Conduct, analysed the questions posed by members of the governing bodies, issuing recommendations and reporting its activity to the Board of Directors.

III. Audit

a. Composition

Statutory Audit Board	
Maria José Martins Lourenço da Fonseca	Chair
Daniel Bessa Fernandes Coelho	Member
Manuel Heleno Sismeiro	Member
Sara Manuel Carvalho Teixeira Mendes	Substitute

30. Identification of the Supervisory Bodies

The Statutory Audit Board (SAB) and the Statutory External Auditor are, under the governance model currently adopted, the auditing bodies of the Company.

31. Composition

In accordance with the Company's Articles of Association, the SAB shall be composed of an odd or even number of members, with a minimum number of three members and a maximum number of five members, elected for a four-year mandate. One or two substitute members may be appointed if the SAB is made up of three or more members, respectively.

The Statutory Audit Board members are elected at the Shareholders' General Meeting.

If the Shareholders' General Meeting fails to elect the members of the Statutory Audit Board, the Board of Directors must, and any shareholder may, petition the court for the necessary appointment.

If the Shareholders' General Meeting does not designate the Chair of the Statutory Audit Board, the Chair shall be appointed by the members of the Statutory Audit Board.

If the Chair leaves office prior to the end of the mandate for which was elected, the other members must choose a substitute to exercise these duties until the end of the current mandate.

The members of the Statutory Audit Board who are temporarily unavailable, or who have resigned, shall be replaced by the substitute member.

Substitute members who replace members who have resigned, shall remain in office until the next Shareholders' Annual General Meeting, when the vacant positions shall be filled.

In the event of it not being possible to fill in a vacancy left by a member, due to a lack of an elected substitute member, the vacant positions, both of the member and of the substitute member, shall be filled by means of a new election.

In light of the Company's size as well as of the complexity of its activity and correlated risks, the composition of the Statutory Audit Board, of 3 members, is deemed by the Company as being suitable to ensure the efficiency of this governing body's duty of supervising and monitoring such activity and risks, in compliance with the applicable law and the Statutory Audit Board Regulation available at https://www.sonae.pt/pt/investidores/governo-da-sociedade/.

The member of the Statutory Audit Board Daniel Bessa Fernandes Coelho was first elected on 3rd May 2007, at the time as Chair of the Statutory Audit Board and was later re-elected for a second mandate at the Company's Shareholders' Annual General Meetings, held on 27th April 2011 and for a third mandate (2015-2018) at the Shareholders' Annual General Meeting held on 30th April.

The remaining members of the Statutory Audit Board were first elected at the Shareholders' Annual General Meeting held on the 30th April 2015, for a first four-year mandate of 2015-2018.

At the Shareholders' Annual General Meeting held on 28th April 2023 all the members of the Statutory Audit Board were elected for the four-year mandate 2023-2026.

32. Independence

The majority of the members of the Statutory Audit Board are independent as required by article 414 paragraph 5 and are not in breach of any of the criteria for incompatibility as set out in article 414 A, paragraph 1, both of the Portuguese Companies Act. The Chair of the Statutory Audit Board is independent, fulfilling thereby the requirement of Article 3, paragraph 2, subparagraph c) of Law no. 148/2015 of 9th September.

The Statutory Audit Board has carried out an assessment of the independence of its members by reference to the year ended 31st December 2023, by obtaining written information on an individual basis.

33. Professional qualifications and curricular references of the members of the Statutory Audit Board

The qualifications, experience and responsibilities of the members of the Statutory Audit Board are disclosed in the Appendix of this Report.

b. Functioning

34. Internal regulation of the Statutory Audit Board

The Internal Regulation of the Statutory Audit Board is available at the Company's website, https://www.sonae.pt/en/investors/government-of-society/.

35. Statutory Audit Board Meetings

Decisions are taken by simple majority, the Chair having a casting vote if the Statutory Audit Board is composed of an even number of members.

The Statutory Audit Board meets at least four times a year and every time the Chair or two of its members convene a meeting. In addition to the formal meetings, and if necessary, the members of the Statutory Audit Board maintain contact trough long distance communications.

During 2023, 27 (twenty-seven) meetings were held, with an overall attendance rate of 100%. Minutes of all meetings of the Statutory Audit Board were recorded.

36. Availability of the Statutory Audit Board Members

Information on other positions currently held by members of the Statutory Audit Board in other entities, whether or not in Sonae Group, as well as information on other relevant activities exercised during the present mandate, are disclosed in the Appendix of this Report.

c. Duties and competencies

37. Role of the Statutory Audit Board in the hiring of additional services from the external auditor

The Statutory Audit Board is responsible for the approval of non-audit services from the External Auditor.

To that effect, the Statutory Audit Board establishes, in the first meeting of each year, a work plan and timetable, comprising among other subjects, the coordination of tasks with the External Auditor including:

- Approval of the annual work plan of the External Auditor;
- Follow-up of work performed and review of conclusions of the audit work and of interim and annual statutory audits;
- Overseeing the independence of the External Auditor;
- Decision on the approval of the provision of non-audit services, in compliance with Law no. 140/2015, of 7th September, which approves the new terms of reference of the public certified accountants;
- External Auditor's annual activity assessment, as well as of its independence and adequacy for the performance of its role, for the purposes of complying with Recommendation VIII.2.3 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG).

In the assessment of criteria that supports the hiring of additional work from the External Auditor, the Statutory Audit Board confirmed that:

- The hiring of non-audit services has not affected the independence of the External Auditor;
- The non-audit services have represented a balanced consideration vis-à-vis the services provided;
- The non-audit services, duly framed, did not constitute forbidden services pursuant to the applicable European legislation;
- The non-audit services were provided with high quality and autonomy, as well as with independence from the ones executed under the audit process;
- The quality system used by the External Auditor according to the information provided to the Company, monitors the potential risks of a loss of independence and possible conflicts of interest with Sonae, while also ensuring that the quality of the services provided are in compliance with the rules of ethics and independence.

38. Other duties carried out by the Statutory Supervising Bodies

38.1 Statutory Audit Board

The Statutory Audit Board is the Company's supervisory body and its duties include, amongst others:

i. Supervising the management of the Company;

ii. Ensuring that the law, the Company's Articles of Association and internal procedures are observed;
iii. Verifying the regularity of all books, accounting registers and supporting documents;
iv. Verifying, whenever deemed convenient, and in the manner deemed appropriate, the extension of cash and of stock of any kind of goods or other values that belong to the Company or that were received by the Company as a guarantee, deposit or otherwise;
v. Verifying the accuracy of the financial statements, monitoring the process of preparation and disclosure of financial information and presenting recommendations aimed at ensuring their integrity;
vi. Verifying if the accounting policies and the valuation criteria adopted by the Company provide a correct evaluation of its assets and results;
vii. Drawing up an annual report for shareholders on the supervision of the Company, which shall include a description of audit work carried out, possible restrictions encountered in the course of that work, and issuing a statement of opinion on the annual report, accounts and proposals presented by the management;
viii. Convening the Shareholders' General Meeting, whenever the Chair of the Board of the Shareholders' General Meeting fails to do this in circumstances when it was necessary;
ix. Supervising the efficiency of the risk management system, the internal control system and the internal audit function;
x. Receiving notification of irregularities presented by shareholders, Company's employees or others;
xi. Appointing and hire services from experts to help one or more of its members in the exercise of their duties. The hiring and fees of these experts should take in consideration the importance of the underlying matters and the financial situation of the Company;
xii. To oversee the process of preparation and disclosure of the financial information by the Board of Directors, including the suitability of the accounting policies, estimates, judgements, relevant disclosure and its consistent application between financial years in a duly documented and communicated form;
xiii. Acting as the primary interface of the Company with the External Auditor and the Statutory External Auditor, approving the criteria for the selection of the Statutory External Auditor, and proposing the appointment or replacement of the External Auditor and the Statutory External Auditor, as well as their remuneration to the Shareholders' General Meeting, as well as the review of their performance, while ensuring that the right conditions exist within the Company for the appropriate carry out of their work, being the first point of contact and the first to receive audit reports, without prejudice of the duties and competencies of the Board of Directors on this subject;
xiv. Supervising the auditing of the Company's financial statements;
xv. Supervising the existence and maintenance of the Statutory External Auditor's and the External Auditor's independence;
xvi. Approving, beforehand, the External Auditor's provision of services, and the additional audit services provided as well as approving the respective remuneration, ensuring that the provision of services is permitted by law, not overstepping reasonable limits and in a manner that does not jeopardise the Statutory External Auditor's independence;
xvii. Issuing a specific and well-sustained report that supports the decision of non-replacement of the External Auditor, giving due consideration to the degree of independence of the auditor under these circumstances and the advantages and costs of replacing them;
xviii. Supervising the activity carried out by the internal audit;
xix. Giving a prior opinion about transactions with related parties and analyse the half-year and yearly reports in the terms set forth in the internal Policy on Related Party Transactions, in compliance with articles 29-S to 29-V of the Portuguese Securities Code;
xx. The supervisory governing body is subject to compliance with the competencies and duties established by Law no. 148/2015, of 9th September, in its current wording, which approves the Legal Framework of Auditing Supervision, transposing into national law the Directive 2014/56/EC of the European Parliament and of the Council, of 16th April 2014, amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, ensuring the execution into national law of Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16th April 2014, on specific requirements regarding statutory audit of public interest entities, namely those under article 3 of the preamble decree and article 24 of the Legal Framework of Auditing Supervision;
xxi. Comply with any other attributions defined by the applicable law or the Company's Articles of Association.

In order to carry out its duties, the Statutory Audit Board has a meeting at the beginning of each financial year to plan out the year's work. This plan includes:

A – Monitoring the business activity of the Company and the interaction with the Executive Committee and the Board of Directors through the Board Audit and Finance Committee, in particular:

- Assessing how the internal control, risk management and compliance systems are working, giving its opinion, when deemed necessary, regarding the risk policy and the strategic lines that came to its knowledge through the Board of Directors, including prior to their approval;
- Assessing the financial statements and the disclosure of financial information;
- Issuing opinions and recommendations.

B - Supervising the activity of internal audit and risk management, including compliance covering:

- Annual activity plan;
- Receiving periodic reports on their activity;
- Evaluating results and conclusions reached;
- Checking and evaluating the existence of possible irregularities that have been forwarded to them;
- Issuing guidelines, as and when deemed appropriate.

C- Information on irregularities (whistleblowing):

The Ombudsperson reports on a half yearly basis its activities to the Statutory Audit Board, for approval of procedures for the reception and treatment of claims and critical review of results.

The Statutory Audit Board is also responsible for receiving irregularities in strict accordance with article 420, paragraph 1, subparagraph j), of the Portuguese Companies Act, whether directly addressed to it, or reported to the Ethics Committee or another governing body.

The Statutory Audit Board is also the addressee of the reports of infractions sent to the Internal Reporting Channel, as well as of the final reports prepared by the committee responsible for their analysis, which embody the case reported, the evaluation of the procedures carried out, its results and the adopted measures.

38.2. Statutory External Auditor

The Statutory External Auditor is the statutory supervisory body responsible for legally certifying the Company's financial statements. Its main responsibilities are:

i. Verifying the accuracy of all books of account, accounting transactions and supporting documents;
ii. Whenever it deems convenient and by the means that it considers to be appropriate, verifying the accuracy of cash and stocks of any kind, of the assets or securities belonging to the Company or received by it by way of guarantee, deposit or other purpose;
iii. Verifying the accuracy of the financial statements, and expressing an opinion on them in the accounts legal certification and in the Audit Report;
iv. Verifying whether the accounting policies and valuation criteria used lead to a fair valuation of the assets and results of the Company;
v. Carrying out any examinations and checks necessary to the audit and legal certification of the accounts and carrying out all procedures required by law;
vi. Verifying the application of remuneration policies and systems, and the effectiveness and working of internal control procedures, reporting any weaknesses to the Statutory Audit Board in accordance with, and within the limits of its legal and procedural duties;
vii. Attesting if the Company's Corporate Governance Report includes the information referred to in article 29-H of the Portuguese Securities Code.

Since the 1st January 2016, the duties and services provided by the Statutory External Auditor have been in strict compliance with the new Statute of the Portuguese Institute of the Statutory Auditors, under the terms established by Law no. 140/2015, of 7th September, with its current wording.

IV. Statutory External Auditor

39. Identification

The Company's Statutory External Auditor is PricewaterhouseCoopers & Associados, SROC, S. A., represented on 31st December 2023 by the statutory auditor Joaquim Miguel de Azevedo Barroso.

40. Permanence in functions

The Statutory External Auditor was initially elected at the Shareholders' General Annual Meeting held on 3rd May 2018, for the remainder of the mandate 2015-2018, by a proposal of the Statutory Audit Board.

For that purpose, the Statutory Audit Board organised an enlarged selection bid in accordance with the terms set forth in subparagraph f) of number 3 of article 3 of the Legal Framework of Auditing Supervision approved by Law no. 148/2015 and in article 16 of the EU Regulation no. 537/2014, completed with the proposal presented to the Shareholders' General Meeting.

At the Shareholders' Annual General Meeting held on 30th April 2019, the Statutory External Auditor, PricewaterhouseCoopers & Associados, SROC, S.A., represented by the statutory auditor Hermínio António Paulos Afonso or by the statutory auditor António Joaquim Brochado Correia, was re-elected, by proposal of the Statutory Audit Board, for the 2019-2022 mandate.

At the Shareholders' Annual General Meeting held on 28th April 2023, the Statutory External Auditor PricewaterhouseCoopers & Associados, SROC, S.A., represented by the statutory auditor Joaquim Miguel de Azevedo Barroso, was re-elected for the 2023-2026 mandate, by proposal of the Statutory Audit Board.

41. Other services provided to the Company

PricewaterhouseCoopers & Associados, SROC, S.A. (PwC) is also the Company's External Auditor. As the Statutory External Auditor, PwC did not provide any other services to the Company besides compliance and assurance services and other authorised services.

V. External Auditor

42. Identification

The Company's External Auditor is, in compliance with the article 8 of the Portuguese Securities Code, PricewaterhouseCoopers & Associados, SROC, SA, represented on 31st December 2023 by Joaquim Miguel de Azevedo Barroso (ROC no. 1426).

43. Permanence in functions

The External Auditor, PricewaterhouseCoopers & Associados, SROC, SA, was initially elected at the Shareholders' Annual General Meeting held on 3rd May 2018, following a proposal of the Statutory Audit Board. The representing partner António Joaquim Brochado Correia was appointed to represent the External Auditor in 2018 following the abovementioned election and remained in office, following the re-election of the Statutory External Auditor at the Shareholders' Annual General Meeting held on 30th April 2019, during the 2019-2023 mandate.

At the Shareholders' General Meeting held on 28th April 2023, Joaquim Miguel de Azevedo Barroso was appointed as representing partner to the External Auditor.

44. Policy and frequency of rotation of the external auditor

The Statutory Audit Board has adopted the recommended principle on the rotation of the External Auditor.

Since the 1st January 2016, the term of the mandate is subject to the rules established in article 54 of Law no.140/2015, which approves the new terms of reference of the public certified accountants, in its current wording.

45. Statutory governing body responsible for the external auditor's assessment

The Statutory Audit Board oversees the performance of the External Auditor and the work developed during each exercise, considers and approves beforehand the additional work to be provided and, annually, prepares an overall appraisal of the External Auditor, which includes an assessment of their independence.

46. Additional work, other than audit services, performed by the external auditor and respective hiring process

The Non-audit services provided by the External Auditor to the Company, and to Sonae Group companies, were previously approved by the Statutory Audit Board, which, after evaluation, concluded that the performance of additional services did not affect the independence of the External Auditor, which constitutes the main feature for weighting the provision of said services. Once ensured this first criterion, the Statutory Audit Board authorised the provision of services considering that the same were in the general interests of the Company, given the expertise of the service provider and the quality of the services provided in the areas concerned as well as the provider's knowledge of the Company and the Group.

As an additional safeguard, the following measures were taken:

- The hiring of non-audit services did not affect the independence of the External Auditor;
- The non-audit services have represented a balanced consideration vis-à-vis the services provided;
- The non-audit services, duly framed, did not constitute forbidden services pursuant to Law no. 140/2015 of 7th September, as amended by Law no. 99-A/2021 of 31st December;
- The non-audit services were provided with high quality and autonomy, as well as with independence from the ones executed under the audit process;
- The total annual fees paid in Portugal by Sonae to the External Auditor, represent less than 15% of their overall fees in Portugal;
- The quality system used by the External Auditor, according to the information provided to the Company, monitors the potential risks of a loss of independence and possible conflicts of interest with Sonae, while also ensuring that the quality of the services provided are in compliance with the rules of ethics and independence.

In compliance with subparagraph a) of paragraph 2 of article 6 of EU Regulation no.537/2014, the External Auditor confirmed in writing to the Statutory Audit Board that its partner, the external auditor which represent it, as well as its top management and managers executing the accounts certification are independent in relation to the audited entity.

47. Remuneration of the External Auditor

The remuneration paid to the Statutory External Auditor and to the External Auditor, PricewaterhouseCoopers & Associados, SROC, SA, by proposal of the Statutory Audit Board, and to other individuals and entities within its network, supported by the Company and/or by corporate entities in a control relation with the latter, are as follows, analysed by type of service:

Remuneration paid by the Company (amounts in euros)	2022		2023	
Statutory Audit and Accounts Certification	86,249	99.4%	77,237	94.5%
Other Compliance and Assurance Services	500	0.6%	500	0.6%
Tax Consultancy Services	–	0.0%	–	0.0%
Other Services	–	0.0%	3,990	4.9%
Total	**86,749**	**100.0%**	**81,727**	**100.0%**

Remuneration paid by the Group's Companies* (amounts in euros)	2022		2023	
Statutory Audit and Accounts Certification	591,505	80.0%	573,754	75.3%
Other Compliance and Assurance Services	87,332	11.8%	71,855	9.4%
Tax consultancy Services	15,625	2.1%	18,145	2.4%
Other Services	44,850	6.1%	98,675	12.9%
Total	**739,312**	**100.0%**	**762,429**	**100.0%**

*controlling companies or in a Group relationship

C. Internal Organisation

I. Articles of Association

48. Rules applicable in the case of amendments to the company's articles of association

Amendments to the Company's Articles of Association follow the terms set out in the Portuguese Companies Act, requiring a majority of two thirds of the votes cast for such a resolution to be approved at a Shareholders' General Meeting.

For a Shareholders' General Meeting to be held, in the first occasion it is convened, the Company's Articles of Association require that a minimum of 50% of the issued share capital should be present or represented at the meeting.

II. Reporting of irregularities (whistleblowing)

49. Policy on reporting irregularities

Sonae's values and principles are widely spread and deeply rooted in its business culture and form the basis of its actions. These are founded upon principles of awareness and absolute respect for the rules of good conduct in the management of conflicts of interest and duties of diligence and confidentiality in dealings with third parties. The Company's values and principles can be consulted at - https://www.sonae.pt/en/sonae/culture/.

All reports of irregularities can be directly addressed, in writing, to the Statutory Audit Board to the following address: Lugar do Espido, Via Norte, 4470-157 Maia, as provided at the Company's website – http://www.sonae.pt/en/contacts/.

The communications made under Law no. 93/2021 of 20th December, which establishes the General Regime for the Protection of Whistleblowers as well as those made under Decree-Law no. 109-E/2021 of 9th December (which establishes the General Regime for the Prevention of Corruption), shall be presented in the Internal Reporting Channel created by the Company for that purpose, in the terms set forth in the Regulation for Communication of Infractions ("Whistleblowing") available at https://sonae.pt/en/investors/government-of-society/. Communications shall be sent using one of the following channels: by post addressed to Sonae SGPS, SA Apartado 6034, EC TECMAIA, 4471-908 Maia, with the reference "Confidential"; and/or by email to canaldenuncias@sonae.pt.

III. Internal Control and Risk Management

50. Individuals, bodies or committees responsible for internal audit and / or implementation of internal control systems

Risk Management is deeply rooted in Sonae's culture and is one of its key Corporate Governance practices that is present in all management processes.

The main goal of Risk Management is to create value by managing and controlling opportunities and threats that can affect business objectives and the going concern of Sonae's businesses. Risk Management, alongside with Environmental Management and Sustainability, are pillars of sustainable development in the sense that better understanding and more effective management of risks contribute to the sustainable development of businesses.

Risk Management is the responsibility of all Sonae managers and employees of Sonae's business units, at all levels of organisation, and is supported by the Risk Management, Internal Audit and Strategy, Planning and Control Departments, both at a corporate and business unit levels, and through specialised teams, which report directly to their respective Boards of Directors.

The Risk Management department's mission is to help companies reach their objectives via a systematic and structured approach in identifying and managing risks and opportunities.

The Internal Audit department identifies and evaluates the effectiveness and efficiency of management and control of business processes and information systems. The Internal Audit department is supervised by the Statutory Audit Board and reports to the respective Board of Directors.

The Strategy, Planning and Control department promotes and supports the integration of risk management into the management and planning control processes of the Company's businesses.

Financial and accounting information reliability and integrity risks are also evaluated and reported upon by the External Audit activity.

51. Hierarchy and/or functional relationships with other company's bodies

The Statutory Audit Board monitors the internal control and risk management systems, supervises its activity plan, receives periodic reports on the work performed, assesses the results and conclusions drawn and gives guidelines as it deems necessary.

The External Auditor verifies the effectiveness and functioning of internal control procedures in accordance with the work plan appointed by the Statutory Audit Board, to which it reports the conclusions drawn.

The Board of Directors, through the Board Audit and Finance Committee and the Risk Management Consulting Group, monitors the Internal Audit and Risk Management activities.

52. Other functional areas with risk control competencies

Each one of the Group's functional structures takes responsibility in controlling and monitoring risks related with their duties, namely the Group Strategy, Planning and Control, General Counsel and Corporate Governance, Corporate Finance and Corporate Treasury, Tax, People and Leadership, Brand and Communication, Sustainability, Public Affairs, Investor Relations, M&A, Digital, IOW and Accounting and Business Solutions departments.

53. Identification and classification of main risks

Macroeconomic

Sonae is heavily exposed to the global economic context and, in particular, to the evolution of the Portuguese economy. In a macroeconomic scenario in which there is a recession in major economic blocs, a rapid deterioration in labour market conditions leading to increasing

unemployment, or a more persistent inflation resulting in the maintenance of high interest rates for a longer period, Sonae would be significantly affected.

In 2023, this risk became more prominent with the rapid rise in interest rates in Europe and the worsening of geopolitical situation, including the prolonged war in Ukraine and escalating tensions in the Middle East, putting pressure on commodity prices and international transportation costs.

Notwithstanding, Sonae has implemented various initiatives aimed at mitigating this risk. Specifically, these include actively managing its portfolio and geographically diversifying its business through an internationalisation process, continuous improvement across all its business segments in its value proposition, diversifying its source of funding, and adopting a conservative approach to financial leverage. The resilience demonstrated by Sonae in recent years has highlighted the contribution of these initiatives to mitigate this risk.

Competition

The main competition risks are the entrance of new competitors, mergers and acquisitions, the repositioning of current competitors or the actions they might take to reposition themselves to win new markets and gain market share (eg. promotional activity, new businesses and assets, innovation). The inability to be competitive in areas such as pricing, offering range, quality and service can have a negative impact on Sonae's financial results. In order to minimize this risk, Sonae constantly benchmarks competitor's actions and invests in improved or new formats, businesses and products/services in order to always offer its customers innovative proposals.

Customers

One of the fundamental risk factors is the possibility of changes in consumer behaviour, especially as a consequence of economic and social factors. Customers frequently change their expectations and preferences, which imply a continuous adaptation and optimization of business concepts and offers.

To anticipate consumer needs and market trends, Sonae companies analyse information about consumer behaviour on a regular basis with more than 400,000 customers interviewed per year. The introduction of new products, concepts and technologies is always tested using pilot schemes before being rolled out. The Group also invests in the refurbishment of stores and of shopping centers and in launching IT services (including transactional sites) to ensure that they retain their attractiveness for customers and cope with the pace of technological innovation challenges.

Brand

Sonae and its affiliated companies own a portfolio of high-value brands, which remains a cornerstone of the Company's assets and a critical driver of its overall business strategy.

The risks associated with brands are principally driven by the potential negative impacts resulting from extraordinary events that might affect brand image and reputation. To mitigate these risks, Sonae periodically assesses the value, attributes and reputation of its brands through a variety of channels. This comprehensive assessment includes:

1) Real-time data analysis: utilisation of tools to analyse brand sentiment across social media, traditional media, and customer feedback channels. This real-time data provides early warning signals of potential reputational issues.

2) Sentiment analysis and social listening: Specialised tools are used to enable understanding of the underlying tone and sentiment of brand-related conversations online. This information helps with the identification of emerging trends, assessment of customer perception and the address of potential concerns promptly.

3) Expert research and market studies: the Company collaborates with leading research firms and industry experts to conduct in-depth studies of its brand's image, competitive landscape and customer perceptions. These insights inform our brand strategy and help identify areas to improve.

Sonae's commitment to quality and innovation is consistently recognised both nationally and internationally. Sonae received awards for its products and services, as well as for its achievements in business processes and innovation.

These awards underscore Sonae's dedication to delivering exceptional experiences for our customers and creating a sustainable competitive advantage.

Through the Company's proactive brand risk management practices and solid commitment to quality and innovation, Sonae is keeping the strength and reputation of its valuable brand portfolio.

Tangible asset risks

During 2023, safety and prevention surveys were carried out, within the scope of risk engineering (Loss Prevention), at locations identified as top locations. The ranking of top locations was revised in 2022 according to the total declared values and the level of exposure to CAT exposures (according to the Munich Re scale).

The monitoring and risk assessment process continued following best market practices, focusing on the impacts of climate change.

People Safety risks

The Safety and Health of the staff is a key management concern for Sonae. Every year, several Safety and Health initiatives and actions are launched, namely training, exceeding more than 49,000 hours, with the aim of increasing the commitment and involvement of all our staff in preventing and reducing professional risks, as well as promoting healthy behaviour, which may contribute to the well-being of our staff.

Sonae promotes a culture of zero accidents, investing in the business units to make them safe and healthy environments and whose effort is reflected in the results of Sonae's Safety Performance Indicator, both in the terms of frequency and severity, which are rated at the highest level according to the World Health Organization (WHO).

In 2023 Sonae reinforced its commitment to promote the safety, health, and physical, mental and social well-being of its employees. Regarding mental health, it is highlighted the development of several initiatives to promote work-life balance and the creation of inclusive work environments where everyone feels valued. Sonae has also developed actions to reduce the ergonomic risk of its employees, in its structure and warehouses, with the launch of the Program for the Improvement of Working Conditions, the Program for the Study and Prevention of Musculoskeletal Injuries as well as a Prevention Centre in this area and the ErgoCoaching Program.

Business continuity management

Projects and programmes continued to be developed in order to guarantee the continuity of operations and information systems, through defining, revising and implementing procedures and processes to prepare for crisis and catastrophic scenarios, particularly through developing emergency, contingency and recovery plans for business and information systems.

Environmental risks

Sonae is aware of the impacts generated by its activities and its dependence on natural ecosystems throughout its value chains, from extraction and production to the disposal phase of products and services. Recognising environmental impacts such as depletion of natural resources, biodiversity loss, and pollution, the Company seeks to balance economic and social development with the preservation of natural resources.

Acknowledging its ability to act, Sonae implements environmental risk management initiatives, including policies, targets and goals, aligned with legal framework and best in class market standards. These initiatives include the use of resources in the Company's own operation (energy, water, and other natural resources), potential pollution impacts in the production phase as well as during the use and disposal phases of products and services.

Sonae invests significantly in continuous improvement on environmental management, ensuring quality workplaces, and implementing initiatives to promote sustainability in its own operations, products and services. This involves reducing carbon and water footprints, promoting material and product circularity, effective waste management, and the restoration and protection of biodiversity.

Key actions to mitigate impacts include actions on water and energy consumption, such as installing more efficient equipment, local production, the use of renewable energy, and the electrification of vehicles. Regarding packaging, Sonae actively seeks to reduce and eliminate single-use packaging whenever possible, both in products and operations. This involves replacing packaging materials according to eco-design principles, minimising waste, and promoting increased recycling, among other measures. Additionally, Sonae companies aim to encourage recycling and influence their suppliers to adopt better environmental practices, especially in reducing packaging and waste, aligning with the standards Sonae seeks for its own brands.

Taking into account the relevant frameworks and standards, Sonae continues to implement environmental certification in the most significant assets, following the international standard NP EN ISO 14001:2015. This process is conducted by an independent and accredited certification entity. Within this framework, continuous improvement to the environmental performance of infrastructure and operations are promoted, further strengthening compliance with legal obligations.

Project risks

Risks associated with critical business processes and major change projects, especially the introduction of new processes and major changes to information systems, were assessed and monitored, both as part of Risk Management work as well as Internal Audit activity.

Insurable risks

Concerning the transfer of insurable risks (technical and operational), the objective of rationalising the financial transfer of these types of risk continued, either by searching to establish a tailored insurance capital structure for the capital sums at risk, based on the constant changes in the businesses involved, or by reaching even greater critical mass for the kinds of risks involved.

We maintain our focus in the objective of guaranteeing the best coverage for each business, considering the legal requirements and responding to different appetites and levels of retention.

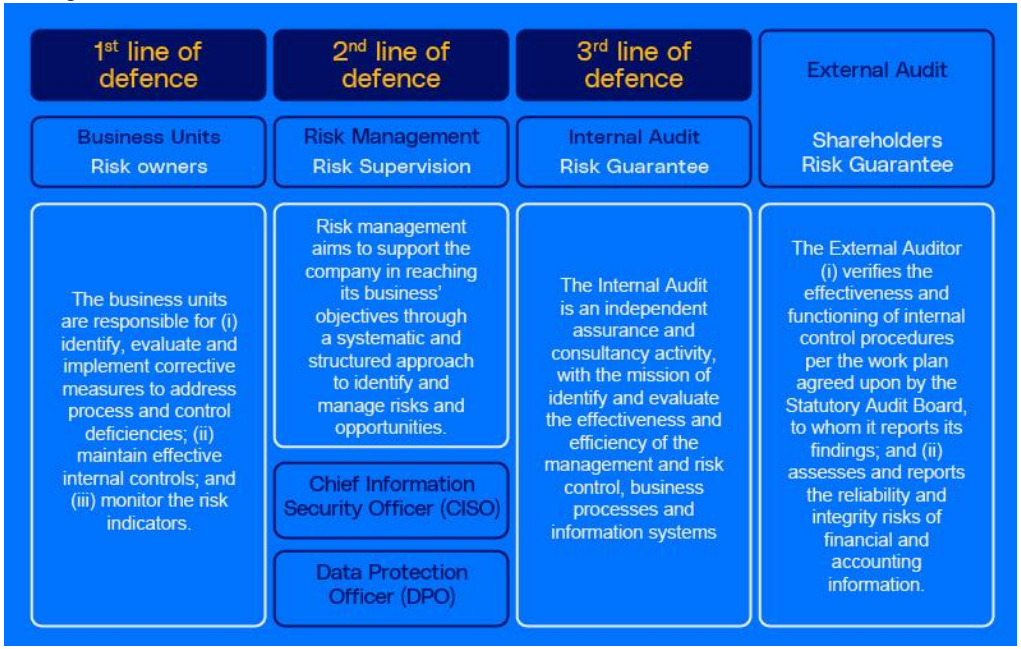
The insurance risk program loss ratio remains stable and low, even considering climate change impacts.

In 2023, the insurance market began to show the first signs of stabilisation, after a hard market cycle.

Information, personal data protection and cybersecurity risks

Sonae's Security and Privacy Governance Model is supported by the 3 lines of defence model that the Group uses to manage risks. Risk management is a key component of Sonae's culture, as one of the pillars of Corporate Governance, and is diffused across all management processes and is a shared responsibility among employees. Sonae's risk management model aims to create and protect value by managing and controlling opportunities and threats that can affect the objectives and the perspective of Businesses continuity and support decision-making.

In the 3 lines of defence model, Sonae's business units are responsible for the 1st level of defence, being responsible for identify and evaluate risks and implement controls to mitigate them, supported by 2nd and 3rd lines of defence, to ensure the supervision of an adequate risk management.



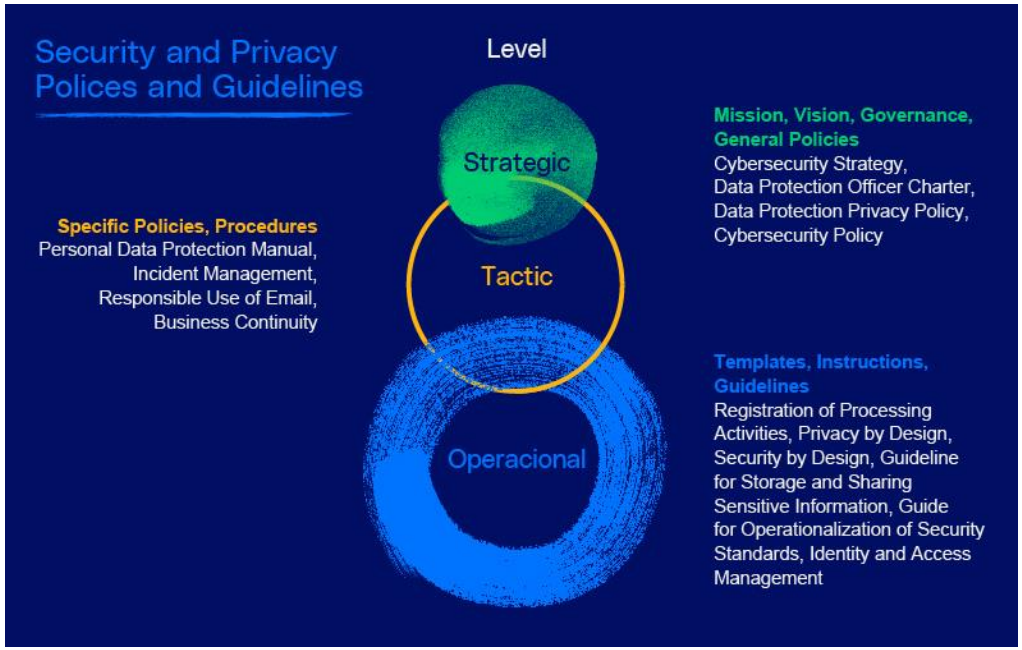
CISO's main functions that are carried out independently and autonomously, reporting directly to Sonae's CFO:

- Promote cybersecurity culture;
- Define the cybersecurity's governance model, policies, standards and strategy;
- Supervise the implementation of the security plan;
- Develop cybersecurity intelligence activities;
- Lead cybersecurity initiatives and processes across the Group;
- Manage the cybersecurity training and awareness program;
- Lead crisis response and support incident response;
- Manage communication with national and international authorities and relevant forums.

DPO's main functions that are carried out independently and autonomously reporting directly to Sonae's CFO:

- Promote a culture of privacy;
- Provide guidance related to the implementation of personal data processing measures, in accordance with applicable regulations and legislation and to demonstrate their effectiveness, particularly with regards to the identification of risks related to their processing, their assessment in terms of origin, nature, probability and severity, as well as the identification of best practices that allow their mitigation;
- Monitor and control the level of compliance with the General Data Protection Regulation ("GDPR") and other applicable legislation;
- Monitor personal data breaches;
- Point of contact with the Control Authority.

At Sonae, there is a set of guidelines, ranging from general policies to specific instructions, that have been defined and implemented to help ensure that adequate risk responses are carried out:



Sonae's business information systems share three characteristics: they are extensive, heterogeneous and distributed.

From the point of view of information security, several actions have been implemented to mitigate the risk of compromising confidentiality, availability and integrity of data, including the implementation of high-availability systems, redundancy of the network infrastructure, quality control of flows between applications, management of access and profiles and the adoption of a zero-trust strategy for system accesses. Additionally, penetration tests on assets exposed to the Internet and the protection of mobile devices, servers and computers with innovative technologies is part of Sonae's approach to managing cyber sirk.

2023 was marked by the reinforcement of compliance needs. In particular, the European Union's NIS 2 (Network and Information Security Directive) directive seeks to collectively increase the cyber resilience of member states by imposing stricter obligations on critical sectors in which several Sonae businesses operate. Accordingly, a corporate project was created to define a strategy that can ensure the compliance of Sonae companies, including the identification of businesses covered by the directive as well as the necessary controls to respond to the requirements, while also preparing companies for future national transposition.

Cyber risk mitigation benefits incrementally on collective and community action, and Sonae has collaborated with its Eurocommerce partners in holding meetings and workshops with a special focus on cybersecurity, cyber resilience and NIS 2. These moments were also opportunities for sharing cybersecurity knowledge and best practices, and for collaboration with entities such as ENISA (European Cybersecurity Agency) and the European Commission.

Despite these international cooperation efforts, Sonae remained an active element in national forums, contributing to the discussion and development of cybersecurity in Portugal through its participation in the National Alliance for Cybersecurity and the National Network of CSIRTs (Computer Security Incident Response Teams). 2023 was also marked by the reinforcement of the maturity of Sonae's security controls. Areas such as Cyber Intelligence were strengthened, significantly expanding resources and sources of information on possible threats and vulnerabilities in infrastructures, which allows the group to act proactively in mitigating risks and Network Security with solutions based on the aforementioned principle of Zero Trust.

The year of 2023 was also marked by the reinforcement of training and awareness in the area of cybersecurity, with the reinforcement of the content shared in Sonae's internal media, sending alerts to our employees through e-mail and SMS regarding new malicious campaigns identified.

In 2023, Sonae's main external cybersecurity indicators, in particular the Bitsight rating maintain the positive trajectory of recent years, showing the incremental reinforcement of the group's cybersecurity maturity.

Financial risks

The Group is exposed to a variety of financial risks (detailed and analysed in the Notes to the Consolidated Financial Statements of Sonae) that may impact its equity value. Synthetically, we can group such risks by their nature:

1. Interest Rate Risks;
2. Exchange Rate Risks;
3. Liquidity Risks;
4. Credit Risks;
5. Market Risks;
6. Commodity Price Risk
7. Equity Risks.

In abstract, a financial risk shall be understood as a possibility of obtaining different results from the ones expected, and with a material impact in the Group. Sonae seeks, as much as possible, to control this volatility in order to protect its equity value.

Considering the multiple nature of the several businesses of the Group there isn't a single policy for the management of these risks. There are generic principles that arise from the practices of good management, being, however, privileged an individual approach, well adapted to the characteristics of each business unit.

The Group's approach to financial risk management is conservative and prudent. Sonae does not assume any economically speculative positions, and therefore all operations carried out within the scope of financial risk management are solely for the purpose of controlling the risks to which the Group is already exposed to.

Due to the nature of its business, the Group is particularly active in covering the exchange rate risk that arises essentially from the international sourcing activity, through purchases denominated for the most part in USD. These transactions are generally carried out by the hiring of derivative financial instruments, with Sonae's relationship banks and with the objective of permitting stable sourcing negotiations and decision making, by fixing exchange rates. In the management of interest rate risk or commodity price risk, whenever hedges are contracted, the proceedings are the same. Some companies of the Group have their operation in countries operating a currency different from the Euro, being the risk, in any such cases, managed by the policies defined by each of the businesses.

A substantial part of the Group's resources is obtained from relational banks and, occasionally from the capital markets and, accordingly, Sonae is, inevitably, exposed to its intrinsic volatility. In order to ensure that, at any moment, the Group has financial ability to honor its commitments, it follows financing policies that recommends that the Group's financing needs are refinanced over a period of 18 months, plus predetermined prudential buffers, thus reducing the impact of a sudden disruption of the capital markets, in the activity of the Group. Additionally, Sonae seeks to reduce liquidity risk, by negotiating contractual clauses that disable the possibility of counterparties to demand unilaterally the anticipated repayment of financing and by negotiating with a diversity of counterparties in order to reduce the impact that any specific events, in any bank or country, may have in the Group's ability to access funds at the intended amounts and conditions.

Managing and hedging clients' credit risks is an area that has been increasing importance over the past years, considering the growth of the B2B sales of the various business units. Although this risk is relatively small, in consolidated terms, the expansion of the wholesale and franchising activities of the business units has forced Sonae to give more attention to the management of such risks, either throughout the creation of policies suitable to the characteristics and nature of the different businesses, defining credit risk' limits, either throughout credit insurance, bank guarantees and stand-by letters of credit, among other similar instruments. Additionally, the Group has created individualised credit committees per business with a multidisciplinary participation so that the risk of defaults by client is mitigated and monitored systematically and in a timely manner.

Still regarding management of credit risk associated with financial instruments (financial investments and deposits in banks and other financial institutions or resulting from financial derivative instruments executed during the normal course of hedging operations) or loans to related entities, there are principles applicable to all the Sonae companies aiming at reducing the probability of violation of obligations, including, among others, the execution of operations with major counterparties that have national and international recognition and based on their credit rating, considering the nature, the maturity and the dimension of the operations.

The Group is exposed to share price risks arising from the strategic investments made in listed companies. The Group may use derivative instruments associated with its listed financial investments, and these risks are monitored on a recurring basis up to maturity.

The Group is exposed to risks associated with the fluctuation of commodity prices, such as energy and various raw materials incorporated into traded products. In this regard, Sonae closely monitors the evolution of these prices and their future outlook. To manage these risks, the Group may resort to derivative contracts or forward purchases, similar to those used to address foreign exchange and interest rate risks.

The objectives of capital structure management (defined as the proportion between equity and net debt) are to safeguard the Group's ability to ensure the continuity and development of its operating activities, at the same time maximising shareholder returns and optimising financing cost.

The financial risk management policy is determined by each Board of Directors of each company within the Group, with the support of the Corporate Finance and Corporate Treasury team, being the risks identified and monitored in each of the Financial and Treasury departments of the businesses. This ensures a consistent and aggregated approach to the various risks that, at the end, impact the Group.

Exposure to risks is also monitored by the Finance Committee, where a consolidated risk analysis is reviewed and reported on a monthly basis, and guidelines on risk management policies are analysed and reviewed regularly.

The implemented system ensures that, in each moment, appropriate policies to manage financial risks are adopted, to avoid that such risks impair the achievement of the strategic objectives of the Sonae Group.

Legal, tax and regulatory risks

Sonae and its businesses have the support of legal and tax departments permanently dedicated to the respective activities and under management's supervision and exercising their competencies in interaction with other functions and departments, in order to pre-emptively ensure the protection of Sonae's and its businesses interests in compliance with their legal obligations and best corporate governance practices.

The teams in these departments have specialised training and participate in in-house and external training courses to update their knowledge.

Legal and tax advice is also provided, nationally and internationally, by outsourced resources selected from firms with established reputation and which have the highest standards of competency, ethics and experience.

The Company's more relevant pending litigation is identified in the notes to Sonae's consolidated financial statements.

Sonae and its businesses are obliged to comply with national and international laws and regulations for each market in which they operate, aiming to ensure: consumer safety and protection, employees' rights, environmental protection and compliance with local and country planning regulations, compliance with sector regulations and the maintenance of open and competitive markets. Due to this fact, Sonae is naturally exposed to the risk of changes in law and regulations that may impact business as usual and consequently affect or impede the achievement of its strategic objectives.

The Sonae Group acts in constant collaboration with the authorities in order to comply with laws and regulations. Such collaboration takes in some cases the form of comments on public consultation launched by national or international authorities. Moreover, the growing international presence of Sonae's companies involves specific risks related to the different nature of local legal frameworks managed with the support of local specialised teams.

Human Resources risks

2023 was marked by multiple events that unequivocally conditioned the world, societies, companies and individuals, including global problems in supply chains, historic levels of inflation, a sharp rise in interest rated, a weakened economy, a political crisis in Portugal and a consequent worsening of social and economic inequalities.

Companies continue to struggle with talent shortages and keep facing huge challenges in attracting and retaining talent. Turnover has increased, considerably driven by a exhausted workforce that is eager for change and looking for motivations based on a greater personal and professional balance. At the same time, the demographic characteristics of the workforce are changing and new ways of working are now a reality in companies' routines.

The quest for a sense of purpose is a driving force behind the desire for change. Diversity, equity and inclusion became an essential driver in employee engagement.

We continue to live in challenging circumstances at all levels. To deal with this context, Sonae wants to guarantee the well-being of its employees and minimise the effects felt by inflation and the significant increase in interest rates, which put additional pressure on their families' incomes. In 2023, Sonae endeavoured to review its employees' salaries in line with inflation and, in some of its businesses, extraordinary support was allocated to help mitigate the impacts felt on the living costs.

Attracting, developing and retaining talent continues to be a priority at Sonae. 2023 was marked by the implementation of a new competency model, which responds to today's complex business challenges and reflects Sonae's culture and core values.

Investing in continuous learning programmes and skills updating initiatives ensures that the workforce remains aligned with the evolution of labour market demands. As such, in 2023, it was launched "Sonae Academy 2.0", which marks the repositioning of Sonae's corporate academy, with an innovative approach, able to respond to the current and future challenges of management and leadership as well as new learning and impact models.

In an increasingly digital world, where data reigns supreme, the training of employees to data analysis is fundamental to guaranteeing the simplification, acceleration, and robustness of business decision-making. Therefore, Sonae is running a training programme in "Advanced Analytics", aimed at leaders and key people in the businesses.

Reskilling and upskilling remain central to guaranteeing the future of Sonae and the society as a response to the short age of talent. Sonae leads the PRO_MOV initiative, a national programme that is part of the European Reskilling 4 Employment (R$E) Initiative, which aims to refrain 1 million Europeans for the jobs of the future by 2025. Sonae is actively investing in upskilling and reskilling initiatives to bridge the skills gap and promote a workforce prepared for the future.

Combating inequalities and promoting diversity and inclusion is imperative for Sonae. In 2023, Sonae launched the first "Employee Resource Group" dedicated to the LGBTQIA+, one of the prioritised diversity dimensions.

54. Description of risk management processes: identification, assessment, monitoring, control and management

Risk Management is integrated into Sonae's entire planning process, as a structured and disciplined approach that aligns strategy, processes, people, technologies and knowledge. Its goal is to identify, evaluate and manage uncertainties and threats that Sonae's business units face in the pursuit of their business objectives and value creation.

Sonae's management and monitoring of its main risks are achieved through different approaches, including:

- As part of strategic planning, risks of the existing business portfolio, as well as those of new businesses and of relevant projects, are identified and evaluated, and strategies to manage those risks are defined;

- At the operational level, business risks and planned actions to manage those risks are identified and evaluated, being included and monitored in the scope of business unit and functional areas;
- For risks that cross business unit boundaries, such as large-scale organisational changes and contingency and business continuity plans, structural risk management programmes are developed involving all those responsible for the relevant units and functions;
- As far as risks to tangible assets and people are concerned, audits are carried out at the main business units. Preventive and corrective actions are implemented for the risks identified. The financial coverage of insurable risks is reassessed on a regular basis;
- Financial risk management is carried out and monitored as part of the activity of the Company's and its businesses. Their work is reported to, coordinated with, and reviewed by the Corporate Finance and Treasury Committee and the Board Audit and Finance Committee;
- Management of legal risks is carried out and monitored by the legal and tax departments.

The risk management process is supported by a consistent and systematic methodology, based on international standards, including the following:

- Defining and grouping risks (risk taxonomy, definition of a business risk matrix and a common language);
- Systematically identifying the risks that can potentially affect the organisation (risk sources);
- Evaluating the level of importance and managing the prioritisation of risks as a function of their impact on the objectives of the business, and the risk occurrence likelihood;
- Identifying the causes for the most important risks;
- Evaluating strategic risk management options (e.g. accept, avoid, treat, and transfer);
- Developing and implementing a risk management action plan to be integrated into the management and planning procedures of Sonae's business units and functions;
- Monitoring how risks evolve and report on progress made in the implementation of action plans.

Internal audit and risk management training and development

With regards to the Internal Audit and Risk Management functions, Sonae continues to encourage employees to obtain certification in several areas: internal audit, risk management, data protection, cybersecurity and food safety. At the end of 2023, there were 74 certifications, of which we highlight the following:



Certification		Institute / Association	
CIA	Certified Internal Auditor	IIA	Institute of Internal Auditors
CCSA	Certified in Control Self-Assessment	IIA	Institute of Internal Auditors
CRMA	Certified Risk Management Assurance	IIA	Institute of Internal Auditors
CISA	Certified Information System Audit	ISACA	Information System Audit and Control Association
CISM	Certified Information Security Management	ISACA	Information System Audit and Control Association
CRISC	Certified in Risk and nformation System Control	ISACA	Information System Audit and Control Association
COBIT 5	COBIT 5	ISACA	Information System Audit and Control Association
ISO 27001	Lead Auditor Certification		
CEH	Certified Ethical Hacker		
DPO	Certified DPO	EIPA	European Institute of Public Administration
CDPSE	Certified Data Privacy Solutions Engineer	ISACA	Information System Audit and Control Association
ISO 9001	Quality Management	APCER	
ISO 22000	Food Safety	APCER	

Considering the importance of continuous training for internal auditors, Sonae continued developing the Internal Audit Academy training program, complementing with a program to improve teams digital skills (Digital Auditor) and self-learning programs. In 2023, a total of 2,383 training hours were carried out.

Sonae is one of the organisations with the most certified employees in internal audit and risk management in Portugal. In 2024, Sonae will continue to support this important training programme, and the international development and qualification of its internal audit and risk management staff, in line with international best practices.

Actions to highlight in 2023

Throughout 2023 Sonae continued the implementation and operationalisation of an Enterprise Wide Risk Management exercise, coordinated by Sonae's corporate risk management department, which ensured the alignment of risk management methodologies, practices and calendar throughout all Sonae companies.

In the first quarter of the year, Sonae SGPS's risks were identified, taking into consideration 2022 exercise, and a new dictionary and risk taxonomy was developed, which considered Sonae's sustainability strategy. During this period, a questionnaire was prepared to support the risk assessment. During the second quarter, the risk assessment was carried out by Sonae SGPS's Executive Committee. After the individual assessment, a calibration session was held with all board members, which lead to the approval of Sonae SGPS risk matrix, the identification of critical risks and the appointment of the respective owners.

In the third and fourth quarters, joint work was carried out with each risk owner, where mitigation actions were identified and implemented, and risk indicators started to be monitored.

Regarding the execution of projects, it is highlighted:

- The publication of the second report aligned with the TCFD framework (Task Force on Climate-related Financial Disclosure), to support climate risk management, namely the risks of transition to a low carbon economy and physical risks, as well as providing investors with the financial information necessary to make an informed decision regarding future investments;
- The adequacy of processes and procedures to ensure compliance with the Whistleblowers' Protection Law (Law no. 93/2021 of 20th December) and with the General Scheme for the Prevention of Corruption (Decree-Law no. 109-E/2021 of 9 December);
- The update of the Legionella Crisis Management Manual (Crisis management team, roles and responsibilities, crisis scenarios, escalation matrix, contingency actions and contacts).

Throughout the year, events were held to share and exchange experiences in the field of Risk Management, of which we highlight the participation in a Portuguese Risk Management Think Tank.

The Risk Management Department continued to support risk management in the main projects of the organisation, as well as in crises management and business continuity plans,

55. Description of the main features of Sonae's risk management and internal control systems in relation to the preparation and disclosure of financial information

The existence of an effective internal control environment, particularly with regard to financial reporting, is a commitment of the Sonae Board of Directors by way of identifying and improving the critical processes in terms of preparing and reporting financial information, keeping in mind the objectives of transparency, consistency, simplicity, reliability and materiality. The objective of the internal control system is to obtain reasonable assurance relating to the preparation of financial statements, complying with accounting principles and adopted policies, and warranting the quality of financial reporting.

The accuracy of financial information is assured by the clear segregation of duties between the preparers and its users, and the execution of several control procedures during the process of preparing and disclosing financial information.

The internal control system for the accounting department and the preparation of financial statements includes several key controls, namely:

- The process of reporting financial information is documented, the risks and key controls are identified. The criteria used in the process of preparing and reporting financial information is established and periodically reviewed;
- There are three types of control: High-level controls (entity level controls), information system controls and process controls. Those include a group of procedures related to the execution, supervision, monitoring and improvement of processes, with the main objective of preparing the financial reporting of the Company;
- Accounting principles used are disclosed in the notes to the financial statements and are fundamental bases for the internal control system;
- The business plans and budgets, and procedures and records of Group companies allow a reasonable assurance that the transactions executed are properly approved by management, and accounted for in compliance with accounting principles, ensuring that the financial statements respect accounting principles. It also ensures that the Company maintains proper record of its assets with their existence reconciled with the accounting records and adopting appropriate measures whenever differences are detected;
- Financial information is reviewed regularly, by the management of each business unit and by the persons in charge of the profit centres, ensuring continuous monitoring and related budget control;
- During the process of preparing and reviewing financial information, detailed schedules are established and shared with the areas involved, and all documents are reviewed in detail, including the review of principles used, verifying the accuracy of the information and its consistence with principles and policies defined and followed in previous periods;
- With regard to the separate entities, accounting records and financial statements are prepared by the different functions of administrative and accounting services, which warrant the recording of business processes transactions and the recording of balances of assets, liabilities and equity captions. Financial statements are prepared by certified accountants of each company, and reviewed by the Planning and Control and Tax departments;
- Consolidated financial statements are prepared quarterly by the departments of the administrative services (consolidation team) of each sub-holding and holding corporate centre. This process represents an additional control of the reliability of financial information, as regards the consistent application of accounting principles, cut-off procedures and control of related parties' transactions and balances;
- The Management Report is prepared by the Investor Relations department and contributed to, and reviewed by, several business and support departments. The Corporate Governance Report is prepared by the General Counsel and Corporate Governance department with the contribution of several business and support departments;
- The Group financial statements are prepared under the supervision of the Executive Committee. The documents that constitute the Annual Report and Accounts are sent for review and approval by the Sonae Board of Directors. Once approved, the documents are sent to the External Auditor who issues the accounts legal certification and its report;
- The process of preparing separate and consolidated financial information and the Management Report is also supervised by the Statutory Audit Board and by the Board Audit and Finance Committee of the Board of Directors. These bodies meet quarterly to review the individual and consolidated financial statements and the management report. The Statutory External Auditor presents the main conclusions of the work carried out regarding the yearly financial information, directly to the Statutory Audit Board and to the Board Audit and Finance Committee;
- All the persons involved in analysis of company financial information are included in the list of persons with access to inside information, and are informed about the nature of their obligations, as well as possible sanctions resulting from the inappropriate use of such information;
- Internal rules applicable to the disclosure of financial information aim to warrant that information is disclosed to the market in a timely manner, in order to prevent information asymmetry.
- Among the risks that may materially affect the financial and accounting report, the following are worth highlighting:

- Accounting estimates – major accounting estimates are described in the Appendix to the financial statements. Estimates are based on information available during the preparation of the financial statements and in the best knowledge and experience of past and present events;
- Balances and transactions with related parties – balances and transactions with related parties are disclosed in the notes to the financial statements. These transactions are related mainly to the operational activities of the Group, and to the granting and obtaining of loans under arm's length conditions. As determined in the internal Policy on Related Party Transactions, approved in 2020 by the Board of Directors with the prior favourable opinion of the Statutory Audit Board, to the latter are reported on a half-year basis all related parties transactions;

- In the Appendix to the financial statements additional information is disclosed regarding the abovementioned risks among others, as well as how they were mitigated.
- Sonae adopts several principles related to continuous improvement of the system of internal control of financial risks, including:

  - Improvement in the documentation of controls – following action taken in previous years, Sonae continued to improve the documentation and systematization of risks and internal control system related to the preparation of financial information in 2018. This includes the identification of risk causes (inherent risk), the identification of processes of higher material importance, the documentation of controls, and the analysis of residual risk after the execution and implementation of the potential control improvements;
  - Compliance analysis – the General Counsel and Corporate Governance department, working together with the Administrative Services, Investor Relations, Internal Audit and Risk Management departments, and, if necessary, other departments, coordinate the periodic analysis of compliance with legal requirements and regulations regarding governance processes and corresponding financial information that are reported on the Management Report and in the Company's Corporate Governance Report.

IV. Investor Relations

56. Investor Relations

The Investor Relations Office is responsible for managing Sonae's relationship with the financial community – current and potential investors, analysts and market authorities – with the goal of enhancing their knowledge and understanding of Sonae by providing relevant, timely and reliable information.

In strict compliance with law and regulations, the Company keeps its shareholders and the market informed on all relevant facts concerning its activities, minimising delays between its occurrence and disclosure, practice that the Company dully fulfilled over the years.

The Investor Relations Office regularly prepares presentations to the financial community. Earning announcements covering the quarterly, half-year and annual results, as well as important announcements disclosing or clarifying any relevant event that could influence the share price, are issued to the market. Additionally, and upon request, the Investor Relations Office provides clarification about the Company's activities, by answering questions sent by email or asked by phone.

In addition to the existence of the Investor Relations Office, all information is made publicly available on the Internet via the Portuguese Securities Market Commission site (http://www.cmvm.pt/en/Pages/homepage.aspx) and on the Company's own website (http://www.sonae.pt/en/investors/releases-to-the-market/). Additionally, at the website http://www.sonae.pt/en/investors general information is provided about Sonae, as required by article 3 of the CMVM Regulation no. 4/2013 and recommended by the IPCG Corporate Governance Code 2018 (reviewed in 2023), but also other relevant information, including:

- Institutional and other presentations of Sonae to the financial community;
- Quarterly, half yearly and annual results for the last five years;
- Management Reports;
- Corporate Governance Reports;

- Internal Regulation of the Board of Directors, and committees created by the Board, and Internal Regulation of the Statutory Audit Board;
- Names of managers in the investor relations office, as well as their contact details;
- The Company's share performance on the Portuguese Stock Exchange;
- Notices of Shareholders' General Meetings;
- Annual financial calendars, including Shareholders' General Meetings and the dates of disclosure of annual, half-yearly and quarterly results.

To further enhance effective communication with the capital market and guarantee the quality of information provided, the Investor Relations Office organises road shows covering the most important financial centres of Europe, the United States and participates in several conferences either in person as well as virtually. A large number of investors and analysts also have the opportunity to talk to senior management in one-on-one or in group meetings, either in person or through telematic means.

In recent years, the investor relations office has also maintained recurrent contacts with ESG rating agencies, which publish under their own responsibility, and in some cases without Sonae's control of the information reliability, results related to environmental, social and governance issues, so that the information provided by them is as reliable as possible and adequately reflect Sonae's effort on these topics.

Any interested party may contact the Investor Relations Office via the following means:

Ricardo Figueiredo da Rocha

Head of Investor Relations Office

Tel: (+351) 22 010 47 94

Email: investor.relations@sonae.pt / rjfrocha@sonae.pt

Address: Lugar do Espido Via Norte 4471-909 Maia Portugal

Site: https://www.sonae.pt/en/

The Company believes that the procedures described above ensure continuous contact with the market, respecting the principles of equal treatment of all shareholders and equal access to information for investors.

57. Legal Representative for capital market relations

Throughout the year of 2023 Célia da Conceição Azevedo Neves Sá Miranda was the Representative for Market Relations, with the following contacts:

Tel: (+351) 22 010 47 06

Email: investor.relations@sonae.pt

Address: Lugar do Espido, Via Norte, 4471-909 Maia Portugal

58. Information requests

During 2023, Investor Relations received 320 information requests.

The average response time was of 1 business day. Notwithstanding, the complexity of the matter may determine an extended response time in some cases.

V. Website

59. Address

Company's website: https://www.sonae.pt/en/.

60. Location of the information mentioned in article 171 of the Portuguese Companies Act

Website: https://www.sonae.pt/en/investors/government-of-society/.

61. Location for the provision of the articles of association, bodies and committees' regulations

Website: https://www.sonae.pt/en/investors/government-of-society/.

62. Location for the provision of information about the identity of the statutory governing bodies, the representative for market relations, the investor relations, respective functions and contact details

Website: https://www.sonae.pt/en/investors/government-of-society/ and at http://www.sonae.pt/en/contacts.

63. Location for the provision of accounting documents and calendar of corporate events

Accounting documents https://www.sonae.pt/en/investors/shareholder-s-general-meeting/ and https://www.sonae.pt/en/investors/financial-information/financial-data/.

Calendar of corporate events https://www.sonae.pt/en/investors/financial-calendar/.

64. Location for the provision of the notices for shareholders' general meetings and all related information

Website - https://www.sonae.pt/en/investors/shareholder-s-general-meeting/.

65. Location where the historical archives are available with resolutions adopted at the shareholders' general meeting, the represented share capital and the voting results, with reference to the previous 3 years

Website - https://www.sonae.pt/en/investors/shareholder-s-general-meeting/.

D. Remuneration

The Board of Directors reports in Part III the remuneration report as set forth by article 26-G of the Portuguese Securities Code, aiming to provide a comprehensive approach to the remuneration, including all benefits granted, regardless of its particular features, attributed or due during last year to each of the members of the management and supervisory bodies of the Company.

The remuneration report regarding the year ended 31st December 2022 was submitted to the Shareholders' General Meeting held on 28th April 2023 and was approved by the shareholders as presented.

The Company drawn up the remuneration report by reference to the year ended in 31st December 2023 in light of the same thoroughness and consistency principles, having decided that said report shall be included in an autonomous chapter of the Corporate Governance Report.

I. Power to establish

66. Responsibility for approving the remuneration of the company's statutory governing bodies, executive directors and persons discharging managerial responsibilities ("*dirigentes*")

The Shareholders' Remuneration Committee is responsible for approving the remuneration of Board members, members of other statutory governing bodies and persons discharging managerial responsibilities, on behalf of shareholders, under the terms specified in the Remuneration and Compensation Policy approved by the shareholders at the Shareholders' General Meeting.

The Board Remuneration Committee, composed of Non-Executive Directors, as described in section 29, supports the Shareholders' Remuneration Committee in carrying out its duties.

II. Remuneration Committee

67. Composition of the Remuneration Committee, identification of other individuals and entities hired to provide support and advisors' statement of independence

The Shareholders' Remuneration Committee is composed of three members, elected at the Shareholders' General Meeting for the 2023-2026 four-year mandate. The Shareholders' Remuneration Committee has the following composition:

Shareholders' Remuneration Committee	
Artur Eduardo Brochado dos Santos Silva	Chair
José Fernando Oliveira de Almeida Côrte-Real	Member
Ramon O'Callaghan	Member

All members of the Shareholders' Remuneration Committee are independent from the Board of Directors and are not connected to any other interests' group.

The Shareholders' Remuneration Committee obtains annual benchmarking studies on remuneration levels and practices prepared by the internationally renowned consultants Korn Ferry and Mercer, in order to ensure that the statutory governing bodies' remuneration policy, to be submitted for the approval of the Shareholders' Annual General Meeting, is in line with the market comparable companies.

The Shareholders' Remuneration Committee Internal Regulation is available at https://sonae.pt/en/investors/government-of-society/.

The Shareholders' Remuneration Committee did not contract any third-party consultants during 2023.

68. Knowledge and experience of the members of the Remuneration Committee

The experience and professional qualifications of the members of the Shareholders' Remuneration Committee allows them to carry out their duties in a rigorous and competent manner, each of them having the appropriate skills to carry out their duties. Their qualifications can be consulted at https://www.sonae.pt/en/investors/government-of-society/.

The amount of fixed annual remuneration for the members of the Shareholders' Remuneration Committee for the 2023-2026 mandate is as follows:

Shareholders' Remuneration Committee | members (amounts in euros)	2023
Artur Eduardo Brochado dos Santos Silva	13,333
Francisco de La Fuente Sánchez*	7,000
Ramon O'Callaghan	9,000
José Fernando Oliveira Almeida Corte Real**	6,667
Total	**36,000**

*Ceased to serve as a member of the Remuneration Committee on 28 April 2023 and has been remunerated until that date

**Started his duties as a member of the Remuneration Committee on 28 April 2023 and has been remunerated since that date

During 2023, 3 (three) meetings of the Shareholders' Remuneration Committee were held, with an overall attendance rate of 100%.

III. Remuneration Structure

69. Description of the Remuneration Policy of the Board of Directors and other Statutory Governing Bodies

At the Shareholders' Annual General Meeting held on 28th April 2023 it was approved the Remuneration Policy for the four-year mandate 2023-2026, in compliance with articles 26-A to 26-F of the Portuguese Securities Code, and in line with the principles previously in force. The Policy currently is force is available at https://www.sonae.pt/en/investors/shareholder-s-general-meeting/.

The Policy assumes that initiative, competence, commitment and ethics are the essential foundations of good performance, which must be aligned with the Company's medium and long-term strategy, aimed at its sustainability, and based on the following principles, which shall also be considered to assess the Company's compliance with its obligations to disclose, pursuant to paragraph 2 of article 26-G of the Portuguese Securities Code, an explanation as to how the total remuneration complies with the remuneration policy adopted, including the way it contributes to the Company's long-term performance:

I. Competitiveness

In designing the Remuneration Policy of the members of the statutory governing bodies and other managers, the main objective is to attract and retain the best professionals with high potential talent and proven experience, ensuring stability and representing a relevant and material contribution to the sustainability of the Company's businesses.

The Policy and its positioning are defined by comparison with the national and international markets, according to the main reference studies carried out for Portugal and the European markets by consultants Mercer and Korn Ferry, including comparison with the practice of the companies with securities admitted to trading on Euronext Lisbon.

To that extent, the remuneration parameters of the members of the statutory governing bodies and other managers are set and periodically reviewed, taking into account the market conditions, the activity carried out and the responsibilities inherent to their positions. The profile and curriculum of the members, their experience, the job nature and description, the competency framework of the body in question and that of the member, as well as the degree of the direct correlation between the individual's performance and the performance of the business, among other factors, shall be considered.

The general market positioning and competitiveness guidelines recommended by the organisation are considered to determine the remuneration values of this segment within the framework of the Group's general Remuneration Policy.

II. Performance Orientation

Concerning the Executive Directors the Policy provides for the attribution of short and medium-term bonuses, calculated according to the Company's results and the level of performance, both individual and collective, to encourage the sustainable growth of its businesses, as well as individual commitment to pre-defined objectives. If these objectives, measured through Key Performance Indicators (KPIs), are not achieved, the value of the short and medium-term Bonus is appropriately partially or totally reduced.

III. Alignment of interests:

An alignment between the Director's and the Shareholders' interests and medium-term performance is ensured to promote the sustainability of the business. Part of the Executive Directors' variable bonus is deferred for three years after its attribution. The deferred component is affected by the following factors: (i) the share price; (ii) the dividend adjustment factor; and (iii) the degree of achievement of medium-term objectives.

Aiming to reinforce the alignment and commitment of the Executive Directors with the medium and long-term interests of the Company, as well as with its business strategy, with a particular focus on sustainability, and to discourage the assumption of excessive risks, the Executive Directors shall retain a minimum percentage of Sonae shares delivered under the Medium-Term Performance Bonus.

The remuneration of Non-Executive Directors, members of the supervisory bodies and members of the Board of the Shareholders' General Meeting consists exclusively of fixed remuneration. In the event non-independent non-executive directors of the Company perform executive roles in subsidiary companies, their remuneration in the latter will be determined by the respective Shareholders' Remuneration Committee and disclosed pursuant to the legal and recommendatory framework.

IV. Transparency:

All aspects of the remuneration structure are clear and disclosed internally and externally through documents published on the Company's website and are in line with the Group's general Remuneration Policy.

V. Reasonableness:

The Company's Remuneration Policy aims to ensure a balance between Sonae's long-term interests, the market positioning and best practices, the expectation and motivations of the members of the statutory governing bodies and other managers, as well as the objective of attracting and retaining talent.

VI. Consistency and equity:

The employment and remuneration conditions of the Group's employees are taken into consideration in determining the remuneration of each member of the statutory governing bodies and other managers.

For this purpose, the employment and remuneration conditions of full-time equivalent employees in the Company are taken into account to ensure consistency and equity in terms of remuneration, by reference to the importance of the respective qualifications, responsibilities, experience, availability and the specific nature of the risk associated with the job. In turn, the framework of the global Remuneration Policy adopted by the Company is benchmarked against comparable peers, adjusted for its particular market conditions, to balance the objectives of sustainability and talent retention.

VII. Legal and Regulatory framework:

The Remuneration Policy applicable to the members of the governing bodies and persons discharging managerial responsibilities within the Company is in line with European guidelines, national law and IPCG Corporate Governance Code Recommendations.

In the architecture of the Remuneration Policy for statutory governing bodies, other managers and the remaining Company employees, and to determine the applicable remuneration, the jobs are considered under an evaluation system that includes differentiation criteria as to complexity, qualification, experience required, autonomy and responsibilities. This system is based on Korn Ferry's international methodology to promote equity in remuneration and employment conditions, in the light of the differentiation criteria described above, applicable to the various jobs, and to allow comparability/ benchmarking with equivalent jobs in the market.

As a result, Sonae's overall benchmark in terms of competitive positioning against the comparable market for each job, is normally the median for the fixed remuneration and the third quartile for the variable remuneration component, notwithstanding the necessary adaptations under market conditions and the Company's particular situation.

VIII. Other Conditions

The term of office of the members of the management and supervisory bodies and the members of the Board of the Shareholders' General Meeting is established under the articles of association and the decisions of the Shareholders' General Meeting, and the rules prescribed by law apply to the termination of duties. The Remuneration Policy does not embody the principle of allocation of compensation to Directors or members of other statutory governing bodies in connection with the termination of their mandate, whether such termination occurs at the end of the respective mandate or at an early stage, without prejudice to the Company's obligation to comply with the legal provisions in force on this matter. In 2023 Margaret Lorraine Trainer resigned from her role as Non-Executive member of the Board of Directors, as from 14th November 2023, with no compensation having been attributed in light of such resignation.

There are no contracts or agreements between the Company and these members, namely establishing the duration period of their terms or the attribution of any compensation for their cessation.

70. Remuneration of the members of the Board of Directors

70.1. Non-Executive Directors

The remuneration of Non-Executive Directors of the Company is established according to market benchmarks, under the following principles: (i) attribution of a fixed remuneration; (ii) attribution of an annual responsibility allowance. For the role performed in the company by the Non-Executive Directors, there is no remuneration by way of a variable bonus, or that depends on the Company's performance.

70.2. Executive Directors

The remuneration of Executive Directors includes two components: fixed remuneration and variable remuneration.

Concerning the variable component of the remuneration, it should be noted that it incorporates control mechanisms in its structure, considering the link to individual and collective performance to prevent and dissuade excessive risk-taking behaviour. This objective is further ensured because each Key Performance Indicator (KPI) is limited to a maximum value.

The Executive Directors are also granted health insurance, life insurance and personal accidents' insurance, in line with the Group's policy applicable to the Company's employees, and which terms are in line with the market practices.

The following table presents the architecture of the Remuneration Policy of the Executive Directors, in order to explain how it contributes to the Company's strategy and its long-term interests and sustainability:

Type of Remuneration	Fixed Remuneration	Variable remuneration		Benefits
		Short term	Medium term	
Purpose	Attracting, retaining and motivating outstanding executives needed to deliver strategy and drive business performance.	Drive annual strategy and results, as well as individual performance, in line with the business plan. Recognise and reward individual contributions to the business.	Deferral of payment to ensure alignment with Shareholders' long-term interests following the successful delivery of short-term targets.	Provide appropriate and market-competitive benefits that drive engagement and motivation.
Characteristics	It consists of base salary and a responsibility allowance, paid in 14 monthly instalments.	It is equivalent to a maximum of 50% of the total variable bonus. Paid in cash in the first half following the year to which it relates; may be paid, within the same period, in shares under the terms and conditions established for the Medium-Term Performance Bonus.	Corresponds, at least, to 50% of the total variable bonus; payment deferred for three years, after its attribution. The Medium-Term Performance Bonus may consist of attributing the right to acquire shares; the number of shares is determined by reference to the value attributed and the share price at the grant date.	Health and Life Insurance / Personal Accident Insurance.
Definition	Annual, depending on the level of responsibility of the job and the positioning defined concerning the comparable market.	Payment subject to compliance with pre-established targets at the beginning of the year, approved by the Board Remuneration Committee.	The bonus depends on the increase in the share price and is adjusted throughout the deferral period by the degree of compliance with the medium-term KPI.	Under the Company's general benefits Policy.
Target	Not applicable	The target value of the bonus may vary between 30% and 60% of the Total Remuneration, determined according to the job performed.		
Performance conditions	Not applicable	. Collective KPIs (70%), distributed as follows: .Economic KPIs (80%): Turnover, Direct result and Portfolio Management .Social KPIs (20%): People, Planet. . Individual KPIs (30%)	Value Creation based KPI	Not applicable
Maximum	Although there is no set maximum, any increments usually are made in line with the Company's overall increments.	Maximum of 69% of the Total Remuneration, depending on the job level.		There is no set maximum, but an estimated value; any benefit updates are carried out according to general Policy.

The criteria for awarding and maintaining variable remuneration in shares are described below in section 73.

Concerning the two components of the remuneration:

The Fixed Remuneration includes a base salary and a responsibility allowance, which are established annually and defined according to personal skills, the level of responsibility of the job, and the recommended positioning concerning the comparable market.

The Variable Remuneration aims to guide and reward Executive Directors for achieving predetermined objectives based on the Group's performance indicators and their own individual performance.

It will be awarded after the accounts for the financial year have been finalised, and the performance assessment has been carried out and it is divided in two parts:

a) Short Term Performance Bonus (STPB), equivalent to a maximum 50% of the total variable remuneration is paid in cash in the first half of the year following the year to which it relates although it may, at the discretion of the Shareholders Remuneration Committee, be paid, within the same period, in shares, under the terms and conditions set forth below for the Medium Term Performance Bonus – see section 71 for further details;

b) Medium Term Performance Bonus (MTPB), aimed at strengthening the Executive Directors' commitment to the Company, aligning their interest with those of the shareholders and increasing awareness of the importance of their performance to the Company's overall and sustainable success. The amount corresponds, at least, to 50% of the total variable bonus, with payment deferred for years after its attribution year – see sections 71, 72 and 73 for further details.

On the maturity date, the Company has the option to deliver the corresponding value of shares, in cash instead. Payment in cash of the variable bonus may be made by any means of extinguishing the obligation provided for in the law and the articles of association.

71. Variable Remuneration of the Executive Directors

The Short-Term Performance Bonus results from the degree of achievement of collective and individual KPIs. Collective KPIs represent about 70% of the variable bonus and include business and social KPIs. The remaining 30% derives from individual KPIs, which can combine subjective and objective indicators.

The variable bonus is not guaranteed since the attribution is dependent upon the achievement of objectives. Considering the two variable components, the value of the pre-set target varies between 30% and 60% of the total annual remuneration (made up of the sum of the fixed remuneration and the target value of the variable remuneration), depending on the level of responsibility of each member's job.

The calculation of the value attributed includes a minimum limit of 0% and a maximum of 148%, concerning the objective value previously defined.

The weight of the variable component awarded in the total annual remuneration depends on two factors: (i) weight of the pre-defined target value of the variable component in the total remuneration and (ii) degree of compliance with the associated objectives.

Combining these two factors results in the attribution of a variable bonus which weight on the total actual annual remuneration may vary between 0% and 69%.

		% of Variable Remuneration over Total Remuneration		
		30%	50%	60%
Overall KPI achievement rate	0%	0%	0%	0%
	50%	**18%**	**33%**	**43%**
	70%	23%	41%	51%
	100%	**30%**	**50%**	**60%**
	120%	**34%**	**55%**	**64%**
	148%	39%	60%	69%

Formula: Variable Remuneration target * Degree of achievement of global KPIs / Total Annual Remuneration (composed of Fixed Remuneration and Variable Remuneration Achieved).

72. Deferred payment of the remuneration's variable component

The payment of at least 50% (fifty percent) of the remuneration's variable component is deferred after a 3 (three) year period, being settled in the fourth year by reference to the performance year, under the terms described in the previous section 70.2 and in the Remuneration Policy.

73. Criteria that underlies the allocation of variable remuneration in shares and their maintenance

1. Main features of the Medium-Term Performance Bonus (MTPB)

MTPB is one of the components of the Executive Directors remuneration.

The attributed MTPB is converted in Sonae shares, at the award date using the average price of Sonae shares on the Portuguese stock market. Once attributed, the amount in euros will be divided by the aforementioned average Sonae share' price, to determine the number of shares it corresponds to.

In order to ensure the continuing alignment with the medium-term sustainability objectives of the Company, the value of the bonus will be corrected, during the deferral period, by the degree of compliance with the medium-term KPI (Value Creation with a pre-defined annual target) and adjusted using the variations in the share capital or dividends distributed (Total Shareholder Return) during that period.

Aiming at the reinforcement of alignment, until the market value of the total number of Sonae shares held by the relevant Executive Director at each given time is equal to 100% of his Annual Base Salary (meaning the monthly base salary paid to the relevant Executive Director, 14 times a year), each of the Executive Directors of the Company shall retain a minimum percentage of Sonae shares (Minimum Share Retention Percentage) received under the MTPB, as follows:

i. 25% of the Sonae shares delivered (or vesting) under the Sonae MTPB in the first year of the Executive Director's mandate;
ii. 35% of the Sonae shares delivered (or vesting) in the second year of the Executive Director's mandate;
iii. 50% of the Sonae shares delivered (or vesting) in the following years of the Executive Director's mandate.

Calculations of the required percentage shall be based on current Annual Base Salary and current Sonae Share price on the date that the MTIP Shares are delivered or vested, as applicable, each year.

For the purposes of this retention, the calculation of the Minimum Share Retention Percentage includes, by reference to the Sonae shares held by each Executive Director:

i. All the Sonae shares held directly in his individual name and any Sonae shares held by companies outside Sonae's perimeter that the Executive Director controls directly or indirectly as an individual;
ii. The shares held because of any profit or benefit/bonus plan, including prior MTPBs;
iii. The shares purchased before or during the Executive Director's office.

Should, under the terms of this Remuneration Policy any MTPB be paid out in cash, the relevant Executive Director shall purchase the number of Sonae shares of that MTPB that are necessary to cover the required Minimum Share Retention Percentage.

2. MTPB Scheme

MTPB aligns the interest of Executive Directors with the organisation's objectives, reinforcing their commitment and strengthening their understanding of the importance of their performance for Sonae, as expressed in its market capitalisation.

The Company does not execute agreements with the members of the Board of Directors by reference to the shares attributed, namely through contracts for hedging or risk transferring, or any other that aim at undermining the purpose of the MTPB scheme.

3. Duration of the MTPB plan

The MTPB plan contemplates a four-year period, which includes the performance year and a subsequent three-year deferral period.

4. Delivery by the Company

At the moment of the exercise of the share acquisition right under the MTPB, the Company reserves itself the right of delivering, in substitution of the shares, the cash equivalent amount to the share market value at the date of the exercise of the right.

5. Termination of the MTPB plan

The Company is not required to comply with MTPB plan if the beneficiary ceases to work with Sonae before the end of the vesting period following its attribution, without prejudice to the provisions set forth in the following paragraphs.

The right to receive payment may however remain in case of permanent disability or decease, with the due amount being paid to the member of the Board of Directors or to his/her heirs at the normal vesting date.

If the beneficiary retires, any right to awards can be exercised on the due date of payment.

74. Criteria that underlies the allocation of variable remuneration in options

The Company did not establish any variable remuneration in options.

75. Main parameters and reasoning concerning annual bonuses and any other non-cash benefits

Main parameters and reasoning about variable remuneration are detailed in the above section 71.

The Executive Directors are also granted health insurance, life insurance and personal accidents' insurance, in line with the Group's policy applicable to the Company's employees, and which terms are in line with the market practice.

76. Main characteristics of complementary pension or early retirement schemes for the directors approved at the shareholders' general meeting

No specific system of retirement benefits or supplementary pensions for members of the management and supervisory bodies and other managers is part of the Remuneration Policy.

IV. Disclosure of Remuneration

77. Indication of the annual remuneration earned, in aggregate and individual amount, by the company's members of the Board of Directors

Directors' remuneration, awarded by the Company during the years 2022 and 2023 is summarised in the tables below:

(amounts in euros)	2022				2023			
	Fixed Rem.	STPB	MTPB	Total	Fixed Rem.	STPB	MTPB	Total
Executive Directors								
Maria Cláudia Teixeira de Azevedo	514,800	544,200	544,200	**1,603,200**	530,400	604,300	604,300	**1,739,000**
João Pedro Magalhães da Silva Torres Dolores	360,600	292,400	292,400	**945,400**	372,900	424,000	424,000	**1,220,900**
João Nonell Günther Amaral (1)	–	–	–	**–**	255,300	278,500	278,500	**812,300**
Sub-Total	**875,400**	**836,600**	**836,600**	**2,548,600**	**1,158,600**	**1,306,800**	**1,306,800**	**3,772,200**
Non-Executive Directors								
Duarte Paulo Teixeira de Azevedo	320,500	-	-	**320,500**	374,867	-	-	**374,867**
Ângelo Gabriel Ribeirinho dos Santos Paupério	141,604	-	-	**141,604**	94,968	-	-	**94,968**
José Manuel Neves Adelino	71,200	-	-	**71,200**	84,167	-	-	**84,167**
Margaret Lorraine Trainer (4)	61,600	-	-	**61,600**	61,933	-	-	**61,933**
Marcelo Faria de Lima	52,700	-	-	**52,700**	64,700	-	-	**64,700**
Carlos António Rocha Moreira da Silva	53,200	-	-	**53,200**	64,700	-	-	**64,700**
Fuencisla Clemares	53,200	-	-	**53,200**	71,833	-	-	**71,833**
Philippe Cyriel Elodie Haspeslagh	55,500	-	-	**55,500**	67,433	-	-	**67,433**
Eve Alexandra Henrikson (2)	-	-	-	**-**	48,900			**48,900**
Maria Teresa Ballester Fornes (3)	-	-	-	**-**	11,400	-	-	**11,400**
Sub-Total	**809,504**	**–**	**–**	**809,504**	**944,901**	**–**	**–**	**944,901**
Total	**1,684,904**	**836,600**	**836,600**	**3,358,104**	**2,103,501**	**1,306,800**	**1,306,800**	**4,717,101**

(1) Elected Executive Director at the Annual General Meeting held on 28 April 2023

(2) Elected Independent Non-Executive Director at the Annual General Meeting held on 28 April 2023

3) Independent Non-Executive Director elected by co-optation on 14 November 2023

(4) Margaret Lorraine Trainer has resigned as a member of the Board of Directors with effect from 14 November 2023

Open MTPB plans attributed to the Executive Directors:

(amounts in euros)	Plan	Award date	Vesting date	Amount vested and paid off in 2023	Open plans	
					at award date*	at 31.12.2023*
Maria Cláudia Teixeira de Azevedo	2019	Mar-20	Mar-23	658,959	-	-
	2020	Mar-21	Mar-24	-	372,700	715,118
	2021	Mar-22	Mar-25	-	551,000	643,392
	2022	Mar-23	Mar-26	-	544,200	638,060
Sub-Total				**658,959**	**1,467,900**	**1,996,570**
João Pedro Magalhães da Silva Torres Dolores	2019	Mar-20	Mar-23	351,251	-	-
	2020	Mar-21	Mar-24	-	163,500	313,715
	2021	Mar-22	Mar-25	-	283,700	331,271
	2022	Mar-23	Mar-26	-	292,400	342,830
Sub-Total				**351,251**	**739,600**	**987,816**
João Nonell Günther Amaral	2020	Mar-21	Mar-24	-	92,800	178,060
	2021	Mar-22	Mar-25	-	161,000	187,997
	2022	Mar-23	Mar-26	-	175,600	205,886
Sub-Total					**429,400**	**571,943**
Total				**1,010,210**	**2,636,900**	**3,556,329**

* Calculated considering the share marketing closing price of 2023 last trading day.

Open MTPB plans, attributed by the Company, corresponding to vested rights of former Executive Directors:

(amounts in euros)	Plan	Award date	Vesting date	Amount vested and paid off in 2023	Open plans	
					at award date*	at 31.12.2023*
Duarte Paulo Teixeira de Azevedo	2019	Mar-20	Mar-23	186,909		
Ângelo Gabriel Ribeirinho dos Santos Paupério	2019	Mar-20	Mar-23	199,919		
Total				**386,828**	**–**	**–**

* Calculated considering the share marketing closing price of 2023 last trading day.

78. Any amounts paid by other controlled or group companies, or those under shared control

The information on the Directors that are awarded remuneration by other controlled or group companies, pursuant to subparagraph g) of paragraph 1 of article 2 of the Decree-Law no. 158/2009 of 13th July, and the respective amounts, during the years 2022 and 2023, is summarized in the table below:

(amounts in euros)	2022				2023			
	Fixed Rem.	STPB	MTPB	Total	Fixed Rem.	STPB	MTPB	Total
Director								
Ângelo Gabriel Ribeirinho dos Santos Paupério (1)	183,900	96,900	96,900	**377,700**	236,000	33,300	33,300	**302,600**
Total	**183,900**	**96,900**	**96,900**	**377,700**	**236,000**	**33,300**	**33,300**	**302,600**

(1) Non-Independent Non-Executive Director at Sonae SGPS, SA – Remuneration reported in subsidiary companies for performing both executive and non-executive roles.

79. Remuneration paid in the form of profit sharing and/or bonus payments

The variable remuneration of the Executive Directors was determined in accordance with the performance assessment and the remuneration policy approved at the Shareholders' General Meeting as detailed in sections 69 and 71 above and in the remuneration table in section 77 above.

The remuneration paid in the form of profit sharing is included in the Short-Term Performance Bonus (STPB), as disclosed in section 77 above.

80. Compensation paid or owed to former Executive Directors as a result of term of office

The Remuneration Policy does not embody the principle of allocation of compensation to Executive Directors or members of other statutory governing bodies in connection with the termination of their mandate, whether such termination occurs at the end of the respective mandate or at an early stage, without prejudice to the Company's obligation to comply with the legal provisions in force on this matter. During 2023 no termination of mandate occurred.

Accordingly, no compensation was paid or owed to former Executive Directors in relation to term of office.

81. Remuneration of the Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is made up of fixed annual fees, based on the Company's financial situation and market practice, and does not include any variable remuneration, as set forth in the below table:

Statutory Audit Board | members (amounts in euros)	2022	2023
Maria José Martins Lourenço da Fonseca	16,900	20,333
Daniel Bessa Fernandes Coelho	13,900	16,667
Manuel Heleno Sismeiro	13,900	16,667
Sara Manuel Carvalho Teixeira Mendes*	-	-
Total	**44,700**	**53,667**

* substitute member.

82. Remuneration of the Chair of the Board of the Shareholders' General Meeting

The remuneration of the members of the Board of the Shareholders' General Meeting is made up of a fixed fee, as follows:

Board of the Shareholders' General Meeting members (amounts in euros)	2022	2023
Carlos Manuel de Brito do Nascimento Lucena	8,250	10,083
Maria Daniela Farto Baptista Passos	2,750	3,583
Total	**11,000**	**13,666**

V. Agreements with remuneration implication

83. Contractual limitations on compensations to be paid upon the director's dismissal without due cause and its relation with the variable component of remuneration

The Remuneration Policy maintains the principle of not contemplating the allocation of compensation to Directors or members of other statutory governing bodies in connection with the termination of their mandate, whether such termination occurs at the end of the respective term of office or in advance, notwithstanding, in the latter case, to the Company's obligation to comply with the legal provisions in force on this matter.

During 2023 the Company did not grant any such compensations.

84. Reference to the existence and description, stating the sums involved, of the agreements between the Company and members of the Board of Directors, providing for compensation in case of dismissal without due cause or termination of the employment relationship, following a change of control of the Company

There are no agreements made between the Company and members of the Board of Directors, that provide for compensation in cases of dismissal, unfair dismissal or termination of employment relationship following a change in the Company's control.

VI. Share Attribution Plans or Stock Options

85. Identification of the plan and the recipients

The medium-term variable remuneration, including the amount of shares attributed, is detailed in section 73 above and the main recipients are the Executive Directors as well as the employees of group companies, in the latter case in accordance with the terms and conditions determined by the respective Boards of Directors.

86. Plan features

A thorough description of the share attribution plan is detailed in sections 71, 72 and 73 above.

The Remuneration Policy for the statutory governing bodies, as well as the current share attribution plan, was approved at the Company's Shareholders' Annual General Meeting, held on 28th April 2023 in compliance with articles 26-A to 26-F of the Portuguese Securities Code as well as with Recommendations V.2.1 to V.2.10 of the IPCG Corporate Governance Code 2018, as amended in 2020 and revised in 2023, being the version currently in force available at https://sonae.pt/en/investors/shareholder-s-general-meeting/.

The movements in the open MTPB plans of the Company's Executive Directors (current and former), during 2023, can be summarised as follows:

	Number of aggregated plans	Number of shares	Euros
Outstanding at 31.12.2022	8	3,206,595	2,998,166
Movements in the year:	(2)	725,221	558,163
Awarded	2	832,438	836,600
Vested	(4)	(1,204,108)	(1,210,129)
Cancelled/Lapsed/Adjustments[1]	–	1,096,891	931,692
Transfered to other companies[2]	3	632,648	593,424
Outstanding at 31.12.2023	**6**	**3,931,816**	**3,556,327**

(1) Changes in the number of shares due to dividends paid and to the effects of the Medium Term KPIs. Changes to the values are for the same reason, as well as from the effect of changes in the Sonae Share price.

(2) Open plans transferred from other societies on 28 April 2023 after the election of the new Board of Directors

Summary of the MTPB Plans of the Company's Executive Directors, including the MTPB Plans of Sonae Business Units' executive directors, by reference to the year ended on 31st December 2023:

Share Plans Outstanding during 2023	Vesting Period			at 31.12.2023	
	Share Price at Award Date (€)	Award Date	Vesting Date	Aggregate number of participants	Number of shares
Plan 2019-2023	0.627	Mar-20	Mar-23	-	-
Plan 2020-2024	0.782	Mar-21	Mar-24	18	4,445,860
Plan 2021-2025	1.018	Mar-22	Mar-25	18	3,532,923
Plan 2022-2026	1.005	Mar-23	Mar-26	18	3,763,673

The present chart does not include information regarding share plans that may be attributed to directors of Sonaecom and Sonae Sierra.

Ongoing plans include the ones of former Executive Directors, currently exercising non-executive roles.

87. Option rights granted to acquire shares ("stock options") where the beneficiaries are company employees

No option rights to acquire shares were granted.

88. Control mechanisms in any system of employee participation in the share capital

There are no control mechanisms established to control employee participation in the Company's capital.

E. Relevant Transactions with Related Parties

I. Mechanism of control procedures

89. Mechanisms for monitoring transactions with related parties

Carrying out transactions with related parties is subject to principles of rigour and transparency, and in strict observance of the applicable legal framework and market competition rules. Such transactions are subject to specific internal procedures based on mandatory legal framework, in particular article 29-S to 29-V of the Portuguese Securities Code, as well as transfer pricing rules, or on voluntarily adopted internal systems of checks and balances – for example, formal validation or reporting processes, depending on the value of the transaction in question.

Despite the Company historically adopted a specific control procedure for transactions executed between the Company and holders of qualified shareholdings pursuant to article 20 of the Portuguese Securities Code, in 2020, following the entry into force of Law no. 50/2020 of 25th August, that transposed to national law the EU Directive 2017/828 of the European Parliament and the Council, the Board of Directors approved, with the prior favorable opinion of the Statutory Audit Board, an internal Policy on Related Party Transactions, in accordance with the outlined in articles 29-S to 29-V of the Portuguese Securities Code.

The Internal Policy on Related Party Transactions is publicly available at https://www.sonae.pt/en/investors/government-of-society/.

90. Transactions subject to control during 2023

The transactions with related parties or qualified shareholders were executed within the Company's usual business, at arms' length, and in line with other transactions executed between the Company and other national and international entities. The control mechanisms set forth in the Internal Policy on Related Party Transactions, referred to in section 89 above, and available at https://sonae.pt/en/investors/government-of-society/, were duly enforced.

The abovementioned transactions were assessed by the Statutory Audit Board, being the related parties' transactions, as defined in IAS24, described in the Appendix to the Consolidated Financial Statements according to the information provided in section 92.

91. Description of the procedures and criteria for intervention of the Statutory Audit Board, for the purpose of preliminary assessment of the business carried out between the Company and holders of qualified shareholdings or entities that are in a relation with them, under the terms of article 20 of the Portuguese Securities Code

Transactions with related parties are, within the applicable legal framework, framed in the procedure described above in section 89 of this Report, in accordance with the set forth in articles 29-S to 29-V of the Portuguese Securities Code. The Statutory Audit Board intervenes, in light of the Internal Policy approved by the Board of Directors, with its previous favorable opinion, which is available at https://sonae.pt/en/investors/government-of-society/.

II. Elements related to Transactions

92. Information on transactions with related parties

Information on transactions with related parties, in accordance with IAS 24, within the scope of the applicable legal framework, can be found in note 8 of the 2023 Consolidated Financial Statements' Appendix.

2.2. Part II: Statement of Compliance

1. Identification of the adopted Corporate Governance Code

The Corporate Governance Report provides a description of the Corporate Governance structure and practices followed by the Company under the terms of article 29-H of the Portuguese Securities Code and information duties required by the Portuguese Securities Commissions (CMVM) Regulation no. 4/2013, from the 1st of August. The Report additionally discloses, in light of the principle of comply or explain, the terms of compliance by the Company with the Recommendations contained in the 2018 IPCG Corporate Governance Code (revised in 2023).

The Report should be read as an integral part of the Annual Management Report and the Individual and Consolidated Financial Statements for the financial year of 2023.

The requirements for the provision of information as per articles 447 of the Portuguese Companies Act and 29-H of the Portuguese Securities Code, have also been fulfilled.

All of the rules and regulations mentioned in this Report are publicly available at www.cmvm.pt and at https://cgov.pt/.

Unless otherwise expressly stated, all remissions shall be read as being made to the Report itself.

2. Analysis of compliance with the adopted Corporate Governance Code

GENERAL PRINCIPLES

A. Corporate Governance promotes and fosters the pursuit of the respective long-term interests, performance and sustained development, and is structured in order to allow the interests of shareholders and other investors, staff, clients, creditors, suppliers and other stakeholders to be weighed, contributing to the strengthening of confidence in the quality,

transparency and ethical standards of administration and supervision, as well as to the sustainable development of the community the companies form part of and to the development of the capital market.

B. *The Code is voluntary and compliance is based on the comply or explain principle, applicable to all Recommendations.*

I. COMPANY'S RELATIONSHIP WITH SHAREHOLDERS, INTERESTED PARTIES AND THE COMMUNITY AT LARGE

Principles:

I.A. *In their organisation, operation and in the definition of their strategy, companies shall contribute to the pursuit of the Sustainable Development Goals defined within the framework of the United Nations Organisation, in terms that are appropriate to the nature of their activity and their size.*

I.B. *The company periodically identifies, measures and seeks to prevent negative effects related to the environmental and social impact of the operation of its activity, in terms that are appropriate to the nature and size of the company.*

I.C. *In its decision-making processes, the management body considers the interests of the shareholders and other investors, employees, suppliers and other stakeholders in the activity of the company.*

Recommendations:

I.1. The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives and what are the main contributions resulting herefrom for the community at large.

Recommendation Fully Adopted

The Board of Directors, responsible for determining the Company's strategy, in the Annual Management Report, fully complies with this recommendation, describing the Company's strategy and detailing how such strategy aims to ensure the fulfilment of its long-term objectives [see section 1.2.4. "Our Strategy" and 1.5.3. "Sonae Sustainability Strategy 2023-2026" of the Annual Management Report] as well as the contributions for the community at large [see section 1.6. "Our Performance Chapter on how we monitor progress" of the Annual Management Report].

In fact, with a wide portfolio of businesses, Sonae has a history of growth and active management of its portfolio supported by a disciplined approach in the allocation of capital with the capacity to create, promote, invest and expand new businesses, but also the ability to reduce its exposure or leave when such features leverage value creation. This continuous approach requires (i) an active portfolio management attitude, based on a profound knowledge of each business of its portfolio, of the market and the sector, allowing the strategy and the financial plans of the businesses are challenged to a performance and growth above the market, long-term sustainability and increased economic, social and natural value creation, and (ii) a continuous search for new investment opportunities, through a defined investment strategy that contributes to the ambition, values and mission of Sonae.

Additionally, Sonae has teams continuously dedicated to the analysis of the investment market, exploring emerging tendencies, sectors and business models with growth potential, new geographies and partnerships, searching for new long-term opportunities that scale the Company's value proposition to customers and community.

Lastly, Sonae is focused, namely, in (i) understanding the market dynamics and developing an independent and comprehensive long-term view on each sector in which Sonae is present as well as in potential new ones; and (ii) ensuring management teams have adequate incentive schemes, fostering balanced behaviours, adequate risk-taking attitudes and long-term focus without discarding short-term goals and the value delivered to the Company's main stakeholders.

I.2. The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental and social objectives.

Recommendation Fully Adopted

The Company discloses, in the Annual Management Report, the main policies and measures adopted concerning Sonae's compliance with its environmental and social objectives [please refer to section 1.5.3. "Sonae Sustainability Strategy 2023-2026" chapter of the Annual Management Report] ".

Sonae is focused on the adoption of social responsibility policies in the sectors and within the community on which it operates [please refer to 1.5.3. "Sonae Sustainability Strategy 2023-2026" chapter of the Annual Management Report], on the creation of innovative projects for the promotion of good environmental, social and governance practices [please refer to "Performance Chapter Initiatives" chapter of the Annual Management Report], having departments with the technical skills in the definition and implementation and promotion of sustainability strategies in order to contribute to long-term social value creation [please refer to 1.5.3. "Sonae Sustainability Strategy 2023-2026" chapter of the Annual Management Report].

Considering, Sonae is determined to contribute to the global sustainable development, operating in a climate-responsible way, balanced with its business growth. In this performance, and in line with the best market practices, methodologies, and regulatory framework, the Company manages the environmental risks arising from such performance, in an active approach covering several environmental variables [please refer to section 53. Identification and classification of main risks. Environmental Risks of this Report].

It is also worth mentioning that Sonae has defined five strategic axes of action as the result of a rigorous and comprehensive analysis conducted in 2022, during which the Company classified themes according to their importance for Sonae and its stakeholders, aligned with the United Nations Sustainable Development Goals (SDGs). Each strategic axis has its own roadmap that was carefully designed to be ambitious. Despite their specificities, all include a clear set of goals and metrics as well as reporting and accountability mechanisms that ensure full transparency and are revised yearly to assess their attainment levels, and to be adjusted where necessary.

These five strategic pillars, based on the guidelines comprise the following committments: (i) to manage with environmental, social and governance (ESG) criteria; (ii) to accelerate decarbonisation; (iii) to value biodiversity; (iv) to promote circularity; and (v) to foster human development.

II. COMPOSITION AND FUNCTIONING OF THE CORPORATE BODIES

II.1. Information

Principle:

II.1.A. *Companies and, in particular, their Directors, treat shareholders and other investors in an equitable manner, namely by ensuring mechanisms and procedures for the adequate treatment and disclosure of information.*

Recommendations:

II.1.1. The Company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.

Recommendation Fully Adopted

The Company has, in its corporate structure, departments with specific competencies that ensure a permanent interaction between themselves in order to allow, in a suitable and accurate manner, all the information necessary and convenient for the performance of the governing bodies and the company's secretary duties. Such departments have specific competencies for the production, treatment and, in particular, timely disclosure of information, besides the governing bodies and the company secretary to the shareholders, investors and other stakeholders, to the financial analysts and the market in general. It is worth highlighting in this respect the Investor Relation Department and the Communication and Brand Department, more detailed in section 21 of this Report. The Investor Relations' Department has the main following tasks: i) manage the relationship between Sonae and the financial community, namely with investors and analysts, through the continuous preparation and disclosure of relevant and up to date information about the Company; ii) support the Board of Directors and the Executive Committee, providing them with the relevant information about the capital market, as well as feedback from the financial community about Sonae; iii) support external communication, contributing towards providing a consistent corporate message to the capital markets and to the media. The Communication and Brand Department permanently follows-up the information disclosed in any media about the Company, promoting a transparent, up to date and consistent line of communication with the activity developed by the Company addressed to the public in general.

II.2. Diversity in the composition and functioning of the corporate bodies

Principles:

II.2.A. *Companies have adequate and transparent decision-making structures, ensuring maximum efficiency in the functioning of their bodies and committees.*

II.2.B. *Companies ensure diversity in the composition of their management and supervisory bodies and the adoption of individual merit criteria in the respective appointment processes, which shall be the exclusive responsibility of shareholders.*

II.2.C. *Companies ensure that the performance of their bodies and committees is duly recorded, namely in minutes of meetings, that allow for knowing not only the sense of the decisions taken but also their grounds and the opinions expressed by their members.*

Recommendations:

II.2.1. Companies establish, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability, and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body a nd of the balance in its composition.

Recommendation Fully Adopted

At the Shareholders' General Meeting held on 30th April 2021 a Selection and Suitability Assessment Internal Policy for Membership of the Management and Audit Bodies was

approved, in light of which the members of the Board of Directors and of the Statutory Audit Board appointed for the 2023-2026 mandate by the Shareholders' General Meeting held on 28th April 2023, and currently in office, were evaluated.

At the Shareholders' General Meeting held on 28th April 2023 a new Selection and Suitability Assessment Internal Policy for Membership of the Management and Audit Bodies was approved and is available at https://sonae.pt/en/investors/shareholder-s-general-meeting/, being its fundamental principles described in section 15 of this Report, being highlighted the fact that in the selection processes meritocracy and composition diversity criteria shall be applied, with particular emphasis on men and women equality.

In this sense, and as described in section 15 of this Report, among all of the diversity requirements, the Company has given particular consideration to gender equality by having in place a Plan for Gender Equality which applies to the employees and members of the Group's statutory governing bodies, available at https://sonae.pt/fotos/governo_sociedade/sonaeplanforgenderequality2024_1753824438650346b8ba93f.pdf.

II.2.2. The management and supervisory bodies and their internal committees are governed by regulations — notably regarding the exercise of their powers, chairmanship, the frequency of meetings, operation and the duties framework of their members – fully disclosed on the website of the Company, whereby minutes of the respective meetings shall be drawn up.

Recommendation Fully Adopted

The Board of Directors has an internal regulation governing the exercise of its respective competencies, chairmanship, the frequency of meetings, operation and the framework of the duties of its members, available at the Company's website at https://www.sonae.pt/en/investors/government-of-society/, and as described in sections 17 and 18 of this Report.

The Statutory Internal Auditor also has an internal regulation governing the exercise of its respective competencies, frequency of meetings, operation and the framework of its members' duties, available at the Company's website at https://www.sonae.pt/en/investors/government-of-society/, and as described in section III, a) and 31 of this Report.

The internal committees set up by the Board of Directors have their terms of reference, whereby it is regulated the frequency of meetings, its operation, and the framework of its members' duties, available at the Company's website at https://www.sonae.pt/en/investors/government-of-society/, and as described in section 29 of this Report.

Minutes of all the meetings held by the Board of Directors, by the Statutory Audit Board and by the Board of Directors' Internal Committees are drawn up.

II.2.3. The composition and number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.

Recommendation Fully Adopted

The composition of the Board of Directors, including the internal committees created by the Board, and the composition of the Statutory Audit Board are permanently available, both in the Portuguese and the English versions, available at the Company's website at https://www.sonae.pt/en/investors/government-of-society/, including in the corporate governance reports approved at the Shareholders' General Meetings also available for consultation at https://www.sonae.pt/en/investors/government-of-society/.

The number of annual meetings of the Board of Directors, including the internal committees created by the Board, as well as the number of meetings of the Statutory Audit Board are available at the Company's website, including in the Corporate Governance Report, in sections 23, 29 and 35.

II.2.4. The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication and internal reporting channel that also includes access for non-employees, as set forth in the applicable law.

Recommendation Fully Adopted

The Company has also available an Internal Reporting Channel for the presentation of reports concerning acts or omissions carried out in a wilful or negligent manner, as described in articles 2 paragraph 1 of Law no. 93/2021 of 20th December (which approves General Regime for the Protection of Whistleblowers) and article 3 of Decree-Law no. 109-E/2021, of 9th December (which establishes the General Regime for the Prevention of Corruption).

In thir regard, the Company approved and has in force a Regulation for the Communication of Infractions *(Whistleblowing*) – available at the Company's website at https://sonae.pt/en/investors/government-of-society/ - which establishes a set of internal rules and procedures for the reception, record and treatment of communications of infractions, in compliance with the legal and regulatory framework applicable at each given time, as well as with the rules, principles and values set out in the Company's Policy for the Prevention of Corruption and Related Offenses. The Company ensures that the communications of infractions received on the Internal Reporting Channel are submitted to an effective, prompt and adequate system for their detection, investigation and resolution, in accordance with the highest ethical standards approved by the Company, preserving notwithstanding the principles of confidentiality and non-retaliation.

In order to ensure that the detection and prevention of irregularities is conducted in a permanent and proactive manner, the Company has put in place suitable mechanisms for risk identification and prevention, being such mechanisms monitored by the Internal Audit Department, as well as by all the departments responsible for the prevention of irregularities. The setting and monitoring of these systems and mechanisms are consistently made by the management and supervisory bodies of the Company. This Reporting Channel created by the Company allows the presentation of reports by employees but also by non-employees (service providers; contractors; subcontractors and suppliers, including any people acting on its behalf or supervision; shareholders and members of the Sonae's governing bodies), in the terms outlined in the Regulation for the Communication of Infractions *(Whistleblowing)*, available at the Company's website sonae_regulation_for_infraction_report_whistleblowing__119191598162a0f3cf5b138.pdf.

II.2.5 The companies have specialised committees for matters of corporate governance, remuneration, appointments of members of the corporate bodies, and performance assessment, separately or cumulatively. If the Remuneration Committee provided for in article 399 of the Portuguese Companies Code has been set up, the present Recommendation can be complied with by assigning to said committee, if not prohibited by law, powers in the above matters.

Recommendation Fully Adopted

The Board of Directors has set-up three specialised committees that continuously exercised their attributions during the mandate, to ensure the effectiveness and the quality of the work performed.

The Board of Directors created the Board Audit and Finance Committee that, in the exercise of its roles and attributions, pays close attention to, among others, developments in the Company's corporate governance . Additionally, the Company appointed a Board and Corporate Governance Officer whose competencies are described in section 29 of this Report, in permanent coordination with the Board of Directors, including, among others, the roles of i) keep under close review all Legislative, Regulatory and Corporate Governance issues; ii) support and challenge the Board of Directors to achieve the highest standards in Corporate Governance; iii) ensure compliance with the IPCG Recommendations for Portuguese Listed Companies; and iv) participate, on behalf of the Company, in external initiatives to debate and improve Corporate Governance regulations and practices in Portugal.

The Board of Directors created the Remuneration Committee, with the competencies described in section 29 of this Report and in its terms of reference available at https://www.sonae.pt/en/investors/government-of-society/.

The Board of Directors also created the Nomination Committee, with the competencies, including the competencies in performance assessment, described in section 29 of this Report and in its terms of reference available at https://www.sonae.pt/en/investors/government-of-society/.

II.3 Relations between Corporate Bodies

Principle:

II.3.A. *The corporate bodies create the conditions for them to act in a harmonious and articulated manner, within the scope of their responsibilities, and with information that is adequate for carrying out their functions.*

Recommendations:

II.3.1. The Articles of Association or equivalent means adopted by the company set out mechanisms to ensure that, within the limits of applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.

Recommendation Fully Adopted

The Chair of the Board of Directors, the Chairmen of each of the internal committees created by the Board, and the Senior Non-Executive Directors (Lead Director and SID Director), ensure, in a timely fashion, the flow of information and liaison between the statutory governing bodies and committees, to allow each to fulfil their respective legal and statutory duties, providing the necessary resources for the disclosure of all convening notices of meetings, agendas, minutes, papers supporting decisions, and other relevant documentation or information, in accordance with the set forth in the Board of Directors' and in the internal committees' Internal Regulation available at https://www.sonae.pt/en/investors/government-of-society/.

II.3.2. Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.

Recommendation Fully Adopted

All the information mentioned in this recommendation is made available to all members of the Board of Directors and the Chair of the Statutory Audit Board.

The Board of Directors has appointed two Senior Non-Executive Directors (Lead Director and SID Director) whom, under the terms of the Board of Directors' Internal Regulation and Corporate Governance best practices, ensure, in a timely and suitable manner, the proper flow of information for the exercise of the legal and statutory role of all the remaining governing bodies and committees, as described in section 18 of this Report.

II.4 Conflicts of Interest

Principle:

II.4.A. *The existence of current or potential conflicts of interest, between the members of bodies or committees and the company, shall be prevented, ensuring that the conflicted member does not interfere in the decision-making process.*

Recommendations:

II.4.1. By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.

Recommendation Fully Adopted

The Conflict of Interest' Policy approved by the Company and the Board of Directors' Internal Regulation establish internal mechanisms regarding potential conflict of interests involving members of the Board of Directors, including internal committees and employees. The policy sets out an obligation to immediately notify to the competent governing body any situation of real or potential conflict of interest.

The Board of Directors' Internal Regulation, available at https://www.sonae.pt/en/investors/government-of-society/, imposes the immediate notification to the Board of Directors of any fact that may constitute or give rise to a conflict of interest, as well as any circumstance that may affect the Directors' independence and impartiality. In this sense, and as described in section 28 of this Report, the members of the Executive Committee and the members of the Board of Directors shall have a set of preventive behaviours before accepting a position in other companies or the exercise of other significant activities in other entities outside Sonae's Group.

The Statutory Audit Board's Internal Regulation imposes, in article 5, paragraph 3, subparagraph a), the obligation of the members of the Statutory Audit Board to inform the Chair of this governing body and the Company of any circumstance that affects his/her independence and impartiality or that determines a legal incompatibility for the exercise of his/her role.

The Statutory Audit Board's Internal Regulation is available at: https://www.sonae.pt/en/investors/government-of-society/.

II.4.2. The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.

Recommendation Fully Adopted

The Conflict of Interest' Policy adopted by the Company and the Board of Directors' Internal Regulation, available at https://www.sonae.pt/en/investors/government-of-society/, determine that any member who has a conflict of interest regarding any item of the agenda of any meeting of a governing body or internal committee, shall not intervene in the decision-making process, without prejudice to the duty to provide information and clarifications to the body, the committee or the other members, if required to do so.

The measures in place for prevention of conflicts of interest of members of the Statutory Audit Board are described above in recommendation II.4.1., without prejudice to the mandatory legal framework that remains applicable, in particular regarding ineligibility on any of the grounds for incompatibility, incapacity or other prohibitions established by the applicable law.

II.5. Transactions with Related Parties

Principle:

II.5.A. *Transactions with related parties shall be justified by the interest of the company and shall be carried out under market conditions, being subject to principles of transparency and adequate supervision.*

Recommendation:

II.5.1. The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.

Recommendation Fully Adopted

In 2020, the Board of Directors approved, with the prior favourable opinion of the Statutory Audit Board, an internal Policy on Related Party Transactions, which is in force and is available at https://www.sonae.pt/en/investors/government-of-society/, as described in sections 89 and 91 of this Report.

III. SHAREHOLDERS AND GENERAL MEETING

Principles:

III.A. *The adequate involvement of shareholders in corporate governance constitutes a positive factor for the efficient functioning of the company and the achievement of its corporate objective.*

III.B. *The company promotes the personal participation of shareholders at general meetings as a space for reflection on the company and for shareholders to communicate with the bodies and committees of the company.*

III.C. *The company implements adequate means for shareholders to attend and vote at the general meeting without being present in person, including the possibility of sending in advance questions, requests for clarification or information on the matters to be decided on and the respective proposals.*

Recommendations:

III.1. The company does not set an excessively large number of shares to be entitled to one vote and informs in the corporate governance report of its choice whenever each share does not carry one vote.

Recommendation Fully Adopted

The Company encourages its shareholders to participate in General Meetings, in particular by assigning to each share one vote and by not limiting the number of votes that may be held or exercised by each shareholder, as described in section 12.1 of this Report.

III.2. The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.

Recommendation Not Applicable

The Company has not issued shares with special rights, including the ones mentioned in this recommendation, as described in section 12.1 of this Report.

III.3 The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that foreseen by law.

Recommendation Fully Adopted

The Company's Articles of Association do not set a resolution-fixing quorum that exceeds that fixed by law, as described in section 14 of this Report.

III.4. The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.

Recommendation fully Adopted

The Company historically considered that the participation means made available to its shareholders were suitable to its behaviours and preferences in light of the percentage of attendance to the General Meetings (please refer to sections 12.2 to 12.4 of this Report concerning the exercise of the right to vote).

The exceptional circumstances related to the pandemic situation back in 2020 and 2021, and the consequent health restrictions, on one hand, and, on the other hand, the rates of shareholders' attendance to the shareholders' general meetings held through telematic resources at the time, led the Shareholders' General Meetings to be henceforth held through telematic resources having the Company ensured their smooth operation, warranting the authenticity of the declarations and the safety of the communications, adopting a procedure pursuant to the legal applicable framework and the CMVM orientations.

Although the circumstances connected with the pandemic and respective health restrictions are no longer applicable, the Company maintained, at the Shareholders' General Meeting held on 28th April 2023, the possibility to have the adequate means for remote participation of the shareholders at the General Meetings.

The Company will maintain necessary and adequate means to ensure effective shareholders' attendance.

III.5. The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.

Recommendation Fully Adopted

The Company makes available to shareholders the means necessary to exercise written voting and voting by electronic means (please refer to sections 12.3 to 12.4 of this Report concerning the exercise of the right to vote).

Additionally, the Company publishes on its website, from the date of notice for convening each Shareholders' General Meeting, standard documentation for attending the Shareholders' General Meeting, thereby facilitating the shareholders' compliance with the applicable legal attendance requirements. To this effect, the Company also makes available a specific email address to answer shareholders' enquiries. The Company allocates, as well, a work team especially dedicated to assisting the Chair of the Board of the Shareholders' General Meeting as well as to the shareholders.

III.6. The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision – without quorum requirements greater than that provided for by law – and that in said resolution, all votes issued are to be counted, without applying said restriction.

Recommendation Not Applicable

The Company's Articles of Association do not establish any limitation on the number of votes that may be held or exercised by a shareholder (please refer to section 12.1 of this Report).

III.7. The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.

Recommendation Fully Adopted

The Company does not adopt policies leading to any of the restrictions mentioned in this recommendation. The contracts executed by the Company reflect the defence of the Company's corporate purpose, bearing in mind the long-term sustainability of the business within the market conditions' context, and not embodied by measures suitable to harm the economic interest in the transferability of shares and the assessment of the performance of the members of the managing body.

IV. MANAGEMENT

IV.1 Management Body and Executive Directors

Principles:

IV.1.A. *The day-to-day management of the company shall be the responsibility of executive directors with the qualifications, skills, and experience appropriate for the position, pursuing the corporate goals and aiming to contribute to its sustainable development.*

IV.1.B T*he determination of the number of executive directors shall take into account the size of the company, the complexity and geographical dispersion of its activity and the costs, bearing in mind the desirable flexibility in the running of the executive management.*

Recommendations:

IV.1.1 The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regards to: i) definition of the corporate strategy and main policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.

Recommendation Fully Adopted

The Board of Directors delegated in the Executive Committee (pursuant to paragraph 2 of article 1 of the Board of Directors' Internal Regulation, available at https://www.sonae.pt/en/investors/government-of-society/) the day-to-day management of the Company, being the Executive Committee's competencies described in the Company's Annual Corporate Governance Report (see sections 27 and 28 of this Report).

The Board of Directors does not delegate powers, notably with regards to the definition of the corporate strategy and main policies of the Company. The Board of Directors does not delegate powers concerning the organisation and coordination of the corporate structure. Finally, the Board of Directors does not delegate powers concerning matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.

The matters excluded from the terms of the delegation of powers by the Board of Directors are also described in this Report and comply with the rules set forth in this recommendation (see section 27.1 of this Report).

IV.1.2. The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.

Recommendation Fully Adopted

The Board of Directors delegated in the Executive Committee (pursuant to paragraph 2 of article 1 of the Board of Directors' Internal Regulation, available at https://www.sonae.pt/en/investors/government-of-society/) the day-to-day management of the Company, being the Executive Committee's competencies described in the Company's Annual Corporate Governance Report (see sections 27 and 28 of this Report), and approved its internal regulation.

The Board of Directors' Internal Regulation available at https://www.sonae.pt/en/investors/government-of-society/, and the Conflict of Interests Policy in force determine that the acceptance of any roles, by any member of the Board of Directors, either as a member of a governing body or for the exercise of any other significant activity in a Company outside Sonae Group, not authorised by the Shareholders' General Meeting, shall be previously approved by the Board of Directors, with the opinion of the Board Nomination Committee as described in section 29 of this Report and in the Board of Directors' Internal Regulation available at https://www.sonae.pt/en/investors/government-of-society/.

IV.2 Management Body and Non-Executive Directors

Principles:

IV.2.A. *For the full achievement of the corporate objective, the non-executive directors shall exercise, in an effective and judicious manner, a function of general supervision and of challenging the executive management, whereby such performance shall be complemented by commissions in areas that are central to the governance of the company.*

IV.2.B. *The number and qualifications of the non-executive directors shall be adequate to provide the company with a balanced and appropriate diversity of professional skills, knowledge and experience.*

Recommendations:

IV.2.1. Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors – or, if there are not enough independent directors, the non-executive directors – shall appoint a coordinator among themselves to, in particular : (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties; and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation VI.1.1; alternatively, the company may establish another equivalent mechanism to ensure such coordination.

Recommendation Fully Adopted

The Board of Directors, in compliance with the set forth in article 1, paragraph 3 of its Internal Regulation, has appointed two Senior Non-Executive Directors, to ensure the objectives described in this recommendation are fulfilled, as detailed in section 18 of this Report.

For this purpose, and following the appointment of the members of the Board of Directors in the Shareholders' General Meeting held on 28th April 2023, it was appointed the Director Philippe Cyriel Elodie Haspeslagh as Senior Independent Non-Executive Director ("SID Director") who is a member of the Remuneration Committee (which is responsible for the performance assessment, as described in this recommendation) as well as a member of both the Board Nomination Committee and the Board Audit and Finance Committee. It was also appointed the Director José Manuel Neves Adelino as Lead Non-Executive Director ("Lead Director") who also chairs the Board Audit and Finance Committee and the Ethics Committee.

Thus, the means required for the coordination of the work of the Non-Executive Directors are ensured, both at Board level as well at the Board's specialised committees, to guarantee the existence of the necessary conditions to underpin an independent and informed performance of their non-executive role, being provided the continuous and timely flow of information and being ensured the quality and fairness of the performance assessment.

IV.2.2 The number of non-executive members in the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report.

Recommendation Fully Adopted

The number of non-executive members of the Board of Directors complies with this recommendation, as detailed in sections 18 of this Report.

IV.2.3. The number of non-executive directors is greater than the number of executive directors.

Recommendation Fully Adopted

The Board of Directors is composed of twelve members, nine of which are non-executive, as described in section 18 of this Report.

IV.2.4. The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of:

i. having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate;

ii. having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years;

iii. having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of the legal person;

iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of functions of director;

v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or natural persons owning, directly or indirectly, a qualifying stake, or

vi. Being a holder of a qualifying stake or representative of a shareholder that is the holder of a qualifying stake.

Recommendation Fully Adopted

The Board of Directors is composed of twelve members, nine of which are Non-Executive directors, being composed of a number of independent Non-Executive directors higher than the one third set forth in this recommendation that fulfil the independence criteria herein described, as described in section 18 of this Report.

The maintenance of the independence criteria is periodically assessed, having the independent directors the duty to immediately notify any fact or situation that may determine the loss of their independence.

IV.2.5. The provisions of paragraph (i) of the previous recommendation does not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have lapsed (cooling-off period).

Recommendation Not Applicable

By reference to the mandate 2023-2026, there is no member of the Board of Directors subject to the cooling-off period established in this recommendation (see sections 17 and 18 of this Report).

V. SUPERVISION

Principles:

V.A. *The supervisory body carries out permanent supervision activities of the administration of the company, including, also from a preventive perspective, the monitoring of the activity of the company and, in particular, the decisions of fundamental importance for the company and for the full achievement of its corporate object.*

V.B. *The composition of the supervisory body provides the company with a balanced and adequate diversity of professional skills, knowledge and experience.*

Recommendations:

V.1. With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines and evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body.

Recommendation Fully Adopted

The Board of Directors, as the body responsible for deciding the strategy and the main policies of the Company, proactively ensures the working of the internal control and risk management systems of the Company. The Statutory Audit Board evaluates the effectiveness of these systems, proposing measures to optimise performance, issuing guidelines and recommendations and giving its opinion, as it deems necessary, about the risk policy previously to its final approval, as provided in the Statutory Audit Board's Internal Regulation [subparagraph d) of paragraph 2 of article 3] available at https://www.sonae.pt/en/investors/government-of-society/, as well as regarding the strategic guidelines reported by the Board of Directors, previously to its final approval, as provided for in the Statutory Audit Board's Internal Regulation available at https://www.sonae.pt/en/investors/government-of-society/.

The Board of Directors ensured the interaction with the Statutory Audit Board in the terms set forth in this recommendation according to the Statutory Audit Board's annual report and opinion, as attached to the Company's Annual Management Report and accounts available https://www.sonae.pt/en/investors/shareholder-s-general-meeting/.

V.2. The number of members of the supervisory body and of the financial matters committee should be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement should be included in the corporate governance report.

Recommendation Fully Adopted

The number of members of the Statutory Audit Board complies with this recommendation as detailed in section 31 of this report.

The number of members of the Board Audit and Finance Committee also complies with this recommendation as detailed in section 29 of this Report.

VI. PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS

VI.1. Annual Performance Assessment

Principle:

VI.1.A. *The company promotes the assessment of performance of the executive body and its individual members as well as the overall performance of the management body and its specialised committees.*

Recommendations:

VI.1.1. The management body – or a committee with relevant powers, composed of a majority of non-executive members – evaluates its performance on an annual basis, as well as the performance of the executive committee, of the executive directors and of the company committees, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.

Recommendation Adopted According To The Below Explanation

The appraisal of the performance of the individual members of the Board of Directors, including the executive directors, is carried out in line with the principles, valuation criteria and processes set out in the Remuneration and Compensation Policy proposed by the Shareholders' Remuneration Committee and approved on an annual basis by the Shareholders' General Meeting.

The Shareholders' Remuneration Committee, which is appointed at the Shareholders' General Meeting, is responsible for the approval of the remuneration of the individual members of the Board of Directors and other statutory governing bodies, in representation of the shareholders and in accordance with the Remuneration Policy approved by the Shareholders' General Meeting.

The Board Remuneration Committee supports the Shareholders' Remuneration Committee in carrying out its duties in relation to the assessment of the performance and remuneration of the Executive Members of the Board of Directors (see sections 24, 29, 66 and 67 of this Report).

The Board of Directors, as set out in its Internal Regulation, is responsible for periodically evaluating its performance as a whole, as well as the performance of its individual members, and the performance of the committees it has appointed, covering compliance with the Company's strategic and financial plan, management of its portfolio and the annual budget, risk management and the internal functioning of the Board, as well as assessing the relationship between the Company's various governing bodies and committees.

A full formal assessment is made about half-away through each mandate, which is considered the most suitable frequency and timing for a full self-assessment of the performance of the Board of Directors as a whole, and of the contribution of individual members of the Board of Directors. In the remaining years of the mandate, other than the year where the full formal assessment is executed, there is always, at least, one meeting of the Board of Directors and one meeting of each of its committees which respectively include an agenda item covering a brief and informal self-assessment to be carried out. If deemed necessary to improve performance, internal regulations are accordingly amended.

VI.2. Remuneration

Principles:

V.2.A *The remuneration policy for members of the management and supervisory bodies should allow the company to attract qualified professionals at a cost that is economically justified by their situation, provide for the alignment with the interests of the shareholders – taking into consideration the wealth effectively created by the company, the economic situation and the market situation – and shall constitute a factor for developing a culture of professionalism, sustainability, merit promotion and transparency in the company.*

V.2.B *Taking into consideration that the position of directors is, by nature, a remunerated position, directors shall receive a remuneration:*

i) that adequately rewards the responsibility undertaken, the availability and competence placed at the service of the company;

ii) that ensures a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and

iii) that rewards performance.

Recommendations:

VI.2.1. The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to article 399 of the Commercial Companies Code.

Recommendation Fully Adopted

In line with the set forth in section 67 of this Report, the Shareholders' Remuneration Committee is the body responsible for the approval of the remunerations of the members of the Board of Directors and remaining governing bodies, representing the shareholders, in line with the Remuneration Policy approved by the shareholders at the Shareholders' General Meeting. The three members of this committee were appointed at the Shareholders' General Meeting held on 28th April 2023, and are independent and act in that capacity, thus fulfilling the necessary conditions for the body's independent performance and decision-making process. All the members of the Shareholders' Remuneration Committee have relevant and sufficient knowledge and experience in the field of remuneration policies.

In turn, the Board Remuneration Committee, appointed by the Board of Directors, is composed of Non-Executive Directors, the majority of which is independent, and supports the Shareholders' Remuneration Committee in its competencies regarding evaluating the performance of the Executive Directors and regarding remunerations.

VI.2.2. The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon a proposal from such committee.

Recommendation Fully Adopted

The remuneration is determined by the Shareholders' Remuneration Committee, appointed by the Shareholders' General Meeting. The remuneration is determined based on the Remuneration Policy, currently in force for the four-year mandate 2023-2026, as approved at the Shareholders' Annual General Meeting held on 28th April 2023 (please refer to section 66 of this Report).

VI.2.3. The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amount of all costs related to the termination of office borne by the company, for any reason, during the financial year in question.

Recommendation Fully Adopted

The Company decided not to grant any compensation to any member of the Company's governing bodies and committees for dismissal or termination, without prejudice to the Company's obligation to comply with the legal applicable framework, as determined in the Remuneration Policy in force and as disclosed in the Corporate Governance Report (see sections 66 to 88 of this Report).

During 2023, the director Margaret Lorraine Trainer resigned from her role as Non-Executive member of the Board of Directors, as from 14th November 2023. No compensation was attributed by the Company in light of such resignation.

VI.2.4. In order to provide information or clarifications to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by the shareholders.

Recommendation Fully Adopted

The Shareholders' Remuneration Committee is aligned with this recommendation and appoints, among its members, the one that shall represent the Committee at the Shareholders' General Meeting, which could be either the Chair or any of its two members.

VI.2.5. Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.

Recommendation Fully Adopted

The Board Remuneration Committee supports the Shareholders' Remuneration Committee in the performance of its duties. For their performance thereof, these committees may decide to hire external consultants of recognised competency and with international activity and expertise (see section 24 of this Report).

VI.2.6. The remuneration committee ensures that such services are provided independently.

Recommendation Fully Adopted

The principles applicable to the hiring of consulting services to support the Board Remuneration Committee are described in section 24 of this Report.

The Shareholders' Remuneration Committee and the Board Remuneration Committee have the undertaking to ensure that the specialists hired have the level of independence necessary to carry out the specific scope of services. This independence of the specialists is ensured either by the fact that they are not bound in any way to the Board of Directors, to the Company nor to the Group, as well as by their broad experience and market recognition, being ensured, in the selection of these specialists, that their independence is not jeopardised by supplying significant other services to the Company or any related parties.

VI.2.7 The providers of said services are not hired by the company itself or by any company controlled by or in a group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee.

Recommendation Fully Adopted

[The Company has internal processes in place to ensure that the consultants providing services to the Shareholders' Remuneration Committee and/or the Board Remuneration Committee do not provide other services to the Company related to their remuneration competencies, without the express authorisation of said committee].

In turn, the Shareholders' Remuneration Committee and the Board Remuneration Committee, in their undertaking to ensure that the specialists hired have the level of independence necessary to carry out the specific scope of services for which they are hired, ensure, at the time of the hiring, in particular, that (a) they were not hired for any other services related to their competence or (b) that their independence is not jeopardised by the provision of other significant services to the Company or other parties related to the Company (concerning remuneration matters or others).

VI.2.8. In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company, and does not encourage excessive risk-taking.

Recommendation Fully Adopted

The remuneration components are disclosed in the Company's Remuneration and Compensation Policy, which was approved at the Shareholders' Annual General Meeting, being available at the Company's website at https://www.sonae.pt/en/investors/shareholder-s-general-meeting/, and further described in sections 69-76 of this Report.

The Remuneration policy provides for a short-term variable component with individual and collective KPIS and a medium-term variable component – see sections 70-76 of this Report – which is suitable to the Company and Group profiles, as perceived by the shareholders who approve it at the Shareholders' General Meeting and that, during 2023, was applied without any derogation.

VI.2.9. A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.

Recommendation Fully Adopted

The Remuneration Policy, proposed by the Shareholders' Remuneration Committee and approved at the Shareholders' Annual General Meeting held on 28th April 2023, respects the deferral period contained in this recommendation and its vesting value is dependent upon the Company's performance during said period, as detailed in sections 69-76 of this Report. The Remuneration Policy is available at https://sonae.pt/en/investors/shareholder-s-general-meeting/.

VI.2.10. When variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years.

Recommendation Not Applicable

The approved Remuneration Policy does not include the allocations of options (please refer to section 74 of this Report).

VI.2.11. The remuneration of non-executive directors does not include any components whose value depends on the performance of the company or of its value.

Recommendation Fully Adopted

The remuneration of the non-executive members of the Board of Directors consists solely of a fixed amount, and is not dependent upon the Company's performance or its value.

The Remuneration Policy is available at https://sonae.pt/en/investors/shareholder-s-general-meeting/ and described in sections 69 to 76 of this Report.

VI.3. Appointments

Principle:

VI.3.A. *Regardless of the method of appointment, the knowledge, experience, professional background, and availability of the members of the corporate bodies and of the senior management shall be adequate for the job to be performed.*

Recommendations:

VI.3.1. The company promotes, in the terms it deems adequate, but in a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed.

Recommendation Fully Adopted

The members of the Company's Statutory Governing Bodies elected for the four-year mandate 2023-2026, and currently in office, were appointed under the Selection and Assessment Policy for Membership of the Statutory Governing Bodies, approved at the Shareholders' General Meeting held on 30th April 2021. Such Selection and Suitability Assessment Internal Policy for Membership of the Management and Audit Bodies is available at https://sonae.pt/pt/investidores/assembleia-geral-de-acionistas/assembleia-geral-anual-de-acionistas-30-de-abril-de-2021/.

At the Shareholders' General Meeting held on 28th April 2023 a new Selection and Suitability Assessment Internal Policy for Membership of the Management and Audit Bodies was approved, in line with the previous policy and complying with the principles set forth in this recommendation, which is available at https://sonae.pt/en/investors/shareholder-s-general-meeting/.

VI.3.2. The committee for the appointment of members of the corporate bodies includes a majority of independent directors.

Recommendation Fully Adopted

The Board Nomination Committee is composed of a majority of non-executive independent members, as detailed in section 29 of this Report.

VI.3.3. Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee.

Recommendation Fully Adopted

The Board of Directors created an internal committee specialised in this matter, the Board Nomination Committee, with the nomination competencies described in section 29 of this Report and with the assignments established in its terms of reference, which comply with this recommendation and further widening its scope, considering the performance range of this committee extends to all the senior directors of the Group, despite them being regarded as persons discharging managerial responsibilities pursuant to the European and national legal framework.

VI.3.4. The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality.

Recommendation Fully Adopted

The Board Nomination Committee's Terms of Reference, available at the Company's website at https://www.sonae.pt/en/investors/shareholder-s-general-meeting/, comply with this recommendation. The Board Nomination Committee promotes the identification and selection processes of the candidates, in the terms set forth in the selection and assessment policy, which takes into account meritocracy and diversity criteria, including men and women equality, as detailed in sections 15 and 29 of this Report.

The Board Nomination Committee can engage the services of external specialised consultants with market recognised international experience and reliability.

VII. INTERNAL CONTROL

Principle:

VII.A *Based on the medium and long-term strategy, the company shall establish a system of internal control, comprising the functions of risk management and control, compliance and internal audit, which allows for the anticipation and minimization of the risks inherent to the activity developed.*

Recommendations:

VII.1. The management body discusses and approves the strategic plan and risk policy of the company, which includes setting limits in matters of risk-taking.

Recommendation Fully Adopted

The Board of Directors determines the strategy of the Company as detailed in its internal regulation (paragraph 2 of article 2 of the Board of Directors' Internal Regulation) available at https://sonae.pt/en/investors/government-of-society/.

The Board of Directors also discusses and approves the Company's main policies, including the risk policy and the sustainability policy (which, in turn, includes the risks and inherent impacts, as well as the follow-up of the applicable regulation, the monitoring of the evolution of the results achieved and the compliance with the commitments and objectives undertaken within the scope of sustainability) defining and monitoring the existence of acceptable risk levels.

The Board Audit and Finance Committee (BAFC) regularly reports to the Board of Directors about its work, the conclusions that it has reached and proposes plans of action with the goal of proactively ensuring internal control and the functioning of the Company's risk management system (see section 29 of this Report).

VII.2. The company has a specialized committee or a committee composed of specialists in risk matters, which report regularly to the management body.

Recommendation Fully Adopted

The Company created a Risk Management Consulting Group (with the competencies described in section 21 of this Report), composed of the members of the Board of Directors of the companies belonging to the group, who are responsible for the risk management function in the Company and in each of the business units, by the Corporate Governance Director and the Head of Internal Audit. This consulting group meets quarterly and is responsible for, among others, reviewing existing policies and propose new guidelines on risk management, revising the risk management plans for each Sonae company and monitoring risk management activities execution, namely through the revision of periodic reports and proposal of recommendations, being chaired by a member of the Board of Directors. Additionally, the Risk Management Consulting Group reports its work to the Board Audit and Finance Committee twice a year, in the terms set forth in this Committee's terms of reference available at https://sonae.pt/en/investors/government-of-society/, which has the goal of proactively ensuring internal control and the functioning of the Company's risk management system.

VII.3. The supervisory board is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body.

Recommendation Fully Adopted

The Statutory Audit Board, in the terms set forth in its Internal Regulation available at https://sonae.pt/en/investors/government-of-society/ evaluates the effectiveness of the internal control and risk management systems, supervising and proposing measures to optimise their performance, as deemed necessary, acting in coordination with the Board of Directors, through its Board Audit and Finance Committee, and giving its opinion on these systems in its annual report and opinion, as attached to the Company's Annual Management Report and accounts available at https://sonae.pt/en/investors/government-of-society/ (see sections 31 and 38 of this Report).

VII.4. The internal control system, comprising the risk management, compliance, and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary.

Recommendation Fully Adopted

The risk management, internal control, compliance and internal audit fully comply with this recommendation, as detailed in sections 21 and 50 to 55 of this Report.

The Statutory Audit Board, in the terms set forth in its Internal Regulation available at https://sonae.pt/en/investors/government-of-society/ evaluates the effectiveness of all these systems, supervising and proposing, as deemed necessary, measures to optimise performance, acting, in particular, in coordination with the Board of Directors, through its Board Audit and Finance Committee, and giving its opinion in its annual report and opinion, as attached to the Company's Annual Management Report and accounts available at https://sonae.pt/en/investors/government-of-society/ (see sections 31 and 38 of this Report).

VII.5. The company establishes procedures of supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework.

Recommendation Fully Adopted

The Statutory Audit Board establishes, together with the internal audit department, a plan of action, supervises its activities, receives periodic reports on the work performed, namely with regards to financial information and legal reporting, conflict of interests' prevention and checks for possible irregularities, further assessing the results and conclusions drawn, and gives guidelines as it deems necessary, as described in section 38 of this Report.

The company annually assesses the performance of the risk management and internal compliance, adapting these systems to the circumstances or contigencies that interfere with the risk plan previously defined. In particular, the Statutory Audit Board, in order to carry out its duties, has a meeting at the beginning of each financial year to plan out the year's work, which includes the assessment as to how the internal control, risk management and compliance systems are working, as further detailed in section 38 of this Report.

VII.6. Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business, (ii) the probability of their occurrence and respective impact, (iii) the instruments and measures to be adopted in order to mitigate such risks, and (iv) the monitoring procedures, aimed at following them up.

Recommendation Fully Adopted

The Company has a Risk Management Department, with the competencies described in section 21 of this Report, as well as a Risk Management Consultation Group, with the competencies listed in the same section.

The Board of Directors has established internal risk control systems where it identifies the main risks to which the Company is subject in the operation of its business (please refer to sections 50 to 55 of this Report), the probability of occurrence of said risks as well as its respective impact (please refer to the chapter „1.6. Managing our risks and creating opportunities" of the Annual Management Report), the instruments and measures to be adopted in order to mitigate such risks (please refer the chapter „1.6. Managing our risks and creating opportunities" of the Annual Management Report) and the monitoring procedures aiming at following them up (please refer to sections 50 to 55 of this Report).

VII.7. The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation.

Recommendation Fully Adopted

The Company has processes in place to assemble and process data related to environmental and social sustainability, being the role of the Risk Management and Sustainability departments to alert the Board of Directors about the risks referred to in this recommendation, proposing strategies for its mitigation, as per the role of these departments described in section 21 of this Report.

These processes are put in place in order to allow an informed decision-making process and a proactive risk management, having the Company established two sources of information that, being periodically updated, support these processes: (i) the contribution plan, embodying the contribution of each company within the Group for its sustainability strategy as a whole, where the minimum requirement, actions planned and progresses made in the sustainability strategy are periodically updated by each company of the group and shared with Sonae through the Sustainability Consulting Group. The results of the data analysis and the action plans are reported on a half-year basis to the Board of Directors.

Additionally, and to ensure the progress aligment in the contribution plan, as well as to identify improvement opportunities and scale economies, monthly interactions are promoted between Sonae's sustainability department and the sustainability teams from the different business units. The Company also works with its stakeholders to develop strategies in the sustainability fied, and to mitigate risks, including by the change of policies, procedures and specific practices, to invest in new technologies and to hire entities specialised in the sustainability field.

VII.8. The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes.

Recommendation Fully Adopted

Climate change is considered by the Company as high importance in its decision-making process, in line with what is disclosed in section 53 of this Report. This importance is reflected in the integration of the climate change analysis in the risk process, being the treatment of this matter a strategic priority resting in the objective of minimising its impacts both in the businesses carried out by the companies of the Group as well as in the other stakeholders.

Accordingly, and as described above in Recommendation I.2, Sonae has defined five strategic axis, being one of them the commitment to reduce CO2 aiming to mitigate climate change.

In this context, it shall be highlighted the annual publication of the TCFD (Task Force on Climate-Related Financial Disclosures) framework, to support climate-change risk management, namely the risks covering the transitioning to a low carbon economy and phisical risks. This process has been conducted by the Management Risk Consulting Group, chaired by the CFO, in coordination with the Sustainability Consulting Group, sponsored by the Chair of the Board of Directors and the CEO. This way, this matters are covered at the consulting group level but those, by being chaired and sponsored by the members of the Board of Directors, allow the permanent interaction in this matters between the supporting teams and the body responsible for making decisions in all these key matters, including the transition to a low carbon economy and the CO2 reduction.

VII.9. The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.

Recommendation Fully Adopted

The Company's governing bodies refrain from employing artificial intelligence as a decision-making tool. Notwithstanding, the Company seizes the potential of Artificial Intelligence techniques – as outlined in Article 3(1) of the Regulation of the European Parliament and of the Council COM (2021) 206 Final – in order to enhance the Company's operational efficiency in the collection, organisation, and presentation of information, ensuring that these techniques are managed through the use of licensed applications and software protected by access credentials.

Recognising the potential risks associated with the use of Artificial Intelligence mechanisms, the company's governing bodies receive support from the various corporate center departments, including risk management and digital departments in the identification and mitigation of potential risks related to the use of artificial intelligence technologies (such as ethical considerations, algorithmic bias, data privacy concerns, security vulnerabilities, and the potential impact of AI on various stakeholders). Additionally, the Digital department collaborates to instill trust in the responsible deployment and use of AI technologies, adhering to best practices in order to foster a data driven environment, as basis for decision-making and operations conduction.

VII.10. The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose adjustments deemed necessary.

Recommendation Fully Adopted

The Statutory Audit Board pronounces on the work plans and the resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, supervises their activities, assessing its adequacy concerning means and objectives, receives periodic reports on the work performed, namely with regards to financial information and legal reporting, conflict of interest' prevention and checks for possible irregularities, further assessing the results and conclusions drawn, and gives guidelines as it deems necessary, as described in section 38 of this Report.

VII.11. The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance, and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest, and the detection of potential irregularities are concerned.

Recommendation Fully Adopted

The Statutory Audit Board's Internal Regulation includes these responsibilities and is available at https://sonae.pt/en/investors/government-of-society/.

VIII. INFORMATION AND STATUTORY AUDIT OF ACCOUNTS

VIII.1. Information

Principles:

VIII.A. *The supervisory body, diligently and with independence, ensures that the management body observes its responsibilities in choosing policies and adopting appropriate accounting criteria and establishing adequate systems for financial and sustainability reporting, and for internal control, including risk management, compliance and internal audit.*

VIII.B. *The supervisory body promotes a proper articulation between the work of the internal audit and that of the statutory audit of accounts.*

Recommendation:

VIII.1.1. The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner.

Recommendation Fully Adopted

The Statutory Audit Board's Internal Regulation includes these responsibilities and is available at https://www.sonae.pt/en/investors/government-of-society/.

VIII.2. Statutory Audit and Supervision

Principle:

VIII.2.A. *It is the responsibility of the supervisory body to establish and monitor formal, clear, and transparent procedures as to the relationship between the company and the statutory auditor and the supervision of compliance, by the statutory auditor, with the rules of independence imposed by law and professional standards.*

Recommendations:

VIII.2.1. By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor.

Recommendation Fully Adopted

The Statutory Audit Board's Internal Regulation, available at the Company's website at https://www.sonae.pt/en/investors/government-of-society/ defines the Statutory Audit Board's competencies and work plan, including the supervision of Statutory External Auditor's independence, both concerning its existence and its maintenance, as attested in the Statutory Audit Board's annual report and opinion.

VIII.2.2. The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports, and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company.

Recommendation Fully Adopted

The Statutory Audit Board is the main interlocutor of the Statutory External Auditor, primarily responsible for receiving the Statutory External Auditor and the External Auditor's reports, directly interacting with them, pursuant to Statutory Audit Board's competencies and its respective Internal Regulation, available at the Company's website https://www.sonae.pt/en/investors/government-of-society/.

The Statutory Audit Board is responsible for proposing the appointment and dismissal of the Statutory External Auditor and of the External Auditor, approving the remuneration, overseeing the work performed and verifying its independence, ensuring that adequate conditions are in place for the provision of the services within the Company, pursuant to Statutory Audit Board's competencies and its respective Internal Regulation, available at the Company's website https://www.sonae.pt/en/investors/government-of-society/.

VIII.2.3. The supervisory body annually evaluates the work carried out by the statutory auditor, its independence suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so.

Recommendation Fully Adopted

The assessment of the work performed by the Statutory External Auditor can be checked in the Statutory Audit Board's annual report and opinion.

The Statutory Audit Board has the competencies described in this recommendation, in accordance with the applicable law and as described in its Internal Regulation, proposing to the competent body the dismissal or termination of contract for the provision of services of the Statutory External Auditor whenever there is just cause to do so, in the terms set forth in this Recommendation

2.3. Part III: Remuneration Report

Pursuant to the terms set forth in article 26-G of the Portuguese Securities Code

The Board of Directors presents this remuneration report in the terms set forth in article 26-G of the Portuguese Securities Code ("CVM"), aiming to provide a comprehensive approach to the remuneration, including all benefits granted, regardless of its particular features, attributed or due during last year to each of the members of the management and supervisory bodies of the Company.

The remuneration report regarding the year ended 31st December 2022 was submitted to the Shareholders' General Meeting held on 28th April 2023, under the item of the approval of the Company's Annual Report, balance sheet and the individual and consolidated accounts, and was approved by the shareholders with 99.54% of favorable votes.

The Company drawn up the remuneration report by reference to the year ended 31st December 2023 in light of the same thoroughness and consistency principles, in accordance with the Remuneration Policy and the conclusions herein stated, systematically ordered to comply with paragraph 2 of article 26-G of the Portuguese Securities Code.

1. Determination of the remuneration of the members of the management and audit bodies of the company

a) Remuneration Policy Approval Process

The Shareholders' Remuneration Committee is responsible for approving remuneration, in particular of the members of the Board of Directors and the Statutory Audit Board in representation of the shareholders and in accordance with the Remuneration Policy approved at the Shareholders' General Meeting.

With regards to the determination of the remuneration for the members of the Board of Directors for 2023, the Shareholders' Remuneration Committee was supported by the Board Remuneration Committee, composed of Non-Executive Directors (see section 29 of the Corporate Governance Report) which presented proposals to the former. These proposals were drawn without the presence of the concerned members, as described in the Board Remuneration Committee's Terms of Reference, available at the Company's website, as well as in its procedure.

By reference to the year ended 31st December 2023, the Shareholders' Remuneration Committee and the Board Remuneration Committee complied with the annual procedure described in the Terms of Reference of the Board Remuneration Committee available at https://sonae.pt/en/investors/government-of-society/.

b) Remuneration of the Company's governing bodies

The remuneration of the Non-Executive Directors consists of a fixed remuneration and an attribution of an annual responsibility allowance, with no variable remuneration, or remuneration that depends on the Company's performance being attributed.

The remuneration of the Executive Directors consists of a fixed remuneration and a variable remuneration, in the terms set forth in the Remuneration Policy available at https://sonae.pt/en/investors/shareholder-s-general-meeting/ and further detailed in sections 69-88 of the Corporate Governance Report.

The remuneration of the members of the Statutory Audit Board is composed of solely a fixed annual amount, that is not dependent upon the Company's performance or its value.

The remuneration of the Company's Statutory External Auditor is determined by standard fees for similar services, and in line with comparable market practices, corresponding to the amounts agreed in the Provision of Services Agreement executed between Sonae and PricewaterhouseCoopers&Associados – Sociedade de Revisores Oficiais de Contas, Lda.

c) Other benefits

The Company granted the Executive Directors a health insurance, a life insurance and personal accidents' insurance, in line with the Group's policy, applicable to the Company's employees, and which terms and amounts are in line with market practice.

The Remuneration Policy does not embody the principle of allocation of compensation to Directors or members of other statutory governing bodies in connection with the termination of their mandates, whether such termination occurs at the end of the respective mandate or at an early stage, without prejudice to the Company's obligation to comply with the legal provisions in force on this matter. During 2023, the director Margaret Lorraine Trainer ceased to be a member of the Board of Directors as from 14th November 2023, with no payment being made in connection with such early termination of mandate.

2. Report of remunerations attributed during the year end 31st December 2023

a) The total amount of remuneration detailed by reference to each remuneration component, including the relative weight of the fixed and the variable remuneration

The remuneration of each of the members of the Board of Directors of Sonae, awarded by the Company during 2023 is summarised in the table below, including the pro rata of the fixed and variable remuneration:

	2023					
(amounts in euros)	Fixed Rem.	STPB	MTPB	Total	Fixed Remuneration Pro-Rata	Variable Rem. (STPB and MTPB) Pro-Rata
Executive Directors						
Maria Cláudia Teixeira de Azevedo	530,400	604,300	604,300	**1,739,000**	31%	69%
João Pedro Magalhães da Silva Torres Dolores	372,900	424,000	424,000	**1,220,900**	31%	69%
João Nonell Günther Amaral (1)	255,300	278,500	278,500	**812,300**	31%	69%
Sub-Total	**1,158,600**	**1,306,800**	**1,306,800**	**3,772,200**		
Non-Executive Directors						
Duarte Paulo Teixeira de Azevedo	374,867	-	-	**374,867**		
Ângelo Gabriel Ribeirinho dos Santos Paupério	94,968	-	-	**94,968**		
José Manuel Neves Adelino	84,167	-	-	**84,167**		
Margaret Lorraine Trainer (4)	61,933	-	-	**61,933**		
Marcelo Faria de Lima	64,700	-	-	**64,700**		
Carlos António Rocha Moreira da Silva	64,700	-	-	**64,700**		
Fuencisla Clemares	71,833	-	-	**71,833**		
Philippe Cyriel Elodie Haspeslagh	67,433	-	-	**67,433**		
Eve Alexandra Henrikson (2)	48,900	–	–	**48,900**		
Maria Teresa Ballester Fornes (3)	11,400	-	-	**11,400**		
Sub-Total	**944,901**	**–**	**–**	**944,901**		
Total	**2,103,501**	**1,306,800**	**1,306,800**	**4,717,101**		

(1) Elected Executive Director at the Annual General Meeting held on 28 April 2023

(2) Elected Independent Non-Executive Director at the Annual General Meeting held on 28 April 2023

3) Independent Non-Executive Director elected by co-optation on 14 November 2023

(4) Margaret Lorraine Trainer has resigned as a member of the Board of Directors with effect from 14 November 2023

MTPB plans vested and paid by the Company to Executive Directors:

(amounts in euros)	Plan	Award date	Vesting date	Amount vested and paid off in 2023
Maria Cláudia Teixeira de Azevedo	2019	Mar-20	Mar-23	658,959
João Pedro Magalhães da Silva Torres Dolores	2019	Mar-20	Mar-23	351,251
Total				**1,010,210**

MTPB plans vested and paid by the Company, corresponding to vested rights of former Executive Directors:

(valores em euros)	Plan	Award date	Vesting date	Amount vested and paid off in 2023
Duarte Paulo Teixeira de Azevedo	2019	Mar-20	Mar-23	186,909
Ângelo Gabriel Ribeirinho dos Santos Paupério	2019	Mar-20	Mar-23	199,919
Total				**386,828**

The remuneration of the members of the Statutory Audit Board is composed of an annual fixed amount, based on the Company's situation and the market practices, with no variable component. The amount of the fixed remuneration of the members of this body during 2023 was as follows:

Statutory Audit Board | members (amounts in euros)	2023	Remuneration awarded by other controlled or Group Companies
Maria José Martins Lourenço da Fonseca	20,333	16,000
Daniel Bessa Fernandes Coelho	16,667	-
Manuel Heleno Sismeiro	16,667	-
Sara Manuel Carvalho Teixeira Mendes*	-	-
Total	**53,667**	**16,000**

* substitute member.

The remuneration of the Statutory External Auditor and External Auditor, PricewaterhouseCoopers&Associados, SROC, SA, as proposed by the Statutory Audit Board, composed of a fixed amount and detailed by type of services, was as follows:

Remuneration paid by the Company (amounts in euros)	2023
Statutory Audit and Accounts Certification	77,237
Other Compliance and Assurance Services	500
Tax Consultancy Services	–
Other Services	3,990
Total	**81,727**

b) A detailed explanation as to how the total remuneration complies with the remuneration policy adopted, including how this policy contributes to the long-term performance of the company as well as information regarding the enforcement of the performance criteria

At the Shareholders' General Meeting held on 28th April 2023 it was approved the Remuneration Policy for the four year mandate 2023-2026, pursuant to articles 26-A to 26-F of the Portuguese Securities Code, drawn up in line with the principles that governed the previous policy, which is available at https://sonae.pt/en/investors/shareholder-s-general-meeting/.

The Remuneration Policy assumes that initiative, competence, commitment and ethics are the essential foundations of good performance, which must be aligned with the Company's medium and long-term strategy, aimed at its sustainability, and based on the principles described in the policy, and further detailed in Chapter D of the Corporate Governance Report, to which this remuneration report is an integral part of, in compliance with subparagraph b) of paragraph 2 of article 26-G of the Portuguese Securities Code.

One of the ways to ensure the alignment between the directors' and the shareholders' interests as well as with the medium-term performance, aiming at the business sustainability is to defer part of the variable remuneration of the Executive Directors for a period of 3 years after its attribution. The deferred component is affected by the following factors: (i) the share price; (ii) the dividend adjustment factor; and (iii) the degree of achievement of medium-term objectives (KPIs).

Within the same approach to foster the alignment and commitment of the Executive Directors with the medium and long-term interests of the Company, the business strategy and, in particular, its sustainability, and aiming at dissuade excessive risk-taking behavior, the Executive Directors shall retain a percentage of the shares attributed within the execution of the Medium-Term Performance Bonus (in the terms described in the Remuneration Policy and further detailed in section 77 of the Corporate Governance Report).

The Short-Term Variable Bonus results from the achievement of individual and collective KPIs. The collective KPIs represent approximately 70% of the variable remuneration and comprise business and social KPIs. The remaining 30% derives from individual KPIs, a qualitative component, which can combine subjective and objective indicators.

The below table presents the collective KPIs for 2023 and respective achievement:

KPI's 2023	Weight	Target			Achievement
		min	tgt	max	
Turnover (€m)*	30%	7,965	8,971	9,470	115%
Direct Income (€m)*	30%	108	217	271	150%
Portfolio Management**	20%	0%	100%	200%	200%
People					
Leadership positions held by Women	5%	39.0%	40.5%	41.3%	75%
Top talent retention	5%	88.0%	92.0%	94.0%	131%
Planet					
CO_2 Emissions (tCO_{2e})	5%	192,235	167,161	158,803	138%
Plastics (% recyclability own brand packaging)	5%	80.0%	86.0%	89.0%	117%
Sonae	**100%**				**142%**

*Definition of the KPI target and achievement considers proportional values and not consolidated values.

** In FY23, Sonae posted a significant capital gain of 168m€ related with the sale of Sonae's stake in ISRG. In addition, it has also explored new investment opportunities both at the business and corporate levels, namely the tender offer for Musti Group,the acquisition of Druni by MC, and the acquisition of BCF Life Sciences that should occur during 1H24.

The variable bonus is not guaranteed since its attribution is dependent upon the achievement of objectives. Considering the two variable components, the value of the pre-set target varies between 30% and 60% of the total annual remuneration. The calculation of the value attributed includes a minimum limit of 0% and a maximum of 148%, concerning the objective value previously defined.

In the year-end 31st December 2023 its was determined the performance of the Executive Directors, materialised in the attribution of the variable bonus, as follows:

(amounts in euros)	2023			
	Fixed Rem.	STPB	MTPB	Total
Executive Directors				
Maria Cláudia Teixeira de Azevedo	530,400	604,300	604,300	**1,739,000**
João Pedro Magalhães da Silva Torres Dolores	372,900	424,000	424,000	**1,220,900**
João Nonell Günther Amaral	255,300	278,500	278,500	**812,300**
Sub-Total	**1,158,600**	**1,306,800**	**1,306,800**	**3,772,200**

c) The annual variation of the remuneration, the company's performance and the medium remuneration of the full-time equivalent employees, excluding the members of the governing bodies, during the last five years, presented together in a way that allows for comparison

The annual variation between of the remuneration of each member of the management and supervisory bodies, the Company's performance and the average remuneration of the full-time equivalent employees, excluding the members of the management and supervisory bodies during the previous five years is detailed in the tables below:

Variation of the remuneration of the members who perform, and performed, executive duties in the Board of Directors, during the last 5 years:

Total Remuneration (amounts in euros)	Role	2019 vs 2018 (3)	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Five Year Average Variation (2019-2023)
Maria Cláudia Teixeira de Azevedo (1)	CEO	-	9%	26%	0%	8%	11%
João Pedro Magalhães da Silva Torres Dolores (1)	CFO	-	11%	34%	12%	29%	21%
João Nonell Günther Amaral (2)	CDO	-	-	-	-	-	-
Total		**(6)%**	**10%**	**29%**	**4%**	**16%**	**10%**

(1) Executive Directors appointed at the Shareholders' General Meeting held on 30th April 2019

(2) Executive Directors appointed at the Shareholders' General Meeting held on 28th April 2023

(3) In 2019, the term of office of the Board of Directors and the Executive Board ended, and a new Board of Directors was appointed at the Annual General Meeting held on 30 April 2019 and, subsequently, a new Executive Board was elected for the 2019-2022 term. Thus, it is not possible to represent the nominal change in the remuneration earned in 2019, by reference to the previous year, and only the change in the total remuneration of the members of the Executive Board appointed in 2019 is reflected, compared to the total remuneration of the members of the Executive Board in office in the previous mandate.

Variation of the remuneration of the Non-Executive Members of the Board of Directors, during the last 5 years:

(amounts in euros)	Role	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Five Year Average Variation (2019-2023)
Duarte Paulo Teixeira de Azevedo*	Non-Exec Director	-	0%	0%	0%	17%	4%
Ângelo Gabriel Ribeirinho dos Santos Paupério*	Non-Exec Director	-	(1)%	0%	0%	(33)%	(8)%
José Manuel Neves Adelino	Non-Exec Director	4%	2%	0%	0%	18%	5%
Margaret Lorraine Trainer(1)	Non-Exec Director	9%	4%	0%	0%	1%	3%
Marcelo Faria de Lima	Non-Exec Director	2%	1%	0%	0%	23%	5%
Carlos António Rocha Moreira da Silva*	Non-Exec Director	-	0%	1%	(1)%	22%	5%
Fuencisla Clemares*	Non-Exec Director	-	0%	0%	0%	35%	9%
Philippe Cyriel Elodie Haspeslagh*	Non-Exec Director	-	0%	0%	0%	22%	5%
Eve Alexandra Henrikson*	Non-Exec Director	-	-	-	-	-	-
Maria Teresa Ballester Fornes*	Non-Exec Director	-	-	-	-	-	-

* Annualized amounts.

Variation of the remuneration of the members of the Statutory Audit Board, during the last 5 years:

Statutory Audit Board (amounts in euros)	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Five Year Average Variation (2019-2023)
Maria José Martins Lourenço Fonseca*	37%	13%	0%	0%	18%	14%
Daniel Bessa Fernandes Coelho	0%	0%	0%	0%	15%	3%
Manuel Heleno Sismeiro	18%	8%	0%	0%	15%	8%
Total	**17%**	**7%**	**0%**	**0%**	**16%**	**8%**

* Appointed as Chair of the Statutory Audit Board at the Shareholders' Annual General Meeting held on 30th April 2019.

Variation of the Remuneration of the Statutory External Auditor, during the last 5 years:

Statutory Audit and Accounts Certification (amounts in euros)	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	Five Year Average Variation (2019-2023)
External Auditor	65%	28%	(12)%	47%	(5)%	25%

Variation of the average remuneration of the Company's employees and the Company's performance, by reference to its consolidated turnover, during the last 5 years:

(amounts in euros)	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022
Consolidated turnover*	9%	4%	4%	10%	9%
Average Employees' Remuneration	6%	3%	4%	8%**	10%

* Restated | ** In last year report, a variation of less than 5% was published by mistake, being corrected on the present report to its real value of 8%.

d) The remuneration attributed by companies belonging to the same group companies, pursuant to the terms set forth in subparagraph g) of paragraph 1 of article 2 of Decree-Law no. 158/2009 of 13th July

The remuneration of the members of the Board of Directors awarded by other controlled or group companies, pursuant to subparagraph g) of paragraph 1 of article 2 of Decree-Law no.158/2009, of 13th July, during 2023, is summarised in the table below:

(amounts in euros)	2023			
	Fixed Rem.	STPB	MTPB	Total
Director				
Ângelo Gabriel Ribeirinho dos Santos Paupério (1)	236,000	33,300	33,300	**302,600**
Total	**236,000**	**33,300**	**33,300**	**302,600**

(1) Non-Independent Non-Executive Director at Sonae SGPS, SA – Remuneration reported in subsidiary companies for performing both executive and non-executive roles.

The remuneration of the members of the Statutory Audit Board awarded by other controlled or group companies, pursuant to subparagraph g) of paragraph 1 of article 2 of Decree-Law no.158/2009, of 13th July, during 2023, in summarised in the table below:

Statutory Audit Board | members (amounts in euros)	2023	Remuneration awarded by other controlled or Group Companies
Maria José Martins Lourenço da Fonseca	20,333	16,000
Daniel Bessa Fernandes Coelho	16,667	-
Manuel Heleno Sismeiro	16,667	-
Sara Manuel Carvalho Teixeira Mendes*	-	-
Total	**53,667**	**16,000**

* substitute member.

The amounts paid to the Statutory External Auditor and External Auditor, PricewaterhouseCoopera&Associados, SROC, SA, by controlling companies or in a group relationship, is summarised in the table below:

Remuneration paid by the Group's Companies* (amounts in euros)	2023
Statutory Audit and Accounts Certification	573,754
Other Compliance and Assurance Services	71,855
Tax consultancy Services	18,145
Other Services	98,675
Total	**762,429**

*Controlling companies or in a Group relationship

e) The number of shares and stock options granted or given, and the main conditions for the exercise of the rights, including price and date of the exercise as well as any change of such conditions

The remuneration of the Non-Executive Directors, the members of the Statutory Audit Board and the Statutory External Auditors is composed of a fixed amount, not dependent upon the Company's performance.

The remuneration of the Executive Directors is composed of a fixed and a variable remuneration, comprising a Short-Term Performance Bonus (STPB) – equivalent to a maximum of 50% of the total variable bonus and paid in cash – and a Medium-Term Performance Bonus (MTPB) aimed at strengthening the Executive Directors' commitment to the Company's performance – corresponding at least to 50% of the total variable bonus, with payment deferred for three years after its award, ie., four years after performance year, having the Company the possibility to deliver, instead of shares, the correspondent amount in cash. Payment in cash of the variable bonus may be made by any means of extinguishing the obligation provided for in the law and the articles of association.

The variable remuneration structure, as well as the conditions for the exercise of the rights is further described in the Remuneration Policy approved at the Shareholders' General Meeting held on 28th April 2023, available at https://sonae.pt/en/investors/shareholder-s-general-meeting/, as well as in sections 71, 72 and 73 of the Corporate Governance Report.

The share plans attributed to the Executive Directors are detailed in section A) of this Remuneration Report.

The Company does not attribute any option right to acquire shares.

f) The possibility to request the restitution of the variable remuneration

In the terms set forth in the Remuneration Policy available at https://sonae.pt/en/investors/shareholder-s-general-meeting/, and as further detailed in Chapter D of the Corporate Governance Report, to which this report is an integral part of, the Company determined that, if by a definitive and unappealable decision, it is determined that the variable remuneration was based, totally or partially, on information fraudulently provided by a member of the Board of Directors, and based on which the variable remuneration of such member of the Board of Directors was determined, the Board of Directors, at the request of the Shareholders' Remuneration Committee, shall take the appropriate steps to recover the variable remuneration unduly awarded.

During 2023 no such event took place.

g) Information aboout any departure from the enforcment of the remueration policy and any exemption applied, including an explanation regarding the nature of the exceptional circumstances and the indication of specific elements waived

In 2023, the Remuneration Policy was applies without any exemption or waiver.

2.4. Appendix

Board of Directors

Professional qualifications and curricular references

Duarte Paulo Teixeira de Azevedo	
Date of birth	December 1965
Education	
1986	Graduate Degree in Chemical Engineering – Federal Polytechnic School of Lausanne
1989	Master in Business Administration - Porto Business School
Executive education	
1994	Executive Retailing Program - Babson College
1996	Strategic Uses of Information Technology Program - Stanford Business School
2002	Breakthrough Program for Senior Executives - IMD Lausanne
2008	Proteus Programme - London Business School
2012	Corporate Level Strategy – Harvard Business School
Professional Experience	
Efanor group	
1988-1990	Project manager and analyst of new investments at Sonae Tecnologias de Informação, SA
1990-1993	Organisational Development Project Manager and New Business Commercial Manager for Portugal at Sonae Indústria SGPS, SA
1993-1996	Head of Strategic Planning and Control Organisational Development of Sonae Investimentos - SGPS, SA
1996-1998	Executive Member of the Board of Directors of Modelo Continente Hipermercados, SA (with the responsibilities in Merchandising, IT and Marketing Retail)
1998-2000	CEO of Optimus - Telecomunicações, SA
2000-2007	Executive Member of the Board of Directors of Sonae – SGPS, SA
2000-2007	CEO of Sonaecom, SGPS, SA
2000-2018	Member of the Board of Directors of Efanor Investimentos, SGPS, SE
2002-2007	Chair of the Supervisory Board of Público - Comunicação Social, SA
2003-2007	Chair of the Supervisory Board of Glunz, AG

Duarte Paulo Teixeira de Azevedo	
2004-2007	Chair of the Board of Directors of Tableros de Fibras, SA (Tafisa)
2007-2014	Chair of the Board of Directors of Sonaecom, SGPS, SA
2007- 2015	CEO of Sonae - SGPS, SA
2007- 2015	Vice-Chair of the Board of Directors of Sonae Indústria, SGPS, SA
2007-2019	Chair of the Board of Directors of Sonae Sierra, SGPS, SA
2007-2018	Chair of the Board of Directors of Sonae Investimentos, SGPS, SA (currently MCRETAIL, SGPS, SA)
2008-2014	Chair of the Board of Directors of MDS, SGPS, SA
2009-2013	Chair of the Board of Directors of Sonaegest – Sociedade Gestora de Fundos de Investimento, SA
2010-2016	Chair of the Board of Directors of Sonae – Specialized Retail, SGPS, SA
2010-2019	Chair of the Board of Directors of Sonae MC – Modelo Continente, SGPS, SA
2015-2019	Chair of the Board of Directors and Co-CEO of Sonae - SGPS, SA
2015-2023	Chair of the Board of Directors of Sonae Capital, SGPS, SA (currently SC - Sonae Capital Investments, SGPS, SA)
Since March 2015	Chair of the Board of Directors of Sonae Indústria, SGPS, SA
Since 2016	Chair of the Board of Directors of Sonae Arauco, SA
Since 2018	Chair of the Board of Directors of Efanor Investimentos, SGPS, SE
Since 2019	Chair of the Board of Directors of Sonae - SGPS, SA
Since 2020	Chair of the Executive Committee of Fundação Belmiro de Azevedo
Since 2021	Chair of the Board of Directors of Tafisa Canadá, Inc
Since 2021	Chair of the Board of Directors of BA – Capital, SGPS, SA
Other entities	
1989-1990	Member of the Executive Committee of APGEI – Associação Portuguesa de Gestão e Engenharia Industrial
2001-2002	Chair of Apritel - Associação dos Operadores de Telecomunicações
2008-2009	Member of the Supervisory Board of AEP - Associação Empresarial de Portugal
2008-2022	Member of ERT - European Round Table of Industry. Additionally, since 2019, Member of the Steering Committee and Chair of the Work Group “Jobs, Skills and Impact”
2009-2014	Member of the Board of Curators of AEP - Associação Empresarial de Portugal
2009-2015	Chair of the Board of Curators of Oporto University
2012-2015	Director of COTEC Portugal

Duarte Paulo Teixeira de Azevedo	
2019-2021	Chair of the Installation Committee of Project BIOPOLIS
Since 2006	Member of the Founding Board of the Casa da Música Foundaton
Since 2007	Member of the Founders Council of Serralves Foundation
Since 2012	Member of the International Advisory Board of Allianz SE
Since 2020	Chair of the Board of Directors of BA Glass I – Serviços de Gestão e Investimentos, S.A.
Since 2020	Chair of the Board of Directors of BA Glass Portugal, SA
Since 2020	Chair of the Direction of Viridia Association – Conservation in Action
Since 2022	Member of the Board of Directors of Mégantic BV

Ângelo Gabriel Ribeirinho dos Santos Paupério	
Date of Birth	September 1959
Education	
1982	Graduate Degree in Civil Engineering – FEUP
1988-1989	Master in Business Management - MBA – Porto Business School
Professional Experience	
1982-1984	Structural Design Project Manager at Tecnopor (Civil Engineering)
1984-1989	Manager at EDP (Energy)
1989-1991	Leader of the Television Project Team at Sonae Tecnologias de Informação, SA
1991-1994	Head of Planning and Management Control at Sonae Investimentos – SGPS, SA (currently Sonae –SGPS, SA)
1994-1996	Director of several companies within Sonae Distribuição, SGPS, SA (currenyl Sonae MC, SGPS, SA) – Retail
1994-2007	Member of the Board of Directors of Modelo Continente Hipermercados, S.A.
1996-2007	CFO of Sonae Distribuição, SGPS, SA (currently Sonae MC, SGPS, SA) and director of many of its subsidiaries (Retail)
1996-2007	Executive Member of the Board of Directors of Sonae Capital, SGPS, SA
2000-2007	Executive Vice-President, CFO and Chair of the Finance Committee of Sonae – SGPS, SA
2004-2009	Member of the Board of Directors of MDS – Corretor de Seguros, SA
2005-2016	Member of the Board of Directors of Sonae Investments BV

Ângelo Gabriel Ribeirinho dos Santos Paupério	
2006-2016	Member of the Board of Directors of Sontel BV
2007- april 2015	Executive Vice-Chair of Sonae – SGPS, SA
2007- march 2018	Member of the Board of Directors of MDS, SGPS, SA (Chair of the Board of Directors since October 2014)
2009-2019	Member of the Board of Directors of Modelo Continente, SGPS, SA (Chair of the Board of Directors since January 2019)
2010-2016	Vice-Chair of the Board of Directors of Sonae – Specialized Retail, SGPS, SA
2010-2016	Vice-Chair of the Board of Directors of Sonaerp – Retail Properties, SA
2010-2016	Chair of the Board of Directors of MDS Auto, Mediação de Seguros, SA
2010-2016	Member of the Supreme Counsel of Universidade Católica Portuguesa
2010-2018	Member of the Board of Directors of Sonae Center Serviços II, SA (currently Sonae MC – Serviços Partilhados)
2011-2015	Member of the Supreme Counsel of Porto Business School
2012-2016	Chair of the Board of Directors of Sonaecom – Serviços Partilhados, SA
2012-2022	Member of the Board of Directors of ZOPT, SGPS, SA
2013-2016	Chair of the Board of Directors of Sonae RE, SA
2013-2016	Chair of the Board of Directors of Sonaegest – Sociedade Gestora de Fundos de Investimento, SA (currently named SFS – Gestão de Fundos, SGFI, SA)
2014-2019	Chair of the Board of Directors of Sonae Financial Services, SA
2015-2019	Co-CEO of Sonae – SGPS, SA
2016-2019	Chair of the Board of Directors of SFS, Gestão e Consultoria, SA
2018-2019	Member of the Board of Directors of Sonae Corporate, SA
2018-2020	Vice-Chair of the Board of Directors of Iberian Sports Retail Group, S.L.
Since 2007	Member of the Board of Directors of Sonae Sierra, SGPS, SA
Since 2007	Member of the Board of Directors of Sonae MC, SGPS, SA (currently named MCRETAIL, SGPS, SA)
Since 2007	Chair of the Board of Directors of Sonaecom, SGPS, SA
Since 2007	Chair of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, SA
Since 2007	Chair of the Board of Directors of Público – Comunicação Social, SA
Since 2013	Chair of the Board of Directors of NOS, SGPS, SA (from 2013-April 2020 - Member of the Board of Directors)
Since 2018	Chair of the Board of Directors of Sonae Holdings, SA
Since 2018	Member of the Board of Directors of Efanor Investimentos, SGPS, SE

Ângelo Gabriel Ribeirinho dos Santos Paupério	
Since April 2019	Member of the Board of Directors of Sonae – SGPS, SA
Since 2019	Chair of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)
Since 2019	Chair of the Board of Directors of Sonae Capital, SGPS, SA (currently named SC- Sonae Capital Investments, SGPS, SA) (2019-april 2023 Member of the Board of Directors)
Since 2019	Member of the Board of Directors of Fundação Manuel Cargaleiro
Since June 2021	Member of the Board of Directors of Sonae Indústria, SGPS, SA

José Manuel Neves Adelino	
Date of Birth	March 1954
Education	
1976	Graduate Degree in Finance, Universidade Técnica de Lisboa
1981	DBA, Finance, Kent State Unversity
Professional Experience	
1978-1981	Assistant Professor, Kent State University
1981-1986	Member of the Director Council, Faculty of Economics, Universidade Nova de Lisboa
1981-2012	Professor, Faculty of Economics, Universidade Nova de Lisboa
1986-1989	Assistant Professor, Universidade Católica Portuguesa
1987-1989	Assistant Professor, Bentley College
1988	Assistant Professor, ISEE
1990-1996	Dean, MBA Program and Executive Program, Faculty of Economics, Universidade Nova de Lisboa
1992-1994	Non-Executive Member of the Board of Directors, BPA
1994-2002	Member of the Management Board of the Deposit Guarantee Fund
1999-2002	Dean, Faculty of Economics, Universidade Nova de Lisboa
1999-2004	Member of the Global Advisory Board of Sonae – SGPS, SA
2003-2006	Non-Executive Member of the Board of Directors and Chair of the Audit Committee of EDP
2003-2006	Member of the Startegy Advisory Board of PT
2003-2007	Member of the Remuneration Commitee of Sonae – SGPS, SA

José Manuel Neves Adelino	
2003-2010	Member of the Investment Committee of Fundo Caravela
2008-2014	Member of the Statutory Audit Board of BPI
2010-2014	Non-Executive Member of the Board of Directors of Cimpor
2012-2013	Finance and Investment Director – Calouste Gulbenkian Foundation
2013-2023	Member of the Board of Directors of Calouste Gulbenkian Foundation

Marcelo Faria de Lima	
Date of birth	December 1961
Education	
1981-1985	Graduate Degree in Economics, Pontifical Catholic University of Rio de Janeiro, Rio de Janeiro, Brazil
Professional Experience	
1988-1989	Professor, Pontifical Catholic University of Rio de Janeiro, Rio de Janeiro, Brazil
1989-1996	Commercial Banker of ABN AMRO Bank, São Paulo, Brazil/Chicago, United States
1996-1998	Vice-Chair of Banco Garantia, São Paulo, Brazil Investment Bank
1998-2000	Manager of Donaldson, Lufkin & Jenrette, São Paulo, Brazil Investment Bank
2000	Co-founder and CEO of Areautil, São Paulo, Brazil Internet gateway for property business
2000-2003	Co-founder and CEO of Eugênio WG, São Paulo, Brazil Advertising Agency
2002-2005	Member of the Board of Directors of Neovia Telecomunicações, SA, São Paulo, Brazil Wi-Fi Company/WiMax at São Paulo State
2007-2016	Vice-Chair of the Board of Directors of Produquímica Indústria e Comércio, SA, São Paulo, Brasil Leadership company in the solutions for the production in micronutrient for agriculture and animal food, which also produces ingredients for the treatment of water for industrial processes

Marcelo Faria de Lima	
2009-2016	Member of the Board of Directors of C1 Financial Inc., Saint Petersburg, Florida, Estados Unidos Public company registered in the Securities and Exchange Commission of the United States, being its shares admitted to trading at NYSE under the ticker BNK. Commercial Bank acting in Florida, United States, with total assets in an amount higher than US$ 1.500 million. This company was incorporated by another bank in 2016
Jan 2004 - present	Chair of the Board of Directors of Metalfrio Solutions SA, São Paulo, Brazil Public company, with shares admitted to trading at BM&FBovespa under the ticker FRIO3, it is a Brazilian multinational company, and one of the world's largest manufacturers of commercial refrigeration equipment Plug-In-type, operating in Brazil, United States of America, Mexico, Denmark, Turkey, Russia, Ukraine, Indonesia and India
Jan 2008 - present	Member of the Board of Directors of Veste S.A. Estilo (before named Restoque Comércio e Confecções de Roupas SA, São Paulo, Brazil. Since June 2018 Chair of the Board of Directors) Public company, with shares admitted to trading at BM&FBovespa under the ticker LLIS3, it is one of the largest retail companies in the high pattern apparel and accessories sector, cosmetics and decoration articles, in Brazil, with annual income of over R$ 1.000 million
Mar 2008 - present	Chair of the Board of Directors of Klimasan Klima Sanayi ve Ticaret A.Ş. Izmir, Turkey Public company, duly registered in Turkey's Capital Markets Board, being its shares negotiated at Instambul Stock Exchange under the ticker KLMSN. Company controlled by Metalfrio Solutions SA, Klimasan operates in the commercial refrigeration sector, Plug-In type
April 2023 - present	Member of the Board of Directors of Ultrapar Participações, SA, Brasil Public company, with shares traded on BM&Fbovespa under the ticker UGPA3, it is one of Brazil's largest economic groups, operating in the energy and logistics infrastructure sectors, with annual revenues of around R$147 billion.

Carlos António Rocha Moreira da Silva	
Date of birth	September 1952
Education	
1975	Graduate Degree in Mechanical Engineering, University of Oporto
1978	MSc in Management Sci. and Operation Research (University of Warwick – UK)
1982	PhD in Management Sciences (University of Warwick – UK)
Professional Experience	
1975-1987	Assistant Professor at Faculty of Engineering, University of Porto
1987-1988	Member of the Board of Directors of EDP, Eletricidade de Portugal, E.P.
1993-1996	Chair of the Board of Directors of Sonae Indústria, SGPS, S.A. and Chief Executive Officer of Tafisa – Tableros de Fibras, SA
1993-1998	Chair of the Board of Directors of Sonae Tecnologias de Informação, SA
1997-1998	Chair of the Board of Directors of Sonae Retalho Especializado, SGPS, SA
1998-1998	Chair of the Board of Directors of TVI – Televisão Independente, SA
1998-2000	Chair of the the General Council of Público – Comunicação Social, SA
1998-2003	Chair of the Board of Directors of BA Vidro
2003-2005	Chair of the Executive Committee of Sonae Indústria, SGPS, SA
2005-2012	Member of the Advisory Board of 3i Spain
2006-2014	Member of the Board of Directors of Banco BPI
2009-2012	Member of the Advisory Board of Jerónimo Martins Dystrybucja, SA
2010-2014	Chair of the Board of Directors of La Seda Barcelona
1998-2020	Chair of the Board of Directors of BA Glass I – Serviços de Gestão e Investimentos, SA
Since may 2021	Member of the Board of Directors of Sonae Capital, SGPS, SA (currently named SC - Sonae Capital Investments, SGPS, SA)

Fuencisla Clemares	
Date of birth	January 1974
Education	
1992-1996	Bachelor in Business Administration, European Business Program
1999	Exchange Program at the MBA of Kellog Graduate School of Management, Chicago, USA
2000	MBA – IESE Business School, Universidad de Navarra, Barcelona

Fuencisla Clemares	
Professional Experience	
2000-2007	Senior Associate at Mckinsey & Company
2007-2009	Manager of Carrefour Spain
2009-2009	Head of Retail at Google Spain
2010-2011	Head of Retail and FMCG of Google Spain
2012-2015	Member of the Board of Directors of Adigital
2013-2016	Sales Director at Google Spain
2013-2016	Leader of “Mobile Initiative” at Google Spain
2013-2018	Member of the Advisory Council of Mckinsey Alumni Advisory Council
2013-2020	Teacher of Digital Marketing of ISDI (Instituto Superior para el Desarrolo de Internet) with participation at MIB.DIBEX and In-Company Programs
2015-2016	Member of the Board of Directors of MMA (Mobile Marketing Association) in Spain
2015-2017	Mentor at the Impact Program: a mobile start-up accelerator program in Madrid
2015- 2023	Member of the Junta Territorial de Madrid (Alumni Council) at IESE
2015-2023	Visiting Teacher at IESE
2016-2016	Member of the Board of Directors of Adolfo Dominguez
2016-2020	Member of the Academic Advisory Council of the Internet Academy, the ISDI training platform
2021-2022	Interim Country Manager for Italy of Google LLC
Since 2016	Country Manager for Spain and Portugal of Google LLC
Since 2018	Advisor to the Board of Directors Consentino, SA

Philippe Cyriel Elodie Haspeslagh	
Date of birth	May 1950
Education	
1968-1972	Commercial Engineer, Management, Distinction – University of Leuven
1972-1973	Master, General Management, High Distinction – Vlerick Business School
1975-1977	Master of Business Administration (MBA), Baker Scholar, Highest Distinction – Harvard Business School
1977-1979	Doctor of Business Administration (DBA) (1983), Highest Distinction – Harvard Business School
2008-2009	Diploma in Consulting and Coaching for Change - INSEAD
Professional Experience	
1973-1975	Management Consultant, PA Management Consulting, Belgium
1979-2008	Paul Desmarais Chaired Professor of "Active Ownership" INSEAD, Fontainebleau and Singapore
1985-1986	On leave as Visiting Professor at the Stanford Business School
1990	On leave Visiting Professor at the Harvard Business School
1997-1999	On leave as Chief of Cabinet of the Federal Minister of Agriculture and SME's in Belgium
Since 2008	Dean (2008-2016), Professor and Honorary Dean (2016-present) at Vlerick Business School
1985-2014	Chair of the Board of Directors of Dujardin Foods, NV
1993-2021	Independent Director of Vandemoortele NV
1998-2000	Chair of the Board of Directors of Pieters Visbedrijf
1998-2015	Co-Founder and Member of the Board of Directors of Quest for Growth NV
2005-2023	Co-Founder and Non-Executive Chair of the Board of Directors of Capricorn Partners
2010-2013	Independent Director of Kinepolis NV, Belgium
2011-2014	Independent Director of Governance for Owners Ltd, London, UK
2015-2018	Independent Director of Sioen Industries
2016-2020	Member of the Board of Directors of MyMicroInvest
2015-2021	Non-Executive Chair of the Board of Directors of Ardo NV
2019- 2023	Non-Executive Director of Strongroots Limited, Irland
Since 2008	Member of the Board of Directors of Awacs3 Enterprises NV and Deltronic NV

Philippe Cyriel Elodie Haspeslagh	
Other Non-Profit Activities	
2008-2015	Member of the Board of Directors of EABIS – European Academy of Business in Society
2009-2015	Member of the Board of Directors of Koffi Anan Business School
2008-2015	Member of the Board of Directors of Vlerick Business School
2008-2020	Member of the Board of Directors of Guberna, the Belgian Institute of Directors
Desde 2016	Non-Executive Chair of the Board of Directors of FBN Belgium - The Family Business Network

Eve Alexandra Henrikson	
Date of birth	June 1980
Education	
1998-2002	Dipl Betriebswirtin, FH Anhalt, Germany / BA International Business, University of Lincolnshire & Humberside, UK
2020	MBA, London Business School, UK
Professional Experience	
2003-2014	Digital Coordinator and Head of e-commerce in several companies (UK)
2014-2020	Independent Non-Executive Director, Scouts Shop Limited (UK)
2014-2021	eCommerce Director / MD Online, Tesco (UK)
Since 2020	Independent Non-Executive Director, Lloyds Bank Corporate Markets (UK)
Since 2021	GM Uber Eats EMEA (NL)

Maria Teresa Ballester Fornes	
Date of birth	May 1963
Education	
1981-1985	Bachelor of Science in Finance and Political Science, Boston College, Boston, USA
1987-1989	MBA - Master in Business Administration, Columbia Business School, New York, USA
Professional Experience	
1985-1987	Financial Associate at GTE Corporation, USA
1989-1996	Senior Associate at Management Consulting Booz, Allen & Hamilton, Mexico and Spain
1996-2014	Managing Partner at 3i Private Equity in Spain and Portugal. Global Partner
2010-2012	Chairman of Spanish Private Equity Association
2014-2016	Senior Advisor at Aon at Spain and Portugal Member of the Family Board of Grupo Lar. Audit Committee
2014-2016	Senior Advisor at EY Transaction Services Division
2014-2016	Chairman of EY Foundation for Entrepreneurship
2017-2021	Member of the Board of Directors of Repsol S. A. Audit and Remuneration committees
2019-2023	Member of the Board of Directors of Prisa S.A. Audit and Sustainability committees
Since 2010	Member of International Women' s Forum (IWF). 4 years Board member
Since 2010	Visiting Teacher at ICA (Directors' Institute)
Since 2017	Founding Managing Partner of Nexxus Iberia Private Equity Fund
Since 2019	Founding Chairman of Level 20 Spanish Chapter (Women in Private Equity)
Since 2021	Advisory Committee of ING Spain
Since 2023	Member of the Board of Directors of Cellnex, SA, Audit and Nominations committees
Since 2023	Trustee of the Junior Achievement Foundation, Spain

Maria Cláudia Teixeira de Azevedo	
Date of birth	January 1970
Education	
	Graduate Degree in Management, Universidade Católica do Porto
	MBA, INSEAD, Fontainebleau, França
Professional Experience	
Since 1990	Chair of the Board of Directors Imparfin – Investimentos e Participações Financeiras, SA
Since 1992	Member of the Board of Directors of Efanor Investimentos, SGPS, SE
Since 2000	Chair of the Board of Directors of Linhacom, SA
Since 2000	Member of the Board of Directors of Sonaecom – SGPS, SA
Since 2000	Member of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, SA
Since 2002	Chair of the Board of Directors of Praça Foz – Sociedade Imobiliária, SA
Since 2008	Member of the Board of Directors of Efanor – Serviços de Apoio à Gestão, SA
Since 2009	Member of the Board of Directors Público – Comunicação Social, SA
Since 2011	Member of the Board of Directors of Sonae Capital, SGPS, SA (currently named SC - Sonae Capital Investments, SGPS, SA)
Since 2013	Non-Executive Member of the Board of Directors of NOS, SGPS, SA
Since 2018	Chair of the Board of Directors of Sonae MC, SGPS, SA (currently named MCRETAIL, SGPS, SA)
Since 2018	Member of the Board of Directors of Sonae Holdings, SA
Since 2018	Chair of the Board of Directors of Sonae Sierra, SGPS, SA
Since 2018	Member of the Board of Directors of Setimanale, SGPS, SA
Since 2018	Member of the Board of Directors of Casa Agrícola de Ambrães, SA
Since 2018	Member of the Board of Directors of Realejo – Sociedade Imobiliária, SA
Since April 2019	CEO of Sonae – SGPS, SA
Since 2019	Member of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)
Since 2020	Manager Tangerine Wish, Lda.
Since June 2021	Member of the Board of Directors of Sonae Indústria, SGPS, SA
Since July 2021	Member of the Board of Directors of Sonae Food4Future, SA (currently named Sparkfood, SA)

João Pedro Magalhães da Silva Torres Dolores	
Date of birth	December 1980
Education	
1998-2003	Degree in Economics, FEP – Faculdade de Economia (University of Oporto)
2004-2004	Postgraduate Program in Business Management – New York University, New York
2007-2009	MBA – London Business School, London (United Kingdom)
Professional Experience	
2003-2004	Brand manager – JW Burmester, S.A., New York (United States)
2005-2007	Business Analyst at McKinsey & Company
2009-2011	Associate at McKinsey & Company
2011-2013	Deputy manager of Innovation management at Portugal Telecom
2013-2014	Head of Cloud Business Unit at Portugal Telecom
2014-2015	Head of Corporate Strategy at Sonae – SGPS, SA
2015-2018	Head of Group Strategy, Planning and Control at Sonae – SGPS, SA
2016-2018	Professor of the Strategy Course at Porto Business School's Executive MBA
2018-2019	Director of Sonae – SGPS, SA Corporate Center
2018-July 2022	Non-Executive Chair of the Board of Directors of MKTPlace – Comércio Eletrónico, SA
2020- Oct.2023	Member of the Board of Directors of Iberian Sports Retail Group, S.L.
Since 2016	Non-Executive Member of the Board of Directors of NOS, SGPS, SA
Since 2018	Non-Executive Member of the Board of Directors of Sonae MC, SGPS, SA (currently named MCRETAIL, SA)
Since 2018	Chair of the Board of Directors of Sonae Corporate, SA (from 2018 until December 2019, join this body as member)
Since 2018	Member of the Board of Directors of Sonae Holdings, SA
Since 2018	Executive Member of the Board of Directors of Sonae Investments, BV
Since 2018	Executive Member of the Board of Directors of Sontel, BV
Since 2019	Member of the Board of Directors of Sonaecom, SGPS, SA
Since April 2019	Member of the Board of Directors and the Executive Committee of Sonae – SGPS, SA
Since 2019	Non-Executive Member of the Board of Directors of Sonae Sierra, SGPS, SA
Since 2019	Member of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)

João Pedro Magalhães da Silva Torres Dolores	
Since August 2020	Member of the Board of Directors of Sonae Investment Management - Software and Technology, SGPS, SA
Since 2021	Chair of the Board of Directors of Sonae RE, SA
Since July 2021	Member of the Board of Directors of Sonae Food4Future, SA (currently named Sparkfood, SA)
Since April 2023	Chair of the Board of Directors of Sparkfood Ingredients, SA
Since Nov. 2023	Chair of the Board of Directors of Flybird Holding Oy
Since Dec. 2023	Member of the Board of Directors of Universo, IME, SA

João Nonell Günther Amaral	
Date of birth	July 1969
Education	
1988-1993	Master in Electronic Engineering – University of Oporto
2000-2001	MBA Executive – Porto Business School
	Retail Strategic Management – Babson College
	Accelerated Development Program – London Business School
2015	Logistics, Materials and Supply Chain Management - Stanford University
Professional Experience	
1994-1997	IT Manager - Project manager for Innovation Strategy for the North of Portugal Innovation Agency – Innovation and Systems Analyst
2001-2003	Director for Business Development and Innovation - IT Director with responsibility for implementation of SAP Project at Leica Portugal in straight collaboration with Leica AG in Germany
2019-2023	Deputy – Chief Development Officer of Sonae – SGPS, SA
Since May 2014	Member of the Board of Directors of Sonae MC, SGPS, SA (currently named MCRETAIL, SGPS, SA)
Since 2019	Member of the Board of Directors of Sonae Holdings, SA
Since 2019	Member of the Board of Directors of Sonae Corporate, SA
Since 2019	Member of the Board of Directors of Público - Comunicação Social, SA

João Nonell Günther Amaral	
Since 2019	Chair of the Board of Directors of PCJ – Público – Comunicação e Jornalismo, SA
Since 2019	Member of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)
Since 2020	Member of the Board of Directors of SIRS - Sociedade Independente de Radiodifusão Sonora, SA
Since 2020	Member of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, SA
Since 2021	Member of the Board of Directors of Sparkfood, SA
Since April 2023	Executive Member of the Board of Directors of Sonae – SGPS, SA
Since 2023	Member of the Board of Directors of Sparkfood Ingredients, SA
Since Nov. 2023	Deputy Member of the Board of Directors of Flybird Holding Oy

Positions held in other entities

Duarte Paulo Teixeira de Azevedo
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Chair of the Board of Directors of Efanor Investimentos, SGPS, SE
Chair of the Executive Committee of Fundação Belmiro de Azevedo
Chair of the Board of Directors of Efanor – Serviços de Apoio à Gestão, SA
Chair of the Board of Directors of Migracom, SA
Member of the Board of Directors of Imparfin – Investimentos e Participações Financeiras, SA
Chair of the Board of Directors of BA – Capital, SGPS, SA
Member of the Board of Directors of Pareuro BV
Member of the Board of Directors of Mégantic BV
Chair of the Board of Directors of Sonae Indústria, SGPS, SA
Chair of the Board of Directors of Sonae Arauco, SA
Chair of the Board of Directors of Tafisa Canadá, Inc
Chair of the Board of Directors of BA Glass I – Serviços de Gestão e Investimentos, SA
Chair of the Board of Directors of BA Glass, Portugal, SA
Member of the International Council Board of Allianz SE
Chair of the management of Associação Viridia – Conservation in action

Ângelo Gabriel Ribeirinho dos Santos Paupério
Positions held in other Sonae's companies
Chair of the Board of Directors of Sonaecom, SGPS, SA
Chair of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, SA
Chair of the Board of Directors of Público - Comunicação Social, SA
Chair of the Board of Directors of NOS, SGPS, SA
Member of the Board of Directors of Sonae MC, SGPS, SA (currently named MCRETAIL, SGPS, SA)
Chair of the Board of Directors of Sonae Holdings, SA
Member of the Board of Directors of Sonae Sierra, SGPS, SA

Ângelo Gabriel Ribeirinho dos Santos Paupério
Chair of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)
Positions held in other companies outside Sonae
Member of the Board of Directors of Sonae Capital, SGPS, SA (currently named SC- Sonae Capital Investments, SGPS, SA)
Member of the Board of Directors of Sonae Industria, SGPS, SA
Member of the Board of Directors of Efanor Investimentos, SGPS, SE
Member of the Board of Directors of Love Letters -Galeria de Arte, SA
Chair of the Board of Directors of Enxomil - Consultoria e Gestão, SA
Chair of the Board of Directors of Enxomil – Sociedade Imobiliária, SA
Vice-Chair of the Board of Directors of APGEI (Associação Portuguesa de Gestão e Engenharia Industrial)
Member of the Board of Directors of Fundação Cargaleiro

José Manuel Neves Adelino
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
None

Marcelo Faria de Lima
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Member of the Board of Directors of Amber Internacional LLC
Manager of Baixo Augusta Hotel Ltda
Manager of Barroquinha Estacionamentos SA
Managing Partner of CBM Holding Qualified Family, LP (Canada)
Managing Partner of CBM Holding Subsidiary, LP (Canadá)
Chair of Colfax Participações, SA

Marcelo Faria de Lima
Manager of Dover Participações, SA
Manager of GCR Administração e Participações Ltda
Manager of Hotéis Design, SA
Chair of the Board of Directors of Klimasan Klima Sanayi ve Ticaret AŞ
Managing Partner of Lima & Smith Ltda
Chair of the Board of Directors of Metalfrio Servicios SA de CV
Chair of the Board of Directors of Metalfrio Solutions SA
Chair of the Board of Directors of Metalfrio Solutions SA Sogutma Sanayi Ve Ticaret AS
Manager of Nova Bahia Empreendimentos
Member of the Board of Directors of Peach Tree LLC
Chair of the Board of Directors of Veste SA Estilo
Chair of Rio Verde Consultoria e Participações Ltda
Manager of Tira-Chapéu Empreendimentos Ltda
Chair of Winery Participações Ltda
Chair of Zimbro Participações, SA
Member of the Board of Directors of Ultrapar Participações, SA

Carlos António Rocha Moreira da Silva
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Member of the Board of Directors of Efanor Investimentos, SGPS, SE
Non-Executive Vice-President of the Board of Directors of Sonae Indústria, SGPS, SA
Non Executive Director of Sonae Arauco, SA
Non Executive Chair of the Board of Directors of Fim do Dia, SGPS, SA
Member of the Board of Directors of Teak BV
Member of the Board of Directors of Sonae Capital, SGPS, SA (currently named SC - Sonae Capital Investments, SGPS, SA)
Member of the Board of Directors of Fundação de Serralves
Member of the Board of Directors of Teak Floresta, SA
Member of the Board of Directors of Hakuturi, SA
Chair of the Board of Directors of Cerealis, SGPS, SA

Carlos António Rocha Moreira da Silva
Chair of the Board Remuneration Committee of Cerealis SGPS, SA
Chair of the Board of Directors of Cerealis Produtos Alimentares, SA
Chair of the Board of Directors of Cerealis Moagens, SA
Manager of Quinta do Vallado - Sociedade Agrícola, Lda

Fuencisla Clemares
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Country Manager for Spain and Portugal of Google LLC
Advisor to the Board of Diectors Cosentino, SA

Philippe Cyriel Elodie Haspeslagh
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Professor and honorary Dean of Vlerick Business School
Member of the Board of Directors of Awacs3 Enterprises NV
Member of the Board of Directors of Deltronic NV
Non-Executive Chair of the Board of Directors of FBN Belgium - The Family Business Network

Eve Alexandra Henrikson
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
GM Uber Eats EMEA (NL)
Independent Non-Executive Director, Lloyds Bank Corporate Markets (UK)

Maria Teresa Ballester Fornes
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Member of Board of Director of Nexxus Iberia SGEIC Private Equity
Member of Board of Director of Cellnex S. A.
Member of the Board of Solutex SA in representation of Nexxus Iberia
Advisor to the Board of ING Spain

Maria Cláudia Teixeira de Azevedo
Positions held in other Sonae's companies
Member of the Board of Directors of Sonaecom – SGPS, SA
Member of the Board of Directors of Público – Comunicação Social, SA
Non-Exeutive Member of the Board of Directors of NOS, SGPS, SA
Member of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, SA
Chair of the Board of Directors of Sonae MC, SGPS, SA (currently named MCRETAIL, SGPS, SA)
Member of the Board of Directors of Sonae Holdings, SA
Member of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)
Chair of the Board of Directors of Sonae Sierra, SGPS, SA
Chair of the Board of Directors of Sonae Food4Future, SA (currently named Sparkfood, SA)

Maria Cláudia Teixeira de Azevedo
Positions held in other companies outside Sonae
Member of the Board of Directors of Sonae Capital, SGPS, SA (currently named SC - Sonae Capital Investments, SGPS, SA)
Member of the Board of Directors of Sonae Industria, SGPS, SA
Chair of the Board of Directors of Imparfin – Investimentos e Participações Financeiras, SA
Member of the Board of Directors of Efanor Investimentos, SGPS, SE
Chair of the Board of Directors of Linhacom, SA
Chair of the Board of Directors of Praça Foz – Sociedade Imobiliária, SA
Member of the Board of Directors of Efanor – Serviços de Apoio à Gestão, SA
Member of the Board of Directors of Setimanale, SGPS, SA
Member of the Board of Directors of Casa Agrícola de Ambrães, SA
Member of the Board of Directors of Realejo – Sociedade Imobiliária, SA
Manager of Tangerine Wish, Lda.
Vice-President of the Board of BRP - Associação Business Rountable Portugal

João Pedro Magalhães da Silva Torres Dolores
Positions held in other Sonae's companies
Non-Executive Member of the Board of Directors of NOS, SGPS, SA
Non-Executive Member of the Board of Directors of Sonae MC, SGPS, SA (currently named MCRETAIL, SA)
Chair of the Board of Directors of Sonae Corporate, SA
Member of the Board of Directors of Sonae Holdings, SA
Executive Member of the Board of Directors of Sonae Investment, BV
Executive Member of the Board of Directors of Sontel, BV
Chair of the Board of Directors of Sonae RE, SA
Executive Member of the Board of Directors of Sonaecom, SGPS, SA
Non-Executive Member of the Board of Directors of Sonae Sierra, SGPS, SA
Member of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)
Member of the Board of Directors of Sonae Investment Management - Software and Technology, SGPS, SA
Member of the Board of Directors of Sonae Food4Future, SA (currently named Sparkfood, SA)
Chair of the Board of Directors of Sparkfood Ingredients, SA

João Pedro Magalhães da Silva Torres Dolores
Chair of the Board of Directors of Flybird Holding Oy
Member of the Board of Directors of Universo, IME, SA
Positions held in other companies outside Sonae
None

João Nonell Günther Amaral
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Member of the Board of Directors of Sonae MC, SGPS, SA (currently named MCRETAIL, SGPS, SA)
Member of the Board of Directors of Sonae Holdings, SA
Member of the Board of Directors of Sonae Corporate, SA
Member of the Board of Directors of Público - Comunicação Social, SA
Chair of the Board of Directors of PCJ – Público – Comunicação e Jornalismo, SA
Member of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)
Member of the Board of Directors of SIRS - Sociedade Independente de Radiodifusão Sonora, SA
Member of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, SA
Member of the Board of Directors of Sparkfood, SA
Member of the Board of Directors of Sparkfood Ingredients, SA
Deputy Member of the Board of Directors of Flybird Holding Oy

Statutory Audit Board

Professional qualifications and curricular references

Maria José Martins Lourenço da Fonseca	
Date of birth	September 1957
Education	
1984	Graduate Degree in Economics at Oporto University, Faculty of Economics – Prize Doutor António José Sarmento
1987	Postgraduate Program in European Studies at European Studies Center, Universidade Católica Portuguesa (Centro Regional do Porto)
1992	Participation in Young Managers Programme at INSEAD – European Institute of Business Administration, Fontainebleau
2002	Master in Business Administration, with specialisation in Accounting and Management Control at Oporto University, Faculty of Economics
2015	PhD in Business Administration, with specialisation in Accounting and Management Control at Oporto University, Faculty of Economics
Professional Experience	
1984-1985	Invited Assistant at Oporto University, Faculty of Economics
1985-1990	Technician in the Department of Economics Studies and Planning of BPI – Banco Português de Investimentos, SA
1990-1992	Senior Analyst at the Corporate Banking Department of BPI – Banco Português de Investimento, SA
1991-1999	Invited Assistant at Oporto University, Faculty of Economics, in the Accounting area
1992-1996	Vice-manager at the Corporate Banking Department of BPI – Banco Português de Investimento, SA
1996-2006	Cooperation with the Portuguese Institute of Statutory Auditors (OROC), as trainer for the External Auditor Preparatory Course
2002-2008	Cooperation with the Certified Public Accountant Association (OTOC), in the field of professional formation
2008-2009	Cooperation with the Portuguese Institute of Statutory Auditors (OROC), in the field of professional formation
2015	Member of the Selection Board of the Oral Test for External Auditor (ROC)
2015-2023	Cooperation with the Portuguese Institute of Statutory Auditors (OROC), as trainer for the External Auditor Preparatory Couse
2017-2023	Director of the Master's Degree in Auditing and Taxation at Católica Porto Business School - Portuguese Catholic University (UCP)
Since 1996	Lecturer at Católica Porto Business School (UCP), in the Accounting area
	Responsible for the Master Course Degree in Auditing and Taxation
Since 2008	Consulting activity through the Centro de Estudos de Gestão e Economia Aplicada (CEGEA) of Católica Porto Business School (UCP)
Since 2016	Member of the Statutory Audit Board of Sonaecom, SGPS, SA
Since 2017	Chair of the Statutory Audit Board of AEGE – Associação para a Escola de Gestão Empresarial
Since 2017	Member of the Statutory Audit Board of Ibersol, SGPS, SA
Since 2018	Member of the Statutory Audit Board of Sonae MC, SGPS, SA (currently named MCRETAIL, SA)
Since 2018	Chair of the Statutory Audit Board of SDSR – Sports Division SR, SA

Daniel Bessa Fernandes Coelho	
Date of birth	May 1948
Education	
1970	Graduate Degree in Economics – University of Oporto
1986	PhD in Econimics – Universidade Técnica de Lisboa
Professional Experience	
1970-2009	Lecturer at the University of Oporto:
1970-1999	Faculty of Economics
1988-2000	ISEE (Institute for Enterpreneurship Studies)
1989-2002	Faculty of Engineering
2000-2008	EGP – Escola de Gestão do Porto (currently Porto Business School)
2008-2009	EGP – University of Porto Business School (currently Porto Business School)
2009-2009	Faculty of Economics
1978-1979	Dean of the Faculty of Economics of the University of Oporto
1983-2022	Economist – liberal profession
1990-1995	Vice-Dean for the Financial Management Guidance of the University of Oporto
1995-1996	Minister of Economy of the Portuguese Government

Daniel Bessa Fernandes Coelho	
1996-2000	Executive Director of AURN – Associação das Universidades da Região Norte
1996-2006	Non-Executive Member of the Board of Directors of Celulose Beira Industrial (Celbi), SA
1997-1999	Non-Executive Member of the Board of Directors of INPARSA – Indústrias e Participações, SGPS, SA
1997-2007	Chair of the Statutory Audit Board of SPGM – Sociedade de Investimentos
1997-2008	Member of the Board of Directors of Finibanco, SA
1999-2002	Chair of the Board of the Shareholders' General Meeting of APDL – Administração dos Portos do Douro e Leixões
1999-2006	Member of the advisory boards of Sonae – SGPS, SA and Sonae Indústria, SGPS, SA
2000-2012	Chair of the Advisory Board of IGFCSS – Instituto de Gestão de Fundos de Capitalização da Segurança Social
2001-2003	Member of the Advisory Board of Indústrias de Condutores Elétricos e Telefónicos F. Cunha Barros, SA
2001-2011	Member of the Board of Directors of Finibanco Holdings, SGPS, SA
2003-2014	Responsible for the Mission PRASD – Program for the rehabilitation of sectors within the Ministry of Economics, Ministry of Social Security and Ministry of Labour of the Portuguese Government
2003-2023	Member of the Board of Directors and Member of the Executive Committee of Fundação Bial
2004-2013	Non-Executive Member of the Board of Directors of Efacec Capital, SGPS, SA
2006-2019	Chair of the Statutory Audit Board of Galp Energia, SGPS, S.A.
2007-April 2019	Chair of the Statutory Audit Board of Sonae – SGPS, SA
2008-2023	Chair of the Statutory Audit Board of Bial - Portela e Companhia, SA
2008-2023	Member of the Investment Committee of PVCI – Portuguese Venture Capital Initiative, entity created by FEI – European Fund for Investment
2009-2016	Managing Director of COTEC Portugal, Business Association for Innovation
2010-2023	Chair of the Board of the Shareholders' General Meeting of Amkor Technology Portugal, SA (ex-Nanium, SA)
2011-2012	Member of the Supervisory Board of Banco Comercial Português, SA
2016-2019	Non-Executive Member of the Board of Directors of Amorim Turismo, SGPS, SA

Daniel Bessa Fernandes Coelho	
2016-2019	Non-Executive Member of the Board of Directors of Sociedade Figueira Praia, SA
2017-2019	Non-Executive Member of the Board of Directors of SFP OnLine, SA
2017-2022	Chair of the Statutory Audit Board of GGND – Galp Gás Natural Distribuição, SA
2017-2023	Chair of the Board of Trustees of Belmiro de Azevedo Foundation. Previously (January 2014 until November 2017) joined this s body as a vowel
2018-2019	Chair of the Pedagogical Council of Mast3r Efacec Academy
2019-2020	Member of the Statutory Audit Board of Banco L. J. Carregosa, SA
2019-2023	Member of the Statutory Audit Board of da Sonae - SGPS, SA
2019-2023	Non-Executive Member of the Board of Directors of SPI – Sociedade Portuguesa de Inovação, Consultoria Empresarial e Fomento da Inovação, SA
2020-2021	Chair of the Statutory Audit Board of RACE – Refrigeration & Air Conditioning Engeneering, SA
2021-2023	Chair of the Statutory Audit Board of Cerealis – SGPS, SA

Manuel Heleno Sismeiro	
Date of birth	January 1945
Education	
1964	Accountant, ICL – Lisboa
1971	Graduate Degree in Finance, ISCEF – Lisboa
Professional Experience	
1965-1966	Industrial and Commercial School of Leiria: Accounting and Commercial Calculus teacher in the general commerce course
1970-1971	Banco da Agricultura: Technician at the Organisation and Methods division
1971-1981	Instituito Superior de Economia de Lisboa: assistant, having lectured Mathematics, Statistics, Econometry and Operational Investigation
1974-1975	Arthur Young & Co: Statutory Auditor and audit assistant
1974-1976	Universidade Católica Lisboa: assistant (first year) and regente (second year) of Accountancy in the Business Administration course
1976-1977	Banco Borges & Irmão: performed functions at the Economics Studies Department and at the Control Department of Associated Companies

Manuel Heleno Sismeiro	
1977-1980	CTT – Correios e Telecomunicações de Portugal: Responsible for the Warehouse Management and Control division. Responsible for stock management of central warehouses and of a project aimed at implementing a computer tool for stock management and control
	Partner of Coopers & Lybrand and of Bernardes, Sismeiro & Associados, since 1998, PricewaterhouseCoopers - auditors and statutory auditors
1980-2008	Responsible for the audit and statutory audit in several industries. Most importante companies: Sonae (group); Amorim (group); Unicer (group); Sogrape (group); Barros (group); TMG (group); Lactogal (group); Aveleda (group); RAR (group); Cires; Ford; REN
	Responsible for the management of the Oporto office of the mentioned companies – since 1982 and until 2008
	Manager of the Audit department in the period 1998-2002 and member of the management board of PricewaterhouseCoopers, in the same period
2009-2017	Chair of the Statutory Audit Board of Sonae Indústria, SGPS, SA
2010-2017	Chair of the Statutory Audit Board of Segafredo Zanetti (Portugal) – Comercialização e Distribuição de Café, SA
2014	Chair of the Statutory Audit Board of Sonae Investimentos, SGPS, SA (currently Sonae MC, SGPS, SA)
2015	Chair of the Statutory Audit Board of Banif – Banco de Investimento, SA
Since 2008	Consultant in internal audit and internal control fields
Since 2009	Chair of the Statutory Audit Board of OCP Portugal – Produtos Farmacêuticos, SA
Since 2009	Member of the Statutory Audit Board of Sonae Capital, SGPS, SA (currently named SC - Sonae Capital Investments, SGPS, SA)
Since 2018	Chair of the Statutory Audit Board of Sonae Arauco Portugal, SA

Positions held in other entities

Maria José Martins Lourenço da Fonseca
Positions held in other Sonae's companies
Chair of the Statutory Audit Board of SDSR – Sports Division, SR, SA
Member of the Statutory Audit Board of Sonae MC, SGPS, SA (currently named MCRETAIL, SA)
Member of the Statutory Audit Board of Sonaecom, SGPS, SA
Positions held in other companies outside Sonae
Member of the Statutory Audit Board of Ibersol, SGPS, SA
Chair of the Statutory Audit Board of AEGE – Associação para a Escola de Gestão Empresarial
Professor at Católica Porto Business School (Universidade Católica Portuguesa)
Consultant at CEGEA – Centro de Estudos de Gestão e Economia Aplicada, Universidade Católica Portuguesa – CRP

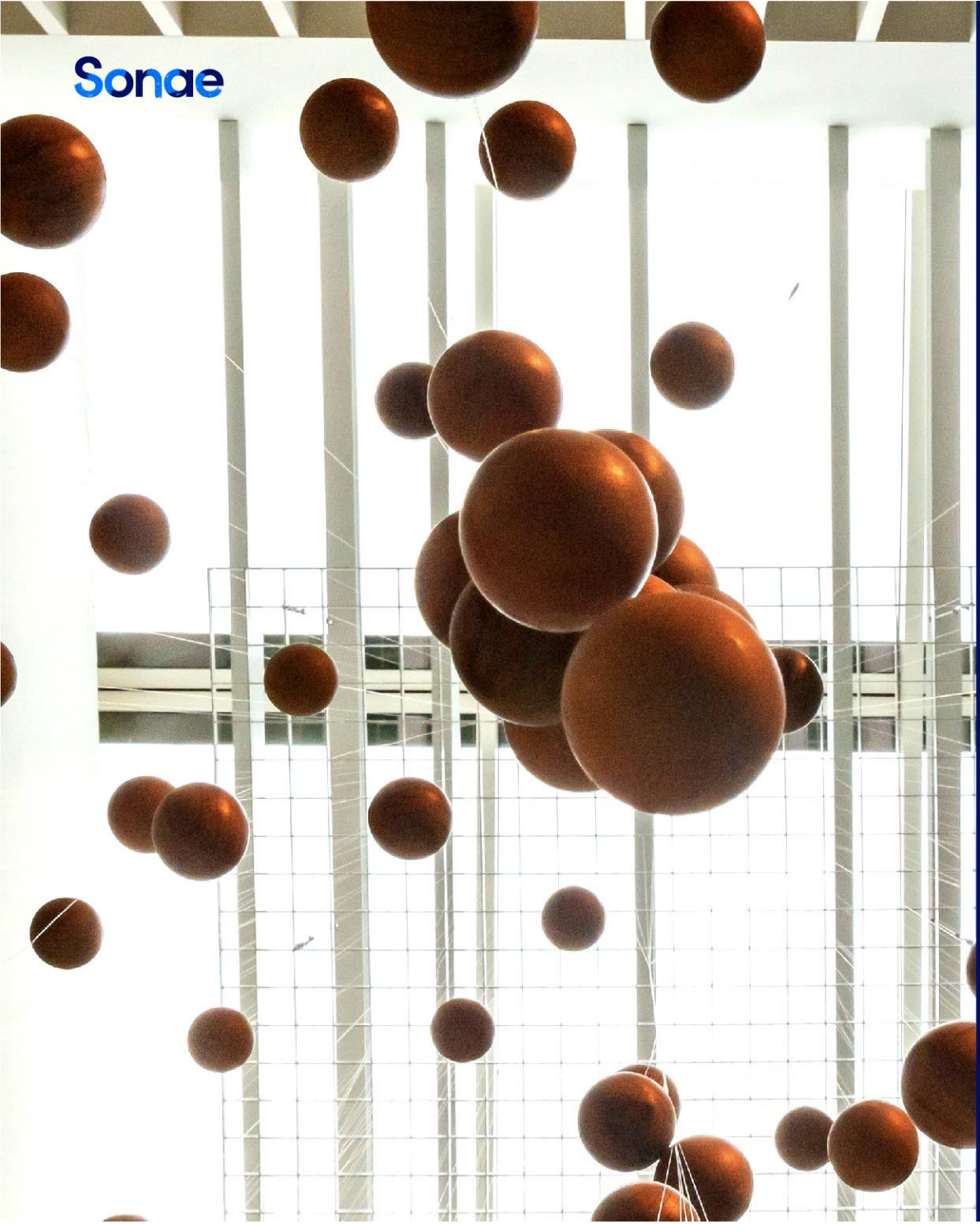
Daniel Bessa Fernandes Coelho
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Member of the Board of Directors and the Executive Committee of Fundação Bial
Chair of the Statutory Audit Board of Bial – Portela e Companhia, SA
Member of the Investment Committee of PVCI – Portuguese Venture Capital Initiative
Chair of the Board of the Shareholders' General Meeting of Amkor Technology Portugal, SA
Chair of the Board of Trustees of Fundação Belmiro de Azevedo
Member of the Board of Directors of SPI – Sociedade Portuguesa de Inovação, SA
Chair of the Statutory Audit Board of Cerealis, SGPS, SA

Manuel Heleno Sismeiro
Positions held in other Sonae's companies
None
Positions held in other companies outside Sonae
Member of the Statutory Audit Board of Sonae Capital, SGPS, SA (currently named SC - Sonae Capital Investments, SGPS, SA)
Chair of the Statutory Audit Board of Sonae Arauco Portugal, SA
Chair of the Statutory Audit Board of OCP Portugal – Produtos Farmacêuticos, SA



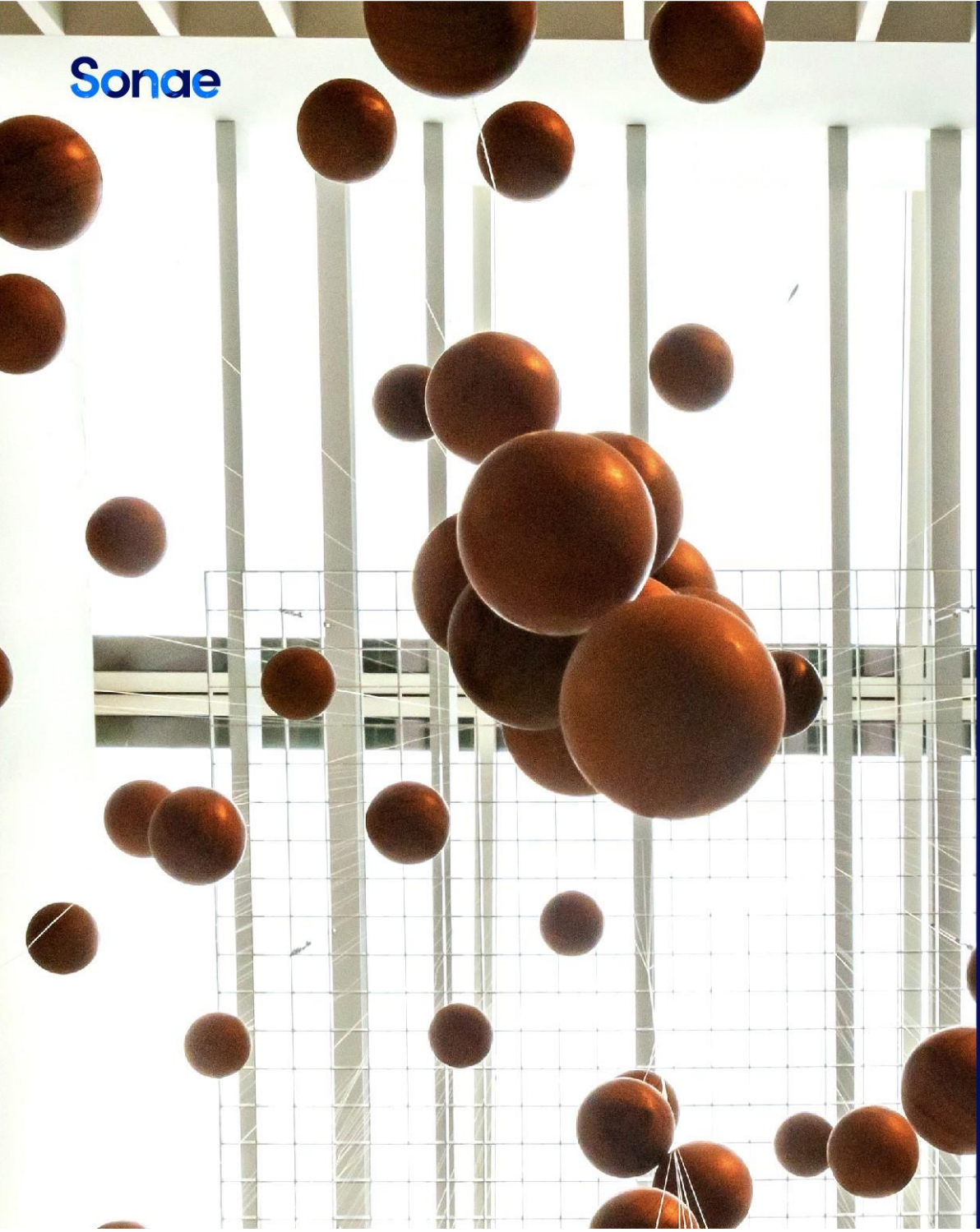
Leading with impact

by fostering value creation



3 Financial Statements

3.1. Consolidated statements
3.2. Individual statements
3.3. Statutory and audit reports
3.4. Report and Opinion of Statutory Audit Board



3

3.1 Consolidated financial statements

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)
(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022 Restated Note 1.4
Sales	2.2.1	8,063,544	7,387,767
Services rendered	2.2.1	335,638	305,147
Value created on investment properties	3.11	5,548	(3,534)
Gains and losses on investments	3.6	7,400	5,996
Gains and losses on investments recorded at fair value through results	3.4	(13,207)	35,238
Other income	2.6	182,712	203,423
Cost of goods sold and materials consumed	4.1	(5,819,891)	(5,305,588)
Changes in inventories of finished goods and work in progress	4.1	11	1,127
External supplies and services	2.4	(820,738)	(841,820)
Employee benefits expense	2.3.2	(1,119,788)	(986,864)
Other expenses	2.5	(114,132)	(133,302)
Depreciation and amortisation expenses	3.8, 3.9 and 3.10	(386,186)	(351,924)
Impairment losses	3.12	(89,611)	(64,154)
Provisions	7	(12,776)	(3,149)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax		**218,524**	**248,363**
Dividends received during the year	3.4	332	11,989
Share of profit or loss of joint ventures and associates	3.2	350,304	197,754
Financial income	6.7	104,243	112,492
Financial expense	6.7	(227,927)	(207,479)
Profit from continuing operations before tax		**445,476**	**363,119**
Income tax expense	4.12.1	(9,514)	(13,520)
Profit from continuing operations for the period		**435,962**	**349,599**
Profit/(Loss) from discontinued operations after taxation	1.3.1	(13,059)	51,049
Consolidated profit/(Loss) for the period		**422,903**	**400,648**
Attributable to owners of the Company:			
Continuing operations		370,121	289,803
Discontinued operations		(13,059)	45,744
		357,062	**335,547**
Attributable to non-controlling interests:			
Continuing operations		65,841	59,796
Discontinued operations		–	5,305
	6.2	**65,841**	**65,101**
Profit/(Loss) per share			
From continuing operations			
Basic	6.3	0.19206	0.15105
Diluted	6.3	0.19054	0.14982
From discontinued operations			
Basic	6.3	(0.00678)	0.02384
Diluted	6.3	(0.00672)	0.02365

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)
(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022 Restated Note 1.4
Net Profit / (Loss) for the period		422,903	400,648
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		21,546	(10,060)
Share of other comprehensive income of joint ventures and associates	3.2	(22,141)	18,796
Recycling of values from other comprehensive income through sale of	3.2.3.2	8,289	–
Changes in cash flow hedging reserve	5.2	(33,375)	9,920
Income tax relating to items that may be reclassified subsequently to profit or loss		4,969	(2,756)
Items of other comprehensive income that may be subsequently reclassified to the income statement		**(20,712)**	**15,900**
Items that won´t be reclassified subsequently to profit or loss:			
Share of other comprehensive income of joint ventures and associates		(1,590)	–
Changes value of financial assets at fair value	3.4	(1,325)	(2,856)
Items from other comprehensive income that won´t reclassified to the income statement:		**(2,915)**	**(2,856)**
Total other comprehensive income for the period		**(23,627)**	**13,044**
Total comprehensive income for the period		**399,276**	**413,692**
Attributable to:			
Equity holders of parent company		340,066	343,738
Non controlling interests		59,210	69,954

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022 Reestated Note 1.4
Assets			
Non-current assets:			
Property, plant and equipment	3.8	1,795,726	1,705,681
Intangible assets	3.9	489,762	491,845
Right of use assets	3.10	1,191,349	1,027,820
Investment properties	3.11	327,067	342,621
Goodwill	3.1	657,382	663,531
Investments in joint ventures and associates	3.2	1,801,784	1,751,472
Assets at fair value through profit and loss	3.4	272,367	216,889
Assets to fair value through other comprehensive income	3.4	9,994	41,263
Other investments	3.5	21,947	16,578
Deferred tax assets	4.12	227,368	395,820
Other non-current assets	4.5	40,370	49,395
Total non-current assets		**6,835,116**	**6,702,915**
Current assets:			
Inventories	4.1	798,646	727,232
Trade receivables	4.2	128,799	128,727
Other receivables	4.3	143,397	129,788
Income tax assets	4.12	73,559	48,600
Other tax assets	4.11	14,886	22,224
Other current assets	4.4	77,820	86,463
Investments	3.5	172	597
Cash and bank balances	6.6	710,858	793,812
Total current assets		**1,948,136**	**1,937,443**
Assets classified as held for sale	3.7	61,803	726
Total Assets		**8,845,055**	**8,641,084**

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022 Reestated Note 1.4
Equity and Liabilities			
Equity:			
Share capital	6.1	2,000,000	2,000,000
Own shares	6.1	(75,407)	(83,880)
Legal reserve		305,958	299,348
Reserves and retained earnings		437,116	239,530
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		357,062	335,547
Equity attributable to the equity holders of the Parent Company		**3,024,729**	**2,790,545**
Equity attributable to non-controlling interests	**6.2**	**437,050**	**523,848**
Total Equity		**3,461,779**	**3,314,393**
Liabilities			
Non-current liabilities			
Loans	6.4	733,521	776,384
Bonds	6.4	442,027	331,372
Other loans	6.4	2,688	–
Lease liabilities	3.10	1,261,375	1,109,668
Other non-current liabilities	4.7	89,255	90,936
Deferred tax liabilities	4.12	328,685	531,793
Provisions	7.0	23,649	21,621
Total Non-Current Liabilities		**2,881,200**	**2,861,774**
Current liabilities:			
Loans	6.4	46,959	226,744
Bonds	6.4	43,873	28,846
Other loans	6.4	6	–
Lease liabilities	3.10	140,454	96,897
Trade payables	4.8	1,441,865	1,434,829
Other payables	4.10	239,701	207,732
Income tax liabilities	4.12	23,769	20,832
Other tax liabilities	4.11	130,389	114,276
Other current liabilities	4.9	403,359	330,253
Provisions	7	12,217	4,508
Total Current Liabilities		**2,482,592**	**2,464,917**
Liabilities directly associated with assets classified as held for sale	3.7	19,484	–
Total Liabilities		**5,383,276**	**5,326,691**
Total Equity and Liabilities		**8,845,055**	**8,641,084**

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	Share Capital	Own Shares	Legal Reserve	Reserves and Retained Earnings					Net Profit/(Loss)	Total	Non controlling Interests (Note 6.2)	Total Equity
					Currency Translation Reserve	Investments Fair Value Reserve	Cash-flow Hedging Reserve	Other Reserves and Retained Earnings *	Total Reserves and Retained Earnings				
		Attributable to Equity Holders of Parent Company											
Balance as at 1 January 2022		**2,000,000**	**(88,539)**	**281,216**	**(184)**	**(2,373)**	**13,113**	**70,334**	**80,889**	**267,477**	**2,541,042**	**605,549**	**3,146,591**
Total comprehensive income for the period restated		–	–	–	(9,359)	(3,140)	5,154	15,537	8,191	335,547	343,738	69,954	413,692
Appropriation of consolidated net profit of 2021:													
Transfer to legal reserves and retained earnings		–	–	18,132	–	–	–	249,345	249,345	(267,477)	–	–	–
Dividends distributed	6.1 and	–	–	–	–	–	–	(98,124)	(98,124)	–	(98,124)	(71,468)	(169,592)
Obligation fulfield by share attribution to employees		–	4,871	–	–	–	–	1,802	1,802	–	6,674	229	6,903
Variation in percentage of subsidiaries		–	–					(3,229)	(3,229)	–	(3,229)	(74,298)	(77,527)
Capital decrease		–	–	–	–	–	–	–	–	–	–	(6,587)	(6,587)
Others		–	(212)	–	–	–	–	656	656	–	444	468	912
Balance as at 01 january 2023 restated		**2,000,000**	**(83,880)**	**299,348**	**(9,543)**	**(5,513)**	**18,266**	**236,321**	**239,530**	**335,547**	**2,790,545**	**523,848**	**3,314,393**
Total comprehensive income for the period		–	–	–	21,571	(1,544)	(22,970)	(14,053)	(16,996)	357,062	340,066	59,210	399,276
Appropriation of consolidated net profit of 2022:													
Transfer to legal reserves and retained earnings		–	–	6,611	–	–	–	328,936	328,936	(335,547)	–	–	–
Dividends distributed	6.1 and	–	–	–	–	–	–	(103,575)	(103,575)	–	(103,575)	(58,135)	(161,709)
Obligation fulfield by share attribution to employees		–	8,473	–	–	–	–	(1,196)	(1,196)	–	7,277	(376)	6,901
Variation in percentage of subsidiaries		–	–	–	–	–	–	(8,956)	(8,956)	–	(8,956)	(78,157)	(87,113)
Capital decrease		–	–	–	–	–	–	–	–	–	–	(9,651)	(9,651)
Others		–	–	–	–	–	–	(627)	(627)	–	(627)	311	(316)
Balance as at 31 December 2023		**2,000,000**	**(75,407)**	**305,958**	**12,027**	**(7,058)**	**(4,704)**	**436,849**	**437,116**	**357,062**	**3,024,729**	**437,050**	**3,461,779**

* The caption "Other reserves and retained earnings" includes an unavailable reserve for own shares in the amount of 62,929 million euro (Note 6.1)

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

	Notes	31 Dec 2023	31 Dec 2022
Operating Activities			
Receipts from customers		8,379,702	7,820,479
Payments to supliers		(6,560,985)	(6,151,690)
Payments to employees		(1,083,534)	(997,271)
Cash generated from operations		**735,183**	**671,518**
Income taxes (paid) / received		(54,938)	(33,119)
Other cash receipts and (payments) relating to operating activities		(37,129)	(14,832)
Net cash generated from operating activities (1)		**643,116**	**623,567**
Investment Activities			
Receipts arising from:			
Investments	3.3	354,914	299,837
Property, plant and equipment and intangible assets		5,324	3,103
Interests and similar income		15,206	5,922
Loans granted		1,126	1,588
Dividends	3	94,045	45,766
Others		2,255	38,616
		472,870	**394,832**
Operating Activities			
Investments	3.3	(265,567)	(307,830)
Property, plant and equipment and intangible assets		(396,520)	(297,538)
Loans granted		(404)	(9,039)
Others		–	(456)
		(662,491)	**(614,863)**
Net cash used in/ generated by investment activities (2)		**(189,621)**	**(220,031)**
Loans, bonds and finance leases	6.5	4,146,262	4,063,679
Capital increases, additional paid in capital and share premiums		457	712
Disposal of own shares		9,117	–
		4,155,836	**4,064,391**
Payments arising from:			
Lease liabilities	6.5	(220,844)	(194,046)
Loans, bonds and finance leases	6.5	(4,244,051)	(4,102,187)
Interests and similar charges		(57,810)	(24,054)
Reimbursement of capital and paid in capital		(3,872)	(6,587)
Dividends		(161,702)	(169,592)
Others		(2,103)	(3,237)
		(4,690,382)	**(4,499,703)**
Net cash used in financing activities (3)		**(534,546)**	**(435,312)**
Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		**(81,051)**	**(31,776)**
Effect of exchange rate changes on the balance of cash held in foreign currencies		483	76
Cash and cash equivalents at the beginning of the period	6.6	790,838	822,690
Cash and cash equivalents at the end of the period	6.6	709,304	790,838

The accompanying notes are part of these consolidated financial statements.

SONAE, SGPS, S.A.

Notes to the consolidated financial statements for the year ended 31 December 2023

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts stated in thousand euro)

1. Introduction

1.1. Group presentation

SONAE, SGPS, S.A. has its head office at Lugar do Espido, Via Norte, 4470-909 Maia, Portugal, Apartado 1011 and is the parent company of a group of companies, as detailed in Attachment I as Sonae Group ("Sonae"). Sonae's operations and operating segments are described in Note 2.2.

Shares representing the share capital of Sonae, SGPS, S.A. are listed on the Euronext Lisbon stock exchange. At 31 December 2023, Sonae, SGPS, S.A. is majority owned by Pareuro BV and Efanor Investimentos SGPS, S.E., the latter being the ultimate controlling company.

All amounts in this notes are shown in thousands of euro, rounded to the nearest unit, unless otherwise stated.

Sonae has in its portfolio 6 operating segments:

- MC is the undisputed leader in the Portuguese food retail market (offline and online);
- Worten is a leading omnichannel retailer of products and services, with a focus on household appliances and consumer electronics;
- Sierra is the fully integrated operator in the real estate sector;
- Zeitreel is the largest Portuguese fashion group (Salsa, Mo, Zippy and Losan);
- Bright Pixel is an active and specialized investor with a focus on retail technology, digital infrastructure and cybersecurity; and
- NOS is the leading convergent operator in the Portuguese telecommunications market.

On 11 October 2023, the sale of Iberian Sports Retail Group ("ISRG") was completed, which was the sports retail operating segment, as described in Note 1.2.

On 30 November 2023, the creation of the joint venture between Sonae, SGPS, S.A. and Bankinter Consumer Finance. E.F.C., S.A. was completed. This operation involved the sale of Universo, IME, S.A., which was the digital financial services operating segment, as described in Note 1.2.

Sonae SGPS, S.A. operates in Portugal, but the Group's business areas also operate internationally.

1.2. Key events during the year

DRUNI

In June 2023, an agreement was signed with the founding shareholders of Druni S.A. ("Druni") and Arenal Perfumerias SLU ("Arenal") to combine the businesses of these two companies.

The combination of the Druni and Arenal businesses will result in the creation of a leading operator in the health, well-being and beauty segment in Spain, with a turnover of approximately 800 million euro. The strong geographic complementarity of both store networks will allow for comprehensive coverage of the Spanish territory, largely reinforced by a reference online operation, which will make it possible to provide a unique omnichannel value proposition in the market.

The completion of this transaction is subject to approvals from the competent authorities for a transaction of this nature, and Sonae expects its completion during 2024.

ISRG

On 11 October 2023, it is concluded the sale of the entire 30% stake less 1 share held in Iberian Sports Retail Group, SL ("ISRG"), to JD Sports Fashion Plc ("JD Group"), for an amount of 300 million euro, generating added value of 168 million euro (note 2.1 and 3.2).

Public Offer for Acquisition of shares in Musti Group Plc.

On 29 November 2023, Sonae SGPS, S.A. in partnership with two Directors and the CEO of Musti Group Plc ("Musti") launched a voluntary public offer for acquisition ("Offer") of shares representing Musti's share capital, through its subsidiary Flybird Holding Oy. The consideration offered, payable in cash, amounted to 26.1 euro for each share.

The initial period of public offer ended on 15 February 2024, and the final result of the offer confirmed that the total acceptances together with the shares already acquired or held by the consortium represented 42.99% of the shares and voting rights in Musti. Flybird Holding Oy waived the minimum condition of achieving more than 90% of the shares and voting rights in Musti and decided to initiate a subsequent offer period for the Shares in accordance with the terms and conditions of the offer, which ran between 21 February 2024 and 6 March 2024.

With the conclusion of the subsequent period, the total acceptances together with the shares already acquired or held by the Group represented 80.65% of the shares and voting rights in Musti.

Creation of joint venture with Bankinter

On 30 November 2023, the creation of the Joint Venture between Sonae SGPS, S.A. and Bankinter Consumer Finance E.F.C., S.A. ("Bankinter Consumer Finance"), was completed, which the latest is now being a 50% shareholder of Universo, IME, S.A. ("Universo").

With the conclusion of this operation, Sonae recognized a capital gain of 6.8 million euro and deconsolidated its 100% stake in Universo, with the remaining 50% now being consolidated using the equity method. Following the aforementioned operation, Sonae revalued its subsidiary, recording a gain of 6 million euro in the income statement.

1.3. Consolidation perimeter

The companies included in the Sonae Group's consolidation perimeter at 31 December 2023 are listed in Annex I of this report.

Consolidation principle

a) Investments in controlled companies

Investments in companies in which Sonae owns, directly or indirectly, control are included in the consolidated financial statements using the full consolidation method.

Sonae has control of the subsidiary when the company fulfils the following conditions cumulatively: i) has power over the subsidiary; ii) is exposed to, or has rights, to variable results from its involvement with the subsidiary; and iii) the ability to use its power to affect its returns.

When the Group has less than a majority of a subsidiary voting rights, it has power over the investee when the voting rights are sufficient to decide unilaterally on the relevant activities of its subsidiary. The Group considers all the facts and circumstances relevant to assess whether the voting rights in the subsidiary are sufficient to give it power.

Sonae reassesses both whether it controls an entity or not if facts and circumstances indicate that there are changes to one or more of the control conditions listed above.

Equity and net profit attributable to minority shareholders are shown separately, under the caption non-controlling interests, in the consolidated statement of financial position and in the consolidated income statement, respectively. Companies included in the consolidated financial statements are listed in Attachment I.

The comprehensive income of an associated is attributable to the Sonae Group owners and non-controlling interests, even if the situation results in a deficit balance at the level of non-controlling interests.

Assets and liabilities of each Sonae subsidiary are measured at their fair value at the acquisition date or control assumption, such measurement can be completed within twelve months after the date of acquisition. The excess of the consideration transferred plus the fair value of any previously held interests and non-controlling interests over the fair value of the identifiable net assets acquired is recognized as goodwill (Note 3.1). If the difference between the acquisition price plus the fair value of any interests previously held and the value of non-controlling interests and the fair value of identifiable net assets and liabilities acquired is negative, it is recognized as income for the year under "Other Income "after reconfirmation of the fair value attributed to the net assets acquired. The Sonae Group will choose on transaction-by-transaction basis, the fair measurement of non-controlling interests, (i) according to the non-controlling interests share assets, liabilities and contingent liabilities of the acquired, or (ii) according to their fair value.

Subsequent transactions in the disposal or acquisition of interests in non-controlling interests that do not imply a change in control do not result in the recognition of gains, losses or goodwill. Any difference between the transaction and book value of the traded interest is recognized in Equity, in other equity instruments.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of gain of control or up to the effective date of loss of control, as appropriate.

Adjustments to the financial statements of Sonae subsidiaries are performed, whenever necessary, in order to adapt accounting policies to those used by Sonae. All intra-group transactions, balances, income and expenses and distributed dividends are eliminated on the consolidation process. Unrealized losses are also eliminated if they do not show an impairment of the transferred asset.

b) Translation of financial statements of foreign companies

Assets and liabilities denominated in foreign currencies in the financial statements of foreign companies are translated to euro (the group transaction currency) using exchange rates at date of the statement of financial position. Profit and loss and cash flows are converted to euro using the average exchange rate for the period. Exchange rate differences originated after 1 January 2004 are recorded as equity under "Currency Translation Reserves" in "Other Reserves and Retained Earnings". Exchange rate differences that were originated prior to 1 January 2004 (date of transition to IFRS) were written-off through "Reserves and Retained Earnings".

Goodwill and fair value adjustments arising from the acquisition of foreign companies are recorded as assets and liabilities of those companies and translated to euro using exchange rates at the statement of financial position date.

Whenever a foreign company is sold (totally or partially), accumulated exchange rate differences are recorded in the income statement as a gain or loss on the disposal, in the caption Investment income, when there is a control loss; in the case where there is no control loss, it is transferred to non-controlling interests.

Exchange rates used on translation of foreign group, subsidiaries, jointly controlled and associated companies are listed below:

	31 Dec 2023		31 Dec 2022	
	End of exercise	Average of exercise	End of exercise	Average of exercise
US Dollar	0.90498	0.92479	0.93756	0.95148
Pound Sterling	1.15068	1.14980	1.12748	1.17317
Brazilian Real	0.18650	0.18523	0.17735	0.18458
Romenian Leu	0.20102	0.20216	0.20213	0.20280
Mexican Peso	0.05341	0.05218	0.04795	0.04735
Turkish Lira	0.03062	0.04010	0.05009	0.05784
Mozambican Metical	0.01416	0.01447	0.01465	0.01490
Angolan Kwanza	0.00108	0.00141	0.00184	0.00208
Polish Zloty	0.23044	0.22036	0.21364	0.21349

Balances and transactions expressed in foreign currencies

Transactions are recorded in the separate financial statements of the subsidiaries in the functional currency of the subsidiary, using the rates in force on the date of the transaction.

At each statement of financial position date, all monetary assets and liabilities expressed in foreign currencies are translated to the functional currency of each foreign subsidiary at the exchange rates as at that date. All non-monetary assets and liabilities recorded at fair value and stated in foreign currencies are converted to the functional currency of each subsidiary, using the exchange rate at the date the fair value was determined.

Exchange gains and losses arising from differences between historical exchange rates and those prevailing at the date of collection, payment or the date of the statement of financial position, are recorded as income or expenses of the period, except for those related to non-monetary assets or liabilities, for which adjustments to fair value are directly recorded under equity.

When Sonae wants to reduce currency exposure, it negotiates hedging currency derivatives (Note 5.2).

Relevant accounting judgments and estimates

To determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed, or has rights, to variability in the returns arising from its involvement with that entity and can take control of them through the power it holds over that entity (effective control).

The decision that an entity has to be consolidated by the Group requires the use of judgement, assumptions and estimates to determine the extent to which the Group is exposed to the variability of returns and the ability to control them through its power.

Other assumptions and estimates could cause the Group's consolidation perimeter to be different, with a direct impact on the consolidated financial statements.Considering the

percentage of ownership, directly and indirectly attributable to Sonae, it was analyzed in according to IFRS 10, whether Sonae could exercise control over NOS. From this analysis, it was concluded that Sonae does not control the company, because it does not hold the majority of the share capital and voting rights of NOS, and that it is not clear that i) it is possible for Sonae to take decisions on its own only and ii) that the existence of a majority contrary to its intentions is unlikely. Therefore, and given that Sonae has the opportunity to participate in NOS' decision-making processes, we are facing a situation of significant influence, with the respective investment being classified as "Investments in associates" and recorded in Sonae's consolidated accounts using the equity method.

1.3.1. Acquisition of subsidiaries in the period ended at 31 December 2023:

The detail of the acquisitions of subsidiaries can be analysed as follows:

COMPANY	Head Office	Proportion of voting equity interests acquired	
		At the date of acquisition	
		Direct	Total
MC			
Denethor Investments, SLU	Spain	100.00%	100.00%
Others			
Flybird Holding OY	Finland	95.05%	95.05%
SparkVos, S.R.L.	Italian	70.00%	70.00%
Sparkfood Ingredients Italy, S.R.L. (ex-Gravel-Racing 01 S.r.L.)	Italian	100.00%	100.00%
Evra, S.R.L.	Italian	100.00%	70.00%
Nutraceutica, S.R.L.	Italian	100.00%	70.00%
NVH, S.R.L.	Italian	100.00%	70.00%
Osun Solutions, S.R.L.	Italian	100.00%	70.00%

Others

In May 2023, the subsidiary Sparkfood Ingredients, S.A. acquired a 100% stake in the company Gravel-Racing 01 S.R.L. which changed its name to Sparkfood Ingredients Italy S.R.L., which in turn acquired in July 2023 a 70% stake in the share capital of the company SparkVos S R L and its subsidiaries (Evra, S.R.L., Nutraceutica S.R.L., NVH, S.R.L. and Osun Solutions, S.R.L.).

In December 2023, the subsidiary Sonae Holdings, S.A. acquired 28,800,000 shares in Flybird Holding Oy representing 95.05% of the company's capital.

The effects of these acquisitions on the consolidated financial statements can be analysed as follows:

	Value
Net assets acquired:	
Property, plant and equipment and intangible assets (Notes 3.8 and 3.9)	2,974
Other financial investments	105
Inventories	9,513
Loans	(9,879)
Trade receivables and other assets	14,705
Other assets	1,686
Cash and cash equivalents	49
Other non-current liabilities	(499)
Provisions	(463)
Trade payables and other current liabilities	(6,986)
Other liabilities	(2,284)
Total net assets acquired	**8,923**
Proportional of net assets acquired	**6,246**
Acquisition value	29,269
Goodwill (Note 3.1)	23,023

1.3.2. Main disposals of subsidiaries occurred in the period ended 31 December 2023

The detail of disposals of subsidiaries can be analysed as follows:

COMPANY	Head Office	At the disposal date	
		Direct	Total
Sierra			
BrightCity, S.A.	Portugal	100.00%	100.00%
Living Markets I, S.A.	Portugal	100.00%	100.00%
Universo			
Universo IME, S.A	Portugal	100.00%	100.00%

Sierra

In August 2023, the subsidiary Sierra Developments Holding B.V. sold 50% of the capital stake in BrightCity, S.A. to a new partner. As a result, the company became a joint venture and was included under the equity method (Note 3.2.3).

In October 2023, the share capital of Living Markets I, S.A. was increased by 50 thousand euro, which was fully subscribed by a new partner. As a result, the company became a joint venture (Note 3.2.3). These transactions generated a gain of 147 thousand euro.

Universo

As mentioned in Note 1.2, on 30 November 2023, the creation of the Joint Venture between Sonae SGPS, S.A. and Bankinter Consumer Finance E.F.C., S.A. ("Bankinter Consumer Finance"), was completed, with Bankinter Consumer Finance now being a 50% shareholder of Universo, IME, S.A. ("Universo"). With the conclusion of this operation, Sonae recognized a capital gain of 6.8 million euro and deconsolidated its 100% stake in Universo.

The effects of these disposals on the consolidated financial statements as at 31 December 2023 can be analysed as follows:

Amounts in euro	At disposal date	
	Sierra	Universo
Net assets		
Tangible, intangible fixed assets and rights of use (Note 3.8, 3.9 and 3.10)	1,255	12,423
Deferred tax assets	14	4,527
Other non-current assets	24	47
Trade Receivables	42	101,461
Other current assets	600	12,308
Cash and cash equivalents	386	39,890
Lease liabilities	(851)	(535)
Deferred tax liabilities	–	(112)
Other non current liabilities	(262)	(162)
Trade payables	–	(82,690)
Other current liabilities	(451)	(16,977)
Total net assets disposed	**757**	**70,180**
% of investment sold	50%	50%
Total of net assets derecognized after non-controlling interests	**379**	**35,090**
Amounts received	525	41,915
Gain/(Loss) on disposal (Note 3.6)	**147**	**6,825**

Derived from the sale of 50% of shares representing Universo's share capital in November 2023, with loss of control, the contribution of this company to the consolidated from January to November 2023, was reclassified to discontinued operations, as it is a segment business in which the Group ceases to be active.

	31 Dec 2023
	Universo
Turnover	36,554
Other income	4,155
External supplies and services	(35,411)
Employee benefits expense	(6,902)
Depreciation and amortisation expenses	(1,634)
Impairment losses	(12,449)
Other expenses	(6,474)
Financial Income and Expenses	(2,065)
Profit/(Loss) before tax	**(24,226)**
Income tax expense	4,342
Profit/(Loss) after tax	**(19,884)**
Income or expenses related to loss control	6,825
Profit/(Loss) for period from discountinuing operations	**(13,059)**

1.4. Restated consolidated financial statements

1.4.1. Allocation of the fair value of NOS assets and liabilities

Regarding the transaction that took place in 2022, which led to the classification of NOS investment as an Associate, and the subsequent increase in participation by 11.3%, for the latter the purchase price allocation exercise was carried out provisionally in 2022, having been the difference between the amount paid and NOS equity recorded in the goodwill line. The evaluation process was completed in 2023.

As set out in IFRS 3 – Business Combination, by reference to IAS 28, an assessment of the fair value of the assets acquired and liabilities assumed was carried out with reference to 30 September 2022, and retrospectively adjusted the values recognized in the financial statements of the Sonae using the equity method (Note 3.2.3.2).

The impact of the restatement of the consolidated financial position as of 31 December 2022, as as follows:

31 Dec 2022	Before the restatement	NOS	After the restatement
Assets			
Non-current assets:			
Investments in joint ventures and associates	1,757,479	(6,007)	1,751,472
Other non-current assets	4,951,443	–	4,951,443
Total Non-Current Assets	**6,708,922**	**(6,007)**	**6,702,915**
Total Current Assets	**1,937,443**	**–**	**1,937,443**
Assets classified as held for sale	726	–	726
Total Assets	**8,647,091**	**(6,007)**	**8,641,084**
Equity and Liabilities			
Equity:			
Share capital	2,000,000	–	2,000,000
Own shares	(83,880)	–	(83,880)
Legal reserve	299,348	–	299,348
Reserves and retained earnings	239,530	–	239,530
Profit/(Loss) for the period attributable to the equity holders of the Parent Company	341,554	(6,007)	335,547
Equity attributable to the equity holders of the Parent Company	**2,796,552**	**(6,007)**	**2,790,545**
Equity attributable to non-controlling interests	**523,848**	**–**	**523,848**
Total Equity	**3,320,400**	**(6,007)**	**3,314,393**
Total Liabilities	**5,326,691**	**–**	**5,326,691**
Total Equity and Liabilities	**8,647,091**	**(6,007)**	**8,641,084**

1.4.2. Impact of the restatement of the consolidated income statement

As provided for by IFRS 5, changes were made to the Consolidated Statements of Income by Nature for the year ended 31 December 2022, to reflect in a single heading (Consolidated net income for the period of discontinued operations), on the face of the income statement, the profit or loss after tax of the discontinued operating unit – Universo IME. Additionally, the attribution of fair value to NOS assets led to changes in the value of "Income or losses relating to joint ventures and associates" in the 2022 financial year.

The impact on the consolidated income statement as of 31 December 2022, can be analysed as follows:

31 Dec 2022	Before the restatement	NOS	Universo	After the restatement
Sales	7,387,762	–	(5)	7,387,767
Services rendered	338,251	–	33,104	305,147
Changes in value of investment properties	(3,534)	–	–	(3,534)
Income or expense relating to investments	5,996	–	–	5,996
Gains and losses on investments recorded at fair value through results	35,238	–	–	35,238
Other income	197,090	–	(6,301)	203,423
Cost of goods sold and materials consumed	(5,305,588)	–	–	(5,305,588)
(Increase) /Decrease in prodution	1,127	–	–	1,127
External supplies and services	(864,674)	–	(22,854)	(841,820)
Employee benefits expense	(992,893)	–	(6,029)	(986,864)
Other expenses	(140,940)	–	(7,672)	(133,302)
Depreciation and amortisation expenses	(353,743)	–	(1,818)	(351,924)
Impairment losses	(65,900)	–	(1,746)	(64,154)
Provisions	(3,149)	–	–	(3,149)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax	**235,043**	**–**	**(13,321)**	**248,363**
Dividends received	11,989	–	–	11,989
Share of profit or loss of joint venture and associates	203,761	(6,007)	–	197,754
Financial income	112,412	–	(80)	112,492
Financial expense	(207,465)	–	14	(207,479)
Profit/(Loss) before taxation from continuing operations	**355,741**	**(6,007)**	**(13,387)**	**363,119**
Income tax expense	(10,408)	–	3,113	(13,520)
Profit/(Loss) after taxation from continuing operations	**345,333**	**(6,007)**	**(10,274)**	**349,599**
Profit / (Loss) from discontinued operations after taxation	61,322	–	10,274	51,049
Consolidated profit/(Loss) for the period	**406,655**	**(6,007)**	**–**	**400,648**

1.5. Subsequent events

Acquisition of CTT IMO YIELD

On 5 January 2024, Sierra completed the acquisition of 26.3% of the vehicle company CTT IMO YIELD – SIC Imobiliária Fechada, S.A. for a value of 36.1 million euro. This company covers the real estate assets of CTT's portfolio, which is made up of around 400 properties across the country.

Sale of Dr. Wells

In December 2023, an agreement was announced with Lusíadas SGPS, S.A. ("Grupo Lusíadas") for the sale of the company McCare – Serviços de Saúde, S.A., owner of the Dr. Wells (Dr. Well's) brand. This transaction was carried out for the amount of 4,680 thousand euro and was completed on 31 January 2024.

Acquisition of Diorren

On 5 February 2024, Sonae informed that through its subsidiary Sparkfood, S.A. it presented an irrevocable offer and is in exclusive negotiations with the objective of acquiring a stake of approximately 89% in Diorren SAS ("Diorren"), the company holding of BCF Life Sciences ("BCF"), for a total value of 152 million euro, on a cash and debt-free basis, with the transaction expected to be completed in the first half of 2024.

Public Offer for Acquisition of shares in Musti Group Plc.

The initial period of public offer ended on 15 February 2024, and the final result of the offer confirmed that the total acceptances together with the shares already acquired or held by the consortium represented 42.99% of the shares and voting rights in Musti . Flybird Holding Oy waived the minimum condition of achieving more than 90% of the shares and voting rights in Musti and decided to initiate a subsequent offer period for the Shares in accordance with the terms and conditions of the offer, which ran between 21 February 2024 and 6 March 2024.

With the conclusion of the subsequent period, the total acceptances together with the shares already acquired or held by the Group represented 80.65% of the shares and voting rights in Musti.

Bonds issuance

Sonae, on 27 February, 1 March and 18 March 2024, issued bonds worth 275 million euro, 125 million euro and 150 million euro, respectively with maturity on 27 November 2028 These issues were carried out under a financing agreement with the aim of financing the voluntary public offer for acquisition of shares of the Finnish company Musti Group Plc.

Legal actions with Anacom

In 2024 and up to the date of issuance of this report, NOS has been notified that the Constitutional Court ruled on cases on actions for judicial review by NOS, S.A., NOS Açores and NOS Madeira, relating to the Annual Activity Fee charged by Anacom. The Constitutional Court concluded that Ordinance nº 1473-B/2008, of 17 December, which regulates the determination of fees due for carrying out the activity of providing electronic communications networks and services, was unconstitutional, and also ordered ANACOM to proceed refund of the amount unduly charged, which amount to 36.6 million euro.

1.6. Basis of preparation

Approval of financial statements

The accompanying consolidated financial statements were approved by the Board of Directors on 29 March 2024. Nevertheless, they are still subject to approval at the Shareholders Annual General Meeting.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable to economic periods beginning on 1 January 2023, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRS - IC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as at the consolidated financial statements issuance date.

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the company and subsidiaries, joint ventures and associates companies, adjusted in the consolidation process, on a going concern basis. In preparing the consolidated financial statements, the Group used the historical cost adjusted, when applicable, to measure the fair value of i) financial assets at fair value through profit or loss, ii) financial assets at fair value through other comprehensive income and iii) investment properties measured at fair value.

1.7. New accounting standards and their impact in these consolidated financial statements

Up to the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2023:

Standards (new and amendments) effective as at 1 January 2023	Effective date (for financial years beginning on or after)
IAS 1 – Disclosure of accounting policies Disclosure requirement for "material" accounting policies, rather than "significant" accounting policies.	**1-Jan-23**
IAS 8 – Disclosure of accounting estimates Definition of accounting estimate. Clarification as to the distinction between changes to accounting policies and changes to accounting estimates.	**1-Jan-23**
IFRS 17 – Insurance contracts New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participating features in profit or loss, in terms of aggregation, recognition, measurement, presentation and disclosure.	**1-Jan-23**
IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information This amendment allows to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when first applying IFRS 17. This amendment allows the application of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information.	**1-Jan-23**

Standards (new and amendments) effective as at 1 January 2023	Effective date (for financial years beginning on or after)
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction Requirement to recognize deferred tax on the recognition of assets under right of use / lease liability and provisions for decommissioning / related asset, when their simultaneous initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, due to not being relevant for tax purposes.	**1-Jan-23**
IAS 12 – International Tax Reform – Pillar 2 model rules Introduction of a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar 2 income taxes. Requirement of targeted disclosure for affected entities (entities belonging to multinational groups that have consolidated revenues of 750 million euro in at least two out of the last four years).	**Immediately or 1-Jan-23**

International taxation reform (IAS 12)

Sonae and its subsidiaries, in which it has control, directly or indirectly, present themselves as contributing entities of groups whose ultimate parent entity is Efanor Investimentos, SGPS, S.E., in accordance with Council Directive EU 2022/2523 of 14 September 2022 (Pillar 2).

In these sense, we begin to describe the legal-fiscal framework applied to the Efanor Group, for the purposes of Pillar 2.

Regarding the amendment to IAS 12 with the "Reform of international taxation: Pillar two model rules", the Group applies the exception to the recognition and disclosure of information on deferred taxes and liabilities related to second pillar income taxes, as provided in the amendments to IAS 12 issued in May 2023.

In accordance with Council Directive EU 2022/2523 of 14 December 2022 ("Directive"), the Group is covered by the rules of minimum taxation (Pillar 2) to the extent that its annual income exceeds 750 million euro in at least two of the four years before 2024.

Although not yet transposed into the Portuguese national legal system, which is also the case in other jurisdictions, groups under the terms and conditions set out in the Directive must ensure, in each jurisdiction in which they are located, the payment of a supplementary tax rate determined by the difference between its effective tax rate calculated in accordance with the Global Anti-Base Erosion Model Rules (Pillar 2) ("OECD Model Rules"), and the minimum rate of 15%, obviously in the case where the effectively calculated rate is less than the 15% previously mentioned.

Although the Directive is only applicable to the 2024 fiscal year, the Group is in a study process in order to determine, with the elements available at this date, its exposure to the OECD Model Rules. This study has the collaboration and support of independent, external consultants and experts in this field.

Based on the structure, recent operations, application of the rules foreseen for the transition periods, and based on the 22 jurisdictions declared for the purposes of the last "Qualified Country by Country" submitted for the 2022 financial year, it is concluded that 15 jurisdictions would be excluded from immediately by applying one of the three tests provided for in the safeguard rules ("Safe Harbor") applicable to the transitional period from 2024 to 2026 inclusive.

For the remaining jurisdictions, and in order to verify the existence (or not) of a supplementary tax, it is necessary to deepen the analysis, by applying the OECD Model Rules in the following jurisdictions: Portugal, Spain, Luxembourg, Malta, the Netherlands and Romania. Although the analysis has not yet been completed, we can, however, assess:

Portugal - The conclusions of the preliminary analysis carried out allow us to state that this tax jurisdiction may not calculate additional tax, due to the exclusion of income based on substance (taking into account salary expenses and tangible fixed assets). However, there is a Real Estate Investment Fund, based in Portugal, Fundo Imosonae Dois, which according to the OECD Model Rules may be classified as an Investment Entity and, therefore, determines the calculation of the effective tax rate autonomously and using the exclusions determined by the value of your own assets (OECD Model Rules applicable to Investment Entities where not all holders are located in the same jurisdiction). Confirming the need for this autonomous calculation for the Fund, the additional tax calculation payable in Portugal can be determined, the amount of which, won´t be material.

Spain - The analysis carried out results in the possibility of calculating additional tax in this jurisdiction, but there is still a need for clarification, by the legislator (which has not occurred so far), of the treatment of deferred taxes, particularly with reference to the goodwill tax amortization standard. Business-level restructurings in this jurisdiction may have effects both on the determination of the overall effective income tax rate in the jurisdiction and on the values of tangible fixed assets and salary expenses that may impact substance-based exclusions. As a result of the above, there is no viably measurable supplementary tax at the moment.

Luxembourg - Given the income structure obtained by companies located in this jurisdiction, the first analysis shows that, with the information available at the time, there is no high probability of additional tax being assessed.

Malta - Given the specificities of the Tax Regime in Malta, the effective tax rate in this tax jurisdiction is less than 15%. The initial analysis indicates that, in this jurisdiction, there is a high probability of determining a supplementary tax value whose amount, in the preliminary analysis, won´t be material.

Netherlands - Given the structure of income obtained by companies based in that jurisdiction, the first analysis shows that the assessment of additional tax is not highly likely.

Romania - We verified the possibility of calculating additional tax, however, for a relatively immaterial amount.

Insurance contracts (IFRS 17)

It should be noted that the Group is still in the process of analysing the impacts of the application of the Directive, with the help of the same independent external consultants,

especially as at this date the Directive has not yet been transposed into the Portuguese legal system and on the other hand Guidelines from the OCDE and EU continue to be published that seek to clarify some of their points that, at this date, still raise doubts among various economic agents and that could alter the conclusions described above.

Within the scope of the initial application of IFRS 17, the Group carried out a review of the recognition, measurement and accounting of insurance contracts, particularly in terms of: i) revenue recognition, considering that based on the assessment carried out the expected standard for the settlement of risk during the coverage period due to the incidence of claims does not differ significantly from the passage of time that was used at the IFRS 4 level and, as such, maintaining the existing linear standards used to settle the unearned premium reserves is considered appropriate to measure the insurance revenues under IFRS 17, ii) the recalculation of provisions for claims in accordance with the "Solvency II" directive, which is calculated by actuaries and used as a proxy for the "estimates of future cash flows" required by IFRS 17, iii) using the PAA model ("Premium Allocation Approach") as a model for measuring insurance contracts and creating their discount rate curves using a bottom-up approach, using EIOPA risk-free rates as a basis.

From the assessment carried out, no relevant material impacts were found on the group's financial statements, either on 31 December 2022, or on 1 January 2022.

These standards were first applied by the Group in 2023. The Group carried out an analysis of the changes introduced and their impact on the financial statements and concluded that the application of these standards did not produce materially relevant effects on the financial statements.

The following standards, interpretations, amendments, and revisions have been endorsed by the European Union, until the date of approval of these financial statements and are mandatory for future economic years:

Standards (new and amendments) that will become effective, on or after 1 January 2024, endorsed by the EU	Effective date (for financial years beginning on or after)
IAS 1 – Classification of liabilities as non-current and current and non-current liabilities with covenants Classification of a liability as current or non-current, depending on an entity's right to defer its settlement for at least 12 months after the reporting date, when subject to covenants.	**1-Jan-24**
IFRS 16 – Lease liability in a sale and leaseback Criteria to account for sale and leaseback transactions after the date of the transaction, when some or all the lease payments are variable.	**1-Jan-24**

The Group did not proceed with early application in the financial statements for the year ended 31 December 2023 as its application is not mandatory. No significant impacts are estimated on the financial statements resulting from their adoption, particularly regarding the application of IFRS 16.

The following standards, interpretations, amendments and revisions were not at to the date of approval of these consolidated financial statements endorsed by the European Union:

Standards (new and amendments) that will become effective, on or after 1 January 2024, but not endorsed by the EU	"Effective date (year started on or after)"
IAS 7 and IFRS 7 – Supplier finance arrangements Requirement to provide additional disclosures about supplier finance arrangements, the impact in liabilities and cash flows, as well as the impact in liquidity risk analysis, and how the entity would be impacted if these arrangements were no longer available.	**1-Jan-24**
IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability Requirements for determining whether a currency is capable of being exchanged for another currency and, when exchange is not possible for a long period, the options for calculating the spot exchange rate to be used. Disclosure of the impacts of this situation on the liquidity, financial performance and financial position of the entity, as well as the spot exchange rate used on the reporting date.	**1-Jan-25**

These standards have not yet been endorsed by the European Union and, as such, were not adopted by the Group in the year ending 31 December 2023, as their application is not yet mandatory.

No materially relevant effects are expected upon adoption of the standards.

1.8. Relevant accounting judgements and estimates

The preparation of consolidated financial statements in accordance with IFRS requires the use of estimates, assumptions and critical judgments in the process of determining the accounting policies to be adopted by the Entity, with significant impact on the carrying amounts of assets and liabilities, as well as on the income and expenses of the period.

The estimates and judgments with impact on the Group's financial statements are continuously evaluated, representing at each reporting date the Management's best estimate, taking into account historical performance, accumulated experience and expectations about future events that, under the circumstances, if they believe they are reasonable.

The nature of the estimates may lead to the actual reflection of the situations that had been estimated, for the purposes of financial reporting, would differ from the estimated amounts.

1.8.1. The most significant accounting estimates reflected in the financial consolidated statements include:

a) Terms of right of use assets (Note 3.10);

b) Recording of provisions and analysis of contingent liabilities (Note 7);

c) Classification of investments of the venture capital portfolio (Note 3.4);

d) Entities included in the consolidation perimeter (Attachment I);

e) Presentation of financing granted to subsidiaries as loans granted or part of the investment (Note 4.3 and 4.5);

f) Evaluation of the application of the criteria for aggregation of operational segments;

g) Assessment of financial assets and liabilities of insurance contracts under IFRS 17.

1.8.2. The most significant estimates reflected in the consolidated financial statements include:

a) Impairment analysis of goodwill in investments in associated companies and jointly controlled entities and of property, plant and equipment and intangible assets (Note 3.1, 3.2, 3.8 and 3.9);

The assessment of impairment in goodwill, investments in joint ventures and associates and other “Property, plant and equipment” and intangible assets involves significant judgments and estimates by Management, namely in projecting the cash flows of the assets included in the business plans, the rate of growth in perpetuity and the discount rate of those cash flows.

b) Determination of the fair value of derivative financial instruments (Notes 5.1 and 5.2);

c) Recoverability of deferred tax assets (Note 4.12.2);

d) Impairment of financial assets (Note 7.1);

e) Income tax of the Group's various geographies (Note 4.12);

f) Financial assets at fair value through other comprehensive income or profit and loss (Note 3.4);

g) Fair value of the investment properties (Note 3.11).

The estimates were determined based on the best information available at the date of preparation of the consolidated financial statements and based on the best knowledge and experience of past and/or current events. However, situations may occur in subsequent periods that, although not predictable at the time, were not considered in these estimates. Changes to these estimates, which occur after the date of the consolidated financial statements, will be corrected in results on a prospective basis, as provided for by IAS 8 - “Accounting policies, changes in accounting estimates and errors”.

The remaining judgments and estimates are described in the corresponding notes, when applicable.

2. Operational Activity

2.1. Presentation of consolidated income statements

In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA and Underlying EBITDA the consolidated income statement is divided between Direct income components and Indirect Income components.

The Indirect Income includes the contribution of Sierra, net of taxes that result from:(i) valuation of investment properties of subsidiaries and the share of associates and joint ventures; (ii) gains (losses) with the sale of financial investments, joint ventures, or associates. (iii) impairment losses relating to non-current assets (including Goodwill); (iv) gains (losses) resulting from obtaining/losing control and corresponding recycling of conversion reserves; and (v)provisions for assets at risk. Additionally, and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decreases in Goodwill, (iii) negative Goodwill (net of taxes) related to acquisitions in the financial year, (iv) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (v) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and other underlying income (including dividends) and (vi) other irrelevant issues.

The value of EBITDA, Underlying EBITDA and EBIT are calculated in the Direct Income component, i.e. excluding the indirect contributions.

The reconciliation between the two presentation formats for the consolidated income statement for the periods ended 31 December 2023 and 2022 can be summarized as follows:

	31 Dec 2023				31 Dec 2022 Restated			
	Consolidated	Indirect Income (e)	Non recurrent	Direct Income (d)	Consolidated	Indirect income (e)	Non recurrent	Direct Income (d)
Turnover	8,399,182	–	–	8,399,182	7,692,914	–	–	7,692,914
Value created on investment properties	5,548	5,548	–	–	(3,534)	(3,534)	–	–
Investment income	7,732	3,659	3,095	978	17,985	11,988	5,996	–
Others income	182,712	575	–	182,137	203,423	(3,194)	–	206,616
Total income	**8,595,173**	**9,781**	**3,095**	**8,582,297**	**7,910,788**	**5,260**	**5,996**	**7,899,530**
Total expenses	**(7,873,503)**	**–**	**(12,115)**	**(7,861,388)**	**(7,264,102)**	**–**	**9,519**	**(7,273,620)**
Depreciation and amortisation	(386,183)	–	–	(386,183)	(351,924)	–	–	(351,924)
Gains and Losses on property, plant and equipment and intangible assets	(1,038)	–	–	(1,038)	(2,345)	–	–	(2,345)
Non-recurring impairment losses over inventories	(1,275)	–	–	(1,275)	(1,258)	–	–	(1,258)
Asset impairments	(96,060)	(73,801)	–	(22,259)	(69,940)	(57,214)	–	(12,726)
Impairment losses and provisions	7,208	575	–	6,633	6,672	–	–	6,672
Unusual provisions and impairments	1,463	–	–	1,463	1,271	–	–	1,271
Others	(13,723)	–	649	(14,372)	(4,046)	–	–	(4,046)
Profit before financial results and results of joint ventures and associates and non-recurrent items	**232,063**	**(63,445)**	**(8,371)**	**303,879**	**225,115**	**(51,954)**	**15,515**	**261,552**
Non-recurring items of continued operations	–	–	(168,865)	168,865	–	–	(163,166)	163,166
Gains and losses on investments recorded at fair value through results	(13,207)	(13,760)	–	553	35,238	17,192	–	18,046
Financial profit/(loss)	(123,683)	–	–	(123,683)	(94,986)	–	–	(94,986)
Results of associates and joint ventures registered by the MEP								
Associates and joint ventures of Sonae Sierra	105,649	55,124	2,186	48,340	32,891	(15,226)	–	48,117
Armilar Venture Funds	8,981	8,981	–	–	(8,704)	(8,704)	–	–
ZOPT	59,708	(3,774)	–	63,482	66,843	6,221	–	60,622
Others	175,965	–	168,225	7,740	106,724	2,505	83,003	21,216
Profit before income tax	**445,476**	**(16,874)**	**(6,825)**	**469,174**	**363,120**	**(49,966)**	**(64,648)**	**477,733**
Income Tax	(9,514)	12,912	–	(22,426)	(13,520)	4,122	–	(17,642)
Profit/(Loss) from continued operations	**435,962**	**(3,962)**	**(6,825)**	**446,749**	**349,600**	**(45,844)**	**(64,648)**	**460,091**
Profit/(Loss) from discontinued operations	**(13,059)**	**–**	**6,825**	**(19,884)**	**51,049**	**–**	**64,648**	**(13,599)**
Profit / (Loss) for the period	**422,903**	**(3,962)**	**–**	**426,865**	**400,649**	**(45,844)**	**–**	**446,492**
Attributable to equity holders of Sonae	**357,062**	**9,006**	**–**	**348,056**	**335,547**	**(47,212)**	**–**	**382,759**
Non-controlling interests	**65,841**	**(12,968)**	**–**	**78,809**	**65,101**	**1,367**	**–**	**63,734**
Underlying EBITDA (b)				**721,649**				**643,968**
EBITDA (a)				**990,192**				**923,490**
EBIT (c)				**572,973**				**559,120**

(a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + results by the equity method (direct results from joint ventures and associates of Sierra, Zopt and other subsidiaries) + provisions for extensions of guarantee + unusual results;
b) Underlying EBITDA = EBITDA - effect of equity method - non-recurrent results.
c) EBIT = Direct Income before tax - financial results - dividends.
d) Direct income = Results excluding contributions to indirect results.
e) Indirect income=Includes Sonae Sierra's 'results, net of taxes, arising from:(i) investment properties valuations (II); capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for non-current assets (including Goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued/ repositioned);(iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and other underlying income (including dividends) and (v) other irrelevant issues.

The indirect results can be analysed as follows:

Indirect income	31 Dec 2023	31 Dec 2022 Restated
Indirect income of Sierra	62,333	(24,096)
Dividends received from NOS	–	11,988
Impairment on assets	(64,311)	(48,357)
Result of funds and financial assets at fair value	(12,561)	8,812
Others	10,578	5,808
TOTAL	**(3,962)**	**(45,844)**

Direct Underlying EBITDA and the unusual results can be analysed as follows:

	31 Dec 2023	31 Dec 2022 Restated
Direct EBITDA	990,192	923,490
Share of results of joint ventures and associated companies accounted by Equity Method	(119,562)	(129,955)
Discontinued operations	19,884	13,599
Unusual results		
Gain on the sale of companies (Note 1.3.2)	(6,825)	(153,647)
Added value from the sale of ISRG (Note 1.2)	(168,225)	–
Other expenses considered non-recurring	6,185	(9,520)
	(168,865)	**(163,166)**
TOTAL	**721,649**	**643,968**

2.2. Segment information

Principal accounting policies

Segments report

An operating segment is a component of the Group:

a) that carries out business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity);

b) those operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and

c) for which separate financial information is available.

Revenue

Revenue corresponds to the fair value of the amount received or receivable from transactions with customers in the normal course of the Group's activity. Revenue is recorded net of any taxes, commercial discounts and other costs inherent to its realization, at the fair value of the amount received or receivable.

In determining the value of revenue, Sonae evaluates for each transaction its performance obligations to the customers, the price of the transaction to be affected by each performance obligation identified in the transaction, and the existence of variable price conditions that may lead to future success to the value of the recorded revenue, and for which the group makes its best estimate.

Income from sales of products is recorded in the income statement when the control over the product or service is transferred to the customer, that is, at the moment when the customer becomes able to manage the use of the product or service and obtain all the remaining economic benefits associated with it.

The Group considers that, given the nature of the product or service that is associated with the assumed performance obligations, the transfer of control occurs mostly on a specific date, but there may be transactions in which the transfer of control occurs continuously over the defined contractual period.

Revenue associated with extended warranties operations, which are granted for a period of 1 to 3 years, after the legally binding warranty of 3 years, by the Worten Segment, and are recognised in as traight-line basis over the warranty lifetime period. The revenue associated with warranties sold but for which the legal binding warranty hasn´t yet expired is accounted under the captions of the Statement of Financial Position "Other nonand-current liabilities " and "Other current liabilities (Notes 4.7 and 4.9).

Services rendered include the income from consulting projects, developed in the area of information systems, which are recognised, in each year, in accordance with the performance obligation to whichthey relate, according to the percentage of performance. The group recognises revenue over time by measuring progress towards full compliance with that performance obligation.

Deferral of revenue associated with customer loyalty programs through the allocation of discounts on future purchases by the Food retail segment is quantified taking into account the probability of their exercise and are deducted from the revenue at the time they are generated, being corresponding liability in the caption "Other payables".

Sonae has in its portfolio 6 operating segments as defined in Note 1.

Judgements and major accounting estimates

These segments were identified taking into account the following criteria/conditions: the fact that they are units of the group that develop activities where income and expenses can be separately identified, in relation to which financial information is developed separately, their operating results are regularly reviewed by the Group´s management bodies and on which it makes decisions about, for example, allocation of resources, the fact that they have similar products/services and also taking into account the quantitative threshold (as provided for in IFRS 8).

The list of Group companies and their respective businesses are detailed in the Attachment I.

2.2.1. Financial information per business segment

The main operating segment information as at 31 December 2023 and 2022 can be detailed as follows:

31 Dec 2023	Turnover	Depreciation and amortisation (3)	Direct Provisions and impairment losses (3)	Direct EBIT (3)	Financial results (2)	Direct Income tax (3)
MC	6,606,810	(296,587)	(21,199)	319,033	(98,856)	(44,732)
Worten	1,298,085	(44,123)	(455)	11,742	–	–
Sierra	129,235	(3,871)	(551)	72,530	(8,683)	4,183
Zeitreel	371,274	(33,976)	(4,096)	(22,847)	–	–
BrightPixel	2,458	(1,335)	(522)	(6,336)	247	2,802
NOS	–	–	–	63,482	–	–
ISRG (5)	–	–	–	176,822	–	–
Other, eliminations and adjustments (1)	(8,680)	(6,290)	(2,987)	(41,451)	(16,391)	15,321
Total consolidated - Direct	**8,399,182**	**(386,183)**	**(29,810)**	**572,973**	**(123,683)**	**(22,426)**

31 Dec 2022 Restated	Turnover	Depreciation and amortisation (3)	Direct Provisions and impairment losses (3)	Direct EBIT (3)	Financial results (2)	Direct Income tax (3)
MC	5,978,337	(267,572)	(8,562)	284,360	(75,523)	(25,914)
Worten	1,237,836	(39,221)	(2,216)	18,017	–	–
Sierra	117,390	(3,218)	(998)	69,765	(9,226)	(4,442)
Zeitreel	386,824	(34,892)	2,166	(17,564)	–	–
BrightPixel	2,025	(2,248)	117	72,361	3,923	(3,496)
NOS	–	–		60,622	–	–
ISRG	–	–		22,052	–	–
Other, eliminations and adjustments (1)	(29,498)	(4,775)	(594)	49,507	(14,160)	16,209
Total consolidated - Direct	**7,692,914**	**(351,924)**	**(10,088)**	**559,120**	**(94,986)**	**(17,642)**

	31 Dec 2023			31 Dec 2022 Restated		
	Investment (CAPEX)	Invested capital	Financial net debt (2) (4)	Investment (CAPEX)	Invested capital	Financial net debt (2) (4)
MC	310,493	2,638,845	1,777,347	217,598	2,437,124	1,517,953
Worten	58,568	(6,618)	–	60,845	(56,614)	–
Sierra	63,170	1,178,933	135,972	106,296	1,035,106	99,810
Zeitreel	11,189	190,648	–	12,646	247,318	–
BrightPixel	52,439	317,499	(16,731)	46,939	274,840	(51,988)
NOS	–	806,652	–	–	848,204	–
ISRG	–	–	–	–	114,971	–
Other, eliminations and adjustments (1)	169,566	264,043	31,634	190,026	159,861	180,714
Total consolidated	**665,425**	**5,390,002**	**1,928,222**	**634,350**	**5,060,809**	**1,746,489**

1) Includes Sonae separate accounts;
2) These captions are accompanied by management in more aggregated form, and not allocated to individual operating segments identified above;
3) Reconciled information in note 2.1;
4) Include lease liabilities;
5) Due to the sale of the subsidiary on October 11, 2023 (Note 1.2). ISRG ceases to exist from that moment on as an operational segment.

The intercompany of the turnover can be analysed by following:

Turnover	31 Dec 2023 Inter-segment	31 Dec 2022 Inter-segment Restated
MC	(48,000)	(39,073)
Worten	(4,166)	(3,742)
Zeitreel	(20,456)	(21,803)
Bright Pixel	(1,933)	(1,910)
Other, eliminations and adjustemnts	(8,697)	(17,955)
Total consolidated	**(83,251)**	**(84,484)**

The caption "Others, eliminations and adjustments" can be analysed as follows:

	Turnover		EBIT	
	31 Dec 2023	31 Dec 2022 Restated	31 Dec 2023	31 Dec 2022 Restated
Inter-segment intra-groups	(83,251)	(84,484)	(3,834)	(6,809)
Contributions of entities not included in the segments	74,572	54,986	(37,617)	56,316
Other, eliminations and adjustments	**(8,680)**	**(29,498)**	**(41,451)**	**49,507**

	Investment		Invested capital	
	31 Dec 2023	31 Dec 2022 Restated	31 Dec 2023	31 Dec 2022 Restated
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	38,980	33,336	264,043	159,861
Acquisiton of na adicional 10% share of Sierra	88,567	83,471	–	–
Acquisition of investments in the Sparkfood business	42,020	–	–	–
Acquisition of NOS shares	–	73,220	–	–
	169,566	**190,026**	**264,043**	**159,861**

All performance measures (APM's) are reconciled to the financial statements in Note 2.1.

Non-current assets and sales and services by geographic segment are detailed as follows:

Destination market	31 Dec 2023		31 Dec 2022 Restated	
	Non-current assets	Sales and services rendered by destination market	Non-current assets	Sales and services rendered by destination market
Portugal	5,160,157	7,876,649	5,130,240	7,149,167
Netherlands	603,488	2,824	552,699	2,741
Spain	221,049	343,795	259,768	328,377
Romania	261,833	27,664	272,061	24,054
United Kingdom	16,354	21,244	18,559	23,368
Italy	91,006	35,911	91,020	26,990
France	605	22,226	–	21,224
Brazil	582	1	7,657	–
Germany	328	15,617	383	15,075
Mexico	69	2,496	47	4,329
Rest of the world	479,645	50,755	370,481	97,590
	6,835,116	**8,399,182**	**6,702,915**	**7,692,914**

Glossary:
Net Invested capital = Net debt + Shareholder funds;
Total Net Debt = Bonds + bank loans + other loans + supplies - cash - bank deposits – current investments - other long-term investments + lease liabilities.
Others, eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, i.e. are included in addition to Sonae SGPS companies identified as "Others" in tle attachment I;
Investments (CAPEX) = Gross investments in Property, Plant and equipment and intangible assets and investments in Acquisitions.

2.2.2. Financial statements of NOS

The consolidated financial statements of NOS as at 31 December 2023 and 2022, can be summarized as follows:

	31 Dec 2023	31 Dec 2022
Assets		
Property, plant and equipment	1,093,584	1,107,052
Intangible assets	1,207,946	1,209,558
Rights of use	307,090	297,723
Deferred tax assets	81,906	89,554
Other non-current assets	204,221	221,693
Non-current assets	**2,894,747**	**2,925,580**
Trade receivables	363,692	319,441
Cash and bank balances	18,158	15,215
Other current assets	192,383	203,088
Current assets	**574,233**	**537,744**
Total assets	**3,468,980**	**3,463,324**
Liabilities		
Loans	1,496,900	1,210,181
Provisions	80,154	81,267
Other non-current liabilities	95,269	95,077
Non-current liabilities	**1,672,323**	**1,386,525**
Loans	237,069	427,453
Trade creditors	243,991	253,355
Other current liabilities	320,910	343,648
Total current liabilities	**801,970**	**1,024,456**
Total liabilities	**2,474,293**	**2,410,981**
Shareholders' funds excluding non-controlling interests	988,102	1,046,092
Non-controlling interests	6,585	6,251
Total Equity	**994,687**	**1,052,343**
Total equity and liabilities	**3,468,980**	**3,463,324**

	31 Dec 2023	31 Dec 2022
Total revenue	1,597,454	1,521,007
Direct costs and External supplies and services	(507,920)	(500,257)
Depreciation and amortisation	(483,638)	(480,887)
Other operating costs	(341,684)	(269,655)
Net income before financial results, dividends, income related to subsidiaries and taxes	**264,212**	**270,208**
Share of results of joint ventures and associates	5,081	22,123
Financial results	(69,205)	(35,224)
Income tax expense	(18,754)	(32,663)
Consolidated net income/(loss) for the year	**181,334**	**224,444**
Attributed to:		
Non-controlling interests	180,995	224,574
Shareholders'of parent company	339	(130)

2.2.3. Income from leasings

Accounting policies

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

The leases where Sonae acts as lessor under operating leases, the values of the allocated assets are maintained in the statement of financial position of Sonae and income is recognised on a straight-line basis over the period of the lease contract.

Minimum lease payments (fixed income) arising from operational leases, in which the Group acts as a lessor, recognized as income during the period ended 31 December 2023 and 2022 amounted to 27.259 thousand euro and 24.899 thousand euro, respectively.

Additionally, at 31 December 2023 and 2022, Sonae had operational lease contracts, as a lessee, whose minimum lease payments had the following payment schedule:

	31 Dec 2023	31 Dec 2022
Due in:		
N+1 automatically renewal	2,808	1,949
N+1	33,740	31,260
N+2	28,763	23,900
N+3	24,137	19,365
N+4	19,124	15,404
N+5	13,518	11,036
After N+5	38,393	37,783
	160,484	**140,697**

2.3. Payroll

2.3.1. Share-based payments

Accounting Policies

Share-based payments result from deferred performance bonus plans that are referenced to Sonae SGPS share price and vest within a period of 3 years after being granted.

When the plans set out by Sonae are settled through the delivery of treasury shares, the value of this responsibility is determined at the time of assignment based on the fair value of shares allotted and recognised during the period of deferment of each plan. The responsibility is posted in equity, in the caption “Other reserves and retained earnings “against “Employee benefits expense ".

When the settlement is made in cash, the value of these responsibilities are determined on the grant date (usually in April of each year) and subsequently remeasured at the end of each reporting period, based on the number off shares or options granted and the corresponding fair value at the closing date. These obligations are stated as “Staff costs

"and "Oher liabilities" on a straight-line basis, between the date the shares are granted and their vesting date, taking into consideration the time elapsed between these dates.

In 2023 and in previous years, Sonae in accordance with the remuneration policy described in the corporate governance report granted deferred performance bonus to its directors and eligible employees. These are either based on shares to be acquired at nil cost or with discount, three years after they were attributed to the employee, or based on share options with the period price equal to the share price at the grant date, to be exercised three years later. In both cases, the acquisition can be exercised during the period commencing on the third year after of the grant date and the end of that year.

As of 31 December 2023, all Sonae SGPS's share plans are recorded, in the statement of financial position, under the caption "Other reserves" against "Staff expenses" at fair value of the shares determined at the grant date of the 2023, 2022 and 31 December 2021 plans attributed until then. Share plan costs are recognised in the accounts over the year between the award and the vesting date of those shares.

As of 31 December 2023, and 2022, the number of attributed shares related to the assumed responsibilities arising from share-based payments, which have not yet vested, can be detailed as follows:

		Sonae SGPS		Number of shares	
Appointment year	Vesting year	Number of participants	Share price on date of assignment	31 Dec 2023	31 Dec 2022
2020	2023	-	0.662	–	9,128
2021	2024	56	1.003	7,265	6,562
2022	2025	67	0.935	5,688	5,925
2023	2026	77	0.904	4,605	–
				17,558	**21,615**

During the period ending 31 December 2023 the movements on the above-mentioned share-based plans were the following:

	Sonae Shares	
	Aggregate number of participants	Number of shares
Balance as at 31 December 2022	201	21,615
Grant	83	5,178
fVesting	(85)	(9,292)
Canceled /extinct / corrected / transferred (1)	1	58
Closing balance as at 31 December 2023	**200**	**17,558**

(1) Corrections are made on the basis of the dividend paid and the changes of share capital and other equity adjustments.

As at 31 December 2023 and 2022, the total fair value of shares attributed arising from these outstanding deferred performance plans can be summarized as follows:

		Fair value *	
Appointment year	Vesting year	31 Dec 2023	31 Dec 2022
2020	2023	–	8,534
2021	2024	6,571	4,090
2022	2025	3,430	1,847
2023	2026	1,388	–
Total		**11,389**	**14,471**

* Share market value as of 31 December 2023 and 2022.

As at 31 December 2023 and 2022 the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which has not yet vested:

	31 Dec 2023	31 Dec 2022
Recorded in employee benefits expense in the current period	5 448	4 910
Recorded in previous years	8 674	7 603
	14 122	**12 513**
Recorded value in Other reserves	14 122	12 513
	14 122	**12 513**

2.3.2. Employee benefits expenses

As at 31 December 2023 and 2022, Employee benefits expense are as follows:

	31 Dec 2023	31 Dec 2022 Restated
Salaries	881,155	781,271
Social security contributions	174,671	154,497
Insurance	17,009	14,885
Welfare	6,423	5,608
Other staff costs	40,531	30,604
	1,119,788	**986,864**

The remuneration of the members of the Board of Directors of the parent company and of the employees with strategic management responsibility, earned in all Sonae companies is disclosed in note 8.

2.4. External supplies and Services

As at 31 December 2023 and 2022, External supplies and services are as follows:

	31 Dec 2023	31 Dec 2022 Restated
Specialized services	159,417	147,357
Advertising and marketing	119,661	108,236
Travel expenses and transports	80,982	90,714
Electricity and fuels	67,647	129,255
Rents	52,417	47,857
Cleaning up services	40,580	38,978
Maintenance	44,156	38,195
Security	26,824	24,919
Costs with automatic payment terminals	25,175	21,419
Commissions	24,157	24,451
Travel, stays and transport	19,179	16,797
Consumables	18,815	18,021
Subcontracts	15,457	15,416
Home delivery	13,852	15,370
Communications	13,205	10,846
Insurances	9,725	10,069
Others	89,489	83,920
	820,738	**841,820**

The amount included in rents and leases relates to variable rents from lease contracts.

2.5. Other expenses

As at 31 December 2023 and 2022, other Expenses are as follows:

	31 Dec 2023	31 Dec 2022 Restated
Exchange differences	23,392	54,982
Donations	32,026	30,195
Indirect taxes and fees	14,214	12,982
Galp/Continente loyalty program	14,552	12,754
Derivatives contracts associated with commercial activities	6,938	–
Losses on the sale and write-off of assets	6,319	6,331
Municipal property tax	4,615	4,416
Other expenses	12,076	11,642
	114,132	**133,302**

2.6. Other income

As at 31 December 2023 and 2022, the caption “Other Incomes” is made up as follow:

	31 Dec 2023	31 Dec 2022 Restated
Supplementary income	61,247	58,708
Own work capitalised (Note 3.9)	35,587	28,404
Prompt payment discounts obtained	29,001	27,860
Foreign currency exchange gains	23,557	54,055
Gains on sales of assets (Note 3.8 and 3.10)	5,466	4,450
Tax refund	4,453	707
Gains from operational derivative financial instruments	4,216	11,880
Subsidies	3,761	4,874
Others	15,425	12,484
	182,712	**203,423**

3. Investments

This chapter aims to disclose information on non-current investments.

Accounting polices

Impairment tests are performed whenever an event or change in circumstances is identified that indicates that the amount for which the asset is recorded may not be recovered.

Whenever the amount at which the asset is recorded is greater than its recoverable amount, an impairment loss is recognized, recorded in the consolidated income statement under the caption “Impairment losses”.

The recoverable amount is the higher of net selling price and value in use. The net selling price is the amount that would be obtained from the sale of the asset, in a transaction between independent and knowledgeable entities, minus the expenses directly attributable to the sale. The value in use is the present value of estimated future cash flows that are expected to arise from the continued use of the asset and its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

In situations where the use of the asset is expected to be discontinued (stores undergoing refurbishment or closing) the Group updates the amortization periods after considering the impact of such discontinuation of use in terms of impairment analysis, namely on the value net book value of assets to be written off.

The reversal of impairment losses recognized in previous years is recorded when it is concluded that the recognized impairment losses no longer exist or have decreased. This analysis is carried out whenever there are indications that the previously recognized impairment loss has reversed. The reversal of impairment losses is recognized in the income statement under “Impairment losses”. However, the reversal of the impairment loss is carried out up to the limit of the amount that would be recognized (net of amortization or depreciation) if the impairment loss had not been recorded in previous years.

3.1. Goodwill

Accounting policies

Differences between the acquisition price of investments in Sonae companies, joint ventures and associates plus the value of non-controlling interests (in the case of subsidiaries), the fair value of any interests held prior to the merger date and the fair value of the Identifiable assets, liabilities and contingent liabilities of these companies on the date of the combination of business activities, when positive, are recorded under the caption “Goodwill” if they relate to acquisitions of subsidiary businesses or kept under the caption “Investments in joint ventures and associates” (Note 3.2). Differences between the acquisition price of investments in subsidiaries headquartered abroad whose functional currency is not the Euro, the value of non-controlling interests (in the case of subsidiaries) and the fair value of the identifiable assets and liabilities of these subsidiaries at the date of their acquisition, are recorded in the functional currency of these subsidiaries, being converted to Sonae's functional and reporting currency (Euro) at the exchange rate in force on the date of the statement of financial position. The exchange differences generated in this conversion are recorded under the caption “Conversion reserves”.

Future contingent consideration is recognised as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the goodwill, but only as long as they occur during the measurement period (until 12 months after the acquisition-date) and as long as they relate to facts and circumstances prior to that existed at the acquisition date, otherwise these changes must be recognised in profit or loss on the income statement.

Transactions for the purchase of interests in already controlled entities and transactions for the sale of interests in entities without this resulting in loss of control are treated as transactions between equity holders, affecting only the equity headings, with no impact on Goodwill or results.

When a sale transaction generates a loss of control, the entity's assets and liabilities should be derecognised, and any retained interest in the divested entity should be remeasured at fair value, and any loss or gain on the disposal is recorded in results.

The value of Goodwill is not amortized, being tested annually to verify if there are any impairment losses to be recognised. The analysis of impairment losses is carried out based on the assessment of the book value of the cash-generating unit ("CGU") to which the goodwill was imputed, which is compared with its recoverable value, i.e., the higher of fair value less estimated costs to sell and value in use of the CGU. The recoverable amount is determined based on the business plans used by Sonae's management or on valuation reports prepared by independent entities, namely with regard to real estate operations and respective assets. Goodwill impairment losses recorded in the year are recorded in the income statement for the year under the caption "Impairment losses".

When the Group reorganizes its activity, implying a change in the composition of its cash-generating units, to which goodwill has been allocated, a review of the allocation of Goodwill to the new cash-generating units is carried out whenever there is a rationale. The reallocation is carried out using a relative value approach, of the new cash generating units that result from the reorganizsation.

Impairment losses relating to Goodwill recognized with the acquisition of subsidiary businesses cannot be reversed, unlike Goodwill recognized with the acquisition of joint ventures and associates.

Goodwill, if negative, is recognized as income on the acquisition date, after reconfirming the fair value of identifiable assets, liabilities and contingent liabilities.

The Goodwill amount is allocated to each of the operating segments within these to each of the homogeneous groups of cash generating units, as follows:

- MC, Worten and Zeitreel - The value of Goodwill is allocated to each of the operating segments, and allocated to each of the homogeneous groups of cash-generating units, namely to each of the insignia of the segment broken down by country, and to each of the real estate in the case of the MC segment;

- Sierra - The Goodwill value of this segment is essentially allocated to the "property management" operation; and

- Bright Pixel - The Goodwill value of this segment is related to the Retail business.

Relevant accounting judgments and estimates

The assessment of the existence, or not, of impairment for the main values of Goodwill recorded in the consolidated financial statements is carried out taking into account the cash-generating units, based on the latest business plans approved by the Board of Directors of the Group, which are prepared, for the most part, using projected cash flows for periods of 5 years, carried out on an annual basis, unless there are signs of impairment, in which case the frequency is greater.

The fundamental assumptions used in these business plans are explained below for each of Sonae's businesses.

MC, Worten, Zeitreel and Gosh!

For the purposes of the MC, Worten and Zeitreel segments, in Portugal, they use the results of the internal valuation of their insignias through annual planning methodologies, supported by business plans where the respective cash-flows are projected, through the consideration of fully detailed assumptions and justified. These plans include a detail of the impact of the main actions that will be carried out by each of the insignias, as well as an accurate study of the allocation of the Company's resources.

The recoverable amount of Cash Generating Units is determined based on their value in use based on the latest business plans which are prepared using projected cash flows for periods of 5 years.

The projections are made with a weighted average cost of capital, compound sales growth rate and with a perpetuity cash flow growth rate:

	31 Dec 2023			
	Basis of recoverable amount	Average capital cost	Growth rate in perpetuity	Compound growth rate sales
MC	Value in use	7.9%	1.5%	0.4% a 2.2%
Worten	Value in use	11%	1.0%	2.2% a 24.8%
Zeitreel	Value in use	9.5%	1.0%	4.2% a 7.2%
Gosh!	Value in use	10.0%	2.0%	23.8% a 26.5%

	31 Dec 2022			
	Basis of recoverable amount	Average capital cost	Growth rate in perpetuity	Compound growth rate sales
MC	Value in use	8.1%	<=2%	0.9% a 3.7%
Worten	Value in use	11.0%	<=1%	2.8% a 5.9%
Zeitreel	Value in use	9.5%	<=1%	3.3% a 8.7%
Gosh!	Value in use	10.0%	<=2%	12.2% a 33.2%

From the sensitivity analysis carried out, required by IAS 36 – Impairment of Assets, varying the compound sales growth rate by 1 p.p. or the EBITDA margin by 0.5 p.p. at Worten, Gosh! and MC, it did not lead to significant variations in recovery values.

In the sensitivity analysis carried out on the Zeitreel segment, varying the discount rate or the perpetuity growth rate by 0.5 p.p. would lead to an impairment of around 9 million euro and 12 million euro, respectively. If the EBITDA margin varies by 0.5 p.p. negatively, would lead to an increase in impairment of 11 million euro.

Sierra

For the purposes of the impairment test carried out on “Goodwill”, Sonae Sierra uses the “Net Asset Value” (“NAV”) at the reporting date, of the holdings supported by the valuation of investment properties as described in the Note 3.11. At the level of “Goodwill” relating to services, Sierra considers the average cash flows projected for periods of 5 years, multiplied by market multiples for similar activities.

Bright Pixel

For this purpose, the Bright Pixel segment uses business plans prepared using projected cash flows for periods of 5 years (Retail and Media.)

On 31 December 2023 and 2022, the assumptions used are based on the various businesses of this segment and the growth of the various geographic areas where it operates:

	31 Dec 2023			
	Basis of recoverable amount	Discount rates	Growth rate in perpetuaty	Average sales growth rate
Technology				
Retail	Value in use	9.75%	3%	23.70%
Media	Value in use	8.50%	0.01%	3.80%

	31 Dec 2022			
	Basis of recoverable amount	Average capital cost	Growth rate in perpetuity	Compound growth rate sales
Technology				
Retail	Value in use	7.25%	3%	27.10%
Cybersecurity	Value in use	6% - 6,25%	3%	12.80%
Media	Value in use	7.50%	0.01%	3.00%

From the sensitivity analysis carried out, required by IAS 36 – Impairment of Assets, varying the discount rate by 0.5 p.p. in the Media sector, would lead to an impairment of around 1.5 million euro.

The sensitivity analysis carried out, required by IAS 26 – Impairment of Assets, varying the discount rate by 0.5 p.p. and 0.5 p.p. in the growth rate in perpetuity in the Technology sector, did not lead to significant variations in the values of recovery.

Goodwill Detail

On 31 December 2023 and 2022, the item "Goodwill" had the following breakdown by segment and country:

Company	31 Dec 2023				
	Portugal	Spain	United Kingdom	Other countries	Total
MC	485,984	19,440	–	–	505,424
Worten	78,185	–	–	–	78,185
Sierra	18,160	–	–	–	18,160
Zeitreel	–	–	–	–	–
Bright Pixel	1,318	–	–	–	1,318
Outros	–	–	31,272	23,023	54,295
	583,647	**19,440**	**31,272**	**23,023**	**657,382**

Company	31 Dec 2022				
	Portugal	Spain	United Kingdom	Other countries	Total
MC	485,984	19,440	–	–	505,424
Worten	78,185	–	–	–	78,185
Sierra	18,160	–	–	–	18,160
Zeitreel	28,611	–	–	–	28,611
Bright Pixel	1,318	–	–	–	1,318
Others	–	–	31,833	–	31,833
	612,258	**19,440**	**31,833**	**–**	**663,531**

Sonae, in the 3rd quarter of 2023, completed the acquisition of 70% of the share capital and voting rights of SparkVos, a group of Italian companies, focused on the industrial production and distribution of natural ingredients for the health and well-being segment.

This acquisition generated provisional Goodwill worth approximately 23 million euro, which will be reviewed within a year at the conclusion of the "purchase price allocation" exercise, as provided for in IFRS3.

Following the acquisition in 2021 of 95.4% of the share capital and voting rights of Claybell Limited, which holds 100% of Gosh Food Limited, an assessment was carried out, during the 2022 financial year, of the fair value of the assets acquired and liabilities assumed. Fair value was determined through different valuation methodologies for each type of asset or liability, based on the best available information. The main adjustments to fair value made within the scope of this process were in terms of the customer portfolio worth 18.1 million euro (15.6 million pounds) and the Gosh brand worth 18.2 million euro (15.7 million pounds).

During the year ended 31 December 2023 and 2022, the movement in Goodwill, as well as in the respective impairment losses, was as follows:

	31 Dec 2023	31 Dec 2022
Gross value:		
Opening balance	**715,276**	**730,211**
Acquisition of subsidiaries	23,023	186
Disposal of subsidiaries	–	(13,355)
Effect of foreign currency exchange difference	(561)	(1,766)
Closing balance	**737,738**	**715,276**
Accumulated impairment		
Opening balance	51,745	26,687
Increases (Note 3.1.2)	28,611	25,058
Closing balance	**80,356**	**51,745**
Carrying amount	**657,382**	**663,531**

The analysis of signs of impairment carried out in 2023, the review of projections and impairment tests led to the determination of losses, in the year ended 31 December 2023, in the amount of 28.6 million euro (25.1 million euro on 31 December 2022).

3.2. Investments in joint ventures and associates

Accounting policies

Financial investments in joint ventures are investments in entities subject to a joint agreement by all or part of their holders, with the parties having joint control of the agreement having rights over the net assets of the entity. Joint control is obtained by contractual provision and exists only when the associated decisions have to be taken unanimously by the parties sharing control.

In situations where the investment or financial interest and the contract entered into between the parties allow the entity to have direct joint control over the rights to hold the asset or obligations inherent in the liabilities related to that agreement, it is considered that such joint agreement does not corresponds to a joint enterprise, but to a joint operation. As of 31 December, 2023 and 2022, the Group did not have joint operations.

Financial investments in associated companies are investments in which Sonae has significant influence, but over which it does not have control or joint control. Significant influence (assumed when voting rights are equal to or greater than 20%) is the power to participate in the entity's financial and operational policy decisions, without, however, exercising control or joint control over these policies.

The existence of significant influence is usually evidenced by one or more of the following ways:

- representation on the board of directors or equivalent management body of the investee;
- participation in policy-making processes, including participation in decisions regarding dividends and other distributions;
- material transactions between the investor and the investee;
- exchange of management personnel; or
- provision of essential technical information.

Financial investments in joint ventures and associated companies are recorded using the equity method, except in cases where the investments are held by a venture capital organisation or equivalent, where the Group has chosen, upon initial recognition, to measure at fair value through profit or loss in accordance with IFRS 9 (Note 3.4).

In accordance with the equity method, financial holdings are recorded at acquisition cost, adjusted by the amount corresponding to Sonae's share in the comprehensive income (including net income for the year) of joint ventures and associates, against another Group's comprehensive income or profit or loss for the year, as applicable, and for dividends received. Equity variations, excluding the cost relating to NOS own share plans, are recorded under the heading Reserves and Retained Earnings.

Differences between the acquisition price and the fair value of the identifiable assets and liabilities of the joint ventures and associates on the acquisition date, if positive, are recognized as Goodwill and maintained in the amount of financial investment in joint ventures and associates. If these differences are negative, they are recorded as income for the year under the caption “Income or losses relating to joint ventures and associates”, after reconfirmation of the fair value attributed.

An assessment is made of investments in associates and joint ventures when there are indications that the asset may be impaired, with impairment losses that prove to exist being recorded as expenses. When impairment losses recognized in previous years cease to exist, they are subject to reversal.

When Sonae's proportion in the accumulated losses of the associate and joint ventures exceeds the value at which the investment is recorded, the investment is reported at nil value, except when Sonae has assumed commitments to the subsidiary.

Unrealized gains on transactions, which are not related to business activities, with joint ventures and associates are eliminated in proportion to Sonae's interest in said entities, against the investment in that same entity. Unrealized losses are similarly eliminated, but only to the extent that the loss does not show that the transferred asset is impaired.

When unrealized gains or losses correspond to transactions relating to business activities, and taking into account the currently existing inconsistency between the requirements of IFRS 10 and IAS 28, Sonae, taking into account the provisions of the amendment to IFRS 10 and IAS 28 proceeds with the full recognition of the gain/loss in situations where there is loss of control of said business activity as a result of a transaction with a joint venture.

If the financial interest in a joint venture or an associate is reduced, but maintaining significant influence, only a proportional amount of the amounts previously recognized in other comprehensive income is reclassified to the income statement.

The accounting policies of joint ventures and associates are changed, whenever necessary, in order to ensure that they are consistently applied by all Group companies.

Financial investments in joint ventures and associates are detailed in Attachment I.

Relevant accounting judgments and estimates

In situations of investments in associates that are venture capital organisations, IAS 28 contains an option to keep these investments held by them measured at fair value. The Group made this option, applying the equity method in the Armilar Funds.

With regard to the financial holdings held in the Venture Capital Funds Armilar II, Armilar III and Armilar I+I, these refer to investment entities that measure their portfolios at fair value. The portfolios held by these entities are classified in the corresponding fair value hierarchy defined in IFRS 13 - Fair Value, as per the table below:

	31 Dec 2023			31 Dec 2022		
Fair value hierarchy	Armilar II	Armilar III	Armilar I+I	Armilar II	Armilar III	Armilar I+I
Level 3	185,296	49,324	61,023	185,330	36,539	42,285

3.2.1. Breakdown of the book value of Investments in joint ventures and associates

The value of interests in joint ventures and associates can be analyzed as follows:

Investments in joint ventures and associates	31 Dec 2023	31 Dec 2022 Restated
Investments in joint ventures (note 3.2.2.1)	209,493	113,626
Investments in associates (note 3.2.2.2)	1,592,291	1,637,846
	1,801,784	**1,751,472**

The details of Investments in Joint Ventures are as follows:

	Company	31 Dec 2023	31 Dec 2022
	Sonae MC		
	Maremor Beauty & Fragances, S.L.	192	180
	Sohi Meat Solutions - Distribuição de Carnes, SA	3,550	3,404
		3,742	**3,584**
	Sierra		
	Arrábidashopping - SIC - Imobiliária Fechada, S.A.	42,437	16,149
1)	BrightCity, S.A.	2,879	–
	Gaiashopping - SIC - Imobiliária Fechada, S.A.	44,007	28,530
	LMSI - Engineering S.A.	4,166	3,611
	Madeirashopping - Centro Comercial, S.A.	21,376	19,734
2)	Quinta da Foz - Empreendimentos Imobiliários, S.A.	7,816	8,093
	Parque Atlântico Shopping - Centro Comercial, S.A.	18,818	18,078
	SC Aegean B.V.	2,643	2,643
	Smartsecrets, Lda	17,995	–
3)	Via Catarina - SIC Imobiliária Fechada, S.A.	–	10,721
	Others	3,383	1,963
		165,519	**109,521**
	Bright Pixel		
	Unipress - Centro Gráfico, Lda	571	498
	Others	23	23
		594	**521**
	Others		
4)	Universo IME	39,637	–
		39,637	**–**
	Investments in joint ventures	**209,493**	**113,626**

1) The Group sold 50% of the company, becoming a joint venture;
2) Company acquired in February 2022 (on 2 August, 2022, the company Nova Centralidade – Sociedade de Desenvolvimento Imobiliário, S.A. was extinguished through a merger with Quinta da Foz – Empreendimentos Imobiliários, S.A..);
3) Group sold 50% of the company, and it is now reported as an associate;
4) Sale of 50% to Bankinter Consumer Finance, E.F.C. Company is now reported as a joint venture;

The details of Investments in Associates are as follows:

	Company	31 Dec 2023	31 Dec 2022 Restated
	MC		
	INSCO - Insco Insular de Hipermercados, S.A.	4,695	4,489
	Sempre a Postos - Produtos Alimentares e Utilidades, Lda	1,359	1,294
	SPORTESSENCE - Sportessence - Sport Retail, S.A.	287	301
		6,341	**6,084**
	Sierra		
	3shoppings - Holding, SGPS, S.A.	12,226	11,687
1)	ALLOS, S.A.	175,767	128,062
	Area Sur Shopping, S.L.	8,981	8,803
	Atrium Bire, SIGI, S.A.	4,205	4,335
	Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center ("FIIPDPSH")	12,700	10,781
	Fundo Investimento Imobiliário Shop. Parque Dom Pedro ("FIISHPDP")	119,898	102,526
	Iberia Shop.C. Venture Coöperatief U.A. ("Iberia Coop")	15,055	15,159
	Le Terrazze - Shopping Centre 1 Srl	6,580	6,830
	Olimpo Real Estate Portugal, SIGI, S.A.	2,560	2,860
	Olimpo Real Estate SOCIMI, S.A.	7,199	7,476
	Sierra European Retail Real Estate Assets Holdings, BV ("Sierra BV")	244,617	234,029
	Sierra Portugal Feeder 1	2,461	1,711
	Sierra Portugal Real Estate ("SPF")	19,703	17,278
	Via Catarina - SIC Imobiliária Fechada, S.A.	6,832	–
	Trivium Real Estate Socimi, S.A.	25,825	26,119
	Others	8,889	6,769
		673,497	**584,426**
	Bright Pixel		
	Fundo de Capital de Risco Armilar Venture Partners II (Armilar II)	58,035	57,991
	Fundo de Capital de Risco Armilar Venture Partners III (Armilar III)	17,344	12,800
	Fundo de Capital de Risco Espirito Santo Ventures Inovação e Internacionalização (AVP I+I)	14,956	10,562
		90,334	**81,353**
	Others		
2)	Iberian Sports Retail Group (ISRG)	–	114,971
	Mondarella GmbH	2,976	2,807
	NOS SGPS, S.A.	806,652	848,205
	BLUU GmbH	4,841	–
	Others	7,651	–
		822,119	**965,983**
	Investment in associates companies	**1,592,291**	**1,637,846**

1) 6 January 2023, the business combination operation between Aliansce Sonae Shopping Centers, S.A., presented in Investments in Associates, and Br Malls Participações, S.A. classified on 31 December 2022, as Financial Assets at Fair Value through of Other Comprehensive Income. Following this operation, the value of the investment in Br Malls Participações, S.A. was transferred to Investments in Associates. The entity changed its name to ALLOS, S.A.
2) In October 2023, the group completed the sale of its entire stake to JD Sports Fashion Pic

3.2.2. Summarized financial information on financial position

3.2.2.1 Joint Ventures

As of 31 December 2023 and 2022, the summarized financial information of the Group's joint ventures can be analyzed as follows:

Joint ventures	31 Dec 2023			
	Joint ventures of Sierra (Attachment I)	Sohimeat, SA	Universo, IME	Others
Assets				
Investment properties	430,893	–	–	–
Property, plant and equipment	–	15,097	112	324
Intangible assets	–	5	12,756	34
Right of use assets	–	5,147	566	88
Investments in joint ventures and associates	–	–	–	22
Deferred tax assets	–	1,248	7,456	3
Other non-current assets	17,656	51	47	1
Non-current assets	**448,549**	**21,547**	**20,937**	**473**
Trade account receivables		53,438	381,122	643
Cash and bank balances	39,249	261	31,282	861
Other current assets	80,817	4,941	11,713	270
Current assets	**120,067**	**58,640**	**424,118**	**1,774**
Total assets	**568,615**	**80,187**	**445,055**	**2,247**

Joint ventures	31 Dec 2023		
	Joint ventures of Sierra (Attachment I)	Sohimeat, SA	Others
Liabilities			
Loans	168,621	–	–
Provisions	–	–	11
Other non-current liabilities	33,805	5,408	69
Non-current liabilities	**202,426**	**5,408**	**80**
Loans	1,157	–	1
Trade creditors	–	62,455	413
Other current liabilities	39,461	5,969	453
Total current liabilities	**40,618**	**68,424**	**867**
Total liabilities	**243,044**	**73,832**	**947**
Equity attributable to the equity holders of the Parent Company	325,571	6,355	1,300
Total equity	**325,571**	**6,355**	**1,300**
Total equity and liabilities	**568,615**	**80,187**	**2,247**

Joint ventures	31 Dec 2022		
	Joint ventures of Sierra (Attachment I)	Sohimeat, SA	Others
Assets			
Investment properties	450,913	–	2
Property, plant and equipment	–	15,641	269
Intangible assets	–	–	40
Right of use assets	–	6,136	84
Investments in joint ventures and associates	–	–	23
Deferred tax assets	–	–	3
Other non-current assets	12,586	1,554	–
Non-current assets	**463,499**	**23,331**	**421**
Trade account receivables		–	177
Cash and cash equivalents	38,957	361	632
Other current assets	44,688	50,551	738
Current assets	**83,645**	**50,911**	**1,547**
Total assets	**547,144**	**74,242**	**1,487**

Joint ventures	31 Dec 2022		
	Joint ventures of Sierra (Attachment I)	Sohimeat, SA	Others
Liabilities			
Loans	74,136	–	–
Provisions	–	–	11
Other non-current liabilities	92,588	6,747	67
Non-current liabilities	**166,724**	**6,747**	**78**
Loans	110,574	–	–
Trade creditors	–	–	150
Other current liabilities	54,999	61,432	611
Total current liabilities	**165,573**	**61,432**	**761**
Total liabilities	**332,297**	**68,179**	**838**
Equity attributable to the equity holders of the Parent Company	214,847	6,063	1,130
Total equity	**214,847**	**6,063**	**1,130**
Total equity and liabilities	**547,144**	**74,242**	**1,487**

Joint ventures	31 Dec 2023			
	Joint ventures of Sierra (Attachment I)	Sohimeat, SA	Universo, IME	Others
Turnover	78,563	408,035	38,415	3,704
Changes in fair value of investment properties	7,759	–	–	–
Other operating income	1,669	9,462	1,655	44
Total revenue	**87,990**	**417,497**	**40,069**	**3,748**
Cost of sales	–	(383,037)	–	(527)
External supplies and services	(31,670)	(14,185)	(41,974)	(1,399)
Amortisation	(248)	(5,422)	(1,779)	(108)
Costs with staff	–	(11,372)	(7,375)	(1,450)
Other operating costs	(14,293)	(77)	(21,631)	(78)
Expenses and losses	**(46,210)**	**(414,092)**	**(72,758)**	**(3,562)**
Financial income	492	4	6,594	8
Financial expense	(12,803)	(1,777)	(2,657)	(6)
Financial results	**(12,311)**	**(1,773)**	**3,937**	**2**
Results of joint ventures and associated companies	1,951	–	–	–
Income tax expense	43,168	(287)	6,011	(17)
Consolidated net income/(loss) for the year	**74,589**	**1,345**	**(22,741)**	**170**
Profit/(Loss) from discontinued operations	–	–	–	–
Consolidated net income/(loss) for the year	**74,589**	**1,345**	**(22,741)**	**170**
Attributable to:				
Equity holders of the Parent Company	74,589	1,345	(22,741)	170
Non-controlling interests	–	–	–	–
	74,589	**1,345**	**(22,741)**	**170**

Joint ventures	31 Dec 2022		
	Joint ventures of Sierra (Attachment I)	Sohimeat, SA	Others
Turnover	71,356	359,535	3,555
Changes in fair value of investment properties	(11,703)	–	–
Other operating income	1,148	1,001	42
Total revenue	**60,800**	**360,536**	**3,597**
Cost of sales	–	(329,244)	(500)
External supplies and services	(30,661)	(14,164)	(1,414)
Amortization	(191)	(5,094)	(81)
Costs with staff	–	–	(379)
Other operating costs	(16,520)	(9,898)	(1,200)
Expenses and losses	**(47,372)**	**(358,401)**	**(3,575)**
Financial income	28	–	–
Financial expense	(6,664)	(962)	(3)
Financial results	**(6,636)**	**(962)**	**(3)**
Results of joint ventures and associated companies	(325)	–	–
Income tax expense	(1,596)	(66)	(9)
Consolidated net income/(loss) for the year	**4,873**	**1,108**	**11**
Profit/(Loss) from discontinued operations	–	–	
Consolidated net income/(loss) for the year	**4,873**	**1,108**	**11**
Attributable to:			
Equity holders of the Parent Company	4,873	1,108	11
Non-controlling interests	–	–	–
	4,873	**1,108**	**11**

As of 31 December 2023, the summarized financial information of Sierra's joint ventures can be analyzed as follows:

Joint ventures	31 Dec 2023				
	Joint ventures of Sierra (Attachment I)				
	Investment		Developments	Services	Total
	Companies owned by Sierra BV	Others			
Assets					
Investment properties	399,315	26,182	5,396	–	430,893
Other non-current assets	365	16,155	130	1,005	17,656
Non-current assets	**399,680**	**42,336**	**5,526**	**1,005**	**448,549**
Cash and cash equivalents	34,488	1,308	280	3,173	39,249
Other current assets	5,626	33,534	36,319	5,338	80,817
Current assets	**40,114**	**34,843**	**36,599**	**8,511**	**120,067**
Total assets	**439,794**	**77,179**	**42,125**	**9,517**	**568,615**
Liabilities					
Loans	154,721	13,899	–	–	168,621
Other non-current liabilities	16,236	15,770	1,108	691	33,805
Non-current liabilities	**170,958**	**29,670**	**1,108**	**691**	**202,426**
Loans	868	289	–	–	1,157
Other current liabilities	14,693	18,802	580	5,386	39,461
Total current liabilities	**15,562**	**19,090**	**580**	**5,386**	**40,618**
Total liabilities	**186,519**	**48,760**	**1,688**	**6,076**	**243,044**
Equity attributable to the equity holders of the Parent Company	253,275	28,419	40,438	3,440	325,571
Total equity	**253,275**	**28,419**	**40,438**	**3,440**	**325,571**
Total equity and liabilities	**439,794**	**77,179**	**42,126**	**9,517**	**568,615**

Joint ventures	31 Dec 2022				
	Joint ventures of Sierra (Attachment I)				
	Investment		Developments	Services	Total
	Companies owned by Sierra BV	Others			
Assets					
Investment properties	435,493	10,024	5,396	–	450,913
Other non-current assets	146	11,594	124	722	12,586
Non-current assets	**435,639**	**21,618**	**5,520**	**722**	**463,498**
Trade account receivables	–	–	–	–	–
Cash and cash equivalents	35,561	1,434	55	1,907	38,957
Other current assets	8,320	31,616	28	4,724	44,688
Current assets	**43,880**	**33,049**	**83**	**6,631**	**83,645**
Total assets	**479,519**	**54,668**	**5,603**	**7,353**	**547,144**
Liabilities					
Loans	73,557	579	–	–	74,136
Other non-current liabilities	74,058	16,749	1,101	680	92,588
Non-current liabilities	**147,615**	**17,328**	**1,101**	**680**	**166,724**
Loans	105,774	4,800	–	–	110,574
Other current liabilities	39,709	11,527	56	3,707	54,999
Total current liabilities	**145,483**	**16,327**	**56**	**3,707**	**165,573**
Total liabilities	**293,098**	**33,655**	**1,157**	**4,386**	**332,297**
Equity attributable to the equity holders of the Parent Company	186,422	21,013	4,446	2,966	214,847
Non-controlling interests	–	–	–	–	–
Total equity	**186,422**	**21,013**	**4,446**	**2,966**	**214,847**
Total equity and liabilities	**479,520**	**54,668**	**5,603**	**7,353**	**547,144**

Joint ventures	31 Dec 2023				
	Joint ventures of Sierra (Attachment I)				
	Investment		Developments	Services	Total
	Companies owned by Sierra BV	Others			
Turnover	59,354	3,616	–	15,593	78,563
Value created on investment properties	7,759	–	–	–	7,759
Other operating income	1,074	262	–	332	1,669
	68,187	**3,878**	**–**	**15,926**	**87,990**
External supplies and services	(24,325)	(3,274)	1,642	(5,713)	(31,670)
Amortisation	(1)	(30)	–	(217)	(248)
Other operating costs	(1,753)	(1,056)	(2,044)	(9,439)	(14,293)
	(26,079)	**(4,361)**	**(402)**	**(15,369)**	**(46,210)**
Financial results	(10,171)	(2,110)	–	(30)	(12,311)
Results of joint ventures and associated companies	–	1,969	–	(18)	1,951
Income tax expense	43,411	(17)	–	(226)	43,168
Consolidated net income/(loss) for the year	**75,347**	**(640)**	**(402)**	**283**	**74,589**
Attributable to:					
Equity holders of the Parent Company	75,347	(640)	(402)	283	74,589
Non-controlling interests	–	–	–	–	–
	75,347	(640)	(402)	283	74,589

Joint ventures	31 Dec 2022				
	Joint ventures of Sierra (Attachment I)				
	Investment		Developments	Services	Total
	Companies owned by Sierra BV	Others			
Turnover	53,781	3,527	–	14,048	71,356
Value created on investment properties	(9,513)	(2,190)	–	–	(11,703)
Other operating income	348	188	–	611	1,148
Total revenues	**44,616**	**1,525**	**–**	**14,658**	**60,800**
External supplies and services	(22,044)	(3,008)	(130)	(5,480)	(30,661)
Amortisation	(2)	–	–	(189)	(191)
Other operating costs	(2,319)	(4,829)	(1,758)	(7,612)	(16,518)
Total expenses and losses	**(24,364)**	**(7,837)**	**(1,889)**	**(13,281)**	**(47,370)**
Financial results	(5,186)	(1,436)	–	(14)	(6,636)
Results of joint ventures and associated companies	–	(325)	–	–	(325)
Income tax expense	(1,129)	38	–	(505)	(1,596)
Consolidated net income/(loss) for the year	**13,937**	**(8,034)**	**(1,889)**	**859**	**4,873**
Attributable to:					
Equity holders of the Parent Company	13,937	(8,034)	(1,889)	859	4,873
Non-controlling interests	–	–	–	–	–
	13,937	**(8,034)**	**(1,889)**	**859**	**4,873**

The reconciliation of financial information with the joint ventures carrying amount can be analysed as follows:

Joint Ventures	31 Dec 2023						
	Equity	Percentage of share capital held	Share of the net assets	Goodwill recognized in financial investment	Transfer to detainees for sale	Other effects	Financial investment
Joint ventures of Sierra (Attachment I)	325,571	50%	162,786	3,813	–	(1,079)	165,519
Sohimeat, SA	6,355	50%	3,178	–	–	372	3,550
Universo IME	67,312	50%	33,656	–	–	5,981	39,637
Others	1,300	50%	650	124	–	13	786
							209,493

Joint Ventures	31 Dec 2022						
	Equity	Percentage of share capital held	Share of the net assets	Goodwill recognized in financial investment	Transfer to detainees for sale	Other effects	Financial investment
Joint ventures of Sierra (Attachment I)	214,847	50%	107,423	3,813	–	(1,715)	109,521
Sohimeat, SA	6,063	50%	3,031	–	–	372	3,404
Others	1,130	50%	565	124	–	13	701
							113,626

3.2.2.2 Associates

As at 31 December 2023 and 2022, summary financial information of associated companies of the Group can be analysed as follows:

	31 Dec 2023			
Associates	Participation %	Assets	Liabilities	Equity
MC				
Sempre a Postos	25.00%	7,281	1,848	5,433
Insco	10.00%	107,877	63,490	44,387
Sportessence	10.00%	3,048	1,229	1,819
Sonae SGPS				
NOS (Note 2.2.2)	37.37%	3,468,980	2,474,293	994,687
Mondarella	47.50%	1,290	5,368	(4,078)
Associates of Sierra		9,754,162	4,114,620	5,639,541
Bright Pixel				
Armilar II	47.78%	185,304	153	185,151
Armilar III	45.52%	49,643	2,008	47,636
Armilar I+I	38.25%	61,100	4	61,096

	31 Dec 2023				
Associates	Participation %	Revenue	Fair value of investment properties	Operational profit	Net profit
MC					
Sempre a Postos	25.00%	5,333	–	4,206	3,180
Insco	10.00%	169,456	–	3,736	3,425
Sportessence	10.00%	6,442	–	640	643
Sonae SGPS					
NOS (Note 2.2.2)	37.37%	1,597,454	–	264,212	181,334
Mondarella	47.50%	166	–	(3,240)	(3,240)
Associates of Sierra		882,168	217,074	821,816	554,920
Bright Pixel					
Armilar II	47.78%	–	–	(159)	(159)
Armilar III	45.52%	14,106	–	13,942	13,942
Armilar I+I	38.25%	18,738	–	18,625	18,625

	31 Dec 2022			
Associates	Participation %	Assets	Liabilities	Equity
MC				
Sempre a Postos	25.00%	6,618	1,444	5,174
Insco	10.00%	115,057	71,122	43,935
Sportessence	10.00%	5,577	2,370	3,207
Sonae SGPS				
ISRG	30.00%	712,487	409,841	302,647
NOS (Note 2.2.2)	37.37%	3,463,324	2,410,981	1,052,343
Mondarella	40.00%	2,592	3,416	(824)
Associates of Sierra		6,740,147	2,997,801	3,742,347
Bright Pixel				
Armilar II	47.78%	185,373	63	185,310
Armilar III	45.52%	37,025	3,332	33,693
Armilar I+I	38.25%	42,480	9	42,471

	31 Dec 2022				
Associates	Participation %	Revenue	Fair value of investment properties	Operational profit	Net profit
MC					
Sempre a Postos	25.00%	5,441	–	3,870	2,921
Insco	10.00%	231,363	–	5,283	4,377
Sportessence	10.00%	9,152	–	1,202	1,012
Sonae SGPS					
ISRG	30.00%	900,218	–	417,650	57,838
NOS (Note 2.2.2)	37.37%	1,521,007	–	270,208	224,444
Mondarella	40.00%	336	–	(1,036)	(1,036)
Associates of Sierra		560,628	(157,572)	194,335	116,645
Bright Pixel					
Armilar II	47.78%	2,469	–	2,283	2,283
Armilar III	45.52%	(13,124)	–	(13,173)	(13,182)
Armilar I+I	38.25%	–	–	(18,954)	(18,954)

As at 31 December 2023 and 2022, the summary financial information of the associates of Sonae Sierra can be analysed as follows:

Sierra's Associates	31 Dec 2023			
	Participation %	Assets	Liabilities	Equity
3shoppings	20.00%	114,979	53,850	61,129
Allos	5.72%	5,021,022	1,947,370	3,073,652
Área Sur	15.00%	134,382	74,511	59,871
Atrium Bire, SIGI, S.A.	3.75%	214,889	102,754	112,134
Douro Riverside Hotel, S.A.	37.50%	6,565	1,597	4,968
Feeder	7.45%	34,440	1,404	33,036
FIIPDPS	7.97%	159,965	556	159,409
FIIPSDP	31.52%	401,936	21,500	380,436
Iberia Coop	10.00%	202,806	56,288	146,518
Le Terrazze	10.00%	133,195	72,839	60,355
Mercado Urbano	20.00%	15,106	8,248	6,858
Olimpo Retail Germany, S.A.	3.00%	116,277	9,963	106,314
ORES	3.75%	369,056	177,054	192,002
Serra Shopping	0.00%	33,928	9,647	24,281
Sierra fund	25.10%	1,923,912	1,102,929	820,983
SIGI	5.13%	91,902	42,005	49,898
Signal Alpha Republica I, S.A.	5.00%	40,739	36,170	4,569
Signal Alpha Republica II, S.A.	5.00%	9,834	9,336	498
SPF	22.50%	87,762	189	87,573
Trivium	12.44%	538,255	330,578	207,676
Via Catarina – SIC Imobiliária Fechada, S.A.	25.05%	52,110	24,837	27,274
Zenata	11.00%	51,102	30,996	20,106

Sierra's Associates	31 Dec 2023				
	Participation %	Revenue	Fair value of investment properties	Operational profit	Net profit
3shoppings	20.00%	14,769	628	8,239	4,792
Allos	5.72%	537,991	178,627	536,087	315,540
Área Sur	15.00%	12,808	1,587	8,585	5,180
Atrium Bire, SIGI, S.A.	3.75%	12,335	(4,829)	2,479	(1,093)
Douro Riverside Hotel, S.A.	37.50%	120	–	96	88
Feeder	7.45%	–	–	11,484	11,107
FIIPDPS	7.97%	6,131	7,229	23,694	24,026
FIIPSDP	31.52%	30,440	30,267	56,288	57,049
Iberia Coop	10.00%	23,872	(2,620)	11,347	7,987
Le Terrazze	10.00%	12,564	(660)	5,166	1,981
Mercado Urbano	20.00%	2,267	–	690	390
Olimpo Retail Germany, S.A.	3.00%	–	–	(1,180)	(1,186)
ORES	3.75%	24,457	(6,337)	12,823	7,402
Serra Shopping	0.00%	3,418	1	1,758	1,264
Sierra fund	25.10%	153,472	17,081	120,818	72,948
Signal Alpha Republica I, S.A.	5.13%	5,236	(3,379)	839	(890)
Signal Alpha Republica II, S.A.	22.50%	–	–	(980)	29,676
Trivium	12.44%	37,933	(1,075)	21,270	14,199
Via Catarina – SIC Imobiliária Fechada, S.A.	25.05%	–	554	554	3,779
Zenata	11.00%	4,354	–	1,756	682

Sierra's Associates	31 Dec 2022			
	Participation %	Assets	Liabilities	Equity
3shoppings	20.00%	118,021	53,463	64,558
Área Sur	15.00%	121,104	70,375	50,729
Le Terrazze	10.00%	130,120	71,117	59,002
Iberia Coop	10.00%	195,574	55,509	140,066
SPF	22.50%	76,800	270	76,530
Feeder	7.45%	30,080	995	29,084
SIGI	5.13%	79,120	25,548	53,572
ORES	3.75%	389,647	181,417	208,231
Serra Shopping	5.00%	36,139	14,878	21,260
Trivium	12.40%	540,073	330,942	209,131
Aliansce	6.30%	1,966,637	662,758	1,303,879
FIIPDPS	7.97%	126,506	425	126,080
FIIPSDP	31.52%	318,632	13,210	305,423
Sierra Cevital	49.00%	–	–	–
Zenata	11.00%	53,485	34,239	19,246
Sierra fund	25.10%	1,877,160	1,114,583	762,578
Mercado Urbano	20.00%	15,310	9,183	6,127
Signal Alpha Republica I, S.A.	5.00%	27,559	21,050	6,508
Signal Alpha Republica II, S.A.	5.00%	5,228	3,994	1,233

Sierra's Associates	31 Dec 2022				
	Participation %	Revenue	Fair value of investment properties	Operational profit	Net profit
3shoppings	20.00%	10,724	3,325	7,849	5,724
Área Sur	15.00%	10,035	1,643	7,236	4,029
Le Terrazze	10.00%	9,642	(1,894)	3,319	920
Iberia Coop	10.00%	19,985	(298)	11,032	8,042
SPF	22.50%	–	–	(330)	5,366
Feeder	7.45%	–	–	1,968	1,542
SIGI	5.13%	2,807	2,945	4,768	4,287
ORES	3.75%	22,823	5,482	22,327	16,845
Serra Shopping	5.00%	3,920	443	2,342	1,628
Trivium	12.40%	31,828	3,549	21,819	17,391
Aliansce	6.30%	151,036	(36,600)	55,111	34,445
FIIPDPS	7.97%	3,401	(3,787)	(4,608)	(4,561)
FIIPSDP	31.52%	16,884	(30,877)	(16,698)	(16,577)
Sierra Cevital	49.00%	–	–	–	–
Zenata	11.00%	3,687	–	1,050	190
Sierra fund	25.10%	103,664	9,779	73,374	40,813
Mercado Urbano	20.00%	1,457	–	216	71
Signal Alpha Republica I, S.A.	5.00%	2,055	–	1,024	(43)
Signal Alpha Republica II, S.A.	5.00%	448	–	195	(6)

The reconciliation of financial information with the associates carrying amount can be analysed as follows:

Associates	31 Dec 2023					
	Equity	Percentage of share capital held	Share of the net assets	Goodwill recognized in financial investment	Other effects	Financial investment
MC						
Sempre a Postos	5,433	25.00%	1,358	–	1	1,359
Insco	44,387	10.00%	4,439	–	257	4,695
Sportessence	1,819	10.00%	182	–	105	287
Sonae						
NOS	994,687	37.37%	371,715	557,970	(123,033)	806,652
Mondarella	(4,078)	47.50%	(1,937)	2,988	1,925	2,976
Sierra's associates	5,639,541		634,940	43,746	(5,190)	673,497
Bright Pixel						
Armilar II	185,151	47.78%	77,679	–	(19,644)	58,035
Armilar III	47,636	45.52%	12,802	–	4,542	17,344
AVP I+I	61,096	38.25%	10,561	–	4,394	14,956
Others						12,491
						1,592,291

Associates	31 Dec 2022 Reexpresso					
	Equity	Percentage of share capital held	Share of the net assets	Goodwill recognized in financial investment	Other effects	Financial investment
MC						
Sempre a Postos	5,174	25.00%	1,294	–	1	1,294
Insco	43,935	10.00%	4,393	–	95	4,489
Sportessence	3,207	10.00%	321	–	(20)	301
Sonae	–				–	
ISRG	302,647	30.00%	90,794	36,017	(11,840)	114,971
NOS	1,052,343	37.37%	393,261	557,970	(103,026)	848,205
Mondarella	(824)	40.00%	(330)	2,988	149	2,807
Sierra's associates	3,742,350		545,877	43,746	(5,196)	584,427
Bright Pixel						
Armilar II	185,310	47.78%	10,561	–	47,429	57,991
Armilar III	35,158	45.52%	77,679	–	(64,879)	12,800
AVP I+I	43,146	38.25%	12,802	–	(2,240)	10,562
						1,637,846

The Armilar II fund includes an Information Technology holding classified as level 3 with a book value of approximately 185 million euro.

The Armilar III and Armilar I+I funds include a shareholding classified as level 3 with a book value of approximately 49 million euro and 61 million euro, respectively (32 million euro and 42 million euro in 2022).

3.2.3. Movement occured during the exercise

3.2.3.1 Joint Ventures

During the years ended 31 December 2023 and 2022, movements in investments in joint ventures was as follows:

Investments in joint ventures	31 Dec 2023			31 Dec 2022		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Balance as at 1 January	110,804	2,822	113,626	654,216	90,350	744,566
Transfers to subsidiaries (Note 1.3.1)	–	–	–	(5,755)	–	(5,755)
Transfer to Associates	(11,815)	–	(11,815)	–	–	–
Transfer of subsidiaries (Notes 1.3.2)	41,426	–	41,426	–	–	–
Amortization of shares held with receipt in kind (Note 3.2.3.2)	–	–	–	(549,264)	(87,528)	(636,792)
Increases during the period	36,817	–	36,817	4,183	–	4,183
Acquisitions during the period	1,842	–	1,842	8,874	–	8,874
Return of invested capital	–	–	–	(11,074)	–	(11,074)
Equity method:						–
Effect in gains or losses in joint controlled	35,798	–	35,798	54,181	–	54,181
Distributed dividends	(8,822)		(8,822)	(6,752)	–	(6,752)
Effect in equity capital and non-controlling interests	(15)	–	(15)	(180)	–	(180)
Other	636	–	636	(37,625)	–	(37,625)
	206,670	**2,822**	**209,493**	**110,804**	**2,822**	**113,626**

The transfer of subsidiaries item in the amount of 41 million euro refers to Universo IME, whose 50% stake was sold at the end of 2023 to Bankinter (Note 1.3.2)

On 28 September 2022, Sonaecom amortized the shares held in ZOPT with the receipt in kind of a stake in NOS. The investment qualifies as investments in associates. Following this operation, 637 million euro were transferred from the investment value recorded in joint ventures and 186 million euro from the investment in NOS, which was recorded as investment in financial assets at fair value through other comprehensive income.

In the year ended 31 December 2022, the item 'Others' includes 37,625 thousand euro relating to the payment by ZOPT following the share amortization operation.

Sonae SGPS, S.A. concluded in the last quarter of 2022 the transaction of sale of the 50% stake in MDS SGPS, S.A. to Ardonagh Global Partners – Project Macau, Unipessoal, Lda., an entity wholly owned by The Ardonagh Group Limited ("The Ardonagh Group"), which generated a capital gain of 83,003 thousand euro recorded under the heading "Income and losses relating to joint ventures".

Sierra

In June 2023, the subsidiary Sierra Developments Holdings B.V acquired 50% of the capital of the joint venture Smartsecrets, S.A. for 3 thousand euro.

In December 2023, the subsidiary Sierra Retail Ventures, B.V. (the group holds 50.1% of the company) sold a 24.95% stake in Via Catarina – SIC Imobiliária Fechada, S.A., to 11 investors and the remaining capital of the Sierra Subsidiary Investments Holdings B.V. (the group owns 100% of the company). After this transaction, the group directly holds 25.5% of the company, which is now reported as an associate, with an amount of 11,815 milion euro.

The effect on equity and non-controlling interests results fundamentally from the exchange rate conversion effect of Sierra's associates with a functional currency other than the euro.

3.2.3.2 Investments in associates

During the years ended 31 December 2023 and 2022, movements in investments in associates was as follows:

Investments in associates companies	31 Dec 2023			31 Dec 2022 Reexpresso		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Initial balance as at 1 January	1,360,478	277,368	1,637,846	689,793	80,292	770,084
Increases during the period	2,307	–	2,307	16,778	–	16,778
Acquisitions during the period	15,858	–	15,858	29,463	–	29,463
Amortization of shares held with receipt in kind (Note 3.2.3.1)	–	–	–	549,264	87,528	636,792
Transfer of financial assets at fair value through other comprehensive income	29,995	–	29,995	75,785	109,889	185,674
Transfer of financial assets at fair value through profit or loss	–	–	–	5,345	–	5,345
Transfer of joint ventures	5,919	–	5,919	–	–	–
Capital reduction in associated companies	(2,334)	–	(2,334)	(4,236)	–	(4,236)
Period disposals	(88,766)	(36,017)	(124,783)	(40)	–	(40)
Return of invested capital	–	–	–	(15,436)	–	(15,436)
Equity method:						
Effect in gains or losses in associated companies	149,355	–	149,355	60,571	–	60,571
Distributed dividends	(105,590)	–	(105,590)	(27,026)	–	(27,026)
Effect in equity capital and non-controlling interests	(12,892)	–	(12,892)	19,316	(340)	18,976
Impairment in associated companies	(3,391)	–	(3,391)	–	–	–
Others	–	–	–	(39,099)	–	(39,099)
	1,350,940	**241,351**	**1,592,291**	**1,360,478**	**277,368**	**1,637,846**

The caption “Disposals for the year” includes 124 million euro relating to the sale of the entire stake that the group held in Iberian Sports Retail Group, S.L. for the amount of 300 million euro (Note 1.2), generating a capital gain of 168 million euro and recycling of the fair value recognized in previous years in equity in the amount of 8.3 million euro.

In the year ending 31 December 2023, the item “Dividends distributed” includes the amount of 82.8 million euro relating to the distribution of dividends from NOS and 21,7 million euro relating to the distribution of profits to associates in the Sierra operating segment.

In the year ending 31 December 2022, the item 'Return of invested capital' includes 15,234 thousand euro referring to the return of capital invested by Armilar III and 202 thousand euro referring to the return of capital invested by Armilar I+I.

In the year ending 31 December 2022, the 'Other' item includes 18,666 thousand euro relating to the capital distribution made following the sale of a stake held by the Armilar III Fund, 19,643 thousand euro relating to the capital distribution of Armilar II.

As mentioned above, following the resolution of the Shareholders' Agreement that governed relations between the shareholders of ZOPT, SGPS, S.A. - Sonaecom itself, Unitel International Holdings, BV and Kento Holding Limited, the group began to exercise significant influence over NOS, and in accordance with IAS 28, investments in this company, classified until the 3rd quarter of 2022 as financial assets at fair value through other comprehensive income, representing 10.78% of shares on 30 September 2022, were transferred to Investments in associates (186 million euro).

The reclassification of the investment as it constitutes a phased acquisition of an associate generated Goodwill worth approximately 109.9 million euro, after completion of the purchase price allocation in 2023.

As set out in IFRS 3 – Business Combination, an assessment of the fair value of the assets acquired and the liabilities assumed was carried out.

The details of net assets as of 30 September 2022, are as follows:

Amounts expressed in thounsand euro	Accounting value	Adjustments to fair value	Fair value
Acquired assests			
Tangible assets	1,088,464	–	1,088,464
Intangible assets	565,762	–	565,762
Contract costs	160,872	129,343	290,215
Rights of use	238,942	312,669	551,611
Investments in jointly controlled companies and associated companies	44,205	91,103	135,308
Deferred tax assets	84,506	14,696	99,202
Inventories	66,398	–	66,398
Accounts receivable and other assets	486,885	–	486,885
Cash ans cash equivalents	150,622	–	150,622
Assets classified as held for sale	4,701	25,607	30,308
	2,891,357	**573,418**	**3,464,775**
Acquired liabilities			
Borrowings	1,711,284	–	1,711,284
Provisions	79,702	74,819	154,521
Deferred tax liabilities	8,290	135,797	144,087
Accounts payable and other liabilities	704,651	–	704,651
	2,503,927	**210,615**	**2,714,542**
Net assets and liabilities	**387,430**	**362,803**	**750,233**
Proportional of net assets acquired	**44,117**	**41,312**	**85,429**
Acquisition price	**195,318**	**–**	**195,318**
Goodwill	**151,201**	**–**	**109,889**

The fair value of the net assets acquired on 30 September 2022, was determined using different valuation methodologies for each type of asset or liability, based on the best available information. The main adjustments to fair value made within the scope of this process, on NOS' financial statements were: i) customer portfolio (+129.3 million euro), which will be amortized on a straight-line basis over 6 years; ii) rights of use (+312.7 million euro), which will be amortized straight-line over 15 years; iii) investments in joint ventures and associates (+91.1 million euro), iv) assets held for sale (+25.6 million euro) and v) contingent liabilities (-74.8 million euro).

In the process of identifying the fair value of the assets and liabilities acquired, the Board of Directors resorted to the use of estimates, assumptions and critical judgments, such as: i) the average length of stay of customers used in valuing the customer portfolio; ii) evolution of revenues and future results of the channels; iii) evolution of revenue and iv) results of affiliated companies, among others.

As usually happens in combinations of business activities, in this operation it was also not possible to attribute, in accounting terms, to the fair value of identified assets and assumed liabilities, a part of the allocation cost, this component being recognized as Goodwill, being included in the financial participation in the amount of 806.7 million euro.

3.2.4. Investment in NOS

In the third quarter of 2022, Sonaecom resolved the Shareholders' Agreement governing the relations between the shareholders of ZOPT, SGPS, S.A. – Sonaecom itself, Unitel International Holdings, BV and Kento Holding Limited. At the ZOPT General Meeting held on the 28th of September, it was decided to amortize Sonaecom's stake in that company, and refund the ancillary payments made by it, in return for the delivery of the proportion held in the company's net assets, corresponding to to shares representing 26.07% of the share capital of NOS that are not encumbered, and other net monetary means, in the amount of 37.6 million euro. As a result of the said decision, Sonaecom ceased to be a shareholder in ZOPT (Note 2.2.2).

After the legal formalities associated with the protection of ZOPT's creditors and the appreciation of the operation by the Competition Authority - ZOPT proceeded to deliver - in early December 2022 - the shares representing 26.07% of the share capital of NOS, which became directly owned by Sonaecom.

Since its inception, the sole object of ZOPT has been the ownership and management of the stake in NOS and the execution of the aforementioned Shareholders' Agreement, which established joint control, the company having had no other operational activity since its incorporation. Given the merely instrumental character of ZOPT in holding, in substance, the stake in NOS, with the resolution of the Shareholders' Agreement and the aforementioned resolution, Sonaecom ceased to hold joint control over NOS and began to exercise significant influence over this subsidiary. In this case, and as recommended in IAS 28,

because Sonaecom's measurement method and consolidation perimeter do not change, there was no place to remeasure the investment to fair value in the consolidated financial statements on 31 December 2022. The value of the investment held in NOS is measured using the equity equivalence method.

On 20 July 2023, Sonaecom, SGPS, S.A. entered into a purchase and sale agreement for the acquisition from Sonae SGPS, S.A., of 58,204,920 shares representing 11.30% of the share capital and 11.38% of the rights to vote of NOS – SGPS, S.A.

As a result of the acquisition, on 31 December 2023, Sonae was allocated a stake in NOS of 37.37% of its share capital and 37.65% of voting rights, as at the end of 2022 as a result of the stake held by its subsidiary Sonaecom.

Considering the percentage of holding, indirectly attributable to Sonae (37.37% as of 31 December 2023), it was analyzed in light of what is described in IFRS 10, whether Sonae could exercise control over NOS. From this analysis, it was concluded that Sonae does not control the aforementioned company, as it does not hold the majority of NOS' share capital and voting rights and that it is not clear that i) it is possible for Sonae to make decisions on its own only and ii) that the existence of a majority contrary to its intentions is unlikely. In view of the above, and with Sonae being able to participate in NOS's decision-making processes, we are faced with a situation of significant influence, with the respective investment being classified as “Investments in associates” and recorded in Sonae's consolidated accounts using the equivalence method assets, as on 31 December 2022.

NOS consolidated financial information, used to apply the equity method, includes adjustments arising from the price allocation to assets and liabilities identified in the 2013 merger operation and in the September 2022 share purchase operation.

NOS consolidated financial statements present exposure to the African market, namely through financial holdings that the group holds in entities that operate in the Angolan and Mozambican markets, and which are essentially dedicated to providing satellite and fiber television services.

Impairment tests were carried out for those assets, considering the business plans approved by the Board of Directors for a period of 5 years, with average revenue growth rates of 10.07% in Angola and 5.01% in Mozambique (3.24% and 4.83% in 2022, respectively). The business plans also consider a perpetuity growth rate of 9% in Angola and 6% in Mozambique (6% and 6% in 2022, respectively) and a discount rate (“WACC”) in perpetuity of 20.2% in Angola and 19.4% in Mozambique (17.1% and 19.2% in 2022, respectively).

The impairment tests carried out, based on the assumptions identified above, led to an increase in impairment (in NOS' adjusted financial statements) of 17.9 million euro (around 29.7 million euro of impairment reversal in 2022).

Regarding NOS's financial holdings in Finstar and ZAP Media (consolidated Finstar), it is the conviction of the NOS Board of Directors that the seizure of assets from Mrs. Engª Isabel dos Santos, in this specific case to the holdings held by her in Finstar and ZAP Media (where it holds 70% of the capital) does not change the control profile, in this case joint control as defined in IFRS 11.

Regarding the stake held in NOS, the Board of Directors considers that the market price of the shares representing the share capital of NOS, S.A., as of 31 December 2023, does not reflect their fair value. The Board of Directors considers that the company's value in use represents, at the present date, the best estimate of the company's recoverable value. In this way, the assessment of the existence, or not, of impairment for investment values, including Goodwill, recorded in the attached consolidated financial statements for the telecommunications sector, is determined taking into account various information such as the business plans approved by the Board of Directors of NOS for 5 years, whose implied average growth rate of the operating margin amounts to -0.1% (2.4% in 2022).

Relevant accounting judgments and estimates

Assumptions	NOS SGPS	
	31 Dec 2023	31 Dec 2022
Basis of recoverable amount	Value of use	Value of use
Discount rates	6.5% - 9.8%	6.5% - 9.4%
Growth rate in perpetuaty	2.00%	2.00%

The analysis of projections and impairment tests resulted in the determination of a recoverable amount greater than the book value by approximately 7.5% (0.2% in 2022). No impairment losses were determined for the years ended 31 December 2023 and 2022.

In the sensitivity analysis carried out, varying the discount rate or the perpetuity growth rate by 0.1 p.p. would lead to an impairment of approximately 4.5% and 5%, respectively.

3.3. Receipts / payments of financial investments

Receipts and payments of financial investments occurred in the years ended 31 December 2023 and 2022 can be analyzed as follows:

Receipts	31 Dec 2023	31 Dec 2022
Receipt related to the disposal of ISRG	300,083	–
Receipt related to Sierra joint ventures and associates	39,596	–
Receipt related to the disposal of Alverca	–	7,848
Receipt related to the disposal of Cellwise	–	23,674
Receipt related to the disposal of Maxive	–	90,758
Receipt related to the disposal of MDS	–	104,111
Receipt related to the disposal of Style Sage	–	6,542
Receipt relating to Armilar capital return	–	15,436
Receipt relating to ZOPT	–	37,625
Others	15,235	13,843
	354,914	**299,837**

Payments	31 Dec 2023	31 Dec 2022
Acquisition of Infraspeak shares	6,000	–
Acquisition of Harmonya shares	6,530	–
Acquisition of Jentis shares	5,505	–
Acquisition of Musti shares	29,248	–
Acquisition of shares Sekoia	9,000	–
Acquisition of Seldon shares	7,028	–
Acquisition of Sonae Sierra shares	88,566	83,471
Acquisition of SparkVos shares	32,013	–
Acquisition of Vicarius shares	9,247	–
Acquisitions related to JV and associates of Sierra	38,460	–
Acquisition of shares Alliansce Sonae	–	24,750
Acquisition of BR Malls shares	–	35,659
Acquisition of Chord Shares	–	6,045
Acquisition of Hackuity shares	–	6,000
Acquisition of Nova Centralidade Soc. de Desenv. Imobiliário, SA shares	–	8,006
Acquisition of NOS SGPS shares	–	73,220
Incorporation and capital raise of North Tower BV	–	7,787
Supplementary Payments of Qamine	–	8,000
Others	33,970	54,893
	265,567	**307,830**

3.4. Financial assets at fair value

Accounting policies

For financial reporting purposes, fair value measurement is categorized into Level 1, 2 and 3, according to the degree to which the assumptions used are observable and their significance at the level of fair value valuation used in measuring assets/ liabilities or their disclosure.

Level 1 – Fair value is determined based on active market prices for identical assets/liabilities;

Level 2 – Fair value is determined based on data other than market prices identified in Level 1, but which can be observable in the market; and

Level 3 – Fair value is determined based on valuation models whose main assumptions are not observable in the market.

Relevant accounting judgments and estimates

In the absence of a market quotation, the fair value of financial instruments is determined based on the use of recent transaction prices, similar and carried out under market conditions, or based on valuation techniques based on discounted cash flow methods or on multiples of market transactions. These methodologies may require the use of assumptions or judgments in determining the fair value.

When classifying investments, the Group determines whether the objective of the investment is to provide financial means to investees, with return via medium to long-term capital gain, and assesses whether or not, based on contracts and agreements, it has the capacity to influence decisions and policies of its investees.

The use of different methodologies and different assumptions or judgments in the application of a certain model could cause changes in the values of assets in the consolidated financial statements.

When classifying investments, the Group determines whether the objective of the investment is to provide financial means to investees, with return via medium to long-term capital gain, and assesses whether or not, based on contracts and agreements, it has the capacity to influence decisions and policies of its investees. Different judgments regarding these matters could lead to investments being classified and measured differently, with a direct impact on the consolidated financial statements.

3.4.1. At fair value through profit or loss

The value of financial assets at fair value through profit or loss can be analyzed as follows:

	Statement of financial position	
Company	**31 Dec 2023**	**31 Dec 2022**
Bright Pixel		
Afresh	4,525	4,688
Arctic Wolf Networks, Inc	76,021	78,758
Chord	5,430	5,625
Grupo Codacy	6,000	8,000
CyberSixgill	19,427	18,251
Hackuity	6,000	6,000
Harmonya	6,335	–
Infraspeak	6,000	–
Jentis	5,505	–
Jscrambler	3,829	3,829
Mayan	4,525	4,688
Ometria, Ltd.	15,874	20,858
Safebreach	13,648	14,139
Sales Layer	9,714	9,714
Seldon	7,112	–
Sekoia	9,000	–
Vicarius	9,050	–
Weaveworks	–	4,990
Other financial assets	26,888	29,131
	234,882	**208,671**
Others		
Musti	37,485	8,218
	37,485	**8,218**
Financial assets at fair value through profit or loss	**272,367**	**216,889**

Investments in equity instruments not irrevocably designated upon initial recognition as investments at fair value through other comprehensive income are classified as 'Investments at fair value through profit or loss' in accordance with IFRS 9. Investments in associated companies, held by a venture capital organisation or equivalent, in which the group has chosen, upon initial recognition, to measure at fair value through profit or loss in accordance with IFRS 9 are also classified under this heading. subsequent fair value is presented through profit or loss. The fair value of investments is calculated in the currency of the country of investment and converted to euro at the end of the reporting year.

The investments described above are valued at fair value, and classified at level 3 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value in the amount of 234.9 million euro and level 1 in the amount of 37.5 million euro. Of the total value of financial assets at fair value through profit or loss, around 76 million euro correspond to subsidiaries valued based on data based on purchase and sale quotes (79 million in 2022) and 2 million euro correspond to subsidiaries valued with based on the last transaction in a non-active market that occurred during 2023 (31.7 million euro during 2022). Acquisitions of new subsidiaries in the year correspond to around 45.9 million euro (33.3 million euro in 2022). The amount of 23.9 million euro corresponds to holdings valued through multiples (8.6 million in 2022) and the amount of 87 million euro corresponds to holdings valued based on the last transaction which, despite having occurred more than one year, still represents the best estimate of the company's fair value (56 million euro in 2022).

The investment in "Other" in related with Musti, which is the market leader in the retail of pet products in the Nordic countries, with a successful omnichannel strategy leveraged on a range of its own and exclusive products, as well as a unique presence in the physical and digital world. Sonae in partnership with the management of the society launch an acquisition public offer in November 2023 (Note 1.2).

Bright Pixel's most significant investments in terms of value are:

• Arctic Wolf is an American company, a global pioneer in the SOC-as-a-Service market with cutting-edge technology for management detection and response (MDR), a unique combination of technology and services that quickly detect and contain threats. Bright Pixel, along with US technology investors Lightspeed Venture Partners and Redpoint took the company public in 2017 during a Series B funding round. Since then, the company has closed a 45 million dollars Series C funding round in 2018, a Series D round of 60 million dollars at the end of 2019, a Series E round of 200 million dollars in October 2020 with a valuation of 1.3 billion dollars and, in 2021, a round of 150 million dollars, held by existing and new investors, with an underlying valuation of 4.3 billion dollars.

• Ometria is an English company that has a marketing platform based on Artificial Intelligence and with the ambition of centralizing all communications between retailers and their customers. This investment was made by Bright Pixel in a Series A funding round, together with several strategic investors (including Summit Action, the Summit Series VC fund) and was subsequently reinforced during Series B and C funding rounds.

• Cybersixgill is a leader in the cybersecurity intelligence market on the deep and dark web. The company helps Fortune 500 companies, financial institutions, governments and law enforcement authorities protect their finances, their networks and their reputations from cyber attacks that exist on the deep, dark and surface webs. Its advanced technology platform can automate all phases of the intelligence cycle — data collection, analysis and dissemination — providing organisations with unique, actionable information to protect their assets from various cyber threat scenarios, which are constantly evolving. . Bright Pixel co-led the 15 million dollars series B round and, in 2022, participated in the 35 million dollars round led by More Provident and Pension Funds and REV Venture Partners.

• Safebreach, a pioneer in the Breach and Attack Simulation (BAS) market, is one of the most used continuous security validation solutions in the world. The patented platform automatically and safely executes thousands of attack methods to validate network, endpoint, cloud, container and email security controls. The company has one of the largest attack databases in the world divided by methods, tactics and threat agents. Safebreach announced a 53.5 million dollars Series D financing round, led by Bright Pixel and Israel Growth Partners (IGP), with additional participation from Sands Capital, Bank Leumi and ServiceNow.

• Sekoia.io is the European "cybertech" responsible for developing the Sekoia.io XDR (eXtended Detection & Response) platform, which guarantees the detection of cyberattacks in real time. In 2023, the company raised a round of 35 million euro with the participation of

Banque des Territoires, Bright Pixel and previous investors Omnes Capital, Seventure and BNP Paribas Développement.

• Vicarius is a SaaS platform that consolidates vulnerability discovery, prioritization and remediation into a single solution. In 2023, the company raised a 30 million dollars series B round led by Bright Pixel with participation from AllegisCyber Capital, AlleyCorp and Strait.

3.4.2. Through other comprehensive income

The value of financial assets at fair value through other comprehensive income can be analyzed as follows:

	Statement of financial position	
Company	31 Dec 2023	31 Dec 2022
Bright Pixel		
Deepfence	2,262	2,344
Iriu sRisk	7,125	7,125
Nextail Labs, SL	–	1,629
Other financial assets	607	607
	9,994	**11,704**
Sierra		
1) BR Malls	–	29,559
	–	**29,559**
Financial assets at fair value through other comprehensive income	**9,994**	**41,263**

1) 6 January 2023, the business combination operation between Aliansce Sonae Shopping Centers, S.A., presented in Investments in Associates, and Br Malls Participações, S.A. classified on 31 December 2022 as Financial Assets at Fair Value through Other Comprehensive Income. Following this operation, the value of the investment in Br Malls Participações, S.A. was transferred to Investimentos em Associadas. In 2023, the company was renamed Allos, S.A.

As at 31 December 2023, investments held through Bright Pixel correspond to stakes in unlisted companies over which the Group does not have significant influence.

Under IFRS 9 these investments are classified as 'Investments at fair value through other comprehensive income' as they are held as long-term strategic investments that are not expected to be sold in the short and medium term and, therefore, were irrevocably designated as investments at fair value through other comprehensive income. Subsequent changes in fair value are presented through other comprehensive income. The fair value of investments is determined in the currency of the country of investment and converted into euro at the end of the reporting period.

The investments described above in the Bright Pixel segment are valued at fair value classified in level 3 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value. The vast majority of financial assets at fair value through other comprehensive income correspond to equity interests valued based on the last transaction which, despite having taken place over a year ago, still represents the best estimate of the company's fair value.

Investments related to the Sierra segment, in 2022, were valued at fair value classified at level 1 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value.

3.4.3. Movement occurred during the exercise

During the years ended 31 December 2023 and 2022, the movement in the value of financial assets at fair value was as follows:

	31 Dec 2023	31 Dec 2022
Fair value (net of impairment losses) as at 1 January	258,153	301,848
Acquisitions in the period	80,062	150,547
Disposals in the period	(11,411)	(13,873)
Increase/(decrease) in fair value through profit and loss	(13,207)	17,515
Increase/(decrease) in fair value through other comprehensive income	(1,710)	(7,258)
Transfers to associates (Note 3.2.3.2)	(29,559)	(191,019)
Others	34	392
Assets at fair value through other comprehensive income and through profit and loss	**282,361**	**258,153**

The line of increase/(decrease) in fair value through profit or loss and other comprehensive income include the decrease around 21 million euro measured at fair value at level 1 and 1.7 million euro, respectively.

On 31 December 2023, the disposal item includes the sale of Bright Pixel's stake in Reblaze for the amount of 3.1 million euro, which generated a capital gain of 649 thousand euro. Additionally, it includes the sale of Pets shares, for the amount of 10 million euro, generating a capital gain of 384 thousand euro.

On 31 December 2022, the heading "Disposals" includes the sale of Bright Pixel's stake in CiValue for the amount of 5.3 million euro, which generated a capital gain of 3.3 million euro and the sale of Bright Pixel's participation in Cellwize for the amount of 22.3 million euro, which generated a capital gain of 13.8 million euro. The total capital gains in the amount of 17.7 million euro were recorded under the heading "Gains and losses on investments recorded at fair value through profit or loss" in the consolidated income statement.

In the 2022 financial year, the Group received 12 million euro relating to investments in assets at fair value.

3.5. Other investments

As of 31 December 2023, the "Other investments" item in the amount of 21,947 thousand euro (16,578 thousand euro as of 31 December 2022) includes 7,398 thousand euro (7,231 thousand euro as of 31 December 2022), relating to amounts deposited in an Escrow Account and which are invested in Participation Units in a higher rating monetary investment fund, which appear as guarantees for the contractual responsibilities assumed in the sale of the MC segment in Brazil and for which provisions have been set up in the applicable situations (Note 7).

During the years ended 31 December 2023, and 2022, the movement in the value of other current and non-current investments was as follows:

	31 Dec 2023		31 Dec 2022	
	Non current	Current	Non current	Current
Other investments:				
Fair value (net of impairment losses) as at 1 January	16,578	–	14,984	–
Acquisitions in the period	5,178	–	3,940	–
Disposals in the period	(1,116)	–	(1,751)	–
Increase/(decrease) in fair value through profit and loss	(804)	–	–	–
Advance on account of investments	2,246			
Others	(134)	–	(595)	–
Fair value (net of impairment losses) as at 31 December	**21,947**	**–**	**16,578**	**–**
Fair value as at 1 January	–	593	–	7,107
Increase/(decrease) in fair value	–	(593)	–	(6,514)
Fair value as at 31 December	**–**	**–**	**–**	**593**
Other financial instruments				
Fair value as at 1 January	–	4	–	–
Increase/(decrease) in fair value	–	168	–	4
Fair value as at 31 December	**–**	**172**	**–**	**4**
	21,947	**172**	**16,578**	**597**

As at 31 December 2023, the caption "Derivative financial instruments" relates to a derivative to hedge exchange rate risk to hedge the exchange rate risk of financing in USD. This financial instrument was valued at fair value classified in level 2 of the corresponding fair value hierarchy defined in IFRS 13 - Fair Value.

3.6. Gains or losses related to investments

Gains or losses related to investments for the years ended 31 December 2023 and 2022 can be detailed as follows:

	31 Dec 2023	31 Dec 2022
Loss generated on sales of the financial contribution regarding Sierra segment (Note 1.3.2)	147	6,000
Revaluation of participation in the Universe ME	5,981	–
Foreign exchange reserve BR Malls	(2,653)	–
Gain in sale of ALLOS shares (Note 3.2)	2,908	–
Others	1,018	11
Gains / (losses) on the sale of investments in subsidiaries, joint ventures and associates	**7,400**	**6,011**
Others		**(40)**
Impairment reversal on financial investments		25
Impairment reversal/(losses) on investments	**–**	**25**
Total Income and (Expenses) Related to investments	**7,400**	**5,996**

On 30 November 2023, the creation of the Joint Venture between Sonae SGPS, S.A. and Bankinter Consumer Finance was completed. E.F.C., S.A. ("Bankinter Consumer Finance"), with Bankinter Consumer Finance now being a 50% shareholder of Universo, IME, S.A. ("Universo").

With the conclusion of this operation, Sonae recognized a capital gain of 6.8 million euro and deconsolidated its 100% stake in Universo, with the remaining 50% now being consolidated using the equity method. Following the operation, Sonae revalued its subsidiary, recording a gain of 6 million euro in the income statement.

In September 2022, the Group, through its subsidiaries Sierra Developments Holding B.V., Sierra Investments Holdings B.V. and Sierra Investments, SGPS, S.A., sold the entire share capital (100%) of the subsidiary ARP Alverca Retail Park, S.A. ("Alverca") for 7,848 thousand euro. This transaction generated a gain worth 5,154 thousand euro.

In November 2022, the Group, through its subsidiaries Sierra Developments Holding B.V. and Sierra Developments, SGPS, S.A., sold the entire share capital (100%) of the subsidiary Parque de Famalicão - Empreendimentos Imobiliários, S.A. ("Famalicão") for 1,200 thousand euro. This transaction generated a gain worth 846 thousand euro.

3.7. Non-current assets and liabilities held for sale

Accounting policies

Assets and liabilities associated with non-current assets are classified as held for sale if their book value is expected to be recovered through sale and not through their continued use. This condition is only considered fulfilled when the sale is highly probable and the asset is available for immediate sale under current conditions. Additionally, actions must be in progress that allow concluding that the sale is expected to take place within 12 months after the date of classification in this item. Assets and liabilities associated with non-current assets classified as held for sale are measured at the lower of their book value or fair value less disposal costs, and are not amortized or depreciated from the moment of their classification as held for sale.

With regard to the classification of financial holdings as held for sale:

i) in the case of subsidiaries, these continue to be consolidated until the date of their disposal, however, all of their assets and liabilities must be classified as held for sale and accounted for at the lower of book value and fair value less costs to sell, ceasing the recording of depreciation/amortization. Additionally and as provided for in IFRS 5, whenever a subsidiary is considered as a discontinued operation, the various lines of its income statement are transferred to a single item (Consolidated net income for the period of discontinued operations),

ii) in the case of joint ventures and associates measured by the equity method, these are now measured at the lower of book value and fair value less costs to sell, ceasing the application of equity equivalence.

When, due to changes in the circumstances of the Group, non-current assets, and/or Groups for disposal no longer meet the conditions to be classified as held for sale, these assets and/or Groups for disposal will be reclassified according to the nature underlying assets and will be remeasured at the lower of i) the carrying amount before they were classified as held for sale, adjusted for any depreciation/amortization expenses, or revaluation amounts that have been recognised, if those assets had not been classified as held for sale, and ii) the recoverable amounts of items on the date they are reclassified according to their underlying nature. These adjustments will be recognized in profit or loss for the year.

In the case of financial interests in joint ventures and associates measured using the equity method, the cessation of classification as held for sale implies the retrospective replacement of the equity method.

As of 31 December 2023, the item "Non-current assets held for sale" includes 48.5 million euro relating to the transfer of the assets of Torre Norte S.A., a subsidiary of the Sierra Group, whose sale is expected to take place in 2024. It also includes approximately 13.2 million euro related to the agreement for the sale of Dr. Well's to the Lusíadas Saúde Group.

On 31 December 2022, the item "Non-current assets held for sale" refers to a Zeitreel property located in Spain.

As of 31 December 2023, the headings "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale" present the following details:

	Sierra	MC	Zeitreel	Total
Assets				
Non-current assets:				
Investment properties (Note 3.11)	41,858	–	–	41,858
Property, plant and equipment (Note 3.8)	–	5,333	36	5,369
Right of use assets (Note 3.10)	–	2,660	–	2,660
Other non-current assets	–	1,134	–	1,134
Total non-current assets	**41,858**	**9,126**	**36**	**51,021**
Current assets:				–
Other tax assets	5,914	2,096	–	8,009
Other current assets	43	1,898	–	1,942
Cash and bank balances	703	128	–	831
Total current assets	**6,660**	**4,122**	**–**	**10,782**
Assets classified as held for sale	**48,518**	**13,248**	**36**	**61,803**
Liabilities				
Non-current liabilities				
Other non-current liabilities	(430)	2,677	–	2,247
Total Non-Current Liabilities	**(430)**	**2,677**	**–**	**2,247**
Current liabilities:				–
Other payables	2,298	8,852	–	11,150
Other tax liabilities	1,736	2,577	–	4,313
Other current liabilities	12	1,763	–	1,775
Total Current Liabilities	**4,045**	**13,191**	**–**	**17,237**
Liabilities directly associated with assets classified as held for sale	**3,616**	**15,868**	**–**	**19,484**

3.8. Property, plant and equipment

Accounting policies

Property, plant and equipment acquired up to 1 January 2004 (transition date to IFRS) are recorded at acquisition or production cost, or revalued acquisition cost, in accordance with generally accepted accounting principles in Portugal until that date, net of depreciation and accumulated impairment losses.

Property, plant and equipment acquired after that date is recorded at acquisition cost, net of depreciation and accumulated impairment losses.

The acquisition cost includes the purchase price of the asset, the expenses directly attributable to its acquisition and the costs incurred with the preparation of the asset so that it is placed in its condition of use. Qualified financial costs incurred on loans obtained for the construction of property, plant and equipment assets are recognized as part of the construction cost of the asset.

Subsequent costs incurred with renewals and major repairs resulting in an increase in the useful life or the ability to generate economic benefits from the assets are recognised in the cost of the asset.

Depreciation is calculated on a straight-line basis, according to the estimated life cycle for each group of goods, starting from the date the asset is available for use in the necessary conditions to operate as intended by the management and recorded against the consolidated income statement caption “Depreciation and amortisation expenses” in the consolidated income statements.

Impairment losses identified in the recoverable amounts of property, plant and equipment are recorded in the year in which they arise, by a corresponding charge against, the caption “impairment losses” in the profit and loss statement.

The depreciation rates used correspond to the following estimated useful lives:

	Years
Buildings	10 to 50
Plants and machinery	10 to 50
Vehicules	4 to 5
Tools	4 to 8
Fitxure and fittings	3 to 10
Other property, plants and equipment	4 to 8

The useful lives of the assets are reviewed in each financial report so that the depreciations practiced are following the consumption patterns of the assets. Land is not depreciated. Changes in useful lives are treated as a change in accounting estimates and are applied prospectively.

Maintenance and repair costs are recorded directly as expenses in the year they are incurred.

Property, plant and equipment in progress represent fixed assets still under construction or development and are stated at acquisition cost net of impairment losses. These assets are depreciated from the date they are completed or become ready for use.

Gains or losses on disposal or write-off of property plant and equipment are computed as the difference between the selling price and the carrying amount of the asset at the date of its sale-disposal. Gains and losses are recorded in the consolidated income statement under either “other income“ or “other expenses”.

The financial charges on loans obtained directly related to the acquisition, construction or production of fixed assets, or real estate projects classified in inventories, are capitalized, forming part of the cost of the asset. The capitalization of these charges begins after the beginning of the preparation of the construction or development activities of the asset and is interrupted when those assets are available for use or at the end of production or construction of the asset or when the project in question is suspended. Any financial income generated by loans obtained, directly related to a specific investment, is deducted from the

financial charges eligible for capitalization. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Relevant accounting judgments and estimates

Most real estate assets from MC, as at 31 December 2023 and 2022, which are recorded at acquisition cost deducted of amortization and impairment charges, were evaluated by independent appraisers (Jones Lang LaSalle). These evaluations were performed using the income method, using yields between 6.5% and 9.00% (6.75% and 9.00% in 2022), where the fair value of the property is in “level 3” hierarchy - according to the classification given by IFRS 13. These assessments resulted the assets values ended 31 December 2023.

As at 31 December 2023, sensitivity analyses were performed to the annual impairment tests by varying the discount rate and perpetuity rate (see Note 3.1).

During the periods ended as at 31 December 2023 and 2022, the movements in Property, plant and equipment as well accumulated depreciation and impairment losses are made up as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Others tangibles assets	Tangible assets in progress	Total tangible assets
Gross Assets							
Opening balance as at 1 January 2022	1,387,935	1,777,792	31,166	188,036	56,615	33,384	3,474,927
Investment	23,272	8,653	52	4,375	1,196	189,486	227,034
Change in method	11	97	–	–	–	–	108
Disposals	(8,076)	(69,913)	(1,770)	(29,819)	(1,940)	(883)	(112,401)
Disposals of subsidiaries	(1,470)	(2,546)	(178)	(4,024)	(267)	(41)	(8,526)
Exchange rate effect	(410)	(427)	–	3	–	–	(834)
Transfers	9,564	159,005	3,129	9,056	669	(183,412)	(1,989)
Opening balance as at 1 January 2023	**1,410,825**	**1,872,661**	**32,399**	**167,626**	**56,274**	**38,535**	**3,578,319**
Investment	27,228	10,002	124	3,834	1,441	252,236	294,866
Acquisitions of subsidiaries (Note 1.3.1)	120	3,313	105	560	454	–	4,552
Change in method (Note 4.1)	–	(26)	–	(10)	(262)	–	(298)
Disposals	(3,919)	(48,970)	(961)	(14,638)	(2,298)	(1,847)	(72,634)
Disposals of subsidiaries (Note 1.3.2)	–	(12)	–	(358)	(1)	(192)	(563)
Exchange rate effect	153	162	–	11		–	326
Assets available for sale (Note 3.7)	–	(13,634)	–	(1,285)	(61)	(28)	(15,008)
Transfers	24,144	179,568	2,827	20,265	2,702	(232,969)	(3,463)
Closing balance as at 31 December 2023	**1,458,551**	**2,003,064**	**34,493**	**176,006**	**58,250**	**55,734**	**3,786,097**
Accumulated Depreciation and Impairment Losses							
Opening balance as at 1 January 2022	474,800	1,112,289	21,931	137,670	46,358	222	1,793,269
Depreciation of the period	24,151	124,219	1,934	16,211	3,625	–	170,140
Impairment losses of the period	7,517	19,065	118	1,053	112	–	27,864
Reversals of impairment losses	(5,482)	(243)	–	–	(408)	–	(6,133)
Acquisitions of subsidiaries (Note 1.3.1)	1	77	–	–	–	–	78
Disposals	(6,608)	(64,783)	(1,690)	(29,186)	(1,903)	–	(104,170)
Disposals of subsidiaries (Note 1.3.2)	(1,087)	(1,931)	(178)	(3,857)	(201)	–	(7,254)
Exchange rate effect	(125)	(219)	–	5	–	–	(338)
Transfers	902	2,345	75	(3,362)	(777)	–	(818)
Opening balance as at 1 January 2023	**494,069**	**1,190,818**	**22,190**	**118,534**	**46,806**	**222**	**1,872,638**
Depreciation of the period	25,236	129,413	2,052	16,410	3,359	–	176,469
Impairment losses of the period (Note 3.12)	5,179	17,331		1,185	111	–	23,806
Reversals of impairment losses (Note 3.12)	(3,781)	(146)		(3)	(277)	–	(4,207)
Acquisitions of subsidiaries (Note 1.3.1)	84	1,688	47	451	395	–	2,665
Change in method (Note 4.1)	–	(6)	–	(2)	(74)	–	(82)
Disposals	(3,093)	(43,406)	(894)	(14,303)	(2,226)	–	(63,921)
Disposals of subsidiaries (Note 1.3.2)	–	(5)	–	(258)	(1)	–	(263)
Exchange rate effect	51	86	–	8		–	145
Depreciation and impaiment losses tranfered to assets available for sale (Note 3.7)	–	(8,330)	–	(1,285)	(61)	–	(9,675)
Transfers	(4,727)	(1,269)	(38)	(1,065)	(103)	–	(7,203)
Closing balance as at 31 December 2023	**513,019**	**1,286,176**	**23,355**	**119,670**	**47,930**	**222**	**1,990,371**
Carrying Amount							
As at 31 December 2022	**916,756**	**681,843**	**10,209**	**49,093**	**9,467**	**38,313**	**1,705,681**
As at 31 December 2023	**945,532**	**716,888**	**11,138**	**56,336**	**10,320**	**55,513**	**1,795,726**

The investment includes the acquisition of assets of approximately 254 million euro (182 million euro in 2022), associated with the opening and remodelling of stores of Sonae Group retail operating segments.

The caption "Depreciation for the year" of Property, plant and equipment and intangible assets includes 19 thousand euro (450 thousand euro as at 31 December 2022) transferred to discontinued operations.

Disposals, net of depreciation, in 2023 totaled around 8.7 million euro and mainly includes the sale and write-off of basic equipment of approximately 5.6 million euro.

The most significant amounts included in the caption " Property, plant and equipment in progress" include about 46 million euro (24.4 million euro as at 31 December 2022) related to the remodelling and expansion of stores of the retail units in Portugal.

The caption “Impairment losses for property, plant and equipment” can be detailed as follows:

Impairment Losses	Land and Buildings	Plant and Machinery	Others tangibles assets	Total tangible assets
Opening balance as at 1 January 2022	103,979	15,175	1,363	120,517
Impairment losses of the period	7,521	19,199	1,240	27,961
Decreases in exercise	(5,561)	(2,005)	(520)	(8,086)
Disposals of subsidiaries	(4,187)	(587)	(52)	(4,826)
Transfers	–	154	–	154
Opening balance as at 1 January 2023	**101,752**	**31,937**	**2,031**	**135,719**
Impairment losses of the period	5,179	17,331	1,296	23,806
Decreases in exercise	(8,246)	(2,670)	(699)	(11,615)
Depreciation of assets held for sale	–	(1,745)	(550)	(2,295)
Transfers	(157)	(845)	(214)	(1,216)
Closing balance as at 31 December 2023	**98,528**	**44,008**	**1,863**	**144,399**

The reinforcement of impairments in the year ending 31 December 2023, included 6 million euro relating to impairments of store equipment in the Zeitreel segment (13.2 million euro as of 31December 2022), as well as around 10.8 million euro in the MC segment, essentially referring to impairments of store equipment.

3.9. Intangible Assets

Accounting policies

Intangible assets are stated at acquisition or production cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognised if it is probable that future economic benefits will flow from them, if they are controlled by Sonae and if their cost can be reasonably measured.

When individually purchased, intangible assets are recognised at cost, which comprises: (i) the purchase price, including intellectual property costs and fees after deduction of any discounts; and ii) any costs directly attributable to the preparation of the asset for its intended use.

When acquired within the scope of a business combination, separable from goodwill, intangible assets are initially valued at fair value determined in the application of the purchase method, as provided by IFRS 3 - Business Combinations.

Research expenditure associated with new technical knowledge are recognised the income statement when incurred.

Expenditure on development is recognised as an intangible asset if Sonae demonstrates the technical feasibility and its intention to complete the asset, its ability to sell or use it and the probability that the asset will generate future economic benefits, are capitalized. Expenditure on development which does not fulfil these conditions is recorded as an expense in the period in which it is incurred.

Internal costs associated with maintenance and development of software is recorded as an expense in the period in which they are incurred, except in the situation where these expenses are directly associated with projects for which future economic benefits are likely

to be generated for Sonae. According to this assumption, the costs are initially accounted for as expenses, being capitalized as intangible assets by mean of “Own work capitalized” (Note 2.6).

The expenses incurred with the acquisition of client portfolio's (attributed value relating to the allocation of the purchasing price in business activity concentration) are stated as intangible assets and amortised on straight-line bases, during the average estimated period of portfolio's client retention.

Brands and patents are recorded at their acquisition cost and are amortised on a straight-line basis over their respective estimated useful life. In the case of brands and patents with indefinite useful lives, no amortisation is calculated, and their value is tested for impairment on an annual basis, or whenever there are impairment signs.

Amortisation is calculated on a straight-line basis, as from the date the asset is first used, over the expected useful life which usually is between 3 to 12 years and recorded in the caption of "Depreciations and Amortisations expenses", in the income statement.

The useful lives of the assets are reviewed in each financial report, so that the amortisations practiced are following the consumption patterns of the assets. Changes in useful lives are treated as a change in accounting estimates and are applied prospectively.

In the years ended at 31 December 2023 and 2022, the movement occurred in intangible assets and in the corresponding accumulated amortization and impairment losses, was as follows:

	Patents and other similar rights	Software	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross Assets					
Opening balance as at 1 January 2022	**274,150**	**509,718**	**119,954**	**43,777**	**947,599**
Investment	1,854	2,593	391	81,712	86,550
Acquisitions of subsidiaries	–	56	2,855	–	2,911
Disposals	(205)	(27,201)	(825)	(397)	(28,629)
Disposals of subsidiaries	(24,771)	(6,775)	–	(209)	(31,755)
Exchange rate effect	(716)	(3)	(713)	–	(1,433)
Transfers	18,518	73,487	(16,702)	(71,863)	3,441
Opening balance as at 1 January 2023 Restated	**268,831**	**551,874**	**104,960**	**53,020**	**978,685**
Investment	842	1,341	700	92,337	95,220
Acquisitions of subsidiaries (Note 1.3.1)	108	98	1,266	–	1,472
Disposals	(2,232)	(15,393)	(4,368)	(520)	(22,512)
Disposals of subsidiaries (Note 1.3.2)	(15)	(10,958)	(9,732)	(640)	(21,346)
Exchange rate effect	364	5	362	–	730
Assets available for sale	(9)	(128)	(122)	–	(259)
Transfers	263	83,209	377	(82,465)	1,384
Closing balance as at 31 December 2023	**268,152**	**610,048**	**93,444**	**61,732**	**1,033,375**
Accumulated Depreciation and impairment losses					
Opening balance as at 1 January 2022	67,215	341,503	59,131	–	467,848
Depreciation of the period	1,882	45,349	6,277	–	53,507
Impairment losses of the period	14,348	1,408	2,164	–	17,920
Decreases in impairment losses	(56)	(4,620)	–	–	(4,676)
Acquisitions of subsidiaries	–	28	613	–	641
Disposals	(202)	(23,593)	237	–	(23,558)
Disposals of subsidiaries	(21,032)	(5,518)	–	–	(26,551)
Exchange rate effect	–	(1)	(45)	–	(46)
Transfers	70	1,297	387	–	1,754
Opening balance as at 1 January 2023	**62,224**	**355,852**	**68,764**	**–**	**486,840**
Depreciation of the period	928	48,180	6,157	–	55,266
Impairment losses of the period (Note 3.12)	17,005	5,045	5,496	–	27,546
Decreases in impairment losses	–	(184)	(164)	–	(348)
Acquisitions of subsidiaries (Note 1.3.1)	–	44	341	–	385
Disposals	(1,795)	(11,825)	(4,305)	–	(17,925)
Disposals of subsidiaries (Note 1.3.2)	(15)	(7,577)	(1,956)	–	(9,549)
Exchange rate effect	–	2	23	–	25
Depreciation of assets held for sale	(9)	(73)	–		(82)
Impairment Losses of Assets Held for Sale	–	(55)	(122)		(177)
Transfers	160	567	905	–	1,632
Closing balance as at 31 December 2023	**78,497**	**389,976**	**75,139**	**–**	**543,613**
Carrying Amount					
As at 31 December de 2022	**206,607**	**196,022**	**36,196**	**53,020**	**491,845**
As at 31 December de 2023	**189,654**	**220,071**	**18,305**	**61,732**	**489,762**

As of 31 December 2023, the "Investment" flow for the year relating to intangible assets in progress includes around 84.4 million euro related to IT projects and software development (71.7 million euro as of December 31, 2022). Investments include around 35.6 million euro of capitalization of personnel costs, relating to work for the company itself (around 28.4 million euro as of 31 December 2022) (Note 2.6).

Additionally, the cost of acquiring a set of brands with no defined useful life is also recorded under the heading "Industrial Property", including the Continente brand, which was acquired in previous years, worth 75 million euro, the brand Salsa worth 20 million euro, the Arenal brand worth 58.4 million euro and the Gosh! brand worth 18.2 million euro (15.7 million pounds) in value of the latter valued in the acquisition process.

The item "Depreciation for the period" of intangible assets includes 401 thousand euro transferred to discontinued operations.

Relevant accounting judgments and estimates

Sonae performs annual impairment tests on the value of the brands, supported by internal assessments in accordance with the methodology of Royalty Relief except for Salsa. As at 31 December 2023 sensitivity analyses were performed to the annual impairment tests, varying the discount rate and perpetuity rate (see Note 3.1).

At 31 December 2023, the register of impairment losses can be analyzed as follows:

Impairment Losses	Intangible Assets
Opening balance as at 1 January 2022	34,966
Increases	17,920
Decreases	(4,676)
Others	70
Opening balance as at 1 January 2023	**48,281**
Increases	27,546
Subsidiary acquisitions	151
Decreases	(348)
Disposals of subsidiaries	(1,956)
Impairment Losses of Assets Held for Sale	(177)
Closing balance as at 31 December 2023	**73,497**

The reinforcement of impairments in the year ending 31 December 2023, included 17 million euro related to brand impairments and 5 million euro from software in the Zeitreel segment.

3.10. Right of use assets

Accounting policies

A lease is defined as a contract, or part of a contract, that transfers the right to use an asset (the underlying asset), for a period, in exchange for a value. At the start of each contract, it is evaluated and identified whether it is or contains a lease. This assessment involves an exercise of judgment on whether each contract depends on a specific asset, whether the Sonae Group companies, as lessees, obtain substantially all the economic benefits from the use of that asset and whether they have the right to control the use of the asset.

All contracts constituting a lease are accounted for by the lessee based on a single model for recognition in the statement of financial position.

At the starting date of the lease, the Group recognises the liability related to the lease payments (i.e. the lease liability) and the asset that represents the right to use the underlying

asset during the lease period (i.e. the right of use - "right-of-use" or "RoU"). The interest cost on the lease liability and the depreciation of the RoU are recognised separately.

The lease liability is remeasured when certain events occur (such as the change of lease period), a change in future payments resulting from a change in the reference index or rate used to determine those payments). This remeasurement of the lease liability is recognised as an adjustment to the RoU.

Right of use assets

The Group recognises the right to use the assets at the starting date of the lease (i.e. the date on which the underlying asset is available for use).

The right of use assets is recorded at acquisition cost, net of accumulated depreciation and impairment losses and adjusted for any new measurement of lease liabilities. The cost of the right to use the assetsincludes the initial value of the lease liability, any direct costs initially incurred, and payments already made before the date of commencement of the lease, deducted from any incentives received and plus restoration costs, if they exist.

Whenever the Group incurs an obligation to dismantle and remove a leased asset, restore it to its original location, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised in accordance with IAS 37. The expenses are included in the respective right of use.

Lease incentives (e.g. lease grace periods) are recognised as elements of the measurement of the right to use and lease liabilities. Variable rents that are not dependent on an index or rate are recognised as expenses in the year in which they are ascertained, or payment occurs.

The rights of use assets are depreciated over the lease term on a straight-line basis or over the estimated useful life of the asset under the right of use, when this is longer than the lease term and management intends to exercise the purchase option.

Unless it is reasonably certain that the Group will obtain ownership of the leased asset at the end of the lease term, the right to use the assets recognised is depreciated on a straight-line basis over the lease term.

The impairment of rights of use assets is tested in accordance with IAS 36 in substitution of the recognition of provisions for onerous lease contracts.

In leases of low value assets, the Group does not recognise the assets under right of use asset or lease liability, recognising the expenses associated with these leases as expenses for the period during the life of the contracts.

Lease contracts can contain both lease and non-lease components. However, the expedient rule of not separating the service components from the rental components by accounting for them as a single rental component has been considered.

Lease Liabilities

At the starting date of the lease, the Group recognises liabilities measured at the present value of future payments to be made until the end of the lease contract.

Lease payments include fixed payments (including fixed payments in substance), deducted from any incentives to receive, variable payments, dependent on an index or a rate, and expected values to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option, if it is reasonably certain that the Group will exercise the option, and payments of penalties for termination of the contract, if it is reasonably certain that the Group will terminate the contract.

Variable payments that are not dependent on an index or a rate are recognised as an expense in the year in which the event giving rise to them occurs.

In calculating the present value of lease payments, the Group uses the incremental interest rate at the starting date of the lease if the implicit interest rate is not easily determinable.

Extension and termination options are provided for in various lease agreements and their application is based on operational maximization. In determining the term of the lease, the Board of Directors considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Most of the extension options were not included in the lease liability and, when exercised, are by the Group and not by the lessor.

The deadline is reviewed only if a significant event or a significant change in circumstances occurs that affects this assessment and is under the control of the lessee.

After the rental start date, the value of the rental liability increases to reflect the accrued interest and reduces by the payments made. In addition, the book value of the lease liability is remeasured if there is a change, such as a change in the lease term, in the fixed payments or in the decision to purchase the underlying asset.

The accounting treatment of Sale and Leaseback operations

The accounting treatment of Sale and Leaseback operations depends on the substance of the transaction by applying the principles explained in the revenue recognition (Note 2.2). According to IFRS 16, if the transfer of the asset complies with the requirements of IFRS 15, then it shall be accounted for as a disposal of an asset, and the seller-lessee shall measure the right of use (RoU) of the asset as a proportion of the previous book value of the asset that is related to the right of use, recognising as gain and loss only that which relates to the rights transferred to the purchaser-leaser, i.e. those which run beyond the lease period.

In accordance with IFRS 16 the value of the right of use to be recognised (RoU) is lower than it would be if the lease contract were entered into without the previous sale transaction. In effect, the value of the RoU is calculated as the proportion of the value retained over the value of the asset sold.

In situations where the Group receives a price higher than its fair value as compensation for expenses to be incurred that are traditionally the responsibility of the owner, such amounts are deferred for the period of the lease (Note 4.7).

Relevant accounting judgments and estimates

The Group determines the end of the lease as the non-cancellable portion of the lease term, together with any periods covered by an option to extend the lease if it is reasonably certain that it will be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain that it will not be exercised.

The Group has the option, under some of its lease contracts, to rent or leaseback its assets for additional periods. At the inception of the lease Sonae evaluates the reasonableness of exercising the option to renew the contract after the initial period. That is, it considers all relevant factors that create an economic incentive to exercise the renewal. After the start date, the Group reassesses the end of the contract if there is a significant event or changes in circumstances that are within its control and affect its ability to exercise (or not exercise) the renewal option (for example, a change in business strategy).

By the characteristics of the lease contracts negotiated, management assesses on the contract negotiation date whether it qualifies as a lease contract or a service contract.

These assets under right of use generally have an initial period of 20 years, with the possibility of extending the lease term, under market conditions, for four additional periods of 10 years, with the Board of Directors considering that it was only considered probable that the initial lease period be maintained, which is lower than the remaining useful life of the assets subject to the transaction. It was also considered that there is no obligation to repurchase the leased assets, and the present value of the minimum lease payments was also analysed.

During the years ended on 31 December 2023 and 2022, the detail and the movement in the value of the rights of use assets, as well as in the respective depreciations, was as follows:

	Land and Buildings	Vehicles	Others tangible assets	Total tangible assets
Gross Assets				
Opening balance as at 1 January 2022	**1,550,214**	**101,204**	**3,491**	**1,654,910**
Additions	141,186	10,809	6,806	158,800
Effect of foreign currency exchange differences	(102)	(18)	–	(119)
Disposals of subsidiaries	(3,027)	(3,728)	(1,629)	(8,384)
Decreases and slaughters	(77,774)	(7,210)	(94)	(85,078)
Opening balance as at 1 January 2023	**1,610,497**	**101,058**	**8,574**	**1,720,129**
Additions	282,340	100,256	8,518	391,113
Effect of foreign currency exchange differences	131	7	–	137
Disposals of subsidiaries (Note 1.3.2)	–	(1,272)	–	(1,272)
Changing the method	(896)	–	–	(896)
Assets held for sale	(2,889)	(39)	–	(2,927)
Decreases and slaughters	(83,994)	(52,699)	(5,135)	(141,828)
Closing balance as at 31 December 2023	**1,805,189**	**147,310**	**11,956**	**1,964,455**
Accumulated amortization and impairment losses				
Opening balance as at 1 January 2022	**565,583**	**67,835**	**1,540**	**634,957**
Depreciation of the period	108,377	24,084	682	133,143
Effect of foreign currency exchange differences	18	(6)	–	12
Disposals of subsidiaries (Note 1.3.2)	(1,485)	(1,910)	(1,336)	(4,731)
Decreases and slaughters	(66,203)	(5,443)	(94)	(71,740)
Transfers	(1,318)	(132)	–	(1,450)
Impairment losses of the period	2,118	–	–	2,118
Opening balance as at 1 January 2023	**607,090**	**84,428**	**792**	**692,309**
Depreciation of the period	118,853	34,943	1,242	155,038
Effect of foreign currency exchange differences	86	3	–	89
Disposals of subsidiaries (Note 1.3.2)	–	(739)	–	(739)
Changing the method	(65)	–	–	(65)
Assets held for sale	(1,196)	(13)	–	(1,209)
Decreases and slaughters	(31,000)	(51,654)	(103)	(82,757)
Transfers	(3,917)	216	7	(3,694)
Impairment losses of the period	12,068	–	2,065	14,133
Closing balance as at 31 December 2023	**701,919**	**67,185**	**4,002**	**773,106**
Carrying amount				
As at 31 December 2022	**1,003,407**	**16,630**	**7,782**	**1,027,820**
As at 31 December 2023	**1,103,270**	**80,126**	**7,954**	**1,191,349**

In the consolidated income statement, 155 million euro were recognised for depreciation of the period (133 million euro in 2022) and 84.3 million of euro of interest relating to the adjusted debt (74.3 million euro in 2022).

The responsibilities related to right of use assets were recorded under the caption non-current and current Lease Liabilities, in the amount respectively of 1,261 million euro and 140 million euro (1,110 million euro and 97 million euro in 31 December 2022).

The repayment plan for lease liabilities, as at 31 December 2023 and 2022, can be analyzed as follows:

	31 Dec 2023			31 Dec 2022		
	Capital	Interest	Updated Liabilities	Capital	Interest	Updated Liabilities
N+1	222,439	81,985	140,454	170,089	73,192	96,897
N+2	207,848	74,847	133,001	157,924	67,324	90,600
N+3	170,881	67,900	102,981	148,955	62,131	86,825
N+4	160,532	61,720	98,813	142,037	56,898	85,139
N+5	151,932	55,545	96,387	133,558	51,665	81,893
After N+5	1,102,248	272,054	830,194	1,022,797	257,587	765,211
	2,015,880	**614,051**	**1,401,829**	**1,775,360**	**568,795**	**1,206,565**

3.11. Investment Properties

Accounting policies

The group's investment properties are mainly property held by Sierra and its subsidiaries.

Investment properties consist, mainly, in buildings and other constructions held to earn rentals or capital appreciation or both, rather than for use in the production or supply of goods or services or for administration purposes or for sale in the ordinary course of business.

Assets which qualify as investment properties are recognized as such when they start being used or, in the case of the investment properties in progress, when their development is considered irreversible, as mentioned in the above conditions. Until the moment the asset is qualified as investment property, the same asset is booked at acquisition or production cost, under the caption “investment properties under development”, in the same way as a property plant and equipment, less any impairment losses. Since that moment, the investment properties in progress are recorded at their fair value. The difference between cost (of acquisition or production) and the fair value at that date is recorded directly in the income statement under the caption "Variation in fair value of investment properties".

Investment properties are recorded at their fair value based on appraisals made by independent specialized entities (fair value model). Changes in fair value of investment properties are accounted for in the directly in the income statement under the caption “variation in fair value of investment properties”.

Expenses incurred with investment properties in use, namely maintenance, repairs, insurance and property taxes are recognized as an expense in the statement of profit and loss for the year to which they relate. The improvements estimated to generate additional economic benefits are capitalized.

Fit-out contracts are contracts under which the Group supports part of the expenses incurred with the fit-out expenses of the tenant. As a counterpart the tenant assumes the responsibility to reimburse the Group by the amount invested, over the period of the respective contract, in terms and conditions that vary from contract to contract. The amounts paid by the Group on each fit-out contract are initially recorded at cost under the caption “investment properties”, being subsequently adjusted to the corresponding fair value, at each reporting date, as determined by specialized independent entities. The methodology used to determine the fair value of the fit-out contracts is identic to the one used in determining the fair value of the investment property to which these contracts relates. Variations in fair value of the fit-out contracts are recorded in the income statement under the caption “value created on investment properties”.

Relevant accounting judgments and estimates

The fair value of each investment property was determined by means of a valuation as of the reporting date made by independent specialised entities (Cushman & Wakefield and JLL).

The valuation of these investment properties was made in accordance with the Practice Statements of the RICS Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors (“Red Book”), located in England.

The methodology used to compute the market value of the investment properties consists in preparing 10 years’ projections of income and expenses of each shopping centre added to the residual value, corresponding to a projected net income at year 11 and a return market rate (“Exit yield" or "cap rate"). These projections are then discounted to the valuation date using a discount market rate. Projections are intended to reflect the actual best estimate of the valuer regarding future revenues and costs of each shopping centre. Both the return rate and discount rate are defined in accordance to the local real estate and institutional market conditions, being the reasonableness of the market value obtained in accordance to the methodology referred above, tested also in terms of initial return using the estimated net income for the first year of projections.

In the valuation of investment properties, some assumptions, that in accordance with the Red Book are considered to be special, were in addition considered, namely in the case of recently inaugurated shopping centres, in which the possible costs still to be incurred were not considered, as the accompanying financial statements already include a provision for them.

Considering the above hierarchy investments properties of the Group are all within Level 3.

As at 31 December 2023 and 2022 the main assumptions used in the valuation of investment properties, except for exploration properties, are detailed as follows:

	31 Dec 2023	31 Dec 2022
	Other European Countries	Other European Countries
10 yr discount rate		
Floor	9.05%	9.05%
Weighted average	9.15%	9.21%
Cap	9.45%	9.65%
10 yr cap rate		
Floor	7.15%	7.00%
Weighted average	7.33%	7.16%
Cap	7.85%	7.60%
Average monthly rent per sqm (€)		
Floor	20	18
Weighted average	21	20
Cap	23	21
Fair value (Level 3)	315,783	306,279

The relationship of unobservable inputs to fair value can be described as follows:

- a decrease in the estimated annual rent will decrease the fair value;

- an increase in the discount rates and the capitalization rates will decrease the fair value.

an increase of 25 basis points contributes to a decrease in fair value of 10 million euro; and a decrease of 25 basis points contributes to an increase in fair value in the amount of 11 million euro.

As mentioned in the valuation reports of the investment properties prepared by independent specialized entities, the assessment of their fair value considered the definition of fair value in IFRS 13, which is consistent with the definition of market value defined by the investment properties valuation international standards.

During the years ended 31 December 2023 and 2022, movements in the value of investment properties as well as in the respective accumulated depreciation and impairment losses were as follows:

	Investment properties				
		under development			
	In Operation	"Fit Out"	at cost	Advances	Total
Balance as at 1 January 2022	**303,899**	**–**	**14,249**	**1,725**	**319,873**
Increases	5,919		9,444	4,983	20,346
Receivables	–	–	7,776	–	7,776
Impairments and write-off	–	–	(2,614)	–	(2,614)
Disposals	–	–	(11,133)	–	(11,133)
Variation in the fair value of investment properties between years:					
- Losses	(3,534)	–	–	–	(3,534)
Excluded from consolidation	–	–	12,497	–	12,497
Currency translation differences	–	–	(22)	(567)	(589)
Closing balance as at 31 December 2022	**306,284**	**–**	**30,196**	**6,141**	**342,621**
Increases	3,956	–	21,481	(2)	25,435
Impairments and write-off	–	–	1,725	(575)	1,150
Fit-out receivables	–	–	–	(1,150)	(1,150)
Transfers	–	–	(4,648)	(825)	(5,473)
Variation in the fair value of investment properties between years:					
- Gains	8,533	–	–	–	8,533
- Losses	(2,985)	–	–	–	(2,985)
Mouvements for assets available for sale	–	–	(41,858)	–	(41,858)
Currency translation differences	–	–	38	756	794
Closing balance as at 31 December 2023	**315,788**	**–**	**6,934**	**4,345**	**327,067**

During the years ended 31 December 2023 and 2022, revenue (fixed remuneration, net of any discounts on fixed rents, variable remuneration, remuneration for common spaces, entry rights and assignment fees) and direct operating expenses (municipal tax on real estate, insurance, conservation and repair, marketing costs and other costs associated with shopping center activity) associated with the Group's investment properties, were made up as follows:

	31 Dec 2023		31 Dec 2022	
	Rents	Direct operating expenses	Rents	Direct operating expenses
Sierra	24,346	2,929	21,128	1,985
	24,346	2,929	21,128	1,985

At 31 December 2023 and 2022, the investment properties of Gli Orsi and Parklake had been presented as collateral for bank loans taken out.

At 31 December 2023 and 2022 there were no material contractual obligations to purchase, construct or develop investment properties or for repairs or maintenance, other than those referred to above, except for the obligations mentioned in notes 7.2 and 7.4

Investment properties under development at 31 December 2023 and 2022 are made up as follows:

	31 Dec 2023	31 Dec 2022
Investment properties at cost:		
Portugal / Spain	–	23,553
Other European Countries	69,392	73,618
Colombia	4,724	3,729
	74,116	**100,900**
Impairment for assets at risk	(62,837)	(64,562)
	11,279	**36,337**

The amounts of 62.8 million euro and 64.6 million euro at 31 December 2023 and 2022, respectively, recorded under the caption "Impairment for assets at risk" relates to the estimate made by the Board of Directors for losses that may occur as a result of delays in the development of its projects, given the uncertainties of the market in relation to them.

3.12. Detail of impairment losses

At 31 December 2023 and 2022 impairment losses recognized in the Income Statement can be detailed as follows:

	31 Dec 2023	31 Dec 2022 Restated
Impairment losses - clients	(1,643)	2,372
Impairment losses - Investment properties	1,725	(2,614)
Impairment losses - property, plant and equipment	(19,226)	(21,908)
Impairment losses - intangible assets	(27,254)	(15,140)
Impairment losses - goodwill	(28,733)	(25,058)
Others	(14,480)	(1,806)
	(89,611)	**(64,154)**

4. Working Capital

4.1. Inventories

Accounting policies

The goods are recorded at acquisition cost, deducted from the value of commercial revenues and from the value of the quantity discounts granted by the suppliers and net realizable value of the two lowest, using as costing method the average cost.

Finished goods and intermediate and work in progress are stated at the lower of cost of the weighted average production cost or net realizable value. Production cost includes cost of raw materials, labor costs and overheads based on the normal level of production. The difference in capitalized charges recognized in this nature of inventories during the year is recognized as a change in production in the income statement.

Differences between cost and net realizable value, if negative, are shown as expenses under the caption “cost of goods sold and materials consumed”, as well as impairment reversals. Inventories is derecognized when it is considered obsolete by the Group, and its book value is derecognized by counterpart of "Other expenses".

Commercial revenues, which includes amounts relating to trade payables agreements are based of carrying out an in-store service (flyers, product placement, advertising, etc. ...) or contribution in promotional campaigns for trade payables products. These amounts affect the value of goods inventories and are deducted from the “cost of sales” as the respective goods are sold.

As at 31 December 2023 and 2022, “Inventories” are detailed as follow:

	31 Dec 2023	31 Dec 2022
Raw materials and consumables	8,101	7,718
Goods	796,993	727,426
Finished and intermediate products	15,427	13,454
Work in progress	926	865
	821,448	**749,463**
Accumulated adjustments in inventories	(22,802)	(22,231)
Inventories	**798,646**	**727,232**

Cost of goods sold as at 31 December 2023 and 2022 amounted to 5,820 million euro and 5,306 million euro, respectively, and may be detailed as follows:

	31 Dec 2023	31 Dec 2022
Opening balance	735,144	646,482
Exchange rate effect	78	(37)
Changes in consolidation perimeter	47	–
Purchases	5,925,890	5,427,060
Adjustments	(36,536)	(32,525)
Closing balance	805,095	735,144
	5,819,527	**5,305,836**
Adjustments in inventories	363	(248)
Cost of sales	**5,819,891**	**5,305,588**

As at 31 December 2023 and 2022, the caption Adjustments of inventories refers essentially to regularizations resulting from offers to social solidarity institutions carried out by retail.

The Caption Increase/decrease in Production, as at 31 December 2023 and 2022 amounted to 11 thousand euro and 1,127 thousand euro, respectively, and may be detailed as follows:

	31 Dec 2023	31 Dec 2022
Opening balance	14,319	10,454
Changes in consolidation perimeter	(47)	–
Adjustments	1,258	1,673
Closing balance	16,353	14,319
	822	**2,193**
Adjustments in inventories	(811)	(1,065)
Change in inventories of finished good and work in progress	**11**	**1,127**

4.2. Trade Receivables

Accounting policies

The accounting policy for trade receivables is described in Note 5.c).

Relevant accounting judgments and estimates

As at 31 December 2023, impairment losses are calculated based on the expected credit loss, whose calculation results from the application of expected losses based on receipts within the scope of sales and provision of services and historical credit losses. We also consider that there are amounts for which there is no credit risk and as such the expected credit loss is nil, namely balances with letters of credit, guarantees, credit insurance and balances with related entities. Current balances approximate their fair value

As at 31 December 2023 and 2022, "Trade Receivables" are detailed as follow:

	31 Dec 2023			31 Dec 2022		
	Gross Value	Impairment losses (Note 7)	Carrying Amount	Gross Value	Impairment losses (Note 7)	Carrying Amount
MC	63,015	(2,414)	60,601	55,409	(2,531)	52,878
Worten	13,913	(674)	13,239	11,023	(516)	10,507
Sierra	18,485	(6,391)	12,094	21,208	(6,592)	14,616
Zeitreel	29,012	(2,066)	26,946	29,428	(2,736)	26,692
Bright Pixel	1,309	(29)	1,280	218	(29)	189
Others	15,923	(1,284)	14,639	26,833	(2,988)	23,845
	141,658	**(12,858)**	**128,799**	**144,118**	**(15,391)**	**128,727**

	Customers						
31 Dec 2023	Not due	0 - 30 days	30 - 90 days	90 - 180 days	180 - 360 days	+ 360 days	Total
	0% - 0.84%	0% - 1.03%	0% - 2.93%	0% - 3.79%	0% - 14.58%	0% - 100.00%	
MC	16,189	26,436	16,475	2,115	397	1,403	63,015
Worten	6,541	3,705	1,941	981	197	549	13,913
Sierra	4,964	3,369	3,976	407	375	5,392	18,485
Zeitreel	12,827	6,145	3,857	1,177	2,956	2,049	29,012
Bright Pixel	1,309	–	–	–	–	–	1,309
Others	11,502	1,842	2,179	118	33	250	15,923
Total	**53,332**	**41,497**	**28,428**	**4,799**	**3,958**	**9,644**	**141,658**
Impairment Losses							
MC	–	(2,248)	(5)	(1)	(12)	(148)	(2,414)
Worten	–	(199)	(151)	–	(11)	(313)	(674)
Sierra	–	–	(428)	(278)	(375)	(5,309)	(6,391)
Zeitreel	–	(246)	(45)	(75)	(691)	(1,010)	(2,066)
Bright Pixel	–	–	–	(29)	–	–	(29)
Others	–	(1,284)	–	–	–	–	(1,284)
Total	**–**	**(3,978)**	**(629)**	**(383)**	**(1,089)**	**(6,779)**	**(12,858)**
	53,332	**37,519**	**27,800**	**4,416**	**2,869**	**2,864**	**128,799**

31 Dec 2022	Customers						
	Not due	0 - 30 days	30 - 90 days	90 - 180 days	180 - 360 days	+ 360 days	Total
	0% - 0.39%	0% - 0.59%	0% - 1.76%	0% - 6.32%	0% - 16.63%	0% - 100.00%	
MC	19,149	24,029	8,802	1,445	302	1,681	55,409
Worten	5,710	2,780	1,345	461	428	299	11,023
Sierra	–	12,121	–	3,037	532	5,518	21,208
Zeitreel	18,015	2,523	3,987	654	1,616	2,634	29,428
Bright Pixel	48	61	74	3	–	31	217
Others	2,372	1,323	8,380	3,806	2,274	8,678	26,833
Total	**45,294**	**42,837**	**22,589**	**9,405**	**5,152**	**18,841**	**144,118**
Impairment Losses							
MC	–	(2,383)	(2)	(11)	(5)	(131)	(2,531)
Worten	–	(204)	(14)	–	(1)	(297)	(516)
Sierra	–	–	(248)	(294)	(532)	(5,518)	(6,592)
Zeitreel	–	(2,181)	–	–	–	(554)	(2,736)
Bright Pixel	–	–	–	–	–	(29)	(29)
Others	–	(935)	(565)	–	(142)	(1,345)	(2,988)
Total	**–**	**(5,702)**	**(830)**	**(305)**	**(679)**	**(7,875)**	**(15,391)**
	45,294	**37,134**	**21,759**	**9,100**	**4,473**	**10,966**	**128,727**

4.3. Other Receivables

Relevant accounting judgments and estimates

At 31 December 2023, impairment losses are calculated based on the expected credit loss, the calculation of which results from the application of expected losses based on receipts from sales and services rendered and from historical credit losses. We also consider that there are amounts for which there is no credit risk and as such the expected credit loss is null, namely balances with letters of credit, sureties, credit insurance and balances with related entities. Current balances approximate their fair value.

As at 31 December 2023 and 2022, Other debtors are detailed as follows:

	31 Dec 2023	31 Dec 2022
Granted loans to related companies (Note 8)	**18,892**	**19,350**
Other debtors		
Trade creditors - debtor balances	34,456	32,240
Derivative contracts associated to commercial activity (Note 5.2)	3,752	19,396
Advances to suppliers	12,376	16,601
Accounts receivable resulting from promotional campaigns developed with partnerships	9,474	7,423
Payment Methods	16,912	5,671
VAT recoverable on real estate assets and vouchers discounts	3,378	698
Advances to suppliers of tangible assets	4,333	1,850
Escrow account	2,224	2,224
Vouchers and gift cards	2,296	1,588
Other current assets	44,077	32,374
Total other debtors	**133,276**	**120,065**
Accumulated impairment losses in receivables	(8,771)	(9,626)
Accumulated impairment losses in receivables	**(8,771)**	**(9,626)**
Total of financial instruments	**143,397**	**129,788**

The amount included in the caption "Granted Loans to related companies" relates almost entirely to supplies granted to joint ventures and associates of Sierra. These supplies bear interest at normal market rates.

The amounts disclosed as “Trade payables – debtor balances” are related with commercial discounts billed to suppliers, to be net settled with future purchases - mainly in the retail segment.

The “Other debtors” line essentially includes advances to personnel, guarantees and guarantees provided, debtors of tangible fixed assets and debtors relating to sublease agreements.

4.4. Other current assets

Accounting policies

Commercial revenues, which includes amounts relating to trade payables agreements are based of carrying out an in-store service (flyers, product placement, advertising, etc. ...) or contribution in promotional campaigns for trade payables products. These amounts affect the value of goods inventories and are deducted from the "cost of sales" as the respective goods are sold. Commercial revenues are to be formally agreed, with the identification of the dates of the service or for the promotional campaign and value agreement with the supplier, and their recognition depends on the fulfilment of performance obligations. Commercial revenue agreements lead to the issuance of financial document(s) to suppliers, which are discounted in future invoice payments or through direct collection to partners. The amounts that have not yet been invoiced to the supplier are recorded under "other current assests".

As at 31 December 2023 and 2022, "other current assets" is detailed as follows:

	31 Dec 2023	31 Dec 2022
Commercial discounts	27,773	37,188
Deferred costs - supplies and services	18,743	24,145
Invoices to be issued	7,165	7,231
Operating subsidies	2,158	2,205
Deferred costs - rents	1,233	1,210
Other current assets	20,746	14,483
Other current assets	**77,819**	**86,463**

The caption "Commercial discounts" refers to promotional campaigns carried out in the retail operating segment stores and reimbursed by Sonae suppliers and recognised under "Cost of sales".

4.5. Non-current assets

As at 31 December 2023 and 2022, "non-current assets" is detailed as follows:

	31 Dec 2023			31 Dec 2022		
	Gross Value	Accumulated impairment losses (Note 7)	Carrying Amount	Gross Value	Accumulated impairment losses (Note 7)	Carrying Amount
Loans granted to related parties (Note 8)	**11,590**	**–**	**11,590**	**17,667**	**–**	**17,667**
Trade accounts receivable and other debtors						
Receivables from disposal of financial investments	3,000	–	3,000	4,000	–	4,000
Amounts receivable related to sublease	4,890	–	4,890	1,852	–	1,852
Cautions	3,702	–	3,702	2,413	–	2,413
Special regime for payment of tax and social security debts	2,568	–	2,568	2,712	–	2,712
Others	2,592	–	2,592	2,404	–	2,404
	28,342	**–**	**28,342**	**31,048**	**–**	**31,048**
Non-current derivatives (Note 5.2)	11,941	–	11,941	18,265	–	18,265
Total financial instruments (Note 5.3)	**40,283**	**–**	**40,283**	**49,313**	**–**	**49,313**
Other non-current assets	88	–	88	81	–	81
Other non-current assets	**40,370**	**–**	**40,370**	**49,395**	**–**	**49,395**

The amount included in "Loans granted to related parties" relates almost entirely to supplies granted to joint ventures and associates of Sierra. These supplies bear interest at normal market rates, which are dependent on the evolution of interest rates in euro, which have historically a low volatility.

The amount disclosed as Special Regime for Payment of Tax and Social Security Debts corresponds to taxes paid, voluntarily, related to settlements of income tax on corporate income, which were already in judicial process. The judicial processes are still in progress, however the guarantees provided for the said processes were cancelled. It is the Board of Directors understanding that the claims presented will have a favourable end to Sonae, reason why they were not object of provision (Note 7).

4.6. Movement of impairment losses relating to customers and other debtors

The movement in accumulated impairment losses during the years ended 31 December 2023 and 2022 was as follows:

Impairment losses	Customers	Other debtors
Opening balance as at 1 January 2022	17,790	10,193
Increases	3,748	250
Decreases	(5,917)	(679)
Others	(229)	(71)
Opening balance as at 1 January 2023	**15,391**	**9,692**
Increases	2,880	731
Decreases	(3,554)	(1,641)
Disposals of subsidiaries	(1,731)	–
Transfer to assets available for sale	(78)	(10)
Others	(50)	–
Closing balance as at 31 December 2023	**12,858**	**8,771**

4.7. Other non-current liabilities

Accounting policies

In situations where the Group receives a price above fair value as compensation for expenses to be incurred that are traditionally the owner's responsibility, such amounts are deferred over the lease period.

Detail of other non-current liabilities

As at 31 December 2023 and 2022 "other non-current liabilities" are made up as follows:

	31 Dec 2023	31 Dec 2022
Shareholders loans	1,084	1,103
Creditors for acquisition of financial investments	1,238	1,944
Derivative contracts associated with commercial activities (Note 5.2)	7,634	–
Rents deposits from tenants	2,650	2,594
Other non-current liabilities	804	1,170
Financial instruments (Note 5.3)	**13,411**	**6,810**
Deferral of the disposal of the extended warranties in the Worten segment	57,987	53,923
Commissions to be received	6,051	14,580
Charges made on the sale of real estate	11,556	15,221
Other accruals and deferrals	250	403
Other non-current liabilities	**89,255**	**90,936**

The amount payable related to Transaction Tax in 2022 refers to the amount to be pay by Gli Orsi to the tax authorities.

The amount included under the caption "Charges assumed on the sale of properties" relates to expenses to be incurred that are traditionally the responsibility of the owner, which in the case of Sale & Leaseback these amounts were paid at the time of the transaction and the Group assumed future responsibility.

The carrying amount of "Other non-current liabilities" is estimated to be approximately its fair value.

4.8. Trade payables

As at 31 December 2023 and 2022 trade payables are as follows:

	31 Dec 2023	31 Dec 2022
Trade payables - current account		
MC	788,019	811,011
Worten	492,066	458,874
Sierra	5,350	9,766
Zeitreel	30,809	45,645
Bright Pixel	265	342
Universo	1,271	4,054
Others	7,496	4,473
	1,325,275	**1,334,165**
Invoices at reception and checking	116,591	100,663
Trade payables	**1,441,865**	**1,434,829**

As at 31 December 2023 and 2022 this caption includes amounts payable to suppliers resulting from Sonae operating activity. The Board of Directors believes that the fair value of these balances is not significantly different from its book value and the effect of discounting these amounts is not material.

The company maintains cooperation agreements with financial institutions in order to enable the suppliers of retail segment, to access to an advantageous tool for managing their working capital, upon confirmation by Sonae of the validity of credits that suppliers hold on it. Under these agreements, some suppliers freely engage into contracts with these financial institutions that allow them to anticipate the amounts receivable from these retail subsidiaries. These retail subsidiaries consider that the economic substance of these financial liabilities does not change, therefore these liabilities are kept as accounts payable to Suppliers until the normal maturity of these instruments under the general supply agreement established between the company and the supplier, whenever (i) the maturity corresponds to a term used by the industry in which the company operates, this means that there are no significant differences between the payment terms established with the supplier and the industry , and (ii) the company does not have net costs related with the anticipation of payments to the supplier when compared with the payment within the normal term of this instrument.

4.9. Other current liabilities

As at 31 December 2023 and 2022, the caption “Other current liabilities” is detailed as follow:

	31 Dec 2023	31 Dec 2022
Payroll Expenses	210,657	179,071
Other external supplies and services	79,011	62,578
Marketing expenses	22,116	19,012
Deferred Revenue of warranty extension	23,610	20,910
Advance receipts from Trade Receivables	3,463	1,149
Expenses on purchases	6,437	3,467
Fixed rents charged in advance	8,988	3,665
Financial charges payable	8,781	6,488
Rentals	4,153	3,950
Lease liabilities	4,529	4,224
Municipal property tax	1,885	1,826
Others	29,729	23,913
Other current liabilities	**403,359**	**330,253**

4.10. Other payables

As at 31 December 2023 and 2022, “Other payables” are made up as follow:

	31 Dec 2023	31 Dec 2022
Fixed assets suppliers	100,015	92,298
Other debts	139,497	115,235
	239,512	**207,533**
Related undertakings	188	199
Other receibables	**239,701**	**207,732**

The caption “other debts” includes:

- 58,954 thousand euro (54,861 thousands euro as at 31 December 2022) relating to vouchers, gift cards and discount tickets not yet redeemed;

- 15,687 thousand euro (13,927 thousand euro at 31 December 2022) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";

As at 31 December 2023 and 2022, this caption includes payable amounts to other creditors and fixed assets suppliers that do not bear interest. The Board of Directors understands that the fair value of these payables is similar to its book value and the result of discounting these amounts is immaterial.

4.11. Other tax assets and liabilities

As at 31 December 2023 and 2022, “Other tax assets” and “Other tax liabilities” are made up as follows:

	31 Dec 2023	31 Dec 2022
Debtors values		
VAT	11,098	18,480
Other taxes	3,788	3,744
Other tax assets	**14,886**	**22,224**
Creditors values		
VAT	97,168	84,779
Staff income taxes withheld	10,855	7,533
Social security contributions	20,647	18,841
Other taxes	1,719	3,123
Other tax liabilities	**130,389**	**114,276**

4.12. Income tax and other tax

Principal accounting policies

The tax charge for the year is determined based on the taxable income of companies included on consolidation and considers deferred taxation.

Current income tax is determined based on the taxable income of companies included on consolidation, in accordance with the tax rules applicable in the respective country of incorporation of each Sonae company.

Sonae is the dominant company of the group covered by the Special Regime for Taxation of Groups of Companies. Tax losses generated by subsidiaries within the Group are partially offset by the dominant entity of the Group. As regards tax losses generated by subsidiaries not compensated in the year, they will be compensated as the Group recovers them, taking into account the Group's future taxable profits, and the amount to be compensated will be recorded in non-current assets in an account receivable from the Group. Each company records income tax in its individual accounts and the tax calculated is recorded against the caption "Group companies". The special regime for the taxation of groups of companies covers all companies in which the group has a direct or indirect participation, even if through companies resident in another Member State of the European Union or European Economic Area, provided that, in the latter case there is an obligation of administrative cooperation, in at least 75% of the capital, provided that such a holding confers more than 50% of the voting rights, provided that certain requirements are met.

Deferred taxes are calculated using the statement of financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually remeasured using the tax rates that have been enacted or substantively enacted and therefore are expected to apply when the temporary differences are expected to reverse.

Relevant accounting judgements and estimates

Deferred tax assets are recognised only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognised and expected to reverse in the same period. At each statement of financial position date, a review is made of the deferred tax assets recognised, being reduced whenever their future use is no longer probable.

At 31 December 2023 and 2022, the deferred taxes to be recognised resulting from tax losses were evaluated. Deferred tax assets have only been recorded to the extent that future taxable profits will arise which may be offset against available tax losses or against tax differences which will reverse in the same period and considering the statutory compensation limit for each applicable case. This assessment was based on the business plans of Sonae companies, which are periodically reviewed and updated. The main criteria used in those business plans are described in Note 3.1.

Deferred tax liabilities are recognised on all taxable temporary differences, except those related to: i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities, which do not result from a business combination, and which at the date of the transaction do not affect the accounting or tax result, nor give rise to equivalent temporary tax and deductible differences.

Deferred taxes are recorded as expense or income for the year, except if they result from amounts recorded directly under equity, in which case deferred tax is also recorded under the same caption.

The value of taxes recognised in the financial statements correspond to the understanding of Sonae on the tax treatment of specific transactions being recognised liabilities relating to income taxes or other taxes based on interpretation that is performed and what is meant to be the most appropriate.

In situations where such positions will be challenged by the tax authorities as part of their skills by their interpretation is distinct from Sonae, such a situation is the subject of review. If such a review, reconfirm the positioning of the Group concluded that the probability of loss of certain tax process is less than 50% Sonae treats the situation as a contingent liability, i.e. is not recognised any amount of tax since the decision more likely is that there will be no place for the payment of any tax. In situations where the probability of loss is greater than 50% is recognised a provision, or if the payment has been made, it is recognised the cost associated.

In situations in which payments were made to Tax Authorities under special schemes of regularization of debts, in which the related tax is Income Tax, and that cumulatively keep the respective lawsuits in progress and the likelihood of success of such lawsuits is greater than 50%, such payments are recognised as assets in “Income tax” receivable, as these amounts correspond to determined amounts, which will be reimbursed to the entity, (usually with interests) or which may be used to offset the payment of taxes that will be due by the group, in which case the obligation in question is determined as a present obligation. In situations where payments correspond to other taxes, such amounts are recorded as expenses, although the Group's understanding is that they will be reimbursed plus interest.

4.12.1. Incomes tax expenses

As at 31 December 2023 and 2022, income tax is made up as follows:

	31 Dec 2023	31 Dec 2022
Debtors values		
Income taxation	69,667	43,302
Income taxes recoverable from parent company	172	1,555
Special regime for payment of tax and social security debts	3,720	3,743
Income taxation	**73,559**	**48,600**
Creditors values		
Income taxation	17,458	18,603
Income tax with participated entities	6,311	2,230
Income taxation	**23,769**	**20,832**

Income tax expense recognized for the periods ended 31 December 2023 and 2022 are detailed as follows:

	31 Dec 2023	31 Dec 2022 Restated
Current tax	56,681	25,597
Deferred tax	(47,168)	(12,077)
	9,514	**13,520**

The reconciliation between profit before Income tax and "Income tax expense" for the periods ended 31 December 2023 and 2022 is as follows:

	31 Dec 2023	31 Dec 2022 Restated
Profit before income tax	445,476	363,119
Income tax (21%)	**93,550**	**76,255**
Effect of different income tax rates in other countries	(1,105)	(8,527)
Difference between capital (losses)/gains for accounting and tax purposes	(1,376)	(21,968)
Gains or losses in jointly controlled and associates companies	(71,581)	(25,926)
Provisions and impairment losses not accepted for tax purposes	7,290	5,772
Effect of constitution or reversal of tax benefits	(4,278)	(4,670)
Recognition of tax losses that have not originated deferred tax assets	3,137	2,247
Amortization of goodwill for tax purposes in Spain	5,817	5,817
Effect of constitution or reversal of deferred taxes	(9,596)	(7,044)
Use of tax benefits	(14,343)	(15,248)
Under/(over) Income tax estimates	(3,405)	(601)
Autonomous taxes and tax benefits	2,621	2,216
Municipality surcharge	4,991	7,500
Others	(2,208)	(2,301)
Income Tax	**9,514**	**13,520**

4.12.2. Deferred taxes

The Group presents at 31 December 2023, in the Retail segment, an amount of 21,4 million euro (16.6 million euro at 31 December 2022) of deferred tax assets related to tax losses of this year and prior years of the Spanish Tax Group and that can be recovered by the Spanish Tax Group. The branch of Modelo Continente Hipermercados, S.A., in Spain, was at 31 December 2023 and 2022, the representative entity of the Spanish Tax Group, whose controlling entity is Sonae SGPS, S.A..

The recovery of the deferred tax assets mentioned above, related to the Group's operations in Spain, is based on the analysis of the recoverable value of the Cash Generating Units for the specialised retail formats in Spain, as well as for the other companies included in the tax perimeter, which are based on their value in use obtained from business plans with a projection period of 5 years.

The assumptions used in the business plans of the retail companies and the other companies in Spain, included in the aforementioned Tax Group, are based essentially on a compounded sales growth rate in the 5 years of 3.7% (3.8% in 2022).

Although these tax losses have not expired, the analysis of its recoverability was limited to the period of 5 years, considering also the deferred tax liabilities recognised.

It is the understanding of the Board of Directors, based on existing business plans for the various companies, that such deferred tax assets are fully recoverable over the projection period and that those that were reversed in recent years will probably be recoverable in a period longer than the 5 years of the projection.

Deferred tax assets and liabilities as at 31 December 2023 and 2022 may be described as follows considering the different natures of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Difference between fair value and acquisition cost	5,397	4,929	90,333	93,156
Temporary differences on property, plant and equipment and intangible assets	138	277	104,623	97,392
Temporary difference of negative goodwill and equity method	–	–	34,689	35,262
Provisions and impairment losses not accepted for tax purposes	29,636	23,855		–
Impairment of assets	–	–	639	639
Valuation of hedging derivatives	2,744	1,614	3,839	9,137
Amortisation of Goodwill for tax purposes in Spain	–	–	51,187	45,370
Tax losses carried forward	92,045	31,892	–	–
Reinvested capital gains/losses	–	–	27	68
Tax Benefits	64,502	51,093	18,140	15,911
Rights of use	26,730	270,982	23,953	234,144
Others	6,176	11,179	1,256	714
	227,368	**395,820**	**328,685**	**531,793**

The caption "Valuation of hedging derivatives " includes 2,993 thousand euro in deferred tax liabilities in 2023 related to the energy derivative mentioned in Note 5.2 (7.183 thousand euro in 2022).

In the 2023 financial year and for corporate income tax purposes, the group reassessed the tax effects of IFRS 16 accounting, in Portugal, since the 2019 financial year, and understands:

- No longer give tax relevance to rental rents paid by tenants in place of the accounting effects of IFRS 16, which were then cancelled for tax purposes;
- To give tax relevance to IFRS 16 accounting adjustments, since 2019 (including the effect of the equity change recorded in the transition), assuming the following procedures:

I) The useful life considered for the purposes of tax depreciation on the right of use shall be that which corresponds to the useful life of the underlying asset or, if shorter, to the term of the lease;

II) The value of depreciation to be considered for tax purposes on rights of use whose underlying asset is light passenger or mixed vehicles must take into account the limits set out in Ordinance 467/201 of 7 July.

As such, the group will replace the periodic income declarations for corporate income tax purposes, for years prior to 2023, taking into account the amounts calculated in accordance with the above.

This revaluation resulted in the derecognition of deferred tax assets and deferred tax liabilities related to the tax effects of IFRS 16 accounting, in the value of 286,386 thousands euro and 249,846 thousand euro, and the recognition of 36,539 thousand euro of deferred tax assets from tax losses at the level of the consolidated statement of financial position as at 31 December 2023, having had no impact on consolidated net income.

During the periods ended 31 December 2023 and 2022, movements in deferred tax assets and liabilities are as follows:

	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening balance	395,820	358,580	531,794	502,316
Effects in net income:				
Difference between fair value and acquisition cost	468	435	(2,823)	(561)
Temporary differences on property, plant and equipment and intangible assets	(139)	(222)	7,232	10,290
Temporary difference of negative goodwill and equity method	–	–	(573)	(9,445)
Provisions and impairment losses not accepted for tax purposes	5,782	6,927	–	–
Constitution / reversal of deferred tax assets over tax losses	60,153	8,365	–	–
Amortization of goodwill for fiscal purposes in Spain	–	–	5,817	5,817
Reinvested capital gains/(losses)	–	–	(41)	(46)
Tax Benefits	13,409	21,856	2,229	15,911
Rights of use	(244,252)	7,212	(210,191)	3,866
Others	668	(4,884)	448	680
	(163,911)	**39,688**	**(197,903)**	**26,512**
Effects in equity:				
Valuation of hedging derivatives	–	873	(4,969)	3,629
Exchange rate effect	–	(17)	162	(342)
Financial assets fair value variation	–	–	(385)	–
	–	**856**	**(5,192)**	**3,287**
Acquisitions of subsidiaries (Note 1.3.1)	–	–	99	–
Loss control in subsidiaries (Note 1.3.2)	(4,541)	(3,304)	(112)	(322)
Closing Balance	**227,368**	**395,820**	**328,685**	**531,794**

As at 31 December 2023, the tax rate to be used in Portuguese companies, for the calculation of the deferred tax assets relating to tax losses is 21%. The tax rate to be used to calculate deferred taxes in temporary differences in Portuguese companies is 22.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, rates applicable in each jurisdiction were used.

		31 Dec 2023			31 Dec 2022		
	Country	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
Without limited time use							
	Italy	–	–		41	–	
	Spain	82,909	20,727		72,152	18,038	
	Portugal	339,607	71,318		65,997	13,853	
		422,517	**92,045**		**138,191**	**31,892**	
		422,517	**92,045**		**138,191**	**31,892**	

As at 31 December 2023, there are reportable tax losses in the amount of 718 million euro (689 million euro as at 31 December 2022), whose deferred tax assets are not recorded for prudence purposes..

		31 Dec 2023			31 Dec 2022		
	Country	Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use							
	Colombia	272	96	2023 to 2055	403	–	
	Greece	1,863	410	2024 to 2028	2,063	–	2021 to 2026
	Netherlands	–	–		29,670	–	2021 to 2027
	Luxemburg	10,237	2,554	2035 to 2040	12,719	58,150	2021 to 2038
	Marocco	–	–		267	–	2020 to 2024
	Romania	40,682	66,457	2024 to 2030	47,937	–	2021 to 2028
		53,054	**69,517**		**93,059**	**58,150**	
Without limited time use							
	Germany	14,964	4,672		14,156	4,420	
	Brazil	30,581	10,397		28,569	9,713	
	Spain	341,942	85,486		378,698	89,033	
	Italy	1,104	265		6,063	–	
	Ireland	26	7		–	–	
	Luxemburg	4,445	1,109		2,987	–	
	Netherlands	28,903	6,473		29,670	6,053	
	United Kingdom	6,797	1,699		3,989	997	
	Romania	30,683	4,908		22,461	3,594	
	Portugal	48,633	10,213		202,900	42,609	
		508,079	**125,229**		**689,494**	**156,419**	
		561,133	**194,746**		**782,553**	**214,569**	

In 2010 and 2011, Spanish Tax authorities notified Modelo Continente S.A. Spanish Branch of a decrease in 2008 and 2009 tax losses incurred, amounting to approximately 23.3 million euro, challenging the deduction of Goodwill depreciation, generated on the acquisition of Continente Hipermercados S.A. for each of the mentioned years. That branch appealed to the proper Spanish Authorities (Central Administrative Economic Court Madrid) in 2010 and 2011 respectively, and it is the Board of Directors understanding that the decision will be favourable to the Group, thus maintaining the recognition of deferred tax assets and deferred tax liabilities. In 2012 the Company interposed appeal to the National Court in Spain ("Audiência Nacional España"), due to a decision opposite to the claims and estimates of the Company, by the Economic and Administrative Central Court of Madrid, for the notification for fiscal year of 2008. The same procedure was adopted in 2014 for the notification corresponding to the financial year 2009.

In 2014 following an additional inspection for fiscal years 2008 to 2011, Spanish Tax authorities corrected tax losses carried forward regarding goodwill depreciation and financial expenses that resulted from the acquisition of Continente Hipermercados S.A.. Although in complete disagreement, Sonae carried out the tax returns correction and appealed, to the proper Spanish Authorities (Central Administrative Economic Court Spain). Tax reports for 2012 to 2015 were corrected. During 2018, as a result of the unfavourable decision of the Central Economic-Administrative Court of Madrid, an appeal was lodged against the National Audience in Spain.

In 2015 and 2016, the decision of the National Court in Spain regarding the reduction of tax losses arising from the tax depreciation of goodwill in the years ended at 31 December 2008 and 2009 respectively was contrary to the Group's claims, and despite the Branch appealing to the Supreme Court, the Group prudently annulled deferred tax assets from 2008 to 2011, recognised in the accompanying financial statements, amounting to 36 million euro, and the deferred tax liabilities corresponding to the amortisation of goodwill for tax purposes amounting to 18,6 million euro.

In 2016 and in a new decision in 2018, the Supreme Court gave a positive opinion to the Group's pretensions regarding tax amortisation of Goodwill, with reference to 2008, and the Group corrected the tax return for 2016, and it is its intention to also consider such amortisation in the tax return for the next years. Consequently, it recognised the corresponding deferred tax liability for fiscal years 2008, 2016 and following.

During the 2022 financial year, the National Hearing issued a sentence partially favorable to the Branch regarding the inspection procedure for the years 2008 to 2011, recognizing the right to deduct the amortization of goodwill for tax purposes, denying, however, the deduction of financial charges related to the acquisition of Continente Hipermercados, S.A., The Spanish tax authorities filed a cassation appeal, before the Supreme Court of the partial decision favorable to the Branch, having been admitted and of which a decision is awaited.

Taking in consideration the action brought by the Spanish tax authorities before the Supreme Court referred to above, as well as the fact that the Branch was prevented from deducting the amortisation of goodwill for tax purposes, regarding the years of 2012 to 2015, the Group may be granted the right to deduct for tax purposes the amortisation of goodwill in the amount of 18.6 million euro.

5. Financial Instruments

Accounting policies

Sonae classifies the financial instruments in the categories presented and conciliated with the consolidated statement of financial position disclosed in Note 5.3.

(a) Financial assets

Accounting policies

All purchases and sales of investments in financial assets are recognised on the trade date, the date when the Group commits to buy or sell the asset.

The classification of the financial assets depends on the business model followed by the Group in managing the financial assets (receipt of cash flows or appropriation of changes in fair value) and the contractual terms of the cash flows to be received.

Changes to the classification of financial assets can only be made when the business model is changed, which should be not frequent, must be significant to the Company's operations and demonstrable to third parties, except for financial assets at fair value through other comprehensive income, which are equity instruments, which can never be reclassified to another category.

Financial assets may be classified in the following measurement categories:

(i) Financial assets at amortized cost: includes financial assets that correspond only to the payment of nominal value and interest and whose business model followed by the management is the receipt of contractual cash flows;

(ii) Financial assets at fair value through other comprehensive income: this category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity); a) the case of debt instruments, this category includes financial assets that correspond only to the payment of nominal value and interest, for which the business model followed by the management is the receipt of contractual cash flows or punctually their sale; b) in the case of equity instruments, this category includes the percentage of interest held in entities over which the group does not exercise control, joint control or significant influence, and that the group has irrevocably chosen, on the date of initial recognition, to designate the fair value through other comprehensive income;

(iii) Financial assets at fair value through profit or loss: includes assets that do not meet the criteria for classification as financial assets at amortized cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments that were not designated at fair value through other comprehensive income.

Also classified under this heading are investments in associates, held by a venture capital organisation or equivalent, which the Group has opted, on initial recognition, to measure at fair value through profit or loss in accordance with IFRS 9. The Group makes this option separately for each associate.

Financial assets are recognised in the Group's statement of financial position on the trade or contracting date, which is the date on which the Group commits to purchase the asset. Financial assets are initially recognised at fair value plus directly attributable transaction costs, except for assets at fair value through profit or loss where transaction costs are recognised immediately in the income statement.

Gains and losses arising from changes in the fair value of assets measured at fair value through profit or loss are recognised in the income statement in the year in which they arise under "Gains and losses on assets carried at fair value through profit or loss", including interest and dividend income.

Financial assets at amortized cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in "Interest income" on financial income.

Financial assets at fair value through other comprehensive income that constitute equity instruments, are measured at fair value on the date of initial registration and subsequently, and fair value changes are recorded directly in the other comprehensive income, in Equity, and there is no future reclassification even after derecognition of the investment.

Financial assets are derecognised when: (i) the Group's contractual rights to receive their cash flows expire or are transferred; (ii) the Group has transferred substantially all risks and rewards associated with holding them; or (iii) despite the fact that it retains part, but not substantially all, of the risks and rewards associated with holding them, the Group has transferred control over the assets.

Relevant accounting judgments and estimates

Sonae assesses prospectively the estimated credit losses associated with financial assets, which are debt instruments, classified at amortized cost and at fair value through other comprehensive income. Impairment methodology applied considers the credit risk profile of the debtors, and different approaches are applied depending on the nature of the debtors.

With regard to the balances receivable under "Trade receivables" (Note 4.2), the Group applies the simplified approach allowed by IFRS 9, according to which estimated credit losses are recognised from the initial recognition of the balances receivable and for the entire period up to their maturity, considering an matrix of historical default rates for the maturity of the balances receivable, adjusted by prospective estimates.

Regarding to accounts receivable from related entities, which are not considered as part of the financial investment in these entities, credit impairment is assessed against the following criteria: i) if the receivable balance is immediately due (“on deman”); ii) if the balance receivable is low risk; or (iii) if it has a term of less than 12 months.

In cases where the amount receivable is immediately due and the related entity is able to pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the receivable balance is not immediately due, the related entity's credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then the Group only assesses the probability of a default occurring for the cash flows that mature in the next 12 months.

For all other situations and nature of receivables, Sonae applies the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there was no increase in credit risk, the Group calculates an impairment corresponding to the amount expected to be expected within 12 months. If there has been an increase in credit risk, an impairment is calculated corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

Determining the impairment of financial assets involves significant estimates. When calculating this estimate, Management assesses, among other factors, the duration and extent of circumstances under which the recoverable amount of these assets may be lower than their carrying amount. The balances of “Customers”, “Other Third Party Debts” and Other Current Assets” are evaluated for factors such as the history of default, current market conditions, and also prospective information estimated by reference to the end of each reporting period, as elements critical assessment criteria for the purposes of analyzing estimated credit losses.

(b) Loans granted

Loans granted and non-current accounts receivables are measured at amortized cost using the effective interest method, deducted from any impairment losses and are recorded under IFRS 9 - Financial assets at amortized cost.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when Sonae provides money, goods or services directly to a debtor with no intention of trading the receivable.

Balances are classified as current assets when collection is estimated within 12 months. The balances are classified as non-current if the estimated charge occurs more than 12 months

after the reporting date. These financial assets are included in the caption presented in Note 5.3.

Relevant accounting judgments and estimates

Impairment losses on loans and accounts receivable are recorded in accordance with the principles described in Note 4.

(c) Trade receivables and other receivables

These captions mainly include the balances of customers resulting from services provided under the Group's activity and other balances related to operating activities.

"Trade receivables" and "Other receivables" captions are initially recognised at fair value and are subsequently measured at amortized cost, net of impairment adjustments.

(d) Cash and bank balances

Amounts included under the caption “Cash and bank balances” correspond to cash on hand, cash at banks, term deposits and other treasury applications which mature in less than three months and that can be immediately mobilized with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents also include bank overdrafts, wich are included in the balance sheet caption “Other loans”, in the consolidated statements of financial position.

All the amounts included in this caption can be reimbursed at demand as there are no pledges or guarantees over these assets.

(e) Classification as equity or liabilities

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

Equity instruments are contracts that evidence a residual interest in the assets of Sonae after deducting all its liabilities and are recorded for the amount received, net of costs incurred with their issuance.

(f) Financial liabilities

Financial liabilities are classified into two categories: i) Financial liabilities at fair value through profit or loss; and ii) Financial liabilities at amortized cost.

The "Financial liabilities at amortized cost" category includes liabilities presented under "Loans", "Bonds", "Other loans", "Other non-current liabilities", "Trade payables", "Other payable" and “Other current liabilities”. These liabilities are initially recognised at fair value net of transaction costs and are subsequently measured at amortized cost at the effective interest rate.

As at 31 December 2023, Sonae has only recognised liabilities classified as "Financial liabilities at amortized cost".

Financial liabilities are derecognised when the underlying obligations are extinguished by payment, are cancelled or expire.

(g) Loans obtained

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in caption "Financial income" and "Financial expenses" in the income statement on an accruals basis, in accordance with the accounting policy defined in Note 6.7. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is deducted to the book value of the loan.

Funding on the form of commercial paper are classified as non-current, when they have guarantees of placing for a period exceeding one year and it is the intention of the group to maintain the use of this form of financing for a period exceeding one year.

(h) Loans convertible into shares

The component parts of compound instruments, namely convertible bonds, issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option is classified as Equity and its value is estimated by deducting from the value of the instrument the amount allocated to the liability component, this amount being recognised directly in equity. This amount will remain in Equity until the end of the contract being transferred to retained earnings in the situation where the instrument reaches maturity without the conversion option being exercised.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds.

(i) Trade payables and other payables

Trade payables and other payables generally include balances of suppliers of goods and services that the group acquired, in the normal course of its activity. The items that compose it will be classified as current liabilities if the payment is due within 12 months or less, otherwise the accounts of "Trade payables" will be classified as non-current liabilities.

These financial liabilities are initially recognised at fair value. Subsequent to its initial recognition, the liabilities presented under "Trade payables" are measured at amortized cost using the effective interest method. Accounts payable are stated at their nominal value, as they do not bear interests and the effect of discounting is considered immaterial.

(j) Confirming

Some subsidiaries within the retail business maintain agreements with financial institutions in order to enable its suppliers to an advantageous tool for managing its working capital by the confirmation by these subsidiaries of the validity of invoices and credits that these suppliers hold over these companies.

Under these agreements, some suppliers freely engage into contracts with these financial institutions that allow them to anticipate the amounts receivable from these retail subsidiaries, after confirmation of the validity of such receivables by these subsidiaries.

These retail subsidiaries consider that the economic substance of these financial liabilities does not change, therefore these liabilities are kept as accounts payable to "Trade Payables" until the normal maturity of these instruments under the general supply agreement established between the company and the supplier, whenever (i) the maturity corresponds to a term used by the industry in which the company operates, this means that there are no significant differences between the payment terms established with the supplier and the industry , and (ii) the company does not have net costs related with the anticipation of payments to the supplier when compared with the payment within the normal term of this instrument. In some situations, such subsidiaries receive a commission from the financial institutions.

In the due date of such invoice, the amount is paid by the subsidiaries to the financial institution regardless whether or not it anticipated those amounts to the trade payables.

(k) Derivatives

Sonae uses derivatives financial instruments in the management of its financial risks to hedge such risks and-or to optimize the "funding costs", not being used with speculative purposes.

Derivative financial instruments are initially recorded at the fair value of the transaction date and subsequently measured at fair value. The method of recognising fair value gains and

losses depends on the designation of derivative financial instruments as trading or hedging instruments.

Coverage requirements are deemed to be met when:

- there is an economic relationship between the hedged item and the hedging instrument, the value of the hedged item and the hedging instrument move in opposite directions;

- changes in fair value do not result mainly from credit risk; and

- the hedge ratio designated by Sonae, in each transaction is the amount of the hedged item and the amount of the hedging instrument that the entity effectively uses to cover that amount of the hedged item.

Derivatives classified as cash flow hedging instruments are used by Sonae mainly to hedge exchange rate. Conditions established for these cash flow hedging instruments are identical to those of the corresponding loans in terms of base rates, calculation rules, rate setting dates and repayment schedules of the loans and for these reasons they qualify as perfect hedges. The inefficiencies, if any, are accounted under “Financial income” or “Financial expenses” in the consolidated income statement.

Sonae also uses financial instruments with the purpose of cash flow hedging, that essentially refer to exchange rate hedging ("forwards") of loans and commercial operations. If they configure a perfect hedging relation, hedge accounting is used. In certain situations, such as loans and other commercial operations, they do not configure perfect hedging relations, and so do not receive hedge accounting treatment, although they allow in a very significant way, the reduction of the loan and receivable payable exchange volatility, nominated in foreign currency.

In specific situations, Sonae may enter into derivatives on exchange rates in order to hedge the risk of fluctuations in future cash flows caused by changes in those exchange rates, which may not qualify as hedging instruments in accordance with IFRS 9, being the effect of revaluation at fair value of such derivates recorded under “Financial income and gains or financial expenses and losses” in the income statement.

Derivatives, although contracted for the purposes mentioned above (mainly foreign exchange forwards), for which the Group has not applied hedge accounting, are initially recorded at cost, which corresponds to their fair value, if any, and subsequently revaluated at fair value, the changes in which, calculated using specific IT tools, directly affect the "Financial income " and "Financial expenses " items in the consolidated income statement.

Sonae also uses financial instruments with the purpose of cash flow hedging related to the energy price. These hedges tend to be perfect hedges and, therefore, receive hedge accounting treatment. In some situations, they may not configure perfect hedging relations, so they do not receive hedge accounting treatment, but they effectively allow the mitigation, in a very significant way, of the effect of energy price variations.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics of the host contract, and these are not stated at fair value, gains and losses which are not realizable are recorded in the income statement.

(l) Own shares

Own shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of own shares are recorded in “Other reserves”, included in “Others reserves and retained earnings”.

5.1. Financial risk management

5.1.1. Introduction

The ultimate purpose of financial risk management is to support Sonae in the achievement of its strategy, reducing unwanted financial risk and volatility and mitigate any negative impacts in the income statement arising from such risks. Sonae's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not apply into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Due to its diversified nature Sonae is exposed to a variety of financial risks, consequently each subholding is responsible for, where applicable, setting its own financial risk management policies, to monitor their own exposure and to implement their approved policies. Therefore, for some risks there are not Sonae global risk management policies, but rather, where appropriate, customized risk management policies at Sub-holding level, existing, however, common guiding principles. Financial risk management policies are approved by each Executive Committee and exposures are identified and monitored by each Sub-holding Finance Department. Exposures are also monitored by the Finance Committee as mentioned in the Corporate Governance Report.

The Finance Committee coordinates and reviews, amongst other responsibilities, global financial risk management policies. The Finance Department of Sonae is responsible for consolidating and measuring the Company's financial risk exposure, being also responsible for assisting each Sub-holding in managing their own currency, interest rate, liquidity and refinancing risks trough the Corporate Dealing Desk. Exposures are recorded in a main system (Treasury Management System). Risk control and reporting is carried out both at Sub-holding level, on a daily basis and on a consolidated basis for the monthly Finance Committee meeting.

5.1.2. Credit risk

Credit risk is defined as the probability of a counterparty defaulting on its contractual obligations resulting in a financial loss. It is shown in two major ways:

5.1.2.1 Credit risk associated with financial instruments, financial investments, derivatives, loans to related parties and other receivables

The credit risk management related to the financial instruments (investments and deposits in banks and other financial institutions or resulting from derivative financial instruments entered during the normal hedging activities) or loans to subsidiaries and associates, there are principles for all Sonae companies:

- To reduce the probability of counterparties defaulting on their payment contractual obligations, Sonae companies only enter into transactions (short term investments and derivatives) with counterparties that present a high degree of prestige and national and international recognition and are based on their rating notations, taking into consideration the nature, maturity and size of the transactions.

- Additionally, regarding the amounts considered in Note 6.6, cash and cash equivalents, reinforce that the applications made are always for short periods, coinciding whenever possible with scheduled payments and maximum exposure limits are defined for each of the counterparties in order to avoid significant concentration of counterparty risk.

- No financial instruments shall be contracted unless they have been authorized in advance. The definition of instruments eligible for both excess and derivatives has been defined on a conservative basis (mainly short-term money market instruments for treasury applications, and instruments which can be broken down into their integral parts and duly valued, with a maximum loss identifiable in the case of derivatives);

- In relation to excess funds: i) those are preferentially used, whenever possible and when more efficient to repay debt, or invested preferably in instruments issued by existing relationships banks in order to reduce exposure on a net basis, and ii) may only be applied in pre-approved instruments.

- In some cases, sub-holdings can define more strict rules regarding counterparty exposure or more conservative policies.

- Any departure from the above-mentioned policies needs to be pre-approved by the respective Executive Committee/Board of Directors.

Regarding to the policies and minimum credit rating, Sonae does not expect any material failure in contractual obligation from its external counterparties nevertheless exposure to each counterparty resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Sub-holding Finance Department and any departure is promptly reported to the respective Executive Committee/Board of Directors and to the Sonae Finance Committee.

"Loans granted to related entities" balances are considered to have low credit risk and, therefore, impairment losses recognized during the period were limited to estimated credit losses at 12 months. These financial assets are considered to have "low credit risk" when they have a low impairment risk, and the borrower has a high capacity to meet its contractual cash flow liabilities in the short term. The gross accounting value of the items classified as "Loans granted to related entities", included in other third party debts (Note 4.3), reflects the Company's maximum credit risk relative to this item, totalizing 18.9 million euro as at 31 December 2023 (19.4 million euro as at 31 December 2022).

5.1.2.2 Credit risk in operational and commercial activities of each business

In this case due to each business characteristics and consequently of different credit risk typology, each sub-holding determines the most appropriate policy, as described below. However, the policies follow the same wide principles of prudence, conservatism, and the implementation of control mechanism.

- MC, Worten e Zeitreel

Credit risk is very low, considering that most transactions are made in cash. In the remaining, in the relationship with customers is controlled through a system of collecting quantitative and qualitative information, provided by high prestige and liable entities that provide information on risks by obtaining suitable guarantees, aimed at reducing the risk of granting credit. Credit risk arises in the relationship with suppliers as a result of advances or debits for discounts and is mitigated by the expectation to maintain the business relationship.

- Sierra

The credit risk results essentially of the risk of credit of the tenants of the commercial centers managed by Sub holding and of the other debtors. Shopping Centre storekeepers credit risk monitoring is made by the adequate assessment of risk before the storekeepers are accepted and by the establishment of conservative credit limits for each storekeeper.

- Bright Pixel

The technology business exposure to credit risk is mainly associated with the accounts receivable related to current operational activities. The credit risk management purpose is to guarantee that the amounts owed by debtors are effectively collected within the periods negotiated without influencing the financial health of the Sub-holding. Sonaecom uses credit rating agencies and has specific departments responsible for risk control, collections and management of processes in litigation, which all contribute to the mitigation of credit risk.

- Sonae SGPS

Sonae SGPS does not have any relevant commercial or trade activity, other than the normal activities of a portfolio manager. As such, it is only exposed, on a regular basis, to credit risk resulting from its investing activities (holding cash and cash equivalents instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities in accordance with the principles mentioned in 5.2.

Additionally, Sonae SGPS may also be exposed to credit risk as a result of its portfolio manager activities (buying or selling investments), but in those exceptional situations risk reducing mechanisms and actions are implemented on a case by case basis under the supervision of the Executive Committee (requesting bank guarantee, escrow accounts, obtaining collaterals, amongst others).

The group applies the simplified approach to calculate and record the estimated credit losses required by IFRS 9, which allows the use of estimated impairment losses for all "Customers" (Note 4.2). In order to measure estimated credit losses, the balances of "Customers" were aggregated on the basis of shared credit risk characteristics, as well as on days of delay as mentioned in Note 4.2. The amount related to customers represent maximum Sonae exposure to credit risk of the assets included in these captions.

5.1.3. Liquidity risk

Sonae has a regular need to raise external funds to finance its current activity and its expansion plans and has a diversified portfolio of long-term financing, consisting, among others, of loans and structured operations, but which also includes a variety of other short-term financing operations, in the form of commercial paper and lines of credit. As at 31 December 2023, total consolidated gross debt (excluding shareholders' equity) is 1,269 million euro (as at 31 December 2022 it was 1,363 million euro) excluding contributions from joint ventures (Sierra), which are measured by the equity method.

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy. Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining with its relationship banks, a combination of short and medium term committed credit facilities, with sufficiently comfortable previous notice cancellation periods with a range that goes (up to 360 days);

- Maintenance of commercial paper programs with different periods and terms, that allow, in some cases, to place the debt directly in institutional investors;

- Detailed rolling annual financial planning, with monthly, weekly and daily cash adjustments in order to forecast cash requirements;

- Diversification of financing sources and counterparties;

- Ensuring an adequate average debt maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. In 2023, Sonae average debt maturity was approximately 3.8 years (2022: 4.4 years) excluding the contributions of the joint ventures which consolidated by the equity method;

- Negotiating contractual terms covenants which reduce the possibility of the lenders being able to demand an early termination;

- Where possible, by pre-financing forecasted liquidity needs, through transactions with an adequate maturity;

- Management procedures of short-term applications, assuring that the maturity of the applications will match with foreseen liquidity needs (or with a liquidity that allows to cover unprogrammed disbursements, concerning investments in assets), including a margin to hedge forecasting deviations. The margin of error needed in the treasury department prediction, will depend on the confidence degree and it will be determined by the business. The reliably of the treasury forecasts is an important variable to determinate the amounts and the periods of the market applications/borrowings.

Sonae maintains a liquidity reserve in the form of credit lines with its relationship banks, in order to ensure the ability to meet its commitments, without having to refinance itself under unfavorable conditions. As at 31 December 2023, as described in Note 6.4, the amount of consolidated loans maturing in 2024 is 91 million euro (256 million euro maturing in 2022) and on 31 December 2023 Sonae had credit lines consolidated loans available in the amount of 429 million euro (365 million euro in 2022) with a commitment of less than or equal to one year and 1,327 million euro (470 million euro in 2022) with a commitment of more than one year. The maturity of financial instruments is detailed in Note 6.4 (Loans) and Note 3.10 (Lease Liabilities).

Additionally, Sonae held, as at 31 December 2023, cash and cash equivalents and current investments amounting to 711 million euro (794 million euro as at 31 December 2022) (Note 6.6).

Consequentially, although current liabilities are higher than current assets, a natural situation due to the fact that its main business has negative working capital requirements, Sonae expects to meet all its obligations by means of its operating cash flows and its financial assets as well as from drawing existing available credit lines, if needed.

5.1.4. Interest rate risk

5.1.4.1 Policies

As each business operates in different markets and in different business environments, there is no single policy applicable to Sonae, but rather policies adjusted to each Sub-holding exposure which one described below. As previously mentioned, Sonae exposure is regularly monitored by the Finance Committee, at a group level, and at each Sub-holding level. Although there is no wide risk management interest rate policy in what concerns the derivatives negotiation, there are principles that have to be followed by all the companies and that are referred below:

- Sonae hedging activities do not constitute a profit-making activity and derivatives are entered into without any speculation purpose;

- For each derivative or financial instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be consistent with the settlement dates of the hedging instruments to avoid any mismatch and hedging inefficiencies;

- For each derivative or financial instrument used to hedge a specific loan, the interest payment dates of the hedged loans should be a perfect match between the base rate: the base rate used in the derivative or hedging instrument should be the same as that of the hedged facility/transaction;

- From the beginning of the transaction, the maximum cost of debt, resulting from the hedging operation carried out, is known and limited, even in scenarios of extreme market interest rate evolutions, seeking that the resulting level of rates is within the cost of funds considered in the business plan of the respective company, or at least in extreme scenarios of interest rate increases, is not higher than the cost of financing indexed to underlying variable rate;

- The counterparties of hedging instruments are limited to institutions of high prestige, national and international recognition and based on respective credit ratings, as described in 5.1.2 above. It is Sonae policy that, when contracting such instruments, preference should be given to financial institutions that form part of Sonae's relationships, while at the same time obtaining quotes from a sufficient large sample of banks to ensure optimum conditions;

- In determining the fair value of hedging operations Sonae uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates, foreign exchange rates, volatility among others prevailing at the statement of financial position date. Comparative financial institution quotes for specific or similar instruments are used as benchmark for the valuation;

- All transactions have to be documented under ISDA Agreements (International Swaps and Derivatives Association);

- All transactions which do not follow the rules mentioned above have to be individually approved by the respective Executive Committee Board of Directors, and reported to Finance Committee, namely transactions entered into with the purpose of optimizing the cost of debt when deemed appropriate according to prevailing financial market conditions.

- MC, Worten e Zeitreel

Business exposure to interest rates arises mainly from long term loans which bear interests at Euribor.

The purpose of these holdings is to limit cash-flows volatility and results, considering the profile of its operational activity, by using an appropriate mix of fixed and variable interest rate debt. Sonae Group policy allows the use of interest rate derivatives to decrease the exposure to Euribor fluctuations but does not allow for trading purpose.

- Sierra

Sonae Sierra's income and operating cash-flows are substantially independent of changes in market interest rates, as its cash and cash equivalents and its financing granted to other companies of the Group are dependent only of the evolution of the interest rates in Euro, which have had a minimum change.

In relation to long-term borrowings and in order to hedge the volatility of long-term interest rates, Sonae Sierra uses, whenever appropriate, cash flow hedge instruments (swaps or zero cost collars), which represent perfect hedges of those long-term borrowings. In certain long-term borrowings Sonae Sierra chose to have a fixed interest rate in the first years of the financing agreement and will study afterwards the possibility to negotiate interest rate swaps or zero cost collars for the remaining period.

- Bright Pixel

In the technology business total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group result or on its shareholder´s equity is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility of using interest rate hedging derivative instruments, as mentioned below; (iii) possible correlation between the market interest rates levels and economic growth, the latter having a positive effect on other lines of the Sub-holding consolidated results (namely operational), thus partially offsetting the increase of financial costs ("natural hedge"); and (iv) the availability of consolidated liquidity or cash, also bearing interests at variable rates.

- Sonae SGPS and others

Sonae SGPS is exposed to interest rate risk in relation to the statement of financial position (loans and short-term investments). A significant part of Sonae SGPS debt is indexed at variable rates, and interest rate derivatives can be used to convert part of the fixed rate floating rate debt (generally using interest rate swaps), or to limit the rate maximum to pay (usually using cap's).

Sonae SGPS mitigates interest rate risk by adjusting the proportion of its debt that bears fixed interest to that which bears floating interest although without a fixed goal or percentage to achieve, since hedging interest rate risk usually has an opportunity cost associated. Therefore, a more flexible approach is considered preferable to a stricter traditional approach. Part of the risk is also mitigated by the fact that Sonae SGPS grants loans to its subsidiaries as part of its normal activities and thus there may be some degree of natural hedging on a company basis, since if interest rates increase the additional interest paid would be partially offset by additional interest received.

Sonae SGPS hedging activities do not constitute a profit-making activity and derivatives are deemed to be without any speculation purpose. Strict rules are observed in relation to any derivative transaction entered.

5.1.4.2 Sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affect the interest income or expense of variable interest rate financial instruments (the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks). As a consequence, these instruments are included in the calculation of income-related sensitivities;

- Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value. As such, all financial instruments with fixed interest rates that are carried at amortized cost are not subject to interest rate risk as defined in IFRS 7;

- In the case of fair value hedges designed for hedging interest rate risks, when the changes in the fair values of the hedged item and the hedging instrument attributable to interest rate movements are offset almost completely in the income statement in the same period, these financial instruments are also not exposed to interest rate risk;

- Changes in the market interest rate of financial instruments that were designated as hedging instruments in a cash flow hedge (to hedge payment fluctuations resulting from

interest rate movements) affect the hedging reserve in equity and are therefore taken into consideration in the equity-related sensitivity;

- Changes in the market interest rate of interest rate derivatives that are not part of a hedging relationship as set out in IFRS 9 affect other financial income or expense (gain/loss in change of the derivatives fair value) therefore it has taken into consideration in the sensitivity calculations for changes in interest rate;

- Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows to net present values using appropriate market rates prevailing at the year end, and assuming a parallel shift in interest rate curves;

- For the purposes of sensitivity analysis, such analysis is performed based on all financial instruments outstanding during the year.

Under these assumptions, if euro interest rate of denominated financial instruments had been 100 basis points higher, the consolidated net profit before tax of Sonae for the period ended as at 31 December 2023 would decrease by approximately 7 million euro (11 million euro decrease as at 31 December 2022).

5.1.5. Exchange rate risk

5.1.5.1 Policies

Sonae operates at an international level, having subsidiaries that operate in different jurisdictions, and so it is exposed to foreign exchange rate risk. As each Sub-holding operates in different markets and in different business environments, there is no standard policy for Sonae, but rather individual policies for each Sub-holding which are stated below. Sonae's currency exposures are divided into two levels: transaction exposures (foreign exchange exposures relating to contracted cash flows and statement of financial position items where changes in exchange rates will have an impact on earnings and cash flows) and translation exposure (equity in foreign subsidiaries). Although there is not global management exchange rate risk policy in what concerns hiring derivatives to managing exchange interest risk, it also applies to all group companies, with the necessary adaptations, the principles referred at 5.1.4).

- MC, Worten e Zeitreel

The impact on the financial statements of changes in exchange rate is immaterial, as the most part of the transactions are denominated in euro. These holdings are mainly exposed to exchange rate risk through transactions relating to acquisitions of goods in international markets, which are mainly in US Dollars.

These holdings aim to limit the risk of exposure to foreign currencies associated with operational transactions. The reduction of the exchange rate exposure risk can be obtained, among other ways, by contracting financial derivatives that allow replicating the natural hedge through financial movements, always in line with the existing exchange rate risk policy.

The exchange risk management purpose is to provide a stable decision platform when deciding and negotiating the purchases of inventories establishing fixed exchange rates. The hedging accompanies all the purchase process, since procurement up to the formal agreement of purchase.

The exchange risk exposure is monitored through the purchase of forwards with the goal of minimizing the negative impacts of volatility in exposure level because of changes of the amounts of imports denominated in other currencies rather than euro.

- Sierra

The main activity of each company included in consolidation is developed inside its country of origin and consequently most of the company transactions are maintained in its functional currency. The policy to hedge this specific risk is to avoid, if possible, the contracting of services in foreign currency.

- Bright Pixel

The technologies business operates internationally and has a subsidiary in the United Kingdom. The business also holds financial assets at fair value relating to equity interests in companies located in countries with currencies other than the euro. Thus, being exposed to exchange rate risk.

Foreign exchange risk management seeks to minimize the volatility of investments and transactions made in foreign currency and contributes to reduce the sensitivity of the Group's Sonaecom results to changes in foreign exchange rates.

Whenever possible, the Group uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such procedure is not possible, the Group adopts derivatives financial hedging instruments.

The Group's exposure to foreign exchange rate risk, results essentially from investments in financial assets measured at fair value through equity investments in companies located in countries with a currency other than the euro, the risk associated to the operational activity being immaterial.

- Sonae SGPS

Due to the nature of holding company, Sonae SGPS, has very limited transaction exposure to foreign exchange risk. Normally, when such exposures arise foreign exchange risk management seeks to minimize the volatility of such transactions made in foreign currency and to reduce the impact on the Profit and loss of exchange rate fluctuations. When significant material exposures occur with a high degree of certainty, Sonae SGPS hedges such exposures mainly through forward exchange rate contracts. For uncertain exposures, options may be considered, subject to previous approval from the company's Executive Committee.

5.1.5.2 Exposure and sensitivity analyses

As at 31 December 2023 and 2022 Sonae amounts of financial assets and liabilities (in euro) denominated in a currency different from the subsidiary functional currency were the following:

	Assets		Liabilities	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
British Pound	22,992	20,859	41	16
US Dollar	158,652	145,247	24,270	26,788
Other Currencies	6,287	842	1,650	–
	187,931	**166,948**	**25,961**	**26,804**

The amounts presented above, only include assets and liabilities expressed in different currency than the functional currency used by the subsidiary, associates or jointly controlled company. Therefore, it does not represent any risk of financial statements translation.

The Group's sensitivity to changes in exchange rates, considering a variation of 5%, can be analyzed as follows:

	Impact on results	
	31 Dec 2023	31 Dec 2022
British Pound	1,148	1,042
US Dollar	6,719	5,923
Other Currencies	232	42
	8,099	**7,007**

5.1.6. Price risk

5.1.6.1 Energy Price

Sonae is an electricity consumer in its various businesses and holds an affiliated company which buys electricity in the organised market (OMIE) and sells it to third parties. Each business has different exposure and risk in relation to the price of energy so that there is no uniform policy for all of Sonae.

Sonae's exposure to energy price risk is present at transaction level, through changes in the price of energy related to future cash flows. Although there is no wide risk management policy in what concerns hiring derivatives to manage energy price risk, the principles referred to in 5.1.4 also apply to all of Sonae's companies, with the necessary adaptations.

The impact on the financial statements of the different holding companies of changes in the energy price is limited, considering the weight that energy costs have on the total sales of the holding companies. These holdings are mainly exposed to energy price risk, through their consumption in the several businesses.

These holdings can limit the risk of exposure to the energy price associated with operational transactions. The reduction of the energy price risk exposure can be achieved by contracting transactions, with financial or physical settlement, in the forward energy markets. The financial instruments traded may include bilateral agreements and futures to fix prices.

5.1.6.2 Value of Investments

Sonae is exposed to equity price risk arising from value of assets at fair value through profit or loss and other comprehensive income (disclosed in Note 3.4). These investments are generally made with strategic objectives in mind. To manage the price risk of these investments in equity instruments, the Group diversifies its portfolio.

Sonae is exposed to risks arising from changes in Sonae SGPS share price due responsibilities related with the remuneration policy described in Sonae Corporate Governance report, as explained in Note 2.3.

5.1.7. Capital risk

The capital structure of Sonae, determined by the proportion of equity and net debt is managed in order to ensure continuity and development of its operations, maximize the return on shareholders and optimize financing costs.

Sonae periodically monitors its capital structure, identifying risks, opportunities and the necessary adjustment measures for the achievement of these objectives.

Sonae presented in 2023 an average *gearing* (countable) of 0.4x (0.4x in 2022).

5.2. Derivative financial instruments

Exchange rate derivatives

Sonae uses exchange rate derivatives, fundamentally, in order to hedge future cash flows, occurring in the next 12 months.

Therefore, Sonae contracted several exchange rate forwards, in order to manage the exchange rate risk to which it is exposed.

The fair value of hedging exchange rate derivative instruments calculated based on the current market values of equivalent exchange rate financial instruments in liabilities amounts to 1,955 thousand euro, and in assets of 597 thousand euro (3,807 thousand euro in liabilities and 2,238 thousand euro in assets, on 31 December 2022).

The determination of the fair value of these financial instruments was based on the update to the date of the statement of financial position of the amount to be received/paid on the contract's expiration date. The settlement amount considered in the valuation is equal to the amount in the reference currency multiplied by the difference between the contracted exchange rate and the market rate for the settlement date determined on the valuation date.

Losses for the year associated with changes in the fair value of derivative instruments that were not considered hedging were recorded directly in the consolidated income statement under the caption “Other Financial Income and Gains” or “Financial Expenses and Losses” (Note 6.7).

Gains and losses associated with changes in the market value of derivative instruments are recorded under “Hedge reserves”, when considered to cover “cash flow” and under “Oher costs” if related to operating activities, if applicable. relating to financing under the heading of financial results, when considered fair value coverage. The variation in the market value of derivative instruments when considered for trading is recorded in the income statement under “Other costs”.

Interest rate derivatives

Sonae uses interest rate swaps, caps and zero cost collars in order to minimize interest rate risk. Interest rate swaps, caps and zero cost collars are valued at their fair value at the reporting date, determined by valuation carried out by the banking entities with which these derivatives were contracted.

The determination of the fair value of these financial instruments was based on updating future cash flows corresponding to the difference between the interest rate payable by the Group to the derivative counterparty and the variable interest rate to be received by the Derivative counterparty group, with this variable interest rate corresponding to the indexing interest rate contracted with the entity that granted the financing. Additionally, fair value tests of these derivative financial instruments were carried out, in order to revalidate the fair value determined by those entities.

The risk hedging principles used by the Group in contracting these hedging financial instruments are as follows:

- Matching between cash-flows paid and received, i.e., there is a coincidence between the dates of the interest flows paid in the financing contracted and exchanged with the bank;
- Matching between indices: the reference indices in the hedging financial instrument and in the financing to which the derivative is underlying are the same;
- In a scenario of extreme rise or fall in interest rates, the maximum cost of financing is perfectly limited and calculated.

The fair value of effective hedging financial instruments was recorded against the Group's hedging reserves caption (2,766 thousand euro and in assets and 2,716 in liabilities as at 31 December 2023 and 4,258 thousand euro in assets and 236 thousand euro in liabilities on 31 December 2022).

Interest rate and exchange rate derivatives

The Group uses financial instruments for the purpose of hedging cash flows, essentially referring to exchange rate hedging ("forwards") of loans obtained and commercial operations. Some exchange rate hedging of commercial transactions configure perfect hedging ratios and, therefore, receive "hedge accounting" treatment. In some situations, the exchange rate coverage of loans and the other coverage of commercial operations, given that they do not constitute perfect hedging relationships, do not receive "hedge accounting" treatment, but effectively allow to mitigate, in a very significant way, the effect of exchange variations of loans and balances receivable/payable, denominated in foreign currencies, in relation to which the Group intends to hedge the exchange rate risk.

On 31 December 2022, the fair value of the financial instruments used to hedge exchange rates was recorded at 593 thousand euro.

Energy price derivatives

As part of its operations in the Iberian electricity market, Sonae buys electricity on an organized market (OMIE), sells it to third parties and is an electricity consumer in its various businesses.

Electricity price management can be carried out by contracting operations, with financial and physical settlements, in the forward energy markets. These operations are intended to reduce the volatility of the economic impact arising from changes in the price of electricity within the trading limits defined by the risk policy of the companies involved. Traded financial instruments may include bilateral agreements and futures for price fixing.

The fair value of effective hedging financial instruments was recorded against the Group's hedging reserves caption (12,502 in assets and 8,897 thousand euro in liabilities at 31 December 2023 and 31,763 thousand euro in assets and 1,743 thousand euro at 31 December 2022).

Fair value of derivative financial instruments

The fair value of derivative instruments is recorded as follows:

	Assets				Liabilities		
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022
Operating derivatives	Current	Non Current	Current	Non Current	Current	Non Current	Current
Hedging derivatives:							
Exchange rate	597	–	1,645	–	1,955	–	3,807
Electricity	3,155	9,347	17,751	14,012	1,263	7,634	1,743
	3,752	**9,347**	**19,396**	**14,012**	**3,218**	**7,634**	**5,550**

	Assets				Liabilities		
	31 Dec 2023		31 Dec 2022		31 Dec 2023		31 Dec 2022
Financial derivatives	Current	Non Current	Current	Non Current	Current	Non Current	Current
Hedging derivatives:							
Exchange rate	–	–	593	–	–	–	–
Interest rate	172	2,594	4	4,254	6	2,710	–
	172	**2,594**	**597**	**4,254**	**6**	**2,710**	**–**

The derivative instruments described above are valued at fair value classified in level 2 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value.

5.3. Classes of financial instruments

As at 31 December 2023 and 2022, the categories and fair value of financial instruments were classified as follows:

Financial assets	Notes	Financial assets recorded at amortized cost	Assets at fair value through the other comprehensive income	Assets at fair value through the income statement	Derivatives	Others non-financial assets	Total
As at 31 December 2023							
Non-current assets							
Financial Assets at fair value	3.4	–	9,994	272,367	–	–	282,362
Other investments	3.5	14,549	–	7,398	–	–	21,947
Other non-current assets	4.5	23,426	–	4,915	11,941	88	40,370
		37,975	**9,994**	**284,680**	**11,941**	**88**	**344,679**
Current assets							
Trade receivables	4.2	128,799	–	–	–	–	128,799
Other debtors	4.3	139,645	–	–	3,752	–	143,397
Other Investments	3.5	–	–	–	172	–	172
Other current assets	4.4	34,938	–	–	–	42,881	77,819
Cash and bank balances	6.6	710,858	–	–	–	–	710,858
		1,014,240	**–**	**–**	**3,924**	**42,881**	**1,061,044**
		1,052,215	**9,994**	**284,680**	**15,865**	**42,969**	**1,405,723**

Financial assets	Notes	Financial assets recorded at amortized cost	Assets at fair value through the other comprehensive income	Assets at fair value through the income statement	Derivatives	Others non-financial assets	Total
As at 31 December 2022							
Non-current assets							
Financial Assets at fair value	3.4	–	41,263	216,889	–	–	258,153
Other investments	3.5	9,347	–	7,231	–	–	16,578
Other non-current assets	4.5	31,048	–	–	18,265	81	49,395
		40,395	**41,263**	**224,120**	**18,265**	**81**	**324,125**
Current assets							
Trade receivables	4.2	128,727	–	–	–	–	128,727
Other debtors	4.3	110,392	–	–	19,396	–	129,788
Other investments	3.5	1			596	–	597
Other current assets	4.4	44,419	–	–	–	42,044	86,463
Cash and bank balances	6.6	793,812	–	–	–	–	793,812
		1,077,350	**–**	**–**	**19,992**	**42,044**	**1,139,386**
		1,117,745	**41,263**	**224,120**	**38,257**	**42,125**	**1,463,511**

Financial liabilities	Notes	Liabilities at amortized cost	Liabilities recorded at fair value through other compreensive income	Liabilities recorded at fair value through profit or loss	Derivatives	Other non-financial liabilities	Total
As at 31 December 2023							
Non-current liabilities							
Loans	6.4	733,521	–	–	–	–	733,521
Bonds	6.4	442,027	–	–	–	–	442,027
Other loans	6.4	–	–	–	2,688	–	2,688
Other non-current liabilities	4.7	5,755	–	–	7,656	75,844	89,255
		1,181,303	**–**	**–**	**10,344**	**75,844**	**1,267,491**
Current liabilities							
Loans	6.4	46,959	–	–	–	–	46,959
Bonds	6.4	43,873	–	–	–	–	43,873
Trade payables	4.8	1,441,865	–	–	–	–	1,441,865
Other payables	4.10	236,477	–	–	3,224	–	239,701
Other current liabilities	4.9	–	–	–	–	403,359	403,359
		1,769,174	**–**	**–**	**3,224**	**403,359**	**2,175,757**
		2,950,477	**–**	**–**	**13,568**	**479,203**	**3,443,248**

Financial liabilities	Notes	Liabilities at amortized cost	Liabilities recorded at fair value through other compreensive income	Liabilities recorded at fair value through profit or loss	Derivatives	Other non-financial liabilities	Total
As at 31 December 2022							
Non-current liabilities							
Loans	6.4	776,384	–	–	–	–	776,384
Bonds	6.4	331,372	–	–	–	–	331,372
Other non-current liabilities	4.7	6,810	–	–	–	84,126	90,936
		1,114,567	**–**	**–**	**–**	**84,126**	**1,198,693**
Current liabilities							
Loans	6.4	226,744	–	–	–	–	226,744
Bonds	6.4	28,846	–	–	–	–	28,846
Trade payables	4.8	1,434,829	–	–	–	–	1,434,829
Other payables	4.10	202,182	–	–	5,550	–	207,732
Other current liabilities	4.9	–	–	–	–	330,253	330,253
		1,892,600	**–**	**–**	**5,550**	**330,253**	**2,228,404**
		3,007,167	**–**	**–**	**5,550**	**414,379**	**3,427,096**

Financial instruments recognized at fair value

In accordance with the requirements of IFRS 13, the fair value of financial assets and liabilities measured at fair value correspond to the following levels of the fair value hierarchy (see Note 3.4):

	31 Dec 2023			31 Dec 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Financial Assets at fair value (Note 3.4)	37,985	–	244,376	29,559	–	228,594
Derivatives (Note 5.2)	–	15,865	–	–	38,256	–
	37,985	**15,865**	**244,376**	**29,559**	**38,256**	**228,594**

6. Capital structure

6.1. Share Capital

Accounting Policies

Own shares

Own shares are recorded at acquisition cost as a reduction to equity. Gains or losses arising from sales of own shares are recorded in “Other reserves“, included in “Other Reserves and retained earnings“.

Legal reserves

Portuguese commercial legislation requires that at least 5% of annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in the case of liquidation of the company, but it may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Cash flow hedging reserve

The Hedging reserve reflects the changes in fair value of “Cash flow” hedging derivatives that are considered as effective (Note 5.2) and is not distributable or used to cover losses.

Currency translation reserve

The currency translation reserve corresponds to exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries.

Fair value reserve

This reserve includes the positive and negative effects of the measurement on the fair value of available-for-sale as mentioned in Note 3.4.

Reserves for the medium-term incentive plan are included in “other reserves”

According to IFRS 2 – “Share-based Payments”, responsibility with the medium-term incentive plans settled through delivery of own shares is recorded, the credit, under the caption “Reserves for the medium-term incentive plan“ and is not distributable or used to cover losses.

Equity

As at 31 December 2023 and 2022, the share capital, which is fully subscribed and paid for, is made up of 2,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

Reserves and retained earnings

Reserves relating to own shares

Under Portuguese law, the amount of distributable reserves is determined according to the individual financial statements of the company, presented in accordance with IFRS. Additionally, increases resulting from the application of the equity method, fair value through other comprehensive income or profits can only be distributed when the items that originated them are disposed of, exercised or liquidated.

During the year ended 31 December 2023, Sonae held 70,272,537 own shares (79,734,758 shares as at 31 December 2022) representing 3.51% (3.99% as at 31 December 2022) of its share capital, at a price of 0.8955 euro.

In accordance with legislation the company must maintain as unavailable a reserve in the amount of 62,929 thousand euro (71,402 thousand euro as at 31 December 2022) relating to its own shares for as long as it holds them.

Main changes in the period

In the first quarter of 2023, Sonae acquired the remaining 10% of Sierra's share capital from Grosvenor, for a price of 88,6 million euro. The main impact of this operation on the Group's consolidated financial statements is the transfer of Reserves from "Non-controlling Interests" to "Group Equity", since Sonae already held a 90% controlling stake in Sierra (impact of 7,8 million euro on global equity).

Capital Structure

As at 31 December 2023 and 31 December 2022, the following entities held more than 20% of the subscribed share capital:

Entity	2023	2022
EFANOR INVESTIMENTOS, SGPS, S.E. and its subsidiaries	54,39%	54,66%

6.2. Non-controlling interest

As at 31 December 2023 and 2022, "Non - controlling interests" are detailed as follows:

	31 Dec 2023				
	Equity [1]	Profit/(Loss) for the period [1]	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
MC	914,994	160,332	235,063	43,710	(53,926)
Worten	10,229	2,427	1,969	368	–
Sierra	986,630	134,022	64,932	18,413	(3,307)
Zeitreel	(4)	(56)	(143)	(22)	–
Bright Pixel	1,296,864	41,305	131,289	4,148	(902)
Others	14,991	(8,239)	3,940	(775)	–
Total	**3,223,705**	**329,790**	**437,050**	**65,841**	**(58,135)**

1) Contribution to the consolidated financial statements of the Group;

	31 Dec 2022				
	Equity [1]	Profit/(Loss) for the period [1]	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
MC	973,222	168,154	250,899	44,703	(60,946)
Worten	2,639	334	1,055	134	–
Sierra	869,042	31,367	140,434	6,196	(4,570)
Zeitreel	20,364	(16,948)	(574)	(49)	–
Bright Pixel	1,311,666	146,632	129,998	14,190	(5,952)
Others	13,817	(2,658)	2,035	(73)	–
Total	**3,190,749**	**326,881**	**523,848**	**65,101**	**(71,468)**

1) Contribution to the consolidated financial statements of the Group;

During the years ended 31 December 2023 and 2022, the movement in Non-controlling Interests was as follows:

	31 Dec 2023						
	MC	Worten	Sierra	Zeitreel	Bright Pixel	Others	Total
Opening balance at 1 January 2023	250,899	1,055	140,434	(574)	129,998	2,035	523,848
Distributed dividends	(53,926)	–	(3,307)	–	(902)	–	(58,135)
Delivery and attribution of shares to employees due to extinguishment of obligation	(376)	–	–	–	–	–	(376)
Change in percentage of subsidiaries	(88)	529	(80,839)	–	(458)	2,698	(78,157)
Change in currency translation reserve	–	–	–	–	–	(25)	(25)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	–	–	–	–	(1,388)	–	(1,388)
Capital decrease	–	–	(9,651)	–	–	–	(9,651)
Changes in hedging reserves	(5,054)	–	–	–	–	(35)	(5,089)
Others	(102)	16	(118)	453	(109)	42	182
Profit for the period attributable to non-controlling interests	43,710	368	18,413	(22)	4,148	(775)	65,841
Closing balance as at 31 December	**235,063**	**1,969**	**64,932**	**(143)**	**131,289**	**3,940**	**437,050**

	31 Dec 2022						
	MC	Worten	Sierra	Zeitreel	Bright Pixel	Others	Total
Opening balance at 1 January	265,712	922	220,767	(1,816)	118,529	1,434	605,549
Distributed dividends	(60,946)	–	(4,570)	–	(5,952)	–	(71,468)
Delivery and attribution of shares to employees due to extinguishment of obligation	12	–	–	–	–	–	12
Change in percentage of subsidiaries	–	–	(77,483)	–	3,448	(263)	(74,298)
Change in currency translation reserve	(92)	–	(574)	–	1	(35)	(700)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	(215)	–	2,705	–	188	–	2,679
Capital decrease	–	–	(6,587)	–	–	–	(6,587)
Changes in hedging reserves	1,713	–	472	–	–	–	2,185
Others	11	–	(493)	1,292	(408)	972	1,374
Profit for the period attributable to non-controlling interests	44,703	134	6,196	(49)	14,190	(73)	65,101
Closing balance as at 31 December	**250,899**	**1,055**	**140,434**	**(574)**	**129,998**	**2,035**	**523,848**

As at 31 December 2023 and 2022, the aggregate financial information of subsidiaries with non-controlling interests is as follows:

	31 Dec 2023						
	MC	Worten	Sierra	Zeitreel	Bright Pixel	Others	Total
Total Non-Current Assets	3,416,278	30,577	1,188,116	1,747	966,534	21,090	5,624,342
Total Current Assets	834,075	18,088	182,170	114	384,690	8,048	1,427,184
Total Non-Current Liabilities	1,943,795	20,671	190,658	915	41,282	10,744	2,208,064
Total Current Liabilities	1,391,564	17,765	192,997	951	13,078	3,403	1,619,756
Equity	**914,994**	**10,229**	**986,630**	**(4)**	**1,296,864**	**14,991**	**3,223,705**

	31 Dec 2022						
	MC	Worten	Sierra	Zeitreel	Bright Pixel	Others	Total
Total Non-Current Assets	3,475,602	22,169	1,070,527	50,058	981,335	19,520	5,619,211
Total Current Assets	834,084	12,322	181,992	58,520	384,690	9,378	1,480,986
Total Non-Current Liabilities	1,944,442	17,282	190,658	43,198	41,282	10,744	2,247,606
Total Current Liabilities	1,392,023	14,570	192,819	45,015	13,078	4,338	1,661,842
Equity	**973,222**	**2,639**	**869,042**	**20,364**	**1,311,666**	**13,817**	**3,190,749**

	31 Dec 2023						
	MC	Worten	Sierra	Zeitreel	Bright Pixel	Others	Total
Turnover	6,556,651	134,775	127,700	256	16,043	34,062	6,869,486
Change in fair value in IP	–	–	5,548	–	–	–	5,548
Other operating income	121,950	523	5,787	623	5,200	251	134,334
Operating expenses	(6,379,300)	(130,674)	(112,729)	(782)	(32,741)	(40,903)	(6,697,128)
Financial results	(96,099)	(1,214)	(8,571)	(13)	7,621	(501)	(98,776)
Gains or losses on joint ventures and associates	2,022	–	105,649	–	64,158	–	171,829
Investment results	6	–	442	–	(21,247)	–	(20,799)
Income tax expense	(44,898)	(983)	10,197	(140)	2,269	(1,150)	(34,704)
Consolidated profit/(Loss) for the period	**160,332**	**2,427**	**134,022**	**(56)**	**41,305**	**(8,239)**	**329,790**
Total comprehensive income for the period	**160,332**	**2,427**	**134,022**	**(56)**	**41,305**	**(8,239)**	**329,790**

	31 Dec 2022						
	MC	Worten	Sierra	Zeitreel	Bright Pixel	Others	Total
Turnover	5,925,209	73,968	115,129	126,982	15,953	22,724	6,279,964
Change in fair value in IP	–	–	(3,534)	–	–	–	(3,534)
Other operating income	120,512	315	5,504	3,003	3,378	–	132,712
Operating expenses	(5,780,834)	(73,126)	(108,238)	(151,625)	(29,765)	(25,387)	(6,168,975)
Financial results	(72,952)	(768)	(9,226)	(2,311)	3,949	(145)	(81,452)
Gains or losses on joint ventures and associates	1,898	–	32,891	–	60,318	–	95,107
Investment results	457	–	5,996	13	34,973	–	41,439
Income tax expense	(26,137)	(55)	(7,154)	6,990	(3,496)	150	(29,701)
Consolidated profit/(Loss) for the period	**168,154**	**334**	**31,367**	**(16,948)**	**85,311**	**(2,658)**	**265,560**
Profit/(Loss) from discontinued operations	**–**	**–**	**–**	**–**	**61,322**	**–**	**61,322**
Other comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the period	**168,154**	**334**	**31,367**	**(16,948)**	**146,632**	**(2,658)**	**326,881**

6.3. Earnings per share

Accounting Policies

Basic earnings per share are calculated by dividing the consolidated and individual earnings attributable to shareholders of Sonae SGPS, SA by the weighted average number of common shares outstanding during the period, excluding the average number of own shares held by the Group e by Sonae SGPS, SA, respectively.

For the calculation of diluted earnings per share, the weighted average number of outstanding common shares is adjusted to reflect the effect of all potential diluting common stock, such as those resulting from convertible debt and own-share options granted to workers. The dilution effect translates into a reduction in earnings per share resulting from the assumption that convertible instruments are converted or that the options granted are exercised.

Earnings per share for the periods ended 31 December 2023 and 2022 were calculated taking into consideration the following amounts:

	31 Dec 2023		31 Dec 2022 Restated	
	Continuing Operations	Descontinuing Operations	Continuing Operations	Descontinuing Operations
Net profit				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	370,121	(13,059)	289,803	45,744
Net profit taken into consideration to calculate diluted earnings per share	**370,121**	**(13,059)**	**289,803**	**45,744**
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,927,122,839	1,927,122,839	1,918,582,232	1,918,582,232
Outstanding shares related with share based payments	17,557,923	17,557,923	21,614,929	21,614,929
Shares related to performance bonus that can be bought at market price	(2,186,595)	(2,186,595)	(5,877,648)	(5,877,648)
Weighted average number of shares used to calculate diluted earnings per share	**1,942,494,167**	**1,942,494,167**	**1,934,319,513**	**1,934,319,513**
Earnings per share				
Basic	**0.192059**	**(0.006777)**	**0.151051**	**0.023843**
Diluted	**0.190539**	**(0.006723)**	**0.149822**	**0.023649**

The average number of shares for the year ended 31 December 2023 considers 70,272,537 shares as own shares (79,734,758 shares in 31 December 2022) (Note 6.1).

6.4. Loans

Accounting policies

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments. Financial expenses are calculated based on the effective interest rate and are recorded in the consolidated income statement under "Financial expenses and losses" on an accruals basis. The portion of effective interest relating to commissions on issuing loans is deducted from the book value of the loan if it is not settled during the year.

Borrowings on the form of commercial paper are classified as non-current, when the Company has guarantees of placing for a period exceeding one year and it is its' intention to maintain the use of this form of financing for a period exceeding one year.

On 31 December 2023 and 2022, the Loans had the following details:

	31 Dec 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Loans	45,694	735,005	224,142	777,352
Bank overdrafts (Note 6.6)	1,554	-	2,974	-
Up-front fees beard with the issuance of borrowings	(289)	(1,484)	(372)	(968)
Bank loans	**46,959**	**733,521**	**226,744**	**776,384**

Bank Loans

	31 Dec 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae, SGPS, SA - commercial paper	–	–	45,000	–
Sonae, SGPS, SA - ESG-Linked commercial paper	–	127,500	–	300,000
Sonae SGPS, SA 2016/2029	–	30,000	–	30,000
Sonae SGPS, SA 2020/2025	12,500	12,500	–	25,000
Sonae, SGPS, SA - 2023/2029 - ESG Linked	–	30,000	–	–
MCRETAIL, SGPS,SA - commercial paper	–	25,000	–	103,132
Sonae SGPS affiliated / 2019/2022 - ESG Linked RC	–	18,972	–	–
MCRETAIL, SGPS,SA - ESG-Linked commercial paper	–	175,000	–	100,000
Sonae MC affiliated /2014/2023	–	–	50,000	–
MC Green Loan / 2018/2031	6,111	42,778	6,111	48,889
MC Green Loan affiliated / 2020/2025	–	55,000	–	55,000
Sonae MC affiliated / 2021/2028	3,333	13,333	3,333	16,667
Sonae Holding affiliated /2019/2026	–	50,000	–	50,000
Sonae Sierra SGPS, SA - commercial paper	19,300	–	–	–
Sonae Sierra affiliated /2021/2024	–	–	–	11,000
Sonae Sierra affiliated /2022/2027	–	6,425	–	–
Sonae Sierra affiliated /2016/2026	–	36,300	–	36,300
Sonae Sierra affiliated /2023/2028	186	739	–	–
Sonae Sierra affiliated /2015/2023	–	106,000	107,900	–
Others	4,264	5,457	11,797	1,365
	45,694	**735,005**	**224,142**	**777,352**

Bonds and other loans

	31 Dec 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bonds				
Bonds Sonae SGPS/ 2020/2027	–	25,000	–	25,000
Bonds ESG Sonae SGPS /2020/2025	4,000	4,000	4,000	8,000
Bonds ESG Sonae SGPS /2023/2028	–	75,000		–
Bonds MC / December 2019/2024	–	30,000	–	30,000
Bonds MC/ April 2020/2027	–	95,000	–	95,000
Bonds MC/ July 2020/2025	–	–	–	–
Bonds MC/ July 2020/2025	–	–	–	–
Bonds MC ESG / December 2021/2024	40,000	–	–	40,000
Bonds MC ESG / November 2021/2026	–	60,000	–	60,000
Bonds MC ESG 2023/2026	–	30,000	–	–
Bonds MC ESG 2023/2028	–	50,000	–	–
Bonds Sonae Sierra 2022/2029	–	50,000	–	50,000
Bonds Sonae Sierra 2022/2027	–	25,000	–	25,000
Bonds Sonae Sierra 2018/2023	–	–	25,000	–
Financing set-up costs	(127)	(1,973)	(154)	(1,628)
Bonds	**43,873**	**442,027**	**28,846**	**331,372**
Other loans	–	–	–	–
Derivative instruments (Note 5.2)	6	2,688	–	–
Creditors for financial leases	–	–	–	–
Other loans	**6**	**2,688**	**–**	**–**

The interest rate at 31 December 2023 on bond loans and bank loans averaged approximately 4.56% (2.24% at 31 December 2022). Most of the bond loans and variable-rate bank loans are indexed to Euribor.

It is estimated that the book value of all loans does not differ significantly from its fair value, determined based on discounted cash flows methodology.

Derivatives are recorded at fair value (Note 5.2) and in 2023 the operational hedge derivatives were reclassified to the captions "Other investments" or "Other receivables" depending on whether they are current or non-current assets.

The nominal value of contractual flows of loans has the following maturities:

	31 Dec 2023		31 Dec 2022	
	Capital	Interests	Capital	Interests
N+1 [a)]	91,248	55,666	256,116	33,461
N+2	103,546	50,098	180,854	26,007
N+3	378,920	44,624	100,365	24,477
N+4	321,999	28,705	344,887	21,773
N+5	312,490	14,918	338,135	13,478
After N+5	62,050	2,005	146,111	8,803
	1,270,253	**196,015**	**1,366,468**	**127,998**

a) Include amounts used from commercial paper programs when classified as current

The maturities above were estimated in accordance with the contractual terms of the loans and estimated regarding their reimbursement date.

As at 31 December 2023 there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 31 December 2023, Sonae has, as detailed below, cash and bank balances equivalents (Note 6.6) in the amount of 711 million euro (793 million euro in 2022) and available credit lines as follows:

	31 Dec 2023		31 Dec 2022	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities				
MC	196,000	285,000	161,000	275,000
Sierra	39,469	88,275	54,969	–
Holding & Others	194,000	953,978	149,000	195,000
	429,469	**1,327,253**	**364,969**	**470,000**
Agreed credit facilities				
MC	196,000	285,000	161,000	375,000
Sierra	39,469	114,000	54,969	–
Holding & Others	194,000	975,000	194,000	367,500
	429,469	**1,374,000**	**409,969**	**742,500**

Sonae considers as available lines with commitments exceeding 1 year the amount of the financing agreement of 600 million euro, with the aim of financing the voluntary public offer for the acquisition of shares of the Finnish company Musti Group Plc, which as of 31 December 2023, was not used.

6.5. Reconciliation of liabilities arising from financing activities

As at 31 December 2023 the reconciliation of liabilities arising from financing activities are as follows:

	Obligations under finance leases (Note 3.10)	Bank loans (Note 6.5)	Derivative financial instruments (Note 5.2)
Balance as at 01 January 2023	**1,206,565**	**1,363,347**	**4,849**
Cash flows:			
Receipts relating to financial debt	–	4,146,262	–
Payments relating to financial debt	(220,844)	(4,244,051)	–
Bank overdrafts	–	(1,420)	–
Financial debt update	84,341	–	–
Unpaid rents	889	–	–
Increase/(decrease) in fair value	–	–	(2,133)
Change in consolidation method	(5,125)	–	–
Lease contract increases	336,964	–	–
Up-front fees beard with the issuance of borrowings	–	(2,252)	–
Others	(961)	(619)	–
Balance as at 31 December 2023	**1,401,829**	**1,269,074**	**2,716**

6.6. Cash and cash equivalents

Accounting policies

The amounts included under the caption “Cash and cash equivalents” correspond to cash values, bank deposits, term deposits and other treasury, with an initial maturity of less than three months from the issue date, and which can be immediately mobilized with insignificant risk of change in value.

For the purposes of the consolidated statement of cash flows, the item Cash and cash equivalents also includes bank overdrafts included in the item “Other loans”, in the consolidated statement of financial position.

All amounts included in this heading are likely to be realized in the short term, with no pledges or guarantees given on these assets.

As at 31 December 2023 and 2022, Cash and cash equivalents are as follows:

	31 Dec 2023	31 Dec 2022
Cash at hand	18,965	15,159
Bank deposits	546,438	670,766
Bank deposits - shopkeepers deposits	2,902	2,873
Treasury applications	142,553	105,014
Cash and bank balances on the statement of financial position	**710,858**	**793,812**
Bank overdrafts (Note 6.4)	(1,554)	(2,974)
Cash and bank balances in the statement of cash flows	**709,304**	**790,838**

As at 31 December 2023 and 2022, the amount included in bank deposits, guarantees made by tenants, correspond to the guarantees provided by tenants in the Sonae Sierra segment. These amounts received from tenants are classified under “Other non-current liabilities” (Note 4.7) and “Other current liabilities” (Note 4.10).

Bank overdrafts include credit balances on current accounts with financial institutions, included in the statement of financial position in the caption "Loans".

6.7. Financial results

Accounting policies

Expenses and income related to the financing activity, such as interest paid, exchange differences associated with loans, among others, are accounted for in the period to which they relate, regardless of the date of payment or receipt. Expenses and income whose real value is not known are estimated.

Under the headings “Other current assets” and “Other current liabilities”, expenses and income attributable to the current period and whose expenses and income will only occur in

future periods are recorded, as well as expenses and income that have already occurred, but which relate to future periods and which will be imputed to the results of each of these periods, at the amount corresponding to them.

The financial results for the years ended 31 December 2023 and 2022 can be detailed as follows:

	31 Dec 2023	31 Dec 2022
Expenses		
Interest payable		
related with bank loans and overdrafts	(32,399)	(13,533)
related with non convertible bonds	(18,442)	(5,782)
related with operational leases (Note 3.10)	(84,970)	(74,264)
others	(312)	(735)
	(136,124)	**(94,315)**
Foreign exchange losses	(86,078)	(105,183)
Up front fees and commissions related to loans	(4,131)	(5,393)
Others	(1,594)	(2,588)
	(227,927)	**(207,479)**
Income		
Interest receivable		
related with bank deposits	6,349	362
others	8,451	4,807
	14,800	**5,169**
Foreign exchange gains	88,153	102,804
Earnings from derivative financial instrument	–	2,313
Fair value of financial derivatives	–	592
Other financial income	1,289	1,615
	104,243	**112,493**
Net Financial Expenses	**(123,684)**	**(94,986)**

7. Provisions, commitments and contingencies

7.1. Provisions

Accounting Policies

Provisions are recognized when, and only when, Sonae has a present obligation (legal or implicit) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at the balance sheet date to reflect the best estimate as of that date.

Restructuring provisions are recorded by Sonae whenever a formal and detailed restructuring plan exists, and that plan has been communicated to the parties involved.

Judgments and estimates

Contingent liabilities estimated for each reporting period are disclosed in the notes to the financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote.

Movements in "Provisions" during the period ended 31 December 2023 and 2022 are as follows:

	Non - current provisions	Current provisions
Balances on 01 Jan 2022	**21,475**	**4,170**
Increase	4,118	2,715
Decrease	(3,853)	(2,504)
Changes in consolidation perimeter	(122)	127
Balances on 31 Dec 2022	**21,621**	**4,508**
Increase	5,393	9,954
Decrease	(3,376)	(2,695)
Acquisitions of subsidiaries	11	452
Changes in consolidation perimeter	–	(3)
Balances on 31 Dec 2023	**23,649**	**12,217**

As at 31 December 2023 and 2022 the net amount of "Increases" and "Decreases" in provisions can be detailed as follows:

	31 Dec 2023	31 Dec 2022
Impairment losses in the income statement	12,776	3,149
Direct uses of other current provisions - other risks and charges - non-current	(2,079)	(2,278)
Others	(1,421)	(395)
	9,276	**476**

As at 31 December 2023 and 2022, the caption “Current provisions” and “Non-current provision” for other risks and charges can be analysed as follows:

	31 Dec 2023	31 Dec 2022
Future liabilities relating to retail subsidiaries operations sold in Brazil	10,083	7,557
Judicial claims	11,185	3,684
Own brand provision and clients guarantees	2,050	2,238
Contingency in Brazil related to withholding tax on dividends	4,708	4,708
Others responsibilities	7,837	7,940
	35,865	**26,128**

The headings “Non-current provisions” and “Current provisions” include 10,083 thousand euro (7,557 thousand euro as of 31 December 2022) to cover liabilities for non-current contingencies assumed by the company upon the sale of the subsidiary Sonae Distribuição Brasil, S.A. occurred in 2005. This provision will be used as those liabilities materialize, being constituted based on the best estimate of the expenses to be incurred with such liabilities and which result from a significant set of civil and labor and small value.

Additionally, the item “Ongoing legal proceedings” includes 8.6 million euro to face the process of challenging fines imposed by the Competition Authority.

Process for challenging fines imposed by the Competition Authority

In 2016, the Competition Authority (AdC) notified MCretail SGPS, S.A. (ex – Sonae MC SGPS, S.A.), Modelo Continente SGPS (Ex Sonae MC) and Modelo Continente Hipermercados, for the purposes of presenting a defense, within the scope of administrative offense proceedings initiated under the agreement signed between Modelo Continente and EDP Comercial regarding the campaign known as «Plano EDP Continente». It should be noted that the Edp/Continente Plan took place during 2012 and continued through the first months of 2013 to allow the use of discounts that had been granted to customers until 31 December 2012. The development of this type of Business promotion is common in the Portuguese market. In 2017, the AdC imposed fines worth 2.8 million to Sonae Investimentos and 6.8 million to Modelo Continente. The AdC also condemned MC, but did not impose any fine on it, as this company does not have any turnover. The aforementioned companies challenged the AdC's decision in court. On 30 September 2020, a sentence was handed down that confirmed the AdC's understanding regarding the illegality of the behavior in question, although reducing the amounts of the fine to, respectively, 2.52 million euro and 6.12 million euro. The companies appealed this sentence to the Lisbon Court of Appeal (TRL), where it is pending. On 5 April 2021, this Court suspended the proceedings and asked a dozen questions for a preliminary ruling to the Court of Justice of the Union (CJEU). On 26 October 2023, the CJEU delivered its ruling, providing its clarifications to the TRL's preliminary questions. Consequently, on 19 February 2024, the TRL delivered its ruling. Based on the most recent developments, the companies have provisioned the total amount of their respective fines, which amounts to a total of 8.6 million euro.

7.2. Commitments not reflected on the financial statements

As part of the restructuring of the Sierra BV portfolio, which occurred in 2020, the ownership in the non-core assets was transferred to Sierra Retail Ventures BV (“SRV”) (which shareholders are the same that owned Sierra BV, before the restructuring). The commitments agreed in 2003 at the time of the sale of 49.9% of Sierra BV share capital to a group of Investors, were transferred to SRV. According to this agreement, Sonae Sierra has agreed to revise the sale price of such shares in the event of a sale, to third parties, of some of the shopping centres owned by subsidiaries of Sierra BV (now SRV) subject to some conditions.

The price revision can occur both with a sale of the asset (investment property in the case) or with a sale of the shares of the company that is, directly or indirectly, the owner of such asset.

The price revision will be made by Sierra to the Investors in Sierra Fund or to Sierra BV if, in a relevant sale, discounts related to deferred taxes on capital gains have been made.

The price revision will be dependent on the percentage of ownership in the company that owns the asset, the Investors’ ownership percentage in SRV (and in case of a sale of shares adjusted by a 50% discount) and is limited to:

- in the case of the asset sale, a maximum amount of 13.7 million euro;

- in the case of a sale of shares of the company that directly or indirectly owns the asset, a maximum amount of 6.9 million euro;

- in the case of a sale of shares of the company that directly or indirectly owns the asset, the price revision plus the selling price, cannot result in a revised price that is greater than the proportion of the Net Asset Value.

These commitments are valid while the current agreements with the other stockholders of Sierra BV are maintained.

Furthermore, Sonae Sierra has the right to make a proposal for the acquisition of the asset or the shares at stake before they are offered for sale to a third party.

The agreements signed between the shareholders of Sierra BV, at the time of its incorporation in 2003, were replicated within SRV BV, with the agreements applying, mutatis mutandis, to SRV BV; in these it was agreed that the structure should exist for an initial period of 10 years, which was subsequently extended for several times. Correspondingly, the long-stop date was extended to 10 October 2024, as agreed by the shareholders of the Company on 5 September 2023, to implement the exit strategy for the investments indirectly held by the Company.

In accordance with the agreements made between the shareholders of the Company at the time of its incorporation in 2008, it was agreed that Sierra Portugal Fund should exist for an initial period of 10 years (which ended in March 2018), which was subsequently extended for several times. Correspondingly, the term of the fund was extended until 31 December 2024, as agreed by the shareholders of the Company on 2 June 2023, to allow the realization of the investments. If such realization is not achieved until such date, then investors shall reconsider an additional extension.

The Group believes that the direct sale of an asset in Portugal is not attractive as it is subject to certain encumbrances that are not supported if the sale is made through the sale of shares of the company that owns the asset.

On 4 October 2023, following the exercise of a put option related to a set of shares of the affiliated company ALLOS S.A. ("Company"), the Group entered into an agreement with the "Otto Entities" (collectively referred to as Mr. Alexander Otto, Arosa Vermögensverwaltungsgesellschaft M.B.H., and Cura Beteiligungsgesellschaft Brasilien M.B.H.), establishing an alternative mechanism with no transfer of Company" shares to the Otto Entities. In December 2023, a gain was registered following a payment made under the alternative agreement.

The alternative agreement stipulates a potential payment amount contingent upon the variability of the stock prices of the Company, consequently leading to a relevant level of unpredictability regarding the determination of its value or potential future economic benefits, as well as the likelihood of payment.

Concerning the alternative agreement, it was the Group's decision, given its considerable unpredictability, not to proceed with the measurement of any asset.

7.3. Provision and contingent liabilities relating to associated companies

NOS Group

a) NOS Group provision‘s

The processes described below are provisioned in the consolidated accounts of NOS, given the level of risk identified.

1. Extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU)

The extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU) is legislated in Articles 17 to 22 of Law no 35/2012, of 23 August. From 1995 until June 2014, MEO, SA (former PTC) was the sole provider for the universal service of electronic communications, having been designated administratively by the Portuguese government, i.e. without a tender procedure, which constitutes an illegality, by the way acknowledged by the European Court of Justice who, through its decision taken in June 2014, condemned the Portuguese State to pay a fine of 3 million euro. In accordance with Article 18 of the abovementioned Law 35/2012, of 23 August, the net costs incurred by the operator responsible for providing the universal service, approved by ANACOM, must be shared between other companies who provide, in national territory public communication networks and publicly accessible electronic communications services. NOS is therefore within the scope of this extraordinary contribution given that MEO has being requesting the payment of CLSU to the compensation fund of the several periods during which it was responsible for providing the services. In accordance with law, the compensation fund can be activated to compensate the net costs of the electronic communications universal service, relative to the period before the designation of the provider by tender, whenever, cumulatively (i) there are net costs, considered excessive, the amount of which is approved by ANACOM, following an audit to their preliminary calculation and support documents, which are provided by the universal service provider, and (ii) the universal service provider requester the Government compensation for the net costs approved under the terms previously mentioned.

Therefore:

- In 2013, ANACOM deliberated to approve the final results of the CLSU audit presented by MEO, relative to the period from 2007 to 2009, in a total amount of 66.8 million euro, a decision that was contested by NOS. In January 2015, ANACOM issued the settlement notes in the amount of 18.6 million euro related to NOS, SA, NOS Madeira and NOS Açores which were object of judicial challenge and for which a bail was presented by NOS SGPS to avoid Tax Execution Proceedings. The guarantees have been accepted by ANACOM.

- In 2014, ANACOM deliberated to approve the final results of the CLSU audit by MEO, relative to the period from 2010 to 2011, in a total amount of 47.1 million euro, a decision also contested by NOS. In February 2016, ANACOM issued the settlement notes in the amount of 13 million euro, related to NOS, SA, NOS Madeira and NOS Açores which were also contested and for which it was before also presented bail by NOS SGPS in order to avoid the promotion of respective tax enforcement processes. The guarantees that have been accepted by ANACOM.

- In 2015, ANACOM deliberated to approve the final results of the audit to CLSU resented by MEO relative to the period from 2012 to 2013, in the amount of 26 million euro and 20 million euro, respectively, and as the others, it was contested by NOS. In December 2016, the notices of settlement were issued relating to NOS, SA, NOS Madeira and NOS Açores, corresponding to that period, totaling 13.6 million euro that were contested by NOS and for which guarantees have been already presented by NOS SGPS in order to avoid the promotion of the respective proceedings of tax execution. The guarantees were also accepted by ANACOM.

- In 2016, ANACOM approved the results of the audit to the CLSU presented by MEO related with the period between January and June 2014, for a total amount of 7.7 million euro that was contested by NOS, in standard terms.

- In 2017, NOS, SA, NOS Madeira and NOS Açores were notified of the decision of ANACOM concerning the entities that are obliged to contribute toward the compensation fund and the setting of the values of contributions corresponding to CLSU that have to be compensated and relating to the months of 2014 in which MEO still remained as provider of the Universal Service, which establishes for all these companies a contribution totaling close to 2.4 million euro. In December 2017, the settlement notes relating to NOS, SA, NOS Madeira and NOS Açores, concerning that period, were issued in the amount of approximately 2.4 million euro, which were challenged by NOS and for which guarantees have also been presented by NOS SGPS, in order to avoid the promotion of their tax enforcement procedures. The guarantees were also accepted by ANACOM.

It is the opinion of the Board of Directors of NOS that these extraordinary contributions to Universal Service (not designated through a tender procedure) flagrantly violate the Directive of Universal Service. Moreover, considering the existing legal framework since NOS began its activity, the request of payment of the extraordinary contribution violates the principle of the protection of confidence, recognized on a legal and constitutional level in Portuguese domestic law. For these reasons, NOS will continue judicially challenge either the approval of audit results of the net cost of universal service related to the pre-competitive period, and the liquidation of each extraordinary contribution. In September 2021, the Lisbon Administrative Court of Appeal judged unfounded the action relating to the administrative challenge of the results of the audit of the 2007-2009 CLSU, which NOS appealed in October 2021. The Board of Directors is convinced that both challenges and appeals will be successful.

Legal actions and contingent assets and liabilities of NOS Group

1. Legal actions with regulators and competition Authority ("Autoridade da Concorrência" AdC)

NOS SA, NOS Açores and NOS Madeira brought actions for judicial review of ANACOM's decisions in respect of the payment of the Annual Fee of Activity (for 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022) as Electronic Communications Services Networks Supplier, and furthermore the refund of the amounts that meanwhile were paid within the scope of the mentioned acts of settlement was requested. For the year 2020, 2021 and 2022, also NOS Wholesale has judicially challenged the settlement of the Activity Fee.

The settlement amounts are, respectively, as follows:

- NOS SA: 2009: 1,861 thousand euro, 2010: 3,808 thousand euro, 2011: 6,049 thousand euro, 2012: 6,283 thousand euro, 2013: 7,270 thousand euro, 2014: 7,426 thousand euro, 2015: 7,253 thousand euro, 2016: 8,242 thousand euro, 2017: 9,099 thousand euro, 2018: 10,303 thousand euro, 2019: 10,169 thousand euro, 2020: 10,184 thousand euro, 2021: 9,653 thousand euro and 2022: 9,850 thousand euro.

- NOS Açores: 2009: 29 thousand euro; 2010; 60 thousand euro, 2011: 95 thousand euro, 2012: 95 thousand euro, 2013: 104 thousand euro, 2014: 107 thousand euro, 2015: 98 thousand euro, 2016: 105 thousand euro, 2017: 104 thousand euro, 2018: 111 thousand euro, 2019: 107 thousand euro, 2020: 120 thousand euro, 2021: 123 thousand euro and 2022: 123 thousand euro.

- NOS Madeira: 2009: 40 thousand euro, 2010: 83 thousand euro, 2011: 130 thousand euro, 2012: 132 thousand euro, 2013: 149 thousand euro, 2014: 165 thousand euro, 2015: 161 thousand euro, 2016: 177 thousand euro, 2017: 187 thousand euro, 2018: 205 thousand euro, 2019: 195 thousand euro, 2020: 202 thousand euro, 2021: 223 thousand euro and 2022: 235 thousand euro.

- NOS Wholesale: 2020: 36 thousand euro, 2021: 110 thousand euro and 2022: 90 thousand euro.

This fee is a percentage decided annually by ANACOM (in 2009 it was 0.5826%) of operators' electronic communications revenues. The appeals invoke: i) unconstitutionality and illegality, related to the inclusion in the cost accounting of ANACOM of the provisions made by the latter, due to judicial proceedings against the latter (including these appeals of the activity rate) and ii) that only revenues from the electronic communications business per se, subject to regulation by ANACOM, should be considered for the purposes of the application of the percentage and the calculation of the fee payable, and that revenues from television content should be excluded. Judgments have been handed down in more than two dozen cases on the matter, which ANACOM has appealed to the Central Administrative Court and/or the Constitutional Court, pending the outcome of the cases. In the second and third quarters of 2023, the Constitutional Court ruled, in more than a dozen separate cases, that Ordinance 1473-B/2008, of December 17, which regulates the determination of fees due for the exercise of the activity of provider of electronic communications networks and services, is unconstitutional, and ordered ANACOM to refund the amount unduly charged. In the year ended on 31 December 2023, a profit of 38.5 million euro was recognized as a result of the favorable decisions in the Constitutional

Court, and 15.6 million euro were received. The remaining process are awaiting final judgment/decision.

During the first quarter of 2017, NOS was notified by ANACOM of the initiation of an infraction process related to communications of prices update at the end of 2016, beginning of 2017. In the end of the last trimester of 2020, ANACOM notified NOS of the accusation, with the practice of 4 very severe offences and 1 severe offence related, respectively, with i) the non-communication to customers of the right to rescind the contract with no charges, as a result of prices changes, with (ii and iii) the supposed non-communication of pricing update and with (iv) the adequate advance and, yet, (v) the lack of information to be communicated to ANACOM. However, ANACOM did not present any value for a fine, except in relation to the with severe offence. In this case, ANACOM gave NOS the possibility to settle the fine by the minimum, in the amount of 13 thousand euro, which NOS did. NOS presented its written defense on 29 January 2021. NOS was notified, in November 2022, of ANACOM's decision that condemned NOS to pay a fine of 5.2 million euro. NOS has challenged the decision in court, and, in June 2023, the court reduced the amount of the fine imposed on NOS to 4.2 million euro. NOS appealed this decision to the Court of Appeal. which reduced the value of the fine to 3.5 million euro, having, to that extent, filed an appeal with the Constitutional Court. Further developments are awaited.

On 17 July 2020, NOS was notified by the AdC of an illegality note (accusation) related to digital marketing on a google search engine, which accuses the operators MEO, NOS, NOWO and Vodafone of concertation, for a period ranging from between 2010 and 2018, failing to identify a concrete fine. It is not possible, at this moment, to estimate the value of an eventual fine. NOS presented its written defense to the Portuguese Competition Authority (AdC) and an appeal to the Lisbon Court of Appeal, where it challenged the nullity of the obtained evidence. In July 2022, the Lisbon Court of Appeal confirmed NOS position pending further developments. Is the Board of Directors' conviction, taking into account the elements it knows, that will be able to demonstrate the various arguments in favor of its defense.

On 15 December 2021, NOS was notified by the Portuguese Competition Authority (AdC) of an illegality note (accusation) related to advertising service practices in automatic recordings, which accuses NOS, other operators and a consultant of concertation behavior in the television recordings advertising market. NOS presented its written defense and subsequently challenged the nullity of the taking of evidence. At the time, it is not possible to estimate whether there will be an acquittal or conviction and, in the case of the latter, the amount of a possible fine. Further developments on the AdC's decision are awaited. It is the conviction of the Board of Directors, taking into account the elements it knows, that it will be able to demonstrate the various arguments in favor of its defense.

2. Tax Authorities

During the course of the 2003 to 2023 financial years, some companies of the NOS Group were the subject of tax inspections for the 2001 to 2021 financial years. Following these inspections, NOS SGPS, as the controlling company of the Tax Group, and companies not covered by Tax Group, were notified of the corrections made to the Group's tax losses, to VAT and stamp tax and to make the payments related to the corrections made to the above exercises. The total amount of the notifications unpaid is about 38 million euro, added interest, and charges. These settlement notes, which totally were contested, are the respective lawsuits in progress.

Based on the advice obtained from the process representatives and tax consultants, the Board of Directors maintains the belief in a favorable outcome, which is why these proceedings are maintained in court. However, in accordance with the principle of prudence, an assessment of the Group’s level of exposure to these proceedings is made periodically, in the light of the evolution of case law, and consequently the provisions recorded for this purpose are adjusted. The NOS’s group provided the guarantees demanded by the Tax Authorities, related to these processes.

3. Actions by MEO against NOS S.A., NOS Madeira and NOS Açores and by NOS S.A. against MEO

In 2011, MEO brought against NOS SA, in the Judicial Court of Lisbon, a claim for the compensation of 10.3 million of euro, as compensation for alleged unauthorized portability of NOS SA in the period between March 2009 and July 2011. NOS SA contested, and the Court ordered an expert opinion, meanwhile, deemed without effect. The discussion and trial hearing took place in the first semester of 2016, being the rendered in September of the same year, which considered the action to be partially justified, based not on the occurrence of improper portability, which the Court has determined to restrict itself to those which do not correspond to the will of the proprietor. In that regard, it sentenced NOS to the payment of approximately 5.3 million euro to MEO, a decision of which NOS appealed to the Lisbon Court of Appeal. MEO, on the other hand, was satisfied with the decision and did not appeal against the part of the sentence that acquitted NOS. This Court, in the first quarter of 2018, upheld the decision of the Court of First Instance, except for interests, in which it gave reason to the claims of NOS, in the sense that interests should be counted from the citation to the action and not from the due date of the invoices. NOS filed an extraordinary appeal with the Supreme Court of Justice (SCJ), that appeal which found that the facts established were insufficient to resolve on the substance of the case. Consequently, the SCJ ordered that the court under appeal should amplify the facts. The case was transferred to the Court of First Instance and in November 2019, this, granted the parties the possibility of requesting the production of supplementary evidence on the subject of the extension, with NOS requesting an expert examination and the repetition of testimonial evidence. In February 2020, the Court determined the need to obtain new evidence, which requires the analysis of the information relating to all portabilities that serve as the basis for the process, determining the carrying out of expert evidence for that purpose. The appointment of the expert occurred on October 2021. In December 2022, the expert asked to be relieved of his duties because he felt that the qualified non-judicial verification was unfeasible in view of the volume of documentation to be analyzed, having the court determined in April 2023, that, in view of the expert's request, the trial should be limited to the submission of written pleadings. The parties submitted their written pleadings in June and NOS, in addition, filed an autonomous appeal against that order, on the grounds that the court's decision violated the STJ judgment. In July 2023, even though no additional evidence had been produced as determined by the STJ, the Court handed down a new decision ordering NOS to pay 5.3 million euro. This decision has already been appealed to the Lisbon Court of Appeal. Further developments are awaited.

In 2011, NOS SA brought an action in Lisbon Judicial Court against MEO, claiming payment of 22.4 million euro, for damages suffered by NOS SA, arising from violations of the Portability Regulation by MEO, in particular, the large number of unjustified refusals of portability requests by MEO in the period between February 2008 and February 2011. The court declared the performance of expert evidence of technical nature and an economic-financial survey, which were completed in February 2016 and June 2018, respectively. MEO argued for the nullity of the expert economic-financial report, which was dismissed. After the trial, in May 2022, the court partially agreed with NOS, condemning MEO to pay 7.9 million euro, a decision challenged by MEO and NOS by filing appeals in October 2022. At the end of March 2023, the Lisbon Court of Appeal revoked the initial decision and ordered the expansion of the facts, which will entail new trial sessions. It is the understanding of the Board of Directors, corroborated by the attorneys accompanying the process, that it is, in formal and substantive terms, likely that NOS SA will be able to win the lawsuit, due to MEO already having been convicted for the same offences by ANACOM.

4. Action brought by DECO

In March 2018, NOS was notified of a lawsuit brought by DECO against NOS, MEO and NOWO, in wich a declaration of nullity of the obligation to pay the price increases imposed on customers at the end of 2016 is requested. In April and May 2018, the operators, icluding NOS, filed a challenge. To the action was fixed a value of 60,000 euro. Discussion and judging sessions held, in 2022, the parts are now awainting the court's decision. It is the conviction of the Board of Directors of NOS that the arguments used by the plaintiff are unfounded, which is why it is believed that the outcome of the process should not result in significant impacts on NOS financial statements.

5. Action brought by Citizens Voice

In November 2022, NOS was cited in a lawsuit filed by Citizens Voice — Consumer Advocacy Association, where a set of requests related to the automatic activation of

predefined volumes of mobile data is required, once the volume of data included in the monthly fee contracted by the customers has been exhausted. The Citizens Voice request: (i) a judicial declaration that this practice is illegal because it considers that it infringes a number of national and European rules, (ii) the recognition of the right of customers to refuse to contract these services, (iii) the return of amounts paid in this respect over the last few years by customers of NOS, as well as (iv) the payment of compensation in the amount of 100 euro to each customer for alleged non-material damage resulting from that practice. In December 2022 NOS presented its defence on the ground of the illegitimacy of the Citizens Voice to present this claim, due to the existence of a lucrative interest, and as for the most defending the lawfulness of the practice and the total transparency and clarity of the same for the respective clients. The further terms of the procedure are currently awaited, being the conviction of the Board of Directors that the arguments used by the author are unfounded, which is why it is believed that the outcome of the process should not result in significant impacts on NOS financial statements.

6. Interconnection tariffs

As at 31 December 2023, there are outstanding balances with national operators, recorded under the headings of customers and suppliers, in the amount of 37,139,253 euro and 43,475,093 euro respectively, which result from a dispute between the subsidiary, NOS SA and essentially MEO - Serviços de Comunicações e Multimédia, SA (formerly known as TMN-Telecomunicações Móveis Nacionais, SA), concerning the uncertainty of interconnection prices for 2001. In the part of this dispute with MEO that was in court, the result was totally favorable to NOS SA, having already become final. In March 2021, MEO brought a new lawsuit against NOS, in which it claims the fixing of the price of interconnection services between TMN and Optimus for 2001 at 55$00 (0.2743 euro) per minute. After NOS have filed a challenge challenging the petitioner by MEO, a previous hearing was held and, by judicial decision, NOS was absolved of the instance MEO filed an appeal against the decision, which was dismissed, and in February 2023 filed a new appeal to the STJ where NOS presented reply to allegations. In October 2023, the STJ dismissed the appeal presented by MEO, which, in November 2023, filed an appeal with the Constitutional Court. Further developments in the process are awaited, with the understanding of the NOS Board of Directors, corroborated by the lawyers following the process, that there are, in substantive terms, good chances that NOS SA will be able to win the action.

7.4. Contingent assets and liabilities

Accounting Policies

Contingent assets are not recorded in the financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are not recorded in the financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

As at 31 December 2023 and 2022, contingente liabilities to wich Group is exposed can be detailed as follows:

	31 Dec 2023	31 Dec 2022
Guarantees given:		
on tax claims	1,044,667	965,918
on judicial claims	105,159	36,464
on municipal claims	6,547	6,154
contractual guaranties by proper compliance	39,767	39,848
others guarantees	764	4,902
	1,196,903	**1,053,285**

a) Tax Claims

The main tax claims with bank guarantees given or sureties associated are as follows:

- Tax claims for additional VAT payment for the period 2004 to 2013 for which guarantees, or sureties were provided in the amount of 342,1 million euro (342,1 million euro as at 31

December 2022). The tax claims, with remote probably outcome, result from the Tax Administration's understanding that the Group should have invoiced VAT related to promotional discounts granted by suppliers, based on purchases amounts, since Tax Authorities claims it corresponds to alleged services rendered to those entities. Tax authorities also claim that the Group should not have deducted VAT from discount vouchers used by its non-corporate clients.

- Proceedings related to income tax of legal entities of Sonae SGPS, SA, for which guarantees, sureties or insurance were provided in the amount of 184,3 million euro (184,3 million euro in 2022) in favour of the Management Tax for the years 2007 to 2015 and 2017. In these guarantees or sureties, the most relevant amount is associated with a positive equity variation due to the sale of own shares to a third party in 2007, as well as the disregard of reinvestment regarding more capital gains on the sale of shares, or the tax neutrality associated with spin-off operations. The company proceeded with the judicial challenge of these additional assessments, and the Board of Directors believes, based on the opinion of its advisors, that the aforementioned legal challenges will be upheld.

- Sureties in the amount of, approximately, 60 million euro as a result of a tax appeal presented by the Company MCRetail, SGPS, S.A. concerning an additional tax assessment by Tax authorities, relating to 31 December 2005, corresponding to a prior coverage of tax losses accrued by the company held, which was taken to the cost of the participation, moreover, as is already understood by the Tax Administration itself, it was understood that now and in the concrete case it should not consider the amount of the cost of participation, including, therefore, the coverage of losses, upon the liquidation of the company held;

- Fiscal lawsuit related to rent tax, concerning a subsidiary of the Company in Brazil, in the amount of, approximately, 12,2 million euro (65,3 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 19,5 million euro (104,6 million Brazilian real). The difference between the value of the contingency and the value of the guarantee relates with the update of the related responsibility.

- In view of the issuance of additional assessments of Corporate Tax to MCH Sucursal, as representative of the Tax Group in Spain of which Sonae SGPS, SA is the dominant entity, and taking into account that the company contested these assessments and intends to fully exhaust the avenues of contestation available under Spanish and Community law, a guarantee was provided to the Spanish State in the form of bond insurance, in the amount of 85,8 million euro, to ensure compliance with this responsibility in the remote event that it were to be confirmed by the Spanish Courts.

At the same time, a firm agreement was established between MCH and Sonae SGPS, SA, under which the latter, as the dominant entity of the Tax Group in Spain, fully assumed this responsibility, through a firm commitment to reimburse MCH any amount owed be paid to the Spanish State in relation to these settlements.

b) Contingent assets and liabilities related to tax claims paid under regularization programs of tax debt

Within the framework of regularization of tax debts to Tax Authorities, (Outstanding Debts Settlement of Tax and Social Security (Decree of law 67/2016 of 3/11, 151-A/2013 of 31/10 and 248-A/2002 of 14/11), the Group made tax payments in the amount of, approximately, 17 million euro, having the respective guarantees been eliminated. The related tax appeals continue in courts, having the maximum contingencies been reduced through the elimination of fines and interests related with these tax assessments.

As established in the support diplomas to the referred programs, the Group maintains the respective legal proceedings in progress, and expects that the situations in question will be ruled in favour. The amount paid under the mentioned plans regarding income tax was recognised as an asset.

c) Other contingent liabilities

- Contingent liabilities related to subsidiaries sold in Brazil

Following the disposal of a subsidiary in Brazil, Sonae guaranteed to the buyer of the subsidiary all the losses incurred by that company arising on unfavourably decisions not open for appeal, concerning tax lawsuits on transactions that took place before the sale date (13 December 2005) and that exceed 40 million euro. The amount claimed by the Brazilian

Tax Authorities, concerning the tax lawsuits still in progress, which the company's lawyers assess as having a high probability of loss, plus the amounts already paid 19.4 million euro (18.3 million euro at 31 December 2022) related to programs for the Brazilian State of tax recovery, amount to near 17.8 million euro at 31 December 2023 (17 million euro at 31 December 2022).

Furthermore, there are other tax assessments totalling 88.7 million euro (85.3 million euro as at 31 December 2022) for which the Board of Directors, based on its lawyers' assessment, understands will not imply future losses to the former subsidiary. During 2022, WMS filed a declaratory action in Portugal in the form of a common procedure against MCRetail, with a view to declaring the right to use the comfort letter provided by the latter in 2005 in the context of the sale of the operation retail in Brazil. Based on the assessment of its lawyers, the competent defense was presented.

- Procedure for contesting fines imposed by the Competition Authority

In 2016, the Competition Authority ("Autoridade da Concorrência"- AdC) notified MCRetail SGPS, SA (former Sonae MC SGPS, SA), Modelo Continente SGPS (Former MC) and Modelo Continente Hipermercados, for the purpose of presenting a defence, in the context of a misconduct proceeding under the agreement entered into between Modelo Continente and EDP Comercial campaign known as "EDP Continente Plan" (Plano EDP Continente). It should be noted that the Edp/Continente Plan took place during 2012 having been extended through the first months of 2013 to allow the use of discounts that had been granted to customers until 31 December 2012. The development of this type of business promotion agreement is a common practice in the Portuguese market.

In 2017, the AdC imposed fines of 2.8 million euro on Sonae Investimentos and 6.8 million euro on Modelo Continente. AdC also condemned MC, but it did not impose any fine on it since that company does not present any turnover. These companies challenged the AdC's decision in court.

As of 30 September 2020 a decision was handed down that confirmed the AdC's understanding of the illegality of the behaviour in question, although reducing the amounts of the fine to, respectively, 2.52 million euro and 6.12 million euro. The companies appealed this decision to the Lisbon Court of Appeal (TRL), where it is pending. On 5 April 2021, this Court suspended the proceedings and formulated a dozen of preliminary judicial questions to the Court of Justice of the Union (TJUE).

On 26 October 2023, the TJEU delivered its judgment, providing its clarifications to the questions referred by the TRL. Consequently, on 19 February 2024, the TRL delivered its judgment. On the basis of the latest developments, the companies provided for the total amount of the respective fines, in a total of 8.6 million euro.

- Research in progress by the Competition Authority

In 2017, Modelo Continente Hipermercados, S.A. was subject to search and seizure of documents by the Competition Authority (AdC), as part of an investigation publicly reported by AdC as involving 21 entities in the retail sector of consumer goods (for example, hypermarkets, supermarkets, harddiscounts and its suppliers). In the context of that investigation, the AdC initiated several administrative offense proceedings. Until 31 December 2022, 10 Notes of Illegality were issued in 10 of these proceedings.

In the course of 2020, the AdC issued condemnation decisions in two of these cases, setting a "competition fine" to MCH in the amount of 121.9 million euro.

In the course of 2021, the AdC issued conviction decisions in three other of these cases, setting a total fine of 38.95 million euro for MCH.

In the course of 2022, the AdC handed down condemnation decisions in four other of these cases, having set MCH a fine in the total of those four of 83.7 million euro.

In the course of 2023, the AdC issued a decision condemning one of these cases and set MCH with a fine of 7.7 million euro. Condemnatory decisions can and will be challenged before the Competition Authority, within the due legal time limits. Based on the assessment of its lawyers and economic consultants, the Board of Directors disagrees with the understanding and decision of the Competition Authority, which it considers to be totally unfounded, with the result that the competent appeals will be presented, and for this reason, no provision was accounted.

d) Contingent liabilities related to subsidiaries of Sierra

As of 31 December 2023, and 2022, Sierra's main contingent liabilities relate to the owing situations:

- In 2023 the Group provided a comfort letter in favour of a bank, by which the Group guarantees in the proportion of its stake of 50%, the fulfilment of certain obligations of BrightCity, S.A. ("BrightCity") arising from the contract between BrightCity and the bank whereby the bank issued a bank guarantee of 493 thousand euro in benefit of City Council of Chaves ("CCC").

- In 2023 the Group provided a comfort letter to the bank that granted the loan to Signal Alpha Republica I, SA ("Signal I") by which the Group guarantees in the proportion of its stake of 5% the fulfilment of certain obligations arising from the financing agreement signed on 14.07.2023.

- In 2023 the Group provided a comfort letter to the bank that granted the loan to Signal Alpha Republica II, SA ("Signal II") by which the Group guarantees in the proportion of its stake of 5% the fulfilment of certain obligations arising from the financing agreement signed on 14.07.2023.

- In 2020, Sierra agreed with the bank that granted the loan to Mercado Urbano – Gestão Imobiliária, S.A. ("Mercado Urbano") to fulfill the obligations arising from that loan in proportion to its 20% stake.

- In 2020 the Group provided a comfort letter in favour of a bank, by which the Group guarantees in the proportion of its stake of 20%, the fulfilment of certain obligations of Mercado Urbano arising from the contract between Mercado Urbano and the bank whereby the bank issued a bank guarantee of 685 thousand euro in benefit of City Council of Porto ("CCP") in order to secure the obligations assumed towards CCP under the surface right contract in force between the Mercado Urbano and CCP related to the surface right over Mercado do Bom Sucesso.

- In 2020 the Group agreed with the bank that granted the loan to Fideicomiso Jardin Plaza Cucuta, for the construction of the shopping centre Jardín Plaza Cúcuta, by which the Group guarantees in the proportion of its stake of 25% the fulfilment of certain obligations arising from this financing.

- Contingent liabilities related to joint ventures are disclosed in Note 3.2.1.

No provision has been recorded to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for Sonae.

8. Related Parties

Balances and transactions with related parties during the periods ended 31 December 2023 and 2022 are as follows:

	Parent Company		Jointly controlled companies	
	31 Dec 2023	31 Dec 2022 Restated	31 Dec 2023	31 Dec 2022 Restated
Sales and services rendered	357	312	7,863	17,669
Other income	15	13	585	624
COGS and materials consumed	–	–	(398,058)	(355,001)
External supplies and services	(402)	(480)	(3,672)	(6,110)
Other expenses	–	(3)	(167)	(2)
Financial income	–	–	767	515
Financial expense	(463)	(114)	(111)	(113)

	Associated companies		Other related parties	
	31 Dec 2023	31 Dec 2022 Restated	31 Dec 2023	31 Dec 2022 Restated
Sales and services rendered	122,058	119,342	12,177	10,241
Other income	1,710	1,958	2,659	5,048
COGS and materials consumed	(1,952)	(1,163)	(1,619)	(1,848)
External supplies and services	(20,138)	(19,391)	(7,055)	(9,672)
Other expenses	(950)	(54)	(74)	(25)
Dividends received	–	11,988	–	–
Financial income	318	431	56	156
Financial expense	(6,266)	(6,273)	(4)	(3)

	Parent Company		Jointly controlled companies	
	31 Dec 2023	31 Dec 2022 Restated	31 Dec 2023	31 Dec 2022 Restated
Other non-current assets	–	–	8,061	8,900
Trade receivables	38	38	3,278	1,019
Other receivables	9	9	7,244	5,678
Trade payables	–	–	(79,757)	(83,542)
Other payables	(382)	(553)	(4,185)	(365)
Aquisition of tangible assets	–	–	184	118
Sales of of tangible assets	–	–	(4)	–
Aquisition of intangible assets	–	–	–	1

	Associated companies		Other related parties	
	31 Dec 2023	31 Dec 2022 Restated	31 Dec 2023	31 Dec 2022 Restated
Other non-current assets	3,529	8,759	4	4
Trade receivables	18,394	20,559	1,528	2,818
Other receivables	6,631	16,116	2,234	2,054
Trade payables	(3,497)	(4,536)	(697)	(896)
Other payables	(5,169)	(8,408)	(1,038)	(871)
Aquisition of tangible assets	2,106	2,698	4	92
Sales of of tangible assets	(4)	(3)	–	(1)
Aquisition of intangible assets	921	812	–	61

The related parties include subsidiaries and jointly controlled companies or associated companies of Sierra SGPS, S.A., NOS SGPS, S.A., Sonae Indústria, SGPS, S.A., Sonae Capital, SGPS, S.A., and SC Industrials, S.A., as well as other shareholders of subsidiaries or jointly controlled companies by Sonae, and other subsidiaries of the parent company Efanor Investimentos, SGPS, S.E..

The remuneration of the members of the Board of Directors of the parent company and of the employees with strategic management responsibility, earned in all Sonae companies for the years ended at 31 December 2023 and 2022, is composed as follows:

	31 Dec 2023		31 Dec 2022	
	Board of Directors	Strategic Direction (a)	Board of Directors	Strategic Direction (a)
Short-term benefits	3,410	8,754	2,522	8,796
Share-based benefits	1,307	2,641	837	3,487
	4,717	11,395	3,358	12,283

(a) Includes personnel responsible for the strategic management of the companies of Sonae (excluding members of the Board of Directors of Sonae).

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

The remuneration paid to the Statutory Auditor and the External Auditor, PricewaterhouseCoopers & Associados, SROC, SA, by the Group on 31 December 2023 amounted to 844 thousand euro (826 thousand euro in 2022).

The details of the services provided during the 2023 financial year are as follows:

	31 Dec 2023		31 Dec 2022 Restated	
Statutary audit and accounts certification	651	77.1%	678	82.0%
Other Compliance and Assurance Services	72	8.6%	88	10.6%
Tax Consultancy Services	18	2.1%	16	1.9%
Other services	103	12.2%	45	5.4%
	844	100.0%	826	100.0%

The total value of "Other services" totalled 159,7 thousand euro, however only 103 thousand euro were invoiced in 2023, the remainder will be invoiced in 2024.

Attachment I - Companies in the Consolidation Perimeter

Subsidiary companies included in the consolidation

The subsidiary companies included in the consolidation, their registered offices and proportion of capital held at 31 December 2023 and 31 December 2022, are as follows:

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.		Maia (Portugal)	HOLDING	HOLDING	HOLDING	HOLDING
MC						
Arenal Perfumerias S.L.U.	a)	Lugo (Spain)	100.00%	45.01%	100.00%	45.01%
Asprela – Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Azulino Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
BB Food Service, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Bertimóvel - Sociedade Imobiliária, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Bom Momento - Restauração, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Brio – Produtos de Agricultura Biológica, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Canasta - Empreendimentos Imobiliários, S.A.	a), 1)	Maia (Portugal)	–	–	100.00%	75.01%
Chão Verde - Sociedade de Gestão Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Citorres - Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Contimobe - Imobiliária de Castelo de Paiva, S.A.	a)	Castelo de Paiva (Portugal)	100.00%	75.01%	100.00%	75.01%
Continente Hipermercados, S.A.	a)	Oeiras (Portugal)	100.00%	75.01%	100.00%	75.01%
Cumulativa - Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Denethor Investments S.L.	a), 2)	Madrid (Spain)	100.00%	75.01%	–	–
Elergone Energias, Lda.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Farmácia Selecção, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Fozimo - Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia (Portugal)	95.41%	71.57%	95.31%	71.49%
Go Well - Promoção de Eventos, Catering e Consultoria, S.A.	a)	Lisbon (Portugal)	100.00%	75.01%	100.00%	75.01%
H&W - Mediadora de Seguros, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
IGI Investimentos Gestão Imobiliária, S.A.	a)	Oporto (Portugal)	100.00%	75.01%	100.00%	75.01%
Igimo - Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Iginha - Sociedade Imobiliária, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Imoestrutura - Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Imomuro - Sociedade Imobiliária, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Imoresultado - Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Imosistema - Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	75.01%	100.00%	75.01%
MC Shared Services, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
MCCARE – Serviços de Saúde, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
MCMKT Brands, Lda.	a), 3)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
MContinente, SGPS, S.A.	a), 4)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
MCRETAIL, SGPS, S.A.	a)	Matosinhos (Portugal)	75.01%	75.01%	75.01%	75.01%
MJLF - Empreendimentos Imobiliários, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Modelo Continente Hipermercados, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Modelo Continente International Trade, S.A.	a)	Madrid (Spain)	100.00%	75.01%	100.00%	75.01%
Modelo Hiper Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Mundo Note Papelaria, Livraria e Serviços, S.A.	a), 5)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Pharmaconcept – Actividades em Saúde, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Pharmacontinente - Saúde e Higiene, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Ponto de Chegada – Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Portimão Ativo – Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Predicomercial - Promoção Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Predilugar - Sociedade Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
SCBRASIL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	75.01%	100.00%	75.01%
Selifa - Empreendimentos Imobiliários de Fafe, S.A.	a), 1)	Maia (Portugal)	–	–	100.00%	75.01%
Sempre à Mão - Sociedade Imobiliária, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	75.01%	100.00%	75.01%
So Fish - Atividades Aquícolas e Pesca, Unipessoal Lda.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Socijofra - Sociedade Imobiliária, S.A.	a)	Gondomar (Portugal)	100.00%	75.01%	100.00%	75.01%
Sociloures - Sociedade Imobiliária, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Soflorin, B.V.	a)	Amsterdam (Netherlands)	100.00%	75.01%	100.00%	75.01%
Sondis Imobiliária, S.A.	a)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
Sonvecap, B.V.	a)	Amsterdam (Netherlands)	100.00%	75.01%	100.00%	75.01%
Tomenider S.L.	a)	Lugo (Spain)	60.00%	45.01%	60.00%	45.01%
Valor N, S.A.	a)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Zu, Produtos e Serviços para Animais, S.A.	a), 6)	Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%
Worten						
HighDome PCC Limited (Cell Europe)	a)	La Valeta (Malta)	100.00%	100.00%	100.00%	100.00%
JIC - Acessórios para Telemóveis, S.A.	a), 7)	Matosinhos (Portugal)	100.00%	100.00%	–	–
MKTPLACE – Comércio Eletrónico, S.A.	a)	Oporto (Portugal)	100.00%	100.00%	100.00%	100.00%
Satfiel - Serviços de assistência técnica a eletrodomésticos, Lda.	a)	Oporto (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten - Equipamento para o Lar, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten Canárias, S.L.	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Worten España Distribución, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Worten International Trade, S.A.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Worten Malta Holding Limited	a)	La Valeta (Malta)	100.00%	100.00%	100.00%	100.00%
Worten Safe, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Zaask – Plataforma Digital, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sierra						
Axnae Spain Holdings, S.L.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	90.00%
BrightCity, S.A.	a), 8)	Maia (Portugal)	–	–	100.00%	90.00%
CCCB Caldas da Rainha - Centro Comercial, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	90.00%
Coimbrashopping- Centro Comercial, S.A.	a)	Maia (Portugal)	100.00%	50.10%	100.00%	45.09%
Gli Orsi Shopping Centre 1 Srl	a)	Milan (Italy)	100.00%	100.00%	100.00%	90.00%
Iberian Holdings Spain, S.L.	a)	Madrid (Spain)	100.00%	50.10%	100.00%	45.09%
Ioannina Development of Shopping Centres, S.A.	a)	Athens (Greece)	100.00%	100.00%	100.00%	90.00%
La Galleria Srl	a)	Milan (Italy)	80.00%	80.00%	80.00%	72.00%
Living Markets I, S.A.	a), 8)	Oporto (Portugal)	–	–	100.00%	90.00%
Microcom Doi, Srl	a)	Bucharest (Romania)	100.00%	100.00%	100.00%	90.00%
North Tower B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Paracentro - Gestão de Galerias Comerciais, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	90.00%
Parklake Business Centre Srl	a)	Bucharest (Romania)	100.00%	100.00%	100.00%	90.00%
Parklake Shopping, S.A.	a)	Bucharest (Romania)	100.00%	100.00%	100.00%	90.00%
Parque D. Pedro 1, SARL	a)	Luxembourg	100.00%	100.00%	100.00%	90.00%
Plenerg Srl	a)	Bucharest (Romania)	100.00%	100.00%	100.00%	90.00%
Project São João de Deus, S.A.	a)	Oporto (Portugal)	100.00%	100.00%	100.00%	90.00%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Project Sierra 10 B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Project Sierra 11 B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Project Sierra 12 B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Project Sierra 13 B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Project Sierra 14 B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Project Sierra Four, Srl	a)	Bucharest (Romania)	100.00%	100.00%	100.00%	90.00%
Project Sierra Germany 4 (four) - Shopping Centre, GmbH	a)	Dusseldorf (Germany)	100.00%	100.00%	100.00%	90.00%
Property Management (PMB) LLC	a), 7)	Kosovo (Balkans)	100.00%	100.00%	–	–
River Plaza B.V.	a), 9)	Amsterdam (Netherlands)	–	–	100.00%	90.00%
Sierra - Serviços de Mediação Imobiliária, S.A.	a)	Oporto (Portugal)	100.00%	100.00%	100.00%	90.00%
Sierra Brazil 1, Sarl	a)	Luxembourg	100.00%	100.00%	100.00%	90.00%
Sierra Colombia Holding, S.L.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Sierra Colombia Investments, S.A.S.	a)	Bogota (Colombia)	100.00%	100.00%	100.00%	90.00%
Sierra Developments Holding B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Sierra Developments, SGPS, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	90.00%
Sierra Germany GmbH	a)	Dusseldorf (Germany)	100.00%	100.00%	100.00%	90.00%
Sierra GP Limited	a)	Guernesey (United Kingdom)	100.00%	100.00%	100.00%	90.00%
Sierra Iberian Assets Holding, S.A.U.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	90.00%
Sierra IG, SGOIC, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	90.00%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Sierra Investments (Holland) 1 B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Sierra Investments (Holland) 2 B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Sierra Investments Holdings B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Sierra Investments SGPS, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	90.00%
Sierra Italy Agency Srl	a)	Milan (Italy)	100.00%	100.00%	100.00%	90.00%
Sierra Italy Srl	a)	Milan (Italy)	100.00%	100.00%	100.00%	90.00%
Sierra Management, SGPS, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	90.00%
Sierra Maroc Services, SARL	a)	Casablanca (Morocco)	100.00%	100.00%	100.00%	90.00%
Sierra Maroc, SARL	a)	Casablanca (Morocco)	100.00%	100.00%	100.00%	90.00%
Sierra Portugal, S.A.	a)	Lisbon (Portugal)	100.00%	100.00%	100.00%	90.00%
Sierra Real Estate Greece B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Sierra Retail Ventures B.V.	a)	Amsterdam (Netherlands)	100.00%	50.10%	100.00%	45.09%
Sierra Romania Real Estate Services SRL	a), 10)	Bucharest (Romania)	100.00%	100.00%	100.00%	90.00%
Sierra Services Holland B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Sierra Solingen Holding GmbH	a), 9)	Dusseldorf (Germany)	–	–	100.00%	90.00%
Sierra Spain Real Estate Services, S.A.U.	a), 11)	Madrid (Spain)	100.00%	100.00%	100.00%	90.00%
Sierra Zenata Project B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Sierragest - Gestão de Fundos, SGOIC, S.A.	a), 12)	Maia (Portugal)	–	–	100.00%	90.00%
Sonae Sierra Brazil Holdings, SARL	a)	Luxembourg	100.00%	100.00%	100.00%	90.00%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Sonae Sierra, SGPS, S.A.	a)	Maia (Portugal)	100.00%	100.00%	90.00%	90.00%
SPF - Sierra Portugal, SARL	a)	Luxembourg	100.00%	100.00%	100.00%	90.00%
TechZero Buildings, S.A.	a), 7)	Maia (Portugal)	100.00%	100.00%	–	–
Torre Norte, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	90.00%
Weiterstadt Shopping B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	90.00%
Zeitreel						
Comercial Losan, S.L.U.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Fashion Division, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fashion International Trade, S.A.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Irmãos Vila Nova III - Imobiliária, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	100.00%	100.00%	100.00%
Irmãos Vila Nova, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	100.00%	100.00%	100.00%
IVN – Serviços Partilhados, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	100.00%	100.00%	100.00%
IVN Asia Limited	a)	Hong Kong (China)	100.00%	100.00%	100.00%	100.00%
Losan Colombia, S.A.S.	a)	Bogota (Colombia)	100.00%	100.00%	100.00%	100.00%
Losan Overseas Textile, S.L.	a)	Zaragoza (Spain)	100.00%	100.00%	100.00%	100.00%
Losan Rusia	a), 9)	Moscow (Russia)	–	–	100.00%	100.00%
Modalfa - Comércio e Serviços, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Modalfa Canarias, S.L.	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Salsa Distribution USA LLC	a)	New York (EUA)	100.00%	100.00%	100.00%	100.00%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Salsa France, S.A.R.L.	a)	Paris (France)	100.00%	100.00%	100.00%	100.00%
Salsa Jeans Ireland Limited	a)	Ireland	100.00%	100.00%	100.00%	100.00%
Salsa Luxembourg, Sàrl	a)	Luxembourg	100.00%	100.00%	100.00%	100.00%
SLS Salsa – Comércio e Difusão de Vestuário, S.A.	a)	Vila Nova de Famalicão (Portugal)	100.00%	100.00%	100.00%	100.00%
SLS Salsa España – Comercio y Difusión de Vestuario, S.A.U.	a)	Pontevedra (Spain)	100.00%	100.00%	100.00%	100.00%
Usebti Textile México S.A. de C.V.	a)	City of Mexico (Mexico)	100.00%	100.00%	100.00%	100.00%
Zippy - Comércio e Distribuição, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Bright Pixel						
Bright Development Studio, S.A.	a), 13)	Lisbon (Portugal)	–	–	100.00%	90.17%
Bright Ventures Capital SCR, S.A.	a)	Lisbon (Portugal)	100.00%	90.30%	100.00%	90.17%
Fundo Bright Tech Innovation I	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Fundo Bright Vector I	a)	Lisbon (Portugal)	50.13%	45.27%	50.13%	45.20%
Inovretail España, S.L.	a)	Madrid (Spain)	100.00%	90.30%	100.00%	90.17%
Inovretail, S.A.	a)	Oporto (Portugal)	100.00%	90.30%	100.00%	90.17%
Praesidium Services Limited	a)	Berkshire (United Kingdom)	100.00%	90.30%	100.00%	90.17%
Sonae Investment Management -Software and Technology, SGPS, S.A.	a)	Maia (Portugal)	100.00%	90.30%	100.00%	90.17%
Sonaecom - Serviços Partilhados, S.A.	a), 13)	Maia (Portugal)	–	–	100.00%	90.17%
Sonaecom, SGPS, S.A.	a)	Maia (Portugal)	90.30%	90.30%	90.35%	90.17%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Outros						
Arat Inmuebles, S.A.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Claybell Limited	a)	Norfolk (United Kingdom)	96.91%	96.91%	96.91%	96.91%
Evra, S.R.L.	a), 2)	Lauria (Italy)	100.00%	100.00%	–	–
Flybird Holding OY	a), 2)	Helsinki (Finland)	95.05%	95.05%	–	–
Fundo de Investimento Imobiliário Fechado Imosede	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Gosh! Food Ireland Limited	a)	Irlanda	100.00%	100.00%	100.00%	95.40%
Gosh! Food Limited	a)	Norfolk (United Kingdom)	100.00%	100.00%	100.00%	95.40%
Halfdozen Real Estate, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Iservices Belgique	a), 7)	Evere (Belgium)	100.00%	100.00%	–	–
Iservices, Lda.	a)	Lisbon (Portugal)	89.80%	89.80%	100.00%	100.00%
Nutraceutica, S.R.L.	a), 2)	Bologna (Italy)	100.00%	100.00%	–	–
NVH, S.R.L.	a), 2)	Cadorago (Italy)	100.00%	100.00%	–	–
Osun Solutions, S.R.L.	a), 2)	Lauria (Italy)	100.00%	100.00%	–	–
PCJ-Público, Comunicação e Jornalismo, S.A.	a)	Maia (Portugal)	100.00%	90.30%	100.00%	89.97%
Público - Comunicação Social, S.A.	a)	Oporto (Portugal)	100.00%	90.30%	100.00%	89.97%
Sesagest - Proj.Gestão Imobiliária, S.A.	a)	Oporto (Portugal)	100.00%	100.00%	100.00%	100.00%
SFS, Gestão e Consultoria, S.A.	a), 14)	Maia (Portugal	100.00%	100.00%	100.00%	100.00%
Sonae Corporate, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Sonae Holdings, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Investments, B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae RE, S.A.	a)	Luxembourg	99.92%	99.92%	99.92%	99.92%
Sontel, B.V.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sparkfood Ingredients Italy, S.R.L.	a), 2)	Milan (Italy)	100.00%	100.00%	–	–
Sparkfood Ingredients, S.A.	a), 15)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Sparkfood, S.A.	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
SparkVos, S.R.L.	a), 2)	Guanzate (Italy)	70.00%	70.00%	–	–
Universo IME, S.A.	a), 8)	Maia (Portugal)	–	–	100.00%	100.00%
Universo Sonae, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
Worten France SAS	a), 7)	Paris (France)	100.00%	100.00%	–	–

*the percentage of capital held "Total" is the total percentage of interest held by the parent company's shareholders; the percentage of capital held "Direct" corresponds to the percentage that subsidiary(s) which hold(s) a participation. hold(s) this participation directly in the share capital of that company

a) Control held by majority of voting rights which gives power of relevant activities;
b) Control held by majority of Board members;

1) Subsidiary merged into IGI Investimentos Gestão Imobiliária, S.A. with effects since 1 January 2023;
2) Subsidiary(ies) acquired during the year;
3) Formerly known as Closer Look Design Lda.;
4) Formerly known as ODACREMSO - Retalho, S.A.;
5) Formerly known as AICNEGRU, S.A.;
6) Formerly known as EANOSZU, S.A.;
7) Subsidiary(ies) incorporated during the year;
8) During 2023, the Group sold 50% of subsidiary(ies) entity(ies). These entities are now classified as jointly controlled entities:
9) Subsidiary(ies) liquidated during the year;
10) Formerly known as Sierra Romania Shopping Centers Services, SRL .;
11) Previously known as Sierra Spain, Shopping Centers Services, S.A.;
12) Subsidiary(ies) merged into Sierra IG, SGOIC, S.A. with effect from 1 May 2023;
13) Subsidiary(ies) merged into Sonae Investment Management -Software and Technology, SGPS, S.A. with effect from 1 January 2023;
14) Previously known as Universo, GC, S.A.;
15) Formerly known as WAD LAB, S.A.;
16) Formerly known as Sonae Food4future, S.A..

These companies were included in the consolidation by the full consolidation method.

Joint ventures and associates included in the Consolidated financial statement

Joint ventures and associates. their head offices and percentage of share capital held by Sonae as at 31 December 2023 and 2022 are as follows:

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
MC						
Sohi Meat Solutions – Distribuição de Carnes, S.A.		Santarém (Portugal)	50.00%	37.51%	50.00%	37.51%
Maremor Beauty & Fragrances, S.L.		Madrid (Spain)	50.00%	22.50%	50.00%	22.50%
Sierra						
Aegean Park Constructions Real Estate and Development, S.A.		Athens (Greece)	100.00%	50.00%	100.00%	45.00%
Arrábidashopping - SIC Imobiliária Fechada, S.A.		Maia (Portugal)	100.00%	50.10%	100.00%	45.09%
BrightCity, S.A.	1)	Maia (Portugal)	50.00%	50.00%	–	–
BrightCity-NOS, ACE	2)	Maia (Portugal)	50.00%	25.00%	–	–
Gaiashopping - SIC Imobiliária Fechada, S.A.		Maia (Portugal)	100.00%	50.10%	100.00%	45.09%
Larissa Development of Shopping Centres, S.A.		Athens (Greece)	100.00%	50.00%	100.00%	45.00%
Living Markets I, S.A.	1)	Oporto (Portugal)	50.00%	50.00%	–	–
LMIT - Innovation & Technology, Lda.	3)	Lisbon (Portugal)	–	–	100.00%	45.00%
LMGE - Gestão de Edifícios Lda.	3)	Lisbon (Portugal)	–	–	100.00%	45.00%
LMSA - Engenharia de Edifícios, S.A.	3)	Lisbon (Portugal)	–	–	100.00%	45.00%
Madeirashopping - Centro Comercial, S.A.		Funchal (Portugal)	50.00%	25.05%	50.00%	22.55%
MULTI24 - SIC Imobiliária Fechada, S.A.	4)	Lisbon (Portugal)	50.00%	50.00%	–	–
Pantheon Plaza B.V.		Amsterdam (Netherlands)	50.00%	50.00%	50.00%	45.00%
Park Avenue Developement of Shopping Centers, S.A.		Athens (Greece)	50.00%	50.00%	50.00%	45.00%
Parque Atlântico Shopping - Centro Comercial, S.A.		Ponta Delgada (Portugal)	50.00%	25.05%	50.00%	22.55%
Proyecto Cúcuta S.A.S.		Santiago de Cali (Colombia)	50.00%	50.00%	50.00%	45.00%
Quinta da Foz - Empreendimentos Imobiliários, S.A.		Oporto (Portugal)	49.76%	49.76%	49.76%	44.78%
SC Aegean, B.V.		Amsterdam (Netherlands)	50.00%	50.00%	50.00%	45.00%
Sierra Balmain Asset Management Spółka Z ograniczoną odpowiedzialności		Warsaw (Poland)	50.00%	50.00%	50.00%	45.00%
Sierra Balmain Property Management Spółka z ograniczoną odpowiedzialnością		Warsaw (Poland)	100.00%	50.00%	100.00%	45.00%
Sierra Central, S.A.S.		Santiago de Cali (Colombia)	50.00%	50.00%	50.00%	45.00%
Smartsecrets, S.A.	4)	Lisbon (Portugal)	50.00%	50.00%	–	–
LMSI - Engineering S.A.		Lisbon (Portugal)	50.00%	50.00%	50.00%	45.00%
Via Catarina - Centro Comercial, S.A.	5)	Maia (Portugal)	–	–	50.00%	22.55%
Visionarea, Promoção Imobiliária, S.A.		Maia (Portugal)	50.00%	50.00%	50.00%	45.00%
Outros						
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.		Oporto (Portugal)	50.00%	45.15%	50.00%	45.09%
Unipress - Centro Gráfico, Lda.		Vila Nova de Gaia (Portugal)	50.00%	45.15%	50.00%	45.09%
Universo IME, S.A.	1)	Maia (Portugal)	50.00%	50.00%	–	–

Associated companies

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
MC						
Sempre a Postos – Produtos Alimentares e Utilidades, Lda.		Lisbon (Portugal)	25.00%	18.75%	25.00%	18.75%
Insco - Insular de Hipermercados, S.A.		Ponta Delgada (Portugal)	10.00%	7.50%	10.00%	7.50%
Sportessence - Sport Retail, S.A.		Ponta Delgada (Portugal)	10.00%	7.50%	10.00%	7.50%
Sierra						
3shoppings - Holding, SGPS, S.A.		Maia (Portugal)	20.00%	20.00%	20.00%	18.00%
ALLOS S.A ("ALLOS")	1), 2)	Brazil	5.72%	5.72%	8.84%	7.96%
Area Sur Shopping, S.L.		Madrid (Spain)	15.00%	15.00%	15.00%	13.50%
Arrábidashopping - SIC Imobiliária Fechada, S.A.		Maia (Portugal)	50.00%	12.71%	50.00%	11.44%
Atrium BIRE, SIGI, S.A.		Maia (Portugal)	3.75%	3.75%	3.75%	3.38%
Atrium Saldanha - SIC Imobiliária Fechada, S.A.		Maia (Portugal)	100.00%	3.75%	100.00%	3.38%
Candotal Spain S.L.U.		Madrid (Spain)	100.00%	10.00%	100.00%	9.00%
Cascaishopping, Centro Comercial, S.A.		Maia (Portugal)	100.00%	25.10%	100.00%	22.59%
Centro Colombo- Centro Comercial, S.A.		Maia (Portugal)	100.00%	12.55%	100.00%	11.30%
Centro Vasco da Gama - Centro Comercial, S.A.		Maia (Portugal)	100.00%	12.55%	100.00%	11.30%
Doc Malaga Holdings S.L.		Madrid (Spain)	50.00%	12.55%	50.00%	11.30%
DOC Malaga Siteco Phase 2, S.L.		Madrid (Spain)	100.00%	12.55%	100.00%	11.30%
DOC Malaga Siteco, S.L.U.		Madrid (Spain)	100.00%	12.55%	100.00%	11.30%

*the percentage of capital held "Total" represents the total percentage of interests held by the shareholders of the Parent Company; the percentage of capital held "Direct" corresponds to the percentage that the subsidiary(ies) that hold(s) the interest in question directly, in the share capital of that company.

1) During 2023, the Group sold 50% of subsidiary(ies) entity(ies). These entities are now classified as jointly controlled entities:
2) Joint Venture(s) incorporated during the year;
3) Joint Venture(s) merged into LMSI - Engineering, S.A. in January 2023;
4) Joint Venture(s) acquired during the year;
5) During 2023, the Group now directly holds 25.05%, starting to be reported as an associated company.

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2023		31 Dec 2022	
		Direct*	Total*	Direct*	Total*
Douro Riverside Hotel, S.A.	Maia (Portugal)	37.50%	37.50%	37.50%	33.75%
Estação Viana - Centro Comercial, S.A.	Viana do Castelo (Portugal)	100.00%	10.00%	100.00%	9.00%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	58.07%	12.40%	58.07%	11.16%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	100.00%	37.40%	100.00%	33.66%
Gaiashopping - SIC Imobiliária Fechada, S.A.	Maia (Portugal)	50.00%	37.76%	50.00%	33.98%
Guimarãeshopping - Centro Comercial, S.A.	Maia (Portugal)	100.00%	20.00%	100.00%	18.00%
Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	10.00%	10.00%	10.00%	9.00%
Iberian Assets, S.A.	Madrid (Spain)	100.00%	12.40%	100.00%	11.16%
Investabroad 5, S.A.	Maia (Portugal)	100.00%	5.13%	100.00%	4.62%
Land Retail B.V.	Amsterdam (Netherlands)	100.00%	25.10%	100.00%	22.59%
Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	10.00%	10.00%	10.00%	9.00%
Luz del Tajo - Centro Comercial, S.A.	Madrid (Spain)	100.00%	10.00%	100.00%	9.00%
Maiashopping - Centro Comercial, S.A.	Maia (Portugal)	100.00%	20.00%	100.00%	18.00%
Mercado Urbano – Gestão Imobiliária, S.A.	Oporto (Portugal)	20.00%	20.00%	20.00%	18.00%
Norte Shopping Retail and Leisure Centre B.V.	Amsterdam (Netherlands)	50.00%	12.55%	50.00%	11.30%
Norteshopping- Centro Comercial, S.A.	Maia (Portugal)	100.00%	12.55%	100.00%	11.30%
Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	3.75%	100.00%	3.38%
Olimpo Asset 2, S.A.	Maia (Portugal)	100.00%	3.75%	100.00%	3.38%
Olimpo Asset 3, S.A.	Maia (Portugal)	100.00%	3.75%	100.00%	3.38%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
Olimpo Asset 4, S.A.		Maia (Portugal)	100.00%	3.75%	100.00%	3.38%
Olimpo Asset 5, S.A.		Maia (Portugal)	100.00%	3.75%	100.00%	3.38%
Olimpo Asset 6, S.A.		Maia (Portugal)	100.00%	3.75%	100.00%	3.38%
Olimpo Asset 7, S.A.		Maia (Portugal)	100.00%	3.75%	100.00%	3.38%
Olimpo Asset 8, S.A.		Maia (Portugal)	100.00%	3.75%	100.00%	3.38%
Olimpo Real Estate SIGI, S.A.		Maia (Portugal)	5.13%	5.13%	5.13%	4.62%
Olimpo Real Estate Socimi, S.A.		Madrid (Spain)	3.75%	3.75%	3.75%	3.38%
Olimpo Retail Germany S.A.	3)	Madrid (Spain)	3.00%	3.00%	–	–
Olimpo Retail Germany I, S.L.	3)	Madrid (Spain)	100.00%	3.00%	–	–
Olimpo Retail Germany II, S.L.	3)	Madrid (Spain)	100.00%	3.00%	–	–
Olimpo SIGI España, S.A.		Madrid (Spain)	100.00%	5.13%	100.00%	4.62%
Plaza Mayor, B.V.		Amsterdam (Netherlands)	100.00%	25.10%	100.00%	22.59%
Plaza Mayor Shopping, S.A.		Madrid (Spain)	100.00%	25.10%	100.00%	22.59%
Serra Shopping – Centro Comercial, S.A.	4)	Lisbon (Portugal)	–	–	5.00%	4.50%
Shopping Centre Colombo Holding B.V.		Amsterdam (Netherlands)	50.00%	12.55%	50.00%	11.30%
Sierra European Retail Real Estate Assets Holdings, B.V.		Amsterdam (Netherlands)	25.10%	25.10%	25.10%	22.59%
Sierra Spain Malaga Holdings, S.L.		Madrid (Spain)	100.00%	25.10%	100.00%	22.59%
Signal Alpha Republica I, S.A.		Lisbon (Portugal)	5.00%	1.26%	5.00%	1.13%
Signal Alpha Republica II, Lda.		Lisbon (Portugal)	5.00%	1.26%	5.00%	1.13%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
SPF - Sierra Portugal Feeder 1, S.C.A.		Luxembourg	7.45%	7.45%	7.45%	6.71%
SPF - Sierra Portugal Feeder 2, S.C.A.		Luxembourg	100.00%	7.45%	100.00%	6.71%
SPF - Sierra Portugal Real Estate, SARL		Luxembourg	61.67%	25.42%	61.67%	22.88%
Trivium Real Estate Socimi, S.A.		Madrid (Spain)	12.40%	12.40%	12.40%	11.16%
VdG Holding B.V.		Amsterdam (Netherlands)	50.00%	12.55%	50.00%	11.30%
Zenata Commercial Project, S.A.		Mohammedia (Morocco)	11.00%	11.00%	11.00%	9.90%
Bright Pixel						
Fundo de Capital de Risco Armilar Venture Partners II		Lisbon (Portugal)	47.78%	43.15%	47.78%	43.08%
Fundo de Capital de Risco Armilar Venture Partners III		Lisbon (Portugal)	45.52%	41.10%	45.52%	41.05%
Fundo de Capital de Risco Espírito Santo Venture Partners Inovação e Internacionalização		Lisbon (Portugal)	38.25%	34.54%	38.25%	34.49%
NOS						
Big Picture 2 Films, S.A.	4)	Oeiras (Portugal)	–	–	20.00%	6.75%
Big Picture Films, S.L.	4)	Madrid (Spain)	–	–	100.00%	6.75%
BLU, S.A.	3); 5)	Lisbon (Portugal)	–	–	–	–
Ten Twenty One, S.A.	6)	Lisbon (Portugal)	100.00%	33.75%	–	–
Dreamia Serviços de Televisão, S.A.		Lisbon (Portugal)	100.00%	50.00%	100.00%	16.88%
Dreamia Servicios de Televisión, S.L.		Madrid (Spain)	50.00%	16.87%	50.00%	16.88%
Dualgrid - Gestão de Redes Partilhas, S.A.		Lisbon (Portugal)	50.00%	16.87%	50.00%	16.88%
Empracine – Empresa Promotora de Atividades Cinematográficas, Lda.		Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%

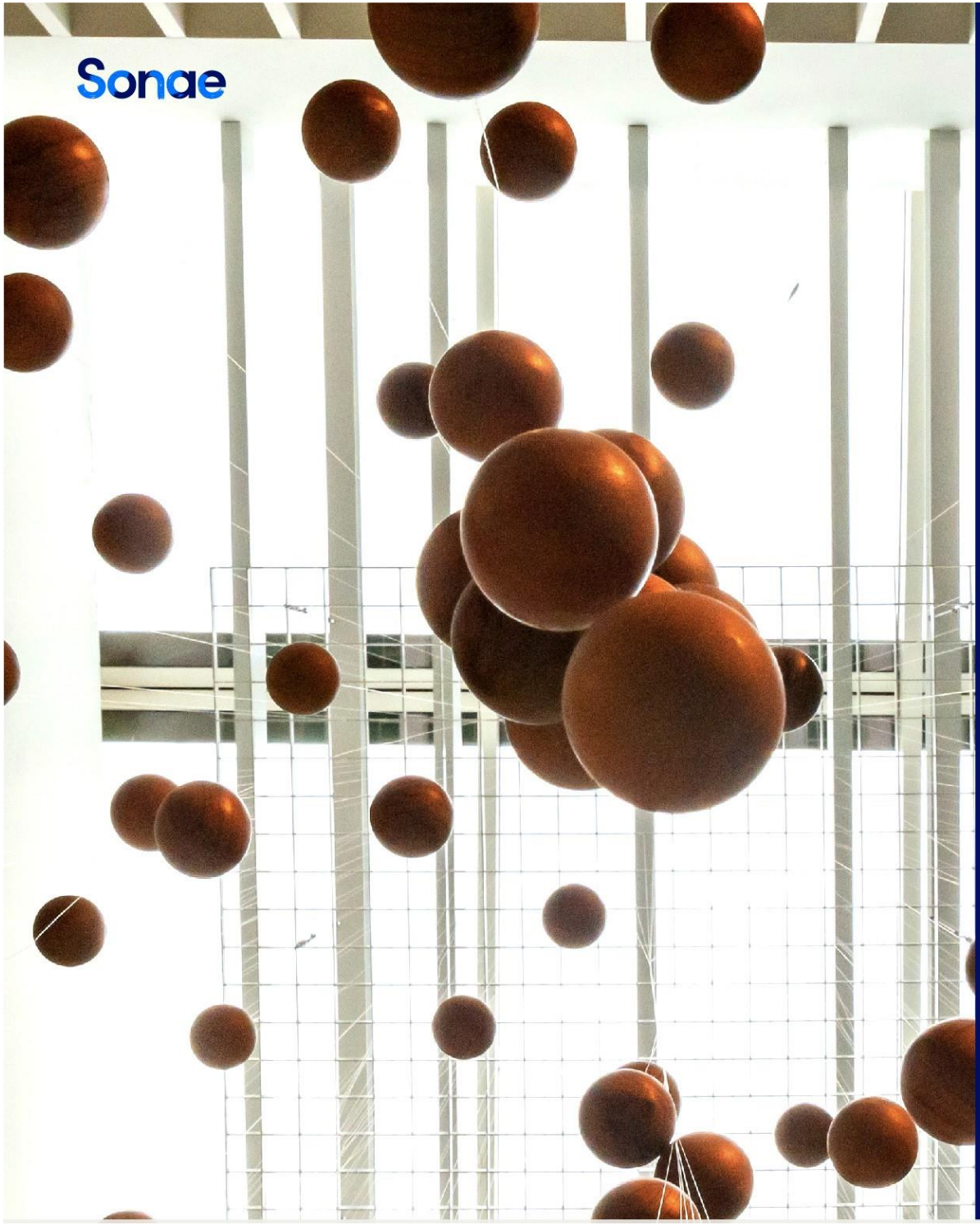
COMPANY	Head Office	Percentage of capital held			
		31 Dec 2023		31 Dec 2022	
		Direct*	Total*	Direct*	Total*
FINSTAR – Sociedade de Investimentos e Participações, S.A.	Luanda (Angola)	30.00%	10.12%	30.00%	10.13%
Fundo de Capital de Risco NOS 5G	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
Lusomundo – Sociedade de Investimentos Imobiliários, SGPS, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
Lusomundo Imobiliária 2, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
Lusomundo Moçambique, Lda.	Maputo (Mozambique)	100.00%	33.75%	100.00%	33.76%
MSTAR, S.A.	Maputo (Mozambique)	30.00%	10.12%	30.00%	10.13%
NOS Açores Comunicações, S.A.	Ponta Delgada (Portugal)	83.82%	28.28%	83.82%	28.30%
NOS Audio - Sales & Distribution, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Audiovisuais SGPS, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Comunicações, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Corporate Center, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Inovação, S.A.	Matosinhos (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Internacional, SGPS, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Lusomundo Audiovisuais, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Lusomundo Cinemas, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Mediação de Seguros, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Madeira Comunicações, S.A.	Funchal (Portugal)	77.95%	26.31%	77.95%	26.32%
NOS Property, S.A.	Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS SGPS, S.A.	Lisbon (Portugal)	37.37%	33.75%	37.45%	33.76%

COMPANY		Head Office	Percentage of capital held			
			31 Dec 2023		31 Dec 2022	
			Direct*	Total*	Direct*	Total*
NOS Sistemas España, S.L.		Madrid (Spain)	100.00%	33.75%	100.00%	33.76%
NOS Sistemas, S.A.		Maia (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Tecnhology – Concepção Construção e Gestão de Redes de Comunicação, S.A.		Matosinhos (Portugal)	100.00%	33.75%	100.00%	33.76%
NOS Wholesale, S.A.		Lisbon (Portugal)	100.00%	33.75%	100.00%	33.76%
Per-Mar – Sociedade de Construções, S.A.		Maia (Portugal)	100.00%	33.75%	100.00%	33.76%
Sontária – Empreendimentos Imobiliários, S.A.		Maia (Portugal)	100.00%	33.75%	100.00%	33.76%
Sport TV Portugal, S.A.		Lisbon (Portugal)	25.00%	8.44%	25.00%	8.44%
Teliz Holding, B.V.		Amstelveen (Netherlands)	100.00%	33.75%	100.00%	33.76%
Upstar Comunicações, S.A.		Vendas Novas (Portugal)	30.00%	10.12%	30.00%	10.13%
ZAP Media, S.A.		Luanda (Angola)	30.00%	10.12%	100.00%	10.13%
ISRG - Iberian Sports Retail Group, S.L.	4)	Alicante (Spain)	–	–	30.00%	30.00%
Others						
Mondarella GmbH		Berlin (Germany)	40.00%	40.00%	40.00%	40.00%
Bon Vivant	3)	Paris (France)	11.41%	11.41%	–	–
Bluu GmbH	3)	Berlin (Germany)	7.45%	7.45%	–	–
77 Foods SAS	3)	Paris (France)	6.31%	6.31%	–	–

* The percentage of capital held "Total" represents the total percentage of interests held by the Group; the percentage of capital held "Direct" corresponds to the percentage that the subsidiary(ies) that hold(s) the participation(s) in question, in the share capital of that company.

1) On 6 January 2023, the business combination process of the companies Aliansce Sonae Shopping Centers S.A. ("ALSO") and Br Malls Participações S.A. ("BrMalls") was completed. As a result of the business combination, the associate ALLOS (Former ALSO) now holds 100% of the share capital of BrMalls. With this operation and the acquisition of new shares in the two companies, the Group reduced its stake from 8.84% to 6.02%.
2) Formerly known as Aliansce Sonae Shopping Centers, S.A. ("ALSO");
3) Associated(s) acquired during the year;
4) Associated(s) sold during the year;
5) Associated(s) merged into NOS Comunicações, S.A.;
6) Associated(s) incorporated during the year.

The joint ventures and associated companies were included in the consolidation by the equity method.



3

3.2 Separate financial statements

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of separate financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022
Services rendered	6.1	7,159	6,685
Gains and losses on investments	2.4	132	(25,298)
Gains and losses on investments recorded at fair value through results	2.2	8,040	–
Other income		2,311	1,758
External supplies and services	6.2	(10,670)	(9,342)
Employee benefits expense	6.3	(10,524)	(9,940)
Other expenses		(1,615)	(1,169)
Depreciation and amortisation		(309)	(251)
Impairment losses		–	(24)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax		**(5,476)**	**(37,581)**
Dividends received during the year		281,143	174,517
Financial income	5.9	21,420	5,345
Financial expense	5.9	(39,700)	(13,627)
Profit/(Loss) before taxation		**257,387**	**128,654**
Income tax expense	3.7.1	1,233	3,562
Profit/(Loss) for the period		**258,620**	**132,216**
Profit/(Loss) per share			
Basic	5.5	0.13420	0.06891
Diluted	5.5	0.13400	0.06881

The accompanying notes are part of these separate financial statements.

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of separate financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022
Net Profit / (Loss) for the period		258,620	132,216
Changes value of financial assets at fair value		–	(5,799)
Items from other comprehensive income that were reclassified to the income statement:		**–**	**(5,799)**
Total other comprehensive income for the period		**–**	**(5,799)**
Total comprehensive income for the period		**258,620**	**126,417**

The accompanying notes are part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of separate financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets:			
Property, plant and equipment		263	307
Intangible assets		22	29
Right of use assets		789	429
Investments in subsídiaries, joint ventures and associates	2.1	4,649,134	4,748,955
Assets at fair value through profit / loss	2.2 and 4.3	17,865	11,218
Other investments		–	50
Deferred tax assets	3.7.2	68,063	15,670
Other non-current assets		–	23
Total Non-Current Assets		**4,736,136**	**4,776,681**
Current assets:			
Trade receivables	3.1 and 4.3	1,608	1,723
Other receivables	3.2 and 4.3	226,013	445,775
Income tax assets		40,490	15,476
Other current assets	3.3 and 4.3	5,252	4,090
Cash and bank balances	4.3 and 5.8	281,377	3,690
Total Current Assets		**554,738**	**470,754**
Total Assets		**5,290,874**	**5,247,435**

The accompanying notes are part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of separate financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity:			
Share capital	5.1	2,000,000	2,000,000
Own shares	5.2	(62,929)	(71,402)
Legal reserve	5.3	305,958	299,348
Other reserve	5.4	1,598,225	1,563,815
Retained earnings		89,335	100,985
Profit/(Loss) for the period		258,620	132,216
Total Equity		**4,189,209**	**4,024,962**
Liabilities:			
Non-current liabilities:			
Bonds	4.3 and 5.6	103,392	32,830
Loans	4.3 and 5.6	199,762	354,891
Lease liabilities		554	277
Deferred tax liabilities	3.7.2	–	97
Total Non-Current Liabilities		**303,728**	**388,095**
Current liabilities:			
Bonds	4.3 and 5.6	4,000	4,000
Loans	4.3 and 5.6	12,500	45,000
Lease liabilities		238	154
Trade payables	4.3	1,159	1,446
Loans obtained from group companies	3.4 and 4.3	628,219	734,611
Other payables	3.5 and 4.3	130,014	38,755
Other tax liabilities		285	269
Other current liabilities	3.6 and 4.3	21,522	10,143
Total Current Liabilities		**797,937**	**834,378**
Total Liabilities		**1,101,665**	**1,222,473**
Total Equity and Liabilities		**5,290,874**	**5,247,435**

The accompanying notes are part of these separate financial statements.

SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of separate financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	Share Capital	Own Shares	Legal Reserve	Other Reserves				Total Other Reserves	Retained Earnings	Total Reserves and Retained Earnings	Net Profit/(Loss)	Total
					Investments Fair Value Reserve	Share based payments reserve	Unavailable Reserve Relating to Own Shares	Free Reserves					
Balance as at 1 January 2022		**2,000,000**	**(76,249)**	**281,216**	**(5,301)**	**1,467**	**76,249**	**1,249,280**	**1,321,695**	**101,167**	**1,422,862**	**362,639**	**3,990,468**
Total comprehensive income for the period		–	–	–	(5,799)	–	–	–	(5,799)	–	(5,799)	132,216	126,417
Appropriation oF net profit of 2021									–				
Transfer to legal reserves		–	–	–	–	–	–	242,308	242,308	–	242,308	(242,308)	–
Transfer to free reserves		–	–	18,132	–	–	–	–	–	–	–	(18,132)	–
Dividends distributed		–	–	–	–	–	–	–	–	–	–	(102,200)	(102,200)
Acquisition/Disposal of own shares		–	3,612	–	–	–	(4,665)	8,739	4,074	–	4,074	–	7,686
Other changes:													
Medium and long-term variable remuneration policy - reclassification of equity to liabilities		–	–	–	–	–	–	–	–	(182)	(182)	–	(182)
Share-based payments		–	1,235	–	–	946	(182)	773	1,537	–	1,537	–	2,772
Balance as at 31 December 2022		**2,000,000**	**(71,402)**	**299,348**	**(11,100)**	**2,413**	**71,402**	**1,501,100**	**1,563,815**	**100,985**	**1,664,800**	**132,216**	**4,024,962**
Total comprehensive income for the period		–	–	–	–	–	–	–	–	–	–	258,620	258,620
Appropriation of net profit of 2022									–				
Transfer to free reserves		–	–	–	–	–	–	22,006	22,006	–	22,006	(22,006)	–
Transfer to legal reserves		–	–	6,610	–	–	–	–	–	–	–	(6,610)	–
Dividends distributed		–	–	–	–	–	–	–	–	–	–	(103,601)	(103,601)
Realization of investment fair value reserve		–	–	–	11,100	–	–	–	11,100	(11,100)	–	–	–
Acquisition/Disposal of own shares	5.2	–	8,156	–	–	–	(8,156)	9,117	961	–	961	–	9,117
Other changes:													
Medium and long-term variable remuneration policy - reclassification of equity to liabilities	6.4	–	–	–	–	–	–	–	–	(550)	(550)	–	(550)
Share-based payments	6.4	–	317	–	–	269	(317)	391	343		343	–	660
Balance as at 31 December 2023		**2,000,000**	**(62,929)**	**305,958**	**–**	**2,682**	**62,929**	**1,532,614**	**1,598,225**	**89,335**	**1,687,560**	**258,620**	**4,189,209**

The accompanying notes are part of these separate financial statements.

SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of separate financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Dec 2023	31 Dec 2022
Operating Activities			
Receipts from customers		7,376	6,444
Payments to supliers		(10,354)	(9,893)
Payments to employees		(8,793)	(8,233)
Cash generated from operations		**(11,771)**	**(11,682)**
Income taxes (paid) / received		(3,946)	5,509
Other cash receipts and (payments) relating to operating activities		910	2,256
Net cash generated from operating activities (1)		**(14,807)**	**(3,917)**
Investment Activities			
Receipts arising from:			
Loans granted		2,685,791	5,561,258
Investments	2.3	264,522	8,190
Property, plant and equipment and intangible assets		9	–
Interests and similar income		21,183	4,509
Dividends	8	274,886	174,517
		3,246,391	**5,748,474**
Payments arising from:			
Loans granted		(2,443,696)	(5,815,460)
Investments	2.3	(163,159)	(186,209)
Property, plant and equipment and intangible assets		(29)	(277)
		(2,606,884)	**(6,001,946)**
Net cash used in/ generated by investment activities (2)		**639,507**	**(253,472)**
Financing Activities			
Receipts arising from:			
Loans, bonds and finance leases	5.7	5,871,060	6,570,202
Disposal of own shares	8	9,117	4,203
		5,880,176	**6,574,405**
Payments arising from:			
Loans, bonds and finance leases	5.7	(6,093,695)	(6,231,981)
Interests and similar charges		(29,718)	(9,274)
Dividends	9	(103,600)	(98,103)
Lease liabilities		(178)	(208)
		(6,227,191)	**(6,339,566)**
Net cash used in financing activities (3)		**(347,014)**	**234,839**
Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		**277,687**	**(22,550)**
Cash and cash equivalents at the beginning of the period	5.8	3,690	26,240
Cash and cash equivalents at the end of the period	5.8	281,377	3,690

The accompanying notes are part of these separate financial statements.

SONAE, SGPS, S.A.

Notes to the Separate Financial Statements for the year ended 31 December 2023

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts stated in thousand euro)

1. Introduction

SONAE, SGPS, S.A. ("the Company" or "Sonae") has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal.

Sonae is controlled by Efanor Investimentos SGPS, S.E. which holds, directly and indirectly, 54,3928% of its share capital. All shares representing Sonae's share capital are admitted to trading on the regulated Euronext Lisbon market.

1.1. Key events during the year

Reinforcement of the position in Sierra

On 15 March 2023 Sonae acquired 10% of the Sierra share capital from Grosvenor, for the price of 88.6 million euro, which represents an implicit discount of about 10% on the NAV of Sierra at the end of 2022, following the Grosvenor exercised the put option right. Following the completion of this transaction, Sonae now owns 100% of the share capital and voting rights of Sierra.

Sale of NOS shares

By the purchase and sale agreement signed on 20 July 2023, Sonae SGPS, S.A. sold 58,204,920 shares representing 11.30% of the share capital of NOS - SGPS, S.A. to Sonaecom - SGPS, S.A.. Sonae sold the participation for 3.6527 euros per share, for a global total of 212.6 million euros, having generated a capital gain of 17.3 million euros.

Creation of joint venture with Bankinter

On 30 November 2023, the creation of the Joint Venture between Sonae SGPS, S.A. and Bankinter Consumer Finance was completed. E.F.C., S.A. ("Bankinter Consumer Finance"), with Bankinter Consumer Finance now being a 50% shareholder of Universo, IME, S.A. ("Universo"). With the conclusion of this operation, Sonae recognized a loss of 9.2 million euros.

The separate financial statements are presented as required by Commercial Companies Code. According to Decree-Law 158/2009 of 13 July, the company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU).

Consolidated financial statements are also presented in accordance with applicable legislation.

1.2. Subsequent events

Accouting policies

Events after the date of the statement of financial position that provide additional information about conditions that existed at the date of the statement of financial position are reflected in the financial statements. Events after the date of the statement of financial position that provide information on conditions that occur after the date of the statement of financial position are disclosed in the notes to the financial statements, if material.

Bonds issuance

On 27 February, 1 March and 18 March 2024, Sonae issued bonds worth 275 million euros, 125 million euros and 150 million euros, respectively with maturity on 27 November 2028 These issues were carried out under a financing agreement with the aim of financing the voluntary public offer for acquisition of shares of the Finnish company Musti Group Plc.

1.3. Basis of preparation

The attached separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union. These correspond to the International Financial Reporting Standards, issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") or the previous Standing Interpretations Committee ("SIC"), which have been adopted by European Union and are effective on 1 January 2023.

The separate financial statements were prepared from the Company's accounting books and records, on the assumption of continuity of operations and based on historical cost, except for the measurement of "Financial assets at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income" that are measured at fair value.

New accounting standards and their impact in these financial statements:

- Up to the date of approval of these financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2023:

Standards (new and amendments) effective as at 1 January 2023	Effective date (for financial years beginning on or after)
IAS 1 – Disclosure of accounting policies Disclosure requirement for "material" accounting policies, rather than "significant" accounting policies.	**1-Jan-23**
IAS 8 – Disclosure of accounting estimates Definition of accounting estimate. Clarification as to the distinction between changes to accounting policies and changes to accounting estimates.	**1-Jan-23**
IFRS 17 – Insurance contracts New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participating features in profit or loss, in terms of aggregation, recognition, measurement, presentation and disclosure.	**1-Jan-23**
IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information This amendment allows to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when first applying IFRS 17. This amendment allows the application of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information.	**1-Jan-23**
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction Requirement to recognize deferred tax on the recognition of assets under right of use / lease liability and provisions for de commissioning / related asset, when their simultaneous initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, due to not being relevant for tax purposes.	**1-Jan-23**
IAS 12 – International Tax Reform – Pillar two model rules Introduction of a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Requirement of targeted disclosure for affected entities (entities belonging to multinational groups that have consolidated revenues of €750m in at least two out of the last four years)	**Immediately or 1-Jan-23**

Company carried out an analysis of the changes introduced and their impact on the financial statements and concluded that the application of those standards did not produce material effects in the financial statements.

- Up to the date of approval of these financial statements, the following standards, interpretations, amendments and revisions have been endorsed by the European Union and are binding for future economic years:

Standards (new and amendments) that will become effective, on or after 1 January 2024, endorsed by the EU	Effective date (for financial years beginning on or after)
IAS 1 – Classification of liabilities as non-current and current and non-current liabilities with covenants	**1-Jan-24**
Classification of a liability as current or non-current, depending on an entity's right to defer its settlement for at least 12 months after the reporting date, when subject to covenants.	
IFRS 16 – Lease liability in a sale and leaseback	**1-Jan-24**
Criteria to account for sale and leaseback transactions after the date of the transaction, when some or all the lease payments are variable.	

Company did not proceed with the early application of any of these standards in the financial statements for the year ended 31 December 2023. There are no estimated significant impacts on the financial statements resulting from their adoption.

- The following standards, interpretations, amendments and revisions were not, at to the date of approval of these financial statements, endorsed by the European Union:

3. Standards (new and amendments) that will become effective, on or after 1 January 2024, but not endorsed by the EU	Effective date (exercise started on or after)
IAS 7 and IFRS 7 – Supplier finance arrangements	**1-Jan-24**
Requirement to provide additional disclosures about supplier finance arrangements, the impact in liabilities and cash flows, as well as the impact in liquidity risk analysis, and how the entity would be impacted if these arrangements were no longer available.	
IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	**1-Jan-25**
Requirements for determining whether a currency is capable of being exchanged for another currency and, when exchange is not possible for a long period, the options for calculating the spot exchange rate to be used. Disclosure of the impacts of this situation on the liquidity, financial performance and financial position of the entity, as well as the spot exchange rate used on the reporting date.	

These standards have not yet been endorsed by the European Union and, as such, have not been applied for the year ended 31 December 2023.

1.4. Recognition and accruals basis

Dividends are recognised as income in the year they are attributed to the shareholders.

Income and expenses are recorded in the year to which they relate, independently of the date of the corresponding payment or receipt. Income and expenses for which their real amount is not known are estimated.

Other current assets and other current liabilities include income and expenses of the reporting year which will only be invoiced in the future. Those captions also include receipts and payments that have already occurred but that correspond to income or expenses of future years when they will be recognized in the income statement.

1.5. Judgements and estimates

The preparation of the separate financial statements in accordance with IFRS requires the use of estimates, assumptions and critical judgments in the process of determining accounting policies with a significant impact on the book value of assets and liabilities, as well as income and expenses for the period.

Management has assessed the Company's ability to operate on a going concern basis, taking into consideration all relevant information, facts and circumstances of financial, commercial and other nature, including subsequent events to the date of the financial statements. As a result of this evaluation, Management concluded that the Company has adequate resources to maintain its activities, having no intention to cease activities in the short term, therefore it considered appropriate to use the assumption of continuity of operations in the preparation of the financial statements.

The estimates and judgments with impact on the financial statements are continuously evaluated, representing at each reporting date the Management's best estimate, taking into

account historical performance, accumulated experience and expectations about future events that, under the circumstances, if they believe they are reasonable.

The nature of the estimates may lead to the actual reflection of the situations that had been estimated, for the purposes of financial reporting, would differ from the estimated amounts. The most significant accounting estimates reflected in the financial statements include:

a) Determination of the recoverable value of investments in subsidiaries, joint ventures and associates (Note 2.1);

b) Recording of provisions and analysis of contingent liabilities;

c) Recoverability of deferred tax assets; (Note 3.7.2);

d) Determination of the fair value of financial assets through comprehensive income and profit and loss (Note 2.2);

e) Classification of investments of the venture capital portfolio.

Estimates used are based on the best information available during the preparation of these financial statements and are based on the best knowledge of past and present events. Although future events are not controlled by the Company and are not foreseeable, some could occur and have impact on the estimates. Therefore, and due to this uncertainty the outcome of the transactions being estimated may differ from the initial estimate. Changes to the estimates used by management that occur after the approval date of these separate financial statements, will be recognised in net income prospectively, in accordance with IAS 8.

2. Investments

Accouting policies

Equity investments in subsidiaries, associates and joint ventures are accounted for in accordance with IAS 27, hence at acquisition cost less impairment losses.

Subsidiaries are all entities (including structured entities) over which Company has control. Sonae controls an entity when it is exposed to, or has rights to, the variable returns from its involvement with Company, and has the ability to affect those returns through its power exercised over Company.

Joint Ventures correspond to joint arrangements whereby the venturers exercising joint control over the arrangement with the aim of sharing the return obtained from the activity of the Joint Venture.

Associates are investments in which the Company has significant influence, but does not have control or joint control. Significant influence (presumed when voting rights are equal to or greater than 20%) is the power to participate in the financial and operating policy decisions of the entity, without, however, exercising control or joint control over those policies.

The existence of significant influence is generally evidenced in one or more of the following ways:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including involvement in decisions about dividends and other distributions;
- material transactions between the investor and the investee;
- exchange of management personnel; or

- providing critical technical information.

Dividends received are registered as income related to investments, when attributed.

Company carries out impairment assessments related to the investments in subsidiaries, associates and joint ventures whenever events or changes in circumstances indicate that the amount at which the asset is recorded in the separate financial statements may not be recoverable.

In addition to the recognition of impairment in these investments, Sonae recognises additional losses if it has assumed obligations, or if it has made payments for the benefit of these entities.

Impairment losses are calculated by comparing the recoverable amount of the investment, corresponding to the higher of the fair value less costs to sell and the value in use, and the book value of the financial holdings.

The above-mentioned estimate is based on the fair value computation of the value in use of its holdings by means of discounted cash flow models in order to estimate the value in use of such investments. Subsidiaries or joint ventures which main assets are investments in real estate companies or real estate assets are valued with reference to the fair value of the real estate assets owned by such companies.

It is the Board of Directors understanding that the use of the above mentioned methodology is adequate to conclude on the eventual existence of financial investments impairment as it incorporates the best available information as at the date of the financial statements.

If, on a subsequent date, it is found that the impairment amount has decreased, and the decrease is objectively the result of a certain event that occurred after the initial recognition of the impairment, the amount then recorded is reversed up to the limit of the amount that would have been recognized, had it not been recognized. any impairment loss is recorded.

2.1. Investments in subsidiaries, associates and joint ventures

As at 31 December 2023 and 2022, the details of investments in subsidiaries, associates and joint ventures (net of impairments) were as follows:

Companies	31 Dec 2023					
	% Held	Opening balance	Increase	Decrease	Impairment/ (reversal) of the period	Closing balance
Mktplace Comércio Eletrónico, S.A. a)	50.00%	–	–	–	–	–
MCRETAIL, SGPS, S.A. b)	10.04%	180,684	–	–	–	180,684
NOS SGPS, S.A. c)	-	195,318	–	(195,318)	–	–
Sonae Holdings, S.A.	100.00%	1,910,907	–	–	–	1,910,907
Sonae Investments, BV	100.00%	978,869	–	–	–	978,869
Sonae RE, S.A.	99.92%	1,646	250	–	(430)	1,466
Sonae Sierra SGPS, S.A.	100.00%	861,999	88,566	–	–	950,565
Sonaecom, SGPS, S.A. d)	26.225%	112,665	2,182	–	–	114,847
Sontel, B.V. e)	35.87%	412,414	–	–	2,080	414,494
Universo Sonae, S.A.	100.00%	4,050	–	–	–	4,050
SFS, Gestão e Consultoria, S.A.	100.00%	52,203	–	–	–	52,203
Universo, IME, S.A. f)	50.00%	38,200	63,953	(79,076)	17,972	41,049
		4,748,955	**154,950**	**(274,394)**	**19,622**	**4,649,134**

a) Company sold on 2023;
b) Remaining 64.97% held through Sonae Holdings and Sonae Investments B.V.;
c) Participation sold to Sonaecom, SGPS, S.A.
d) Remaining 62,33% held through Sontel BV;
e) Remaining 64,13% held through Sonae Investments B.V.; and
f) Joint ventures with Bankinter in 2023.

Companies	31 Dec 2022					
	% Held	Opening balance	Increase	Decrease	Impairment/ (reversal) of the period	Closing balance
Mktplace Comércio Eletrónico, S.A.	50.00%	–	–	–	–	–
MCRETAIL, SGPS, S.A. a)	10.04%	180,684	–	–	–	180,684
NOS SGPS, S.A. b)	11.30%	–	9,644	–	–	195,318
Sonae Corporate, S.A.	100.00%	6,063	–	(6,063)	–	–
Sonae Holdings, S.A.	100.00%	1,900,907	10,000	–	–	1,910,907
Sonae Investments, BV	100.00%	978,869	–	–	–	978,869
Sonae RE, S.A.	99.92%	1,646	–	–	–	1,646
Sonae Sierra SGPS, S.A.	90.00%	740,019	83,471	–	38,509	861,999
Sonaecom, SGPS, S.A. c)	26.225%	111,099	1,566	–	–	112,665
Sontel, B.V. d)	35.87%	422,614	–	–	(10,200)	412,414
Universo Sonae, S.A.	100.00%	4,050	–	–	–	4,050
SFS, Gestão e Consultoria, S.A.	100.00%	52,203	–	–	–	52,203
Universo, IME, S.A.	100.00%	84,200	10,000	–	(56,000)	38,200
		4,482,354	**114,681**	**(6,063)**	**(27,691)**	**4,748,955**

a) Remaining 64.97% held through Sonae Holdings and Sonae Investments BV;
b) Remaining 26.075% held through Sonaecom, SGPS S.A.;
c) Remaining 62.33% held through Sontel BV; and
d) Remaining 64.13% held through Sonae Investments BV..

The increase in Sierra investment in 2023 is explained by the acquisition of an additional 10% of the share capital of this subsidiary, as mentioned in Note 1.

During the 2023 financial year, Sonae SGPS, S.A. sold 58,204,920 shares representing 11.30% of the share capital of NOS, SGPS, S.A. to Sonaecom, SGPS, S.A.. Sonae sold the stake for 3.6527 euros per share , for a global total of 212.6 million euros, generating an added value of 17.3 million euros.

Following the creation of the Joint Venture between Sonae SGPS, S.A. and Bankinter Consumer Finance. E.F.C., S.A. (“Bankinter Consumer Finance”), Sonae SGPS, S.A. sold shares representing 50% of the share capital of Universo, IME, S.A. (“Universo”). With the conclusion of this operation, Sonae recognized a loss of 9.2 million euros. After losing control, Sonae revalued Universo's stake, having recorded an impairment loss of 10 million euros.

The main financial indicators of subsidiaries, associates and joint ventures can be summarized as follows:

Company	31 Dec 2023			
	Assets	Liabilities	Equity	Net profit
MCRETAIL, SGPS, S.A. a)	4,387,187	3,579,738	807,449,240	175,445
Sonae Corporate, S.A.	9,792	1,454	8,338	144
Sonae Holdings, S.A.	2,244,691	21,667	2,223,024	131,001
Sonae Investments, B.V.	1,127,430	85,054	1,042,376	42,432
Sonae RE, S.A.	1,535	69	1,466	(131)
Sonae Sierra SGPS, S.A. a)	1,379,164	398,556	980,608	127,198
Sonaecom, SGPS, S.A. a)	1,381,540	56,428	1,325,111	42,063
Sontel, B.V.	1,134,797	3,007	1,131,790	11,803
Universo Sonae, S.A.	4,429	5	4,424	127
SFS, Gestão e Consultoria, S.A.	211,238	90,513	120,725	8,384
Universo, IME, S.A.	445,055	337,742	107,313	(22,741)

a) Consolidated statements.

Company	31 Dec 2022			
	Assets	Liabilities	Equity	Net profit
Mktplace Comércio Eletrónico, S.A.	1,487	5,401	(3,914)	(8,459)
MCRETAIL, SGPS, S.A. a)	4,316,067	3,448,919	867,148	182,934
NOS SGPS, S.A. a)	3,463,324	2,410,981	1,052,343	224,444
Sonae Corporate, S.A.	8,337	144	8,194	83
Sonae Holdings, S.A.	2,327,945	262,564	2,065,381	124,661
Sonae Investments, B.V.	1,279,478	66,281	1,213,197	33,253
Sonae RE, S.A.	1,362	16	1,346	(297)
Sonae Sierra SGPS, S.A. a)	1,260,255	390,410	869,844	34,091
Sonaecom, SGPS, S.A. a)	1,372,636	64,660	1,307,976	142,138
Sontel, B.V.	1,448,439	236,868	1,211,571	40,441
Universo Sonae, S.A.	4,298	2	4,296	34
SFS, Gestão e Consultoria, S.A.	177,283	65,081	112,202	74,332
Universo, IME, S.A.	54,750	28,650	26,100	(8,994)

a) Consolidated statements.

Impairment tests on financial investments are carried out in accordance with the accounting policy referred to in Note 2 and based on the assessment of the assets of the subsidiaries carried out using discounted cash flow models.

The main assumptions used for the valuation of the financial holdings, generally correspond to those used for the purposes of impairment tests of goodwill and for the evaluation of real estate assets that are disclosed in the consolidated financial statements.

Accumulated impairment losses as at 31 December 2023 and 2022 are as follows:

	31 Dec 2023	31 Dec 2022
Sontel, B.V.	22,431	24,511
Mktplace Comércio Eletrónico, S.A.	–	9,483
Sonae RE, S.A.	2,856	2,426
Universo, IME, S.A.	38,028	56,000
	63,315	**92,420**

After the loss of control of Universo, Sonae revalued Universo's stake, recording an impairment loss in the amount of 10 million euros, recorded under the caption "Gains and losses on investments" (Note 2.4).

2.2. Financial assets at fair value

Accounting Policies

For financial reporting purposes, fair value measurement is categorized into Level 1, 2 and 3, according to the level which the assumptions used are observable and their significance at the level of fair value valuation used in measuring assets/ liabilities or their disclosure.

Level 1 – Fair value is determined based on active market prices for identical assets/liabilities;

Level 2 – Fair value is determined based on other data other than market prices identified in Level 1, but they are possible to be observable; and

Level 3 – Fair value measurements derived from valuation techniques, whose main inputs are not based on observable market data.

Fair value through profit or loss

As at 31 December 2023, the item Financial Investments at Fair Value through Profit and Loss includes:

- the investment of 3,000 thousand euros representing 10% of the capital in the investment fund Bright Tech Innovation I, set up in June 2020. Investment was valued at fair value classified in level 3 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value;

- The investment of 14,790 thousand euros concerns 566,661 shares representing Musti's share capital (2,073 thousand euros relating to 132,805 shares as of 31 December 2022). Musti is the market leader in the retail of pet products in the Nordic countries, with a successful omnichannel strategy leveraged on a range of its own and exclusive products, as well as a unique presence in the physical and digital world. The shares are valued at market value (26.10 euros/share), totaling 14,790 thousand euros on 31 December 2023. This investment was valued at fair value classified at level 3 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value.

In the 2023 financial year, 5,898 thousand euros of fair value gains were recorded in caption “Gains and losses on investments recorded at fair value through results” relating to Musti and 2,142 relating to other investments that were at fair value.

2.3. Cash receipts and cash payments of investments

As at 31 December 2023 and 2022, cash receipts and cash payments related to investments can be detailed as follows:

Receipts / Payments	31 Dec 2023		
	Acquisitions / (disposals) for the year	Amount received	Amount paid
Sonae Sierra SGPS, S.A. (nota 1.1)	88,566	–	(88,566)
NOS, SGPS, S.A. (nota 1.1)	(195,318)	212,605	–
Universo, IME, S.A. a)	(41,915)	41,915	(63,953)
Sonaecom, SGPS, S.A.	2,182	–	(2,182)
Sonae RE, S.A.	–	–	(250)
Others	–	10,002	(8,208)
	(146,484)	**264,522**	**(163,159)**

a) The amount paid refers to a capital increase of 45,000 thousand euros and the coverage of losses of 18,953 thousand of euros realized in the 2023 financial year.

Receipts / Payments	31 Dec 2022		
	Acquisitions / (disposals) for the year	Amount received	Amount paid
Sonae Sierra SGPS, S.A.	83,471	–	(83,471)
NOS, SGPS, S.A.	73,220	–	(73,220)
Universo, IME, S.A.	10,000	–	(10,000)
Sonae Holdings, S.A.	10,000	–	(10,000)
Sonae Corporate, S.A.	(6,063)	8,190	–
Others	9,518	–	(9,518)
	180,146	**8,190**	**(186,209)**

2.4. Gains and losses related to investments

As of 31 December 2023 and 2022, gains and losses relating to investments are as follows:

	31 Dec 2023	31 Dec 2022
Gains/(Losses) on sale of investments	8,510	2,127
Gains/(Losses) on investments recorded at fair value through results	–	266
Impairment losses (Note 2.1)	(10,458)	(66,200)
Impairment reversal (Note 2.1)	2,080	38,509
	132	**(25,298)**

The item “Gains / (losses) on the sale of financial investments”, at 31 December 2023, includes:

- 9.2 million euros relating to the loss on the sale of Universo, IME, S.A. (Note 1.1);
- 17.3 million euros of capital gain relating to the sale of shares in NOS, SGPS, S.A. for the amount of 212.6 million euros to Sonaecom, SGPS, S.A. (Note 1.1).

3. Working capital

3.1. Trade receivables

Trade accounts receivable as at 31 December 2023 and 2022 relates exclusively to technical administration and management services to companies in which the Company has an equity interest (Note 8).

At the date of the statement of financial position, there are no accounts receivable past due, and no impairment losses have been recorded.

3.2. Other receivables

As at 31 December 2023 and 2022, the details of "Other receivables", are as follows:

	31 Dec 2023	31 Dec 2022
Group companies		
Sonae Holdings, SA	2,636	260,929
Fashion Division, SA	52,700	138,815
Universo, IME, SA	–	11,989
Sparkfood, S.A.	31,806	9,937
Iservices, Lda.	1,278	340
Halfdozen Real Estate, SA	340	305
Sparfood Ingredients, S.A. (ex.: Wad Lab, S.A.)	29,734	107
Worten - Equipamento para o Lar, SA	60,476	–
Satfiel, Lda.	1,181	–
Others	136	–
Loans (Note 8)	**180,287**	**422,422**
Special regime for taxation of group companies	44,262	22,556
Other debtors	1,464	798
	226,013	**445,775**

The amount recorded in the caption "Special regime for taxation of group companies" corresponds to the tax estimate calculated by the companies taxed under the Special Regime for Taxation of Corporate Groups, of which the Company is the dominant company.

Loans granted to group companies return interest at variable market rates indexed to Euribor and have a maturity of less than one year.

There were no assets impaired or past due as at 31 December 2023 and 2022. The fair value of loans granted is similar to its carrying amount.

3.3. Other current assets

As at 31 December 2023 and 2022, the value of the item other current assets corresponds essentially to accrued income related to the accrual of interest on loans granted and commissions on guarantees provided to subsidiaries.

3.4. Loans obtained from group companies

As at 31 December 2023 and 2022 loans obtained from group companies are as follows:

	31 Dec 2023	31 Dec 2022
Worten España Distribución, S.L.	230,566	–
Sontel, B.V.	199,810	452,790
SFS, Gestão e Consultoria, S.A. (ex - Universo, GC, S.A.)	147,430	149,407
Worten - Equipamentos para o Lar, S.A.	–	83,937
Sesagest – Projectos e Gestão Imobiliária, S.A.	40,318	37,128
Sonae Corporate, S.A.	5,061	5,206
Universo Sonae, S.A.	4,347	4,187
Arat Inmuebles, SAU	–	1,600
Sonae RE, S.A.	514	356
Zaask - Plataforma Digital, S.A.	173	–
Loans (Nota 8)	**628,219**	**734,611**

Loans obtained from group companies bear interest at rates indexed to the Euribor.

3.5. Other payables

As at 31 December 2023 and 2022, the details of other payables are as follows:

	31 Dec 2023	31 Dec 2022
Group companies		
Taxes - Special regime for taxation of groups	128,794	38,234
Shareholders	104	122
Others	1,116	399
	130,014	**38,755**

The amount recorded in "Taxes – Special regime for taxation of groups" corresponds to the tax payable calculated by companies included in the Special Regime of Taxing Groups of Companies, net of advance tax payments, additional advance tax payments, special advance tax payments on account and withholding tax, of which the Company is the dominant company.

3.6. Other current liabilities

As at 31 December 2023 and 2022 other current liabilities are as follows:

	31 Dec 2023	31 Dec 2022
Accruals:		
Interests	17,189	5,106
Salaries	2,607	2,155
External supplies and services	1,603	1,913
Others	123	969
	21,522	**10,143**

3.7. Income tax

Accounting policies

Since 2014, Sonae is constituted as the holding company of a group of companies taxed by the Special Regime for the Taxation of Groups of Companies (RETGS), and each of the companies under this regime registers the income tax payable in its individual accounts and recognize a liability in the caption of group companies.

Except in 2017 where only the parent company recognized the effect of tax losses generate by the group, the companies that contribute with tax losses register the corresponding tax amount in the individual financial statements by counterpart of the intercompany caption.

Deferred taxes are calculated using the statement of financial position liability method, reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are calculated and annually remeasured using the tax rates that have been enacted or substantively enacted and therefore are expected to apply when the temporary differences are expected to reverse.

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be used, or when taxable temporary differences are recognized and expected to reverse in the same period. At each statement of financial position date, a review is made of the deferred tax assets recognized, being reduced whenever their future use is no longer probable.

Deferred tax liabilities are recognized on all taxable temporary differences, except those related to: i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities, which do not result from a concentration of business activities, and which at the date of the transaction do not affect the accounting or tax result. However, with respect to taxable temporary differences related to investments in subsidiaries, these should not be recognized to the extent that: i) the parent company has the capacity to control the period of the reversal of the temporary difference; and ii) it is likely that the temporary difference will not be reversed in the near future.

Deferred tax assets and liabilities are recorded in the income statement, except if they relate to items directly recorded in equity. In these cases, the corresponding deferred tax is recorded in equity.

The value of taxes recognised in the financial statements correspond to the understanding of Company on the tax treatment of specific transactions being recognised liabilities relating to income taxes or other taxes based on interpretation that is performed and what is meant to be the most appropriate.

In situations where such positions will be challenged by the tax authorities as part of their skills by their interpretation is distinct from Sonae, such a situation is the subject of review. If such a review, reconfirm the positioning of the Group concluded that the probability of loss of certain tax process is less than 50% Sonae treats the situation as a contingent liability, i.e. is not recognized any amount of tax since the decision more likely is that there will be no place for the payment of any tax. In situations where the probability of loss is greater than 50% is recognized a provision, or if the payment has been made, it is recognized the cost associated.

In situations in which payments were made to Tax Authorities under special schemes of regularization of debts, in which the related tax is Income Tax, and that cumulatively keep the respective lawsuits in progress and the likelihood of success of such lawsuits is greater than 50%, such payments are recognized as assets, as these amounts correspond to determined amounts, which will be reimbursed to the entity (usually with interests) or which may be used to offset the payment of taxes that will be due by the group, in which case the obligation in question is determined as a present obligation. In situations where payments correspond to other taxes, such amounts are recorded as expenses, although the Group's understanding is that they will be reimbursed plus interest.

As at 31 December 2023 and 2022, the deferred income refers to the estimated tax for the year less advance tax payments, additional advance tax payments, special tax payments and withholding tax of Corporate Income tax (CIT). The caption Tax from previous years refers to recoverable tax relating to previous years, which has not yet been refunded by the tax authority.

3.7.1. Tax recognized in the year

The amount of income tax for the year recorded in the income statement for the years ended 31 December 2023 and 2022 can be detailed as follows:

	31 Dec 2023	31 Dec 2022
Current tax	(4,771)	(4,021)
Over/under tax estimate	162	665
Deferred tax	3,376	(204)
	(1,233)	**(3,562)**

Reconciliation between the profit before taxes and the tax charge for the years ended 31 December 2023 and 2022 are summarized as follows:

	31 Dec 2023	31 Dec 2022
Profit before income tax	257,387	128,654
Income tax (21%)	**54,051**	**27,017**
Untaxed results		
Dividends not subject to tax	(59,040)	(36,649)
Capital (losses)/gains untaxed	(125)	(447)
(Reversal)/Impairment losses	1,759	5,815
Tax benefits	(161)	308
Excess tax estimate	162	665
Autonomous taxes	37	35
Constitution/reversal of tax losses	1,997	(321)
Others	87	15
Income tax	**(1,234)**	**(3,562)**

3.7.2. Deferred tax

Deferred tax assets and liabilities as at 31 December 2023 and 2022 may be described as follows considering the different natures of temporary differences:

	31 Dec 2023		31 Dec 2022	
	Assets	Liabilities	Assets	Liabilities
Reportable tax losses	65,638	–	9,772	–
impairment losses/provisions not accepted for tax purposes	–	–	3	–
Valuation of financial assets	–	–	3,222	–
Tax Benefits	1,817	–	2,095	–
Rights of use	–	–	97	97
Others	608	–	481	–
	68,063	**–**	**15,670**	**97**

During the periods ended 31 December 2023 and 2022, movements in deferred tax assets and liabilities are as follows:

	31 Dec 2023		31 Dec 2022	
	Assets	Liabilities	Assets	Liabilities
Opening balance	15,670	97	10,058	123
Effects in net income:				
Tax Benefits - Sifide	(278)	–	(308)	–
Share-based payments	126	–	181	–
Lease liabilities	(97)	(97)	(27)	(26)
Valuation of financial assets	(3,224)			
Provisions and impairment losses not accepted for tax purposes	–	–	2	–
	(3,473)	**(97)**	**(152)**	**(26)**
Effects in other comprehensive income:				
Deferred tax on the fair value of financial investments	–	–	1,683	–
	–	**–**	**1,683**	**–**
Other efects				
Registration/(reversal) of tax losses arising from RETGS application	55,866	–	4,081	–
	55,866	**–**	**4,081**	**–**
CLOSING BALANCE	**68,063**	**–**	**15,670**	**97**

During 2023, the group carried out a reassessment of the IFRS 16 accounting taxes, since the 2019 financial year, understanding:

• Failing to give tax relevance to rental income paid by tenants in replacement of the accounting effects of IRFS 16, which were then annulled for tax purposes;

• Start giving tax relevance to IFRS 16 accounting adjustments, since 2019 (including the effect of the equity variation recorded in the transition), adopting the following procedures:

o The useful life considered for the purposes of tax amortizations on the right of use will be that which corresponds to the useful life of the underlying asset or, if shorter, the lease term;

o The value of depreciation to be considered for tax purposes on rights of use whose assets are underlying passenger or mixed vehicles must take into account the limits set in Ordinance 467/201 of 7 July.

As such, the group will replace the periodic income statements for IRC purposes, from years prior to 2023, given the values calculated in accordance with the above. The aforementioned revaluation resulted in the derecognition of deferred tax assets and deferred tax liabilities relating to IFRS 16 accounting taxes in all Portuguese companies that are part of the RETGS and the recognition of 36,539 thousand euros of deferred tax assets relating to tax charges in the line "Registration/(reversal) of tax losses arising from the RETGS application".

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward can be summarized as follows:

	Country	31 Dec 2023 Tax losses carried forward	31 Dec 2022 Tax losses carried forward
Generated in 2016	Portugal	18,122	18,122
Generated in 2018	Portugal	999	999
Generated in 2019	Portugal	1,143	1,143
Generated in 2021	Portugal	21,456	15,941
Generated in 2022	Portugal	17,414	10,328
Generated in 2023	Portugal	253,430	–
		312,564	**46,533**

4. Financial Instruments

4.1. Financial Risk Management

4.1.1. Introduction

The ultimate purpose of financial risk management is to support Sonae in the achievement of its strategy, reducing unwanted financial risk and volatility and mitigate any negative impacts in the income statement arising from such risks. Sonae's attitude towards financial risk management is conservative and cautious. Derivatives are used to hedge certain exposures related to its operating business and, as a rule, Sonae does not apply into derivatives or other financial instruments that are unrelated to its operating business or for speculative purposes.

Financial risk management policies are approved by the Executive Committee and risks are identified and monitored by the Finance and Treasury Department. Exposures are also monitored by the Finance Committee as mentioned in the Corporate Governance Report.

4.1.2. Credit risk

Credit risk is defined as the probability of a financial loss arising from the breach of contractual payment obligations by a counterparty. Sonae is a holding company without any relevant commercial activity beyond the normal activities of a portfolio manager and providing services to its subsidiaries. As such, it is only exposed, on a regular basis, to credit risk arising from its investing activities holding cash and cash equivalent instruments, deposits with banks and financial institutions or resulting from derivative financial instruments entered into in the normal course of its hedging activities) or from its lending activities to subsidiaries. Loans to related entities are considered to have low credit risk and, therefore, impairment losses recognized during the period were limited to estimated credit losses at 12 months. These financial assets are considered to have "low credit risk" when they have a low impairment risk and the borrower has a high capacity to meet its contractual cash flow liabilities in the short term.

Additionally, Sonae may in some situations also be exposed to credit risk resulting from its portfolio manager activity (buying or selling investments), but in those exceptional situations risk reducing mechanisms and actions are implemented on a case by case basis (bank guarantees, escrow accounts, collaterals, among others) under the supervision of the Executive Committee.

In order to reduce the probability of counterparties default Sonae transactions (short term investments and derivatives) are only concluded in accordance with the following principles:

- Only carry out transactions (short term investments and derivatives) with counterparties that have been selected based on its high national and international reputation, and taking, into account its rating notations and the nature, maturity and extension of the operations;

- Sonae should only invest in previously authorized financial instruments. The definition of the eligible instruments, for the investment of temporary excess of funds or derivatives, was made with a conservative approach (essentially consisting in short term monetary instruments, in what excess of funds is concerned and instruments that can be split into components and that can be properly fair valued, with a loss cap);

- Additionally, in relation to excess funds: i) those are preferentially used, whenever possible and when more efficient to repay debt, or invested preferably in instruments issued by relationship banks in order to reduce exposure on a net basis, and ii) may only be applied on pre-approved instruments;

- Any departure from the above mentioned policies needs to be pre-approved by the Executive Committee.

Given the above mentioned policies and the credit ratings restrictions imposed management does not expect any material failure in contractual obligations from its external counterparties. Nevertheless, exposure to individual counterparties resulting from financial instruments and the credit rating of potential counterparties is regularly monitored by the Financial Department and any departure is promptly reported to the Executive Committee and Finance Committee.

Sonae is also exposed to settlement risk, which is managed through a rigorous selection of its intermediaries, who must be counterparties with a high rating level.

In relation to credit risk resulting from loans granted to subsidiaries, there is no specific risk management policy as the financing of its subsidiaries is part of the main operations of a holding company.

4.1.3. Liquidity risk

Sonae needs, regularly, to raise external funds to finance its activities and investing plans. It holds a long-term diversified portfolio, essentially made of long term bond financing, but which also includes a variety of other short-term financing facilities in the form of commercial paper and credit lines. As at 31 December 2023, the total gross debt was 320 million euros (437 million euros as at 31 December de 2022 (Note 5.6)), excluding debt obtained from group companies.

The purpose of liquidity risk management is to ensure, at all times, that Sonae has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy.

Given the dynamic nature of its activities, Sonae needs a flexible financial structure and therefore uses a combination of:

- Maintaining, with its relationship banks, a combination of short and medium term committed credit facilities, commercial paper programme with sufficiently comfortable previous notice cancellation periods within a range between 30 and 360 days;

- Maintenance of commercial paper with different periods, that allow, in some cases, to place the debt directly in institutional investors;

- Detailed rolling annual financial planning, with monthly, weekly and daily cash adjustments in order to forecast cash requirements;

- Diversification of financing sources and counterparties;

- Ensuring an adequate average debt maturity, by issuing long term debt and avoiding excessive concentration of scheduled repayments. At 31 December 2023, the average maturity of Sonae debt average life maturity, adjusted by the amount of committed long-term facilities and cash equivalents, was approximately 5 years (on 31 December 2022 it was 4,4 years);

- Negotiating contractual terms which reduce the possibility of the lenders being able to demand an early termination;

- Where possible, by pre-financing forecasted liquidity needs, through transactions with an adequate maturity;

- Management procedures for short-term investments ensuring that the maturity of the investments to be made must coincide with the expected payments (or be sufficiently liquid, in the case of investments in assets, to allow urgent and unscheduled settlements), including a margin to cover eventual forecasting errors. The reliability of treasury forecasts is a determining variable for calculating the amounts and terms of the borrowing / investing operations in the market.

Sonae maintains a liquidity reserve in the form of credit lines with its relationship banks, in order to ensure the ability to meet its commitments, without having to refinance itself under unfavorable conditions. Sonae has 1,049.5 million euros of credit lines contracted (461.5 million euros as at 31 December 2022). As at 31 December 2023, the amount of loans maturing in 2024 is 16.5 million euros (49 million euros maturing in 2023 on 31 December 2022). Additionally, taking into account the amounts used at 31 December 2023, 1,049.5 million euros are available (as at 31 December 2022, there were credit lines available in the amount of 244 million euros). In view of the above, Sonae expects to satisfy all its cash needs using its investment flows, as well as, if necessary, resorting to existing available lines of credit. The maturity of financial instruments is detailed on Note 5.6.. Additionally, Sonae had, on 31 December 2023, a liquidity reserve made up of cash and cash equivalents and current investments, as described in Note 5.8.

Sonae considers as available lines with commitments exceeding 1 year the amount of the financing agreement of 600 million euros, with the aim of financing the voluntary public offer for the acquisition of shares of the Finnish company Musti Group Plc, which on 31 December 2023 was not used.

Sonae believes that within the short term, it has access to all the necessary financial resources to meet its commitments and investments.

4.1.4. Interest rate risk

4.1.4.1 Policies

Sonae is exposed to cash flow interest rate risk in respect of items in the statement of financial position (loans and short-term investments) and to fair value interest rate risk because of interest rate derivates (swaps, FRA's and options). Most of Sonae's debt is indexed to variable rate derivatives may be entered into to convert part of the variable rate debt into fixed rate (usually through interest rate swaps or forward rate agreements), or to limit the maximum rate payable (usually through zero cost collars or the purchased caps).

Sonae mitigates interest rate risk by adjusting the proportion of its debt that bears fixed interest to that which bears floating interest although without a fixed goal or percentage to achieve since hedging interest rate risk usually has an opportunity cost associated. Therefore, a more flexible approach is considered preferable to a more strict traditional approach. Part of the risk is also mitigated by the fact that Sonae grants loans bearing interest at variable interest rates to its subsidiaries as part of its usual activities and thus there may be some degree of natural hedging on a company basis, since if interest rates increase the additional interest paid would be partially offset by additional interest received.

Sonae hedging activities do not constitute a profit-making activity and derivatives are deemed to be entered into without any speculation purpose. Strict rules are observed in relation to any derivative transaction entered into:

- For each derivative or instrument used to hedge the risk associated with a given financing, there must be a coincidence between the dates of interest flows paid on the

hedged financing and the settlement dates under the hedging instrument to avoid any inefficiency in the hedging;

- For each derivative or instrument used to hedge the risk associated with a given financing, there must be a perfect equivalence between the base rates: the index used in the derivative or hedging instrument must be the same as that applicable to the financing / transaction that is being covered;

- Since the beginning of the transaction, the maximum cost of indebtedness, resulting from the hedging operation carried out, is known and limited, even in scenarios of extreme changes in market interest rates, trying to ensure that the resulting level of rates fits into the cost of funds considered in the Company's business plan, or at least in extreme interest rate hike scenarios should not be higher than the cost of financing indexed to the underlying variable rate;

- The counterparties of the hedging instruments are limited to credit institutions of high credit quality, in accordance with the credit risk management considerations referred to in chapter 4.1.2, and it is Sonae's policy to privilege the contracting of these instruments with Sonae's relationship banking entities, nevertheless, requesting the submission of proposals and indicative prices to a representative number of banks in order to guarantee the adequate competitiveness of these operations;

- All transactions have to be documented under ISDA's Agreements (International Swaps and Derivatives Association);

- All operations that do not follow the aforementioned rules will have to be individually approved by the Executive Committee and reported to the Finance Committee, namely operations contracted with the purpose of optimizing the cost of debt when deemed appropriate according to the conditions in force at that time in the financial markets.

4.1.4.2 Sensitivity analysis

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in interest rates affect interest receivable or payable on financial instruments indexed to variable rates (interest payments, associated with financial instruments not designated as hedged instruments under interest rate risk cash flow hedges). As a consequence, these instruments are included in the calculation of the sensitivity analysis to the results;

- Changes in market interest rates only affect gains and losses in relation to financial instruments with fixed interest rates if they are recognized at their fair value. As such, all financial instruments with fixed interest rates recorded at amortised cost are not subject to interest rate risk, as defined in IFRS 7;

- In the case of instruments designed to hedge the fair value of interest rate risk, when changes in the fair value of the hedged instrument and the hedging instrument attributable to interest rate movements are almost completely offset in the income statement for the same period, these financial instruments are also not considered to be exposed to interest rate risk;

- Changes in the market interest rates of financial instruments that have been designated as cash flow hedging instruments to cover fluctuations in payments resulting from changes in interest rates affect the equity reserve items and are therefore included in the calculation of the sensitivity analysis to equity (other reserves);

- Changes in the market interest rate of interest rate derivatives that are not designated as part of a hedging relationship, as defined in IAS 39, affect the Company's results (net gain / loss resulting from the revaluation of the fair value of the instruments financial), and are therefore included in the calculation of the sensitivity analysis to results;

- Changes in the fair value of derivative financial instruments and other financial assets and liabilities are estimated by discounting future cash flows at the market interest rates existing at the end of each year and assuming a parallel variation in the interest rate curves;

- For the purposes of the sensitivity analysis, this analysis is performed based on all financial instruments existing during the year.

Under these assumptions, if the interest rates on financial instruments denominated in euros had been 100 basis points higher, Sonae's net income before taxes (separate accounts) on 31 December 2023 would have been lower by around 4,9 million euros (as at 31 December 2022 it would be lower by around 6,8 million euros).

4.1.5. Foreign exchange rate risk

Sonae, as a holding company, has very limited exposure to exchange rate transaction risk arising from commercial transactions. Usually, when such exposures arise, foreign exchange risk management is carried out with the objective of minimizing the volatility of the value of such transactions carried out in foreign currency and reducing the impact on the results of exchange rate fluctuations. When materially significant exposures arise with a high degree of certainty, Sonae covers such exposures mainly with the use of forward exchange rate contracts. For exposures with some degree of uncertainty, you can resort to the use of exchange rate options, subject, however, to the prior approval of the Executive Committee.

Sonae does not have any material foreign exchange rate exposure at holding level, since almost all equity and loans to subsidiaries are denominated in euro.

4.1.6. Price and market risk

The Group is exposed to equity price risks arising from equity investments, maintained for strategic rather than for trading purposes as the group does not actively trade these investments. These investments are presented in note 2.

4.1.7. Capital risk

Sonae's capital structure, determined by the proportion of equity and net debt is managed in order to ensure continuity and development of its portfolio management activities, maximize the return on shareholders and optimize financing costs.

Sonae periodically monitors its capital structure, identifying risks, opportunities and the necessary adjustment measures for the achievement of these objectives.

4.2. Financial instruments

The Company classifies financial instruments in the categories presented and reconciled with the statement of financial position as disclosed in Note 4.3.

(a) Financial assets

Recognition

All purchases and sales of investments in financial assets are recognized on the trade date, on the date where the Company commits to buy or sell the asset.

Classification

Financial assets classification depends on the business model followed by the Company in the management of financial assets (receipt of cash flows or appropriation of fair value changes) and the contractual terms of the cash flows receivable.

Changes in the classification of financial assets can only be made when the business model is changed, except for financial assets at fair value through other comprehensive income, which are equity instruments, which can never be reclassified to another category.

Financial assets may be classified in the following measurement categories:

(i) Financial assets at amortised cost: includes financial assets that correspond only to the payment of nominal value and interest and whose business model followed by the management is the receipt of contractual cash flows;

(ii) Financial assets at fair value through other comprehensive income: this category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity);

a) in the case of debt instruments, this category includes financial assets that correspond only to the payment of nominal value and interest, for which the business model followed by the management is the receipt of contractual cash flows or punctually that of their sale;

b) in the case of equity instruments, this category includes the percentage of interest held in entities over which the Company does not exercise control, joint control or significant influence, and that the Company has irrevocably chosen on the date of initial recognition to designate the fair value through other comprehensive income;

(iii) Financial assets at fair value through profit or loss: Includes assets that do not meet the criteria for classification as financial assets at amortised cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments that were not designated at fair value through other comprehensive income.

Measurement

Sonae initially measures financial assets at fair value, added to the transaction costs directly attributable to the acquisition of the financial asset, for financial assets that are not measured at fair value through profit or loss. Transaction costs of financial assets at fair value through profit or loss are recorded in the income statement when incurred.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in "Interest income" on financial income.

Financial assets at fair value through other comprehensive income that constitute equity instruments, are measured at fair value on the date of initial registration and subsequently, and fair value changes are recorded directly in the other comprehensive income, in Equity, and there is no future reclassification even after derecognition of the investment.

Impairment losses

Sonae assesses prospectively the estimated credit losses associated with financial assets, which are debt instruments, classified at amortised cost and at fair value through other comprehensive income. Applied impairment methodology considers the credit risk profile of the debtors, and different approaches are applied depending on the nature of the debtors.

Regarding to accounts receivable from related entities, which are not considered as part of the financial investment in these entities, credit impairment is assessed against the following criteria: i) if the receivable balance is immediately due (“on demand”); ii) if the balance receivable is low risk; or (iii) if it has a term of less than 12 months.

In cases where the amount receivable is immediately due and the related entity is able to pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the receivable balance is not immediately due, the related entity's credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then the Company only assesses the probability of a default occurring for the cash flows that mature in the next 12 months.

For all other situations and nature of receivables, Sonae applies the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there was no increase in credit risk, the Company calculates an impairment corresponding to the amount expected to be loss within 12 months. If there has been an increase in credit risk, Sonae calculates an impairment corresponding to the amount equivalent to the expected losses for all contractual flows until the maturity of the asset.

Impairment losses calculated for financial assets at amortised cost are recorded in the income statement under the caption “Provisions and impairment losses” when estimated.

When it is estimated that the impairment losses recognized in previous years no longer exist or have decreased, the reversal of impairment is recorded in the caption “Provisions and impairment losses”.

Derecognition of financial assets

Sonae derecognize financial assets when, and only when, the contractual rights to the cash flows have expired or have been transferred, and the Company has transferred substantially all the risks and rewards of property of the asset.

(b) Loans granted and other receivables

Loans granted are measured at amortised cost using the effective interest method, deducted from any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

These financial investments arise when Company provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans are classified as current assets, except when their maturity is greater than 12 months from the statement of financial position date, which are classified as non-current assets.

Other receivables are recorded at their nominal value less any impairment losses, recognized under the impairment losses item in accounts receivable, so that they reflect their net realizable value.

Impairment losses on loans and accounts receivable are recorded in accordance with the principles described in Note 4.2 a).

Impairment losses recognized correspond to the difference between the carrying amount of the balance receivable and the respective current value of estimated future cash flows, discounted at the initial effective interest rate which, in cases where a receipt is expected within a period of less than one year, is considered null because the discount effect is considered immaterial.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, term deposits and other treasury applications which mature in less than three months and are subject to insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents also include bank overdrafts, which are included in the statement of financial position caption of current bank loans.

(d) Classification as equity or liability

Financial liabilities and equity instruments are classified and accounted for based on their contractual substance, independently from the legal form they assume.

Equity instruments are contracts that evidence a residual interest in the assets of Company after deducting all of its liabilities. Equity instruments issued by Company are recorded by the amount of proceeds received, net of direct issuance costs.

(e) Financial liabilities

Financial liabilities are classified into two categories:

i) Financial liabilities at fair value through profit or loss; and

ii) Financial liabilities at amortised cost.

The "Financial liabilities at amortised cost" category includes liabilities presented under "Loans", "Bonds", "Other loans", "Other non-current liabilities", "Trade payables" and "Other

payables". These liabilities are initially recognized at fair value net of transaction costs and are subsequently measured at amortised cost at the effective interest rate.

As at 31 December 2023, Company has only recognized liabilities classified as "Financial liabilities at amortised cost".

Financial liabilities are derecognised when the underlying obligations are extinguished by payment, are canceled or expire.

(f) Loans

Loans are recorded as liabilities at their nominal value, net of up-front fees and commissions related to the issuance of those instruments which corresponds to their fair value at transaction date.

Financial expenses are calculated based on the effective interest rate and are recorded in the income statement on an accruals basis, in accordance with the accounting policy defined in note 1.4. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Borrowings on the form of commercial paper are classified as non-current, when the Company has guarantees of placing for a period exceeding one year and it is its' intention to maintain the use of this form of financing for a period exceeding one year.

(g) Trade and other payables

Trade accounts payable are stated at their nominal value, since it relates to short term debt, and its discount effect is estimated to be immaterial. Debts are classified as current liabilities if payment is due within 12 months or less, otherwise supplier accounts is classified as non-current liabilities.

(h) Derivates

Derivative financial instruments are initially recorded at the fair value of the transaction date and subsequently measured at fair value. The method of recognizing fair value gains and losses depends on the designation of derivative financial instruments as trading or hedging instruments.

The criteria for classifying a derivative instrument as a cash flow hedge instrument is met when:

i) there is an economic relationship between the hedged item and the hedging instrument, the value of the hedged item and the hedging instrument move in opposite directions;

ii) changes in fair value do not result mainly from credit risk; and

iii) the hedge ratio designated by Company, in each transaction is the amount of the hedged item and the amount of the hedging instrument that the entity effectively uses to cover that amount of the hedged item.

The effectiveness of the hedge is assessed based on the critical criteria (amount, interest rate, interest settlement dates, currency and maturity date) of the hedged item and hedging instrument which tend to be similar. This results in a hedge rate close to 100%. Changes in the critical criteria of the hedge and the hedged item will be continuously monitored. Inefficiencies, if any, are recorded under the headings "Financial income" and "Financial expenses" in the income statement.

In specific situations, Company may enter into derivatives on exchange rates in order to hedge the risk of fluctuations in future cash flows caused by changes in those exchange rates, which may not qualify as hedging instruments in accordance with IFRS 9, being the effect of revaluation at fair value of such derivatives recorded in the income statement.

Derivatives, although contracted for the purposes mentioned above (mainly foreign exchange forwards and derivatives in the form of or including interest rate options), for which the company has not applied hedge accounting, are initially recorded at cost, which

corresponds to their fair value, if any, and subsequently revaluated at fair value, the changes in which, calculated using specific IT tools, directly affect the "Financial income" and "Financial expenses" items in the income statement.

When there are derivatives embedded in other financial instruments or other contracts, they are treated as separately recognised derivatives in situations where the risks and characteristics are not closely related to the contracts and in situations where the contracts are not presented at fair value with the unrealised gains or losses recorded in the profit and loss statement. As of 31 December 2023, Sonae has no derivatives traded.

(i) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period.

(j) Impairment of financial assets

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, Company assesses, among other factors, the duration and extent of the circumstances under which the recoverable value of these assets may be less than their book value. The balances of "Loans granted to related entities", "Trade receivables" and "Other current assets" are evaluated for factors such as the history of default, current market conditions, plus prospective information estimated by reference at the end of each reporting period as the most critical assessment elements for the purpose of analysing estimated credit losses.

4.3. Classes of financial instruments

The categories of financial instruments, in accordance with the policies described in note 4.2, on 31 December 2023 and 2022, were classified as follows:

31 dec 2023	Notes	Financial assets/ liabilities at amortised cost	Assets / liabilities recorded at fair value through profit or loss	Other non-assets/ liabilities	Total
Assets at fair value through results	2.2	–	17,865	–	17,865
Non-current assets		**–**	**17,865**	**–**	**17,865**
Trade accounts receivables	3.1	1,608	–	–	1,608
Other debtors	3.2	226,013	–	–	226,013
Other current assets	3.3	3,546	–	1,706	5,252
Cash and cash equivalents		281,377	–	–	281,377
Current assets		**512,544**	**–**	**1,706**	**514,250**
Financial assets		**512,544**	**17,865**	**1,706**	**532,115**
Bonds	5.6	103,392	–	–	103,392
Bank loans	5.6	199,762	–	–	199,762
Non-current liabilities		**303,154**	**–**	**–**	**303,154**
Bonds	5.6	4,000	–	–	4,000
Bank loans	5.6	12,500	–	–	12,500
Trade accounts payable		1,159	–	–	1,159
Loans obtained from group companies	3.4	628,219	–	–	628,219
Other payables accounts	3.5	130,014	–	–	130,014
Other current liabilities	3.6	18,915	–	2,607	21,522
Current liabilities		**794,807**	**–**	**2,607**	**797,414**
Financial Liabilities		**1,097,961**	**–**	**2,607**	**1,100,568**

31 dec 2022	Notes	Financial assets/ liabilities at amortised cost	Assets / liabilities recorded at fair value through profit or loss	Other non-assets/ liabilities	Total
Assets at fair value through results	2.2	–	11,218	–	11,218
Other non-current assets		–	–	23	23
Non-current assets		**–**	**11,218**	**23**	**11,241**
Trade accounts receivables	3.1	1,723	–	–	1,723
Other debtors	3.2	445,775	–	–	445,775
Other current assets	3.3	2,877	–	1,213	4,090
Cash and cash equivalents		3,690	–	–	3,690
Current assets		**454,065**	**–**	**1,213**	**455,278**
Financial assets		**454,065**	**11,218**	**1,236**	**466,519**
Bonds	5.6	32,830	–	–	32,830
Bank loans	5.6	354,891	–	–	354,891
Non-current liabilities		**387,721**	**–**	**–**	**387,721**
Bonds	5.6	4,000	–	–	4,000
Bank loans	5.6	45,000	–	–	45,000
Trade accounts payable		1,446	–	–	1,446
Loans obtained from group companies	3.4	734,611	–	–	734,611
Other payables accounts	3.5	38,755	–	–	38,755
Other current liabilities	3.6	7,988	–	2,155	10,143
Current liabilities		**831,800**	**–**	**2,155**	**833,955**
Financial Liabilities		**1,219,521**	**–**	**2,155**	**1,221,676**

5. Capital structure

5.1. Equity

As at 31 December 2023 and 2022, the share capital is represented by 2,000,000,000 common book-entry shares, with a nominal unit value of 1 euro.

On 31 December 2023 and 2022, Efanor Investimentos, SGPS, S.E. and its subsidiaries held 54.39% and 54,66% respectively of the shares representing the Company's share capital.

5.2. Own shares

Own shares are accounted for at their acquisition value as a deduction to equity. Gains or losses inherent to the sale of own shares are recorded in “Other reserves”, included in “Reserves and retained earnings”.

During 2023, 9,462,220 own shares were sold, ending 2023 with 70,272,537 own shares.

5.3. Legal reserves

Portuguese commercial legislation establishes that at least 5% of the annual net income must be used to reinforce the “legal reserve” until it represents at least 20% of the share capital. This reserve is not distributable, except in case of liquidation of the Company, but it can be used to absorb losses, after all other reserves have been exhausted, and for incorporation into the capital.

5.4. Other reserves

On 31 December 2023 and 2022 the details of other reservations were as follows:

	31 Dec 2023	31 Dec 2022
Free reserves	1,532,614	1,501,100
Unavailable reserves related to own shares	62,929	71,402
Share-based payments reserve	2,682	2,413
Fair value of NOS shares	–	(11,100)
	1,598,225	1,563,815

The movements of 2023 and 2022 in "Other Reserves" are detailed in the Statement of change in equity.

Based on Portuguese legislation, the amount of distributable reserves is determined in accordance with the company's individual financial statements, presented in accordance with IFRS.

During the year ended 31 December 2023, Sonae held 70,272,537 own shares (79,734,758 shares on 31 December, 2022) representing 3.51% (3.99% on 31 December, 2022) of its share capital, at a price of 0.896 euros.

In accordance with the legislation, the company must keep a reserve in the amount of 62,929 thousand euros (71,402 thousand euros at 31 December 2022) related to own shares as long as it holds them.

Share-based payments reserve relates to equity-share based payments under the deferred performance bonuses to be settled by delivery of shares, measured based on shares fair value at grant date.

5.5. Earning per share

Earnings per share for the periods ended 31 December 2023 and 2022 were calculated taking into consideration the following amounts:

	31 Dec 2023	31 Dec 2022
Net profit		
Net profit taken into consideration to calculate basic earnings per share (profit for the period)	258,620	132,216
Net profit taken into consideration to calculate diluted earnings per share	**258,620**	**132,216**
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,927,122,839	1,918,582,232
Outstanding shares related with share based payments	2,443,252	2,710,081
Shares related to performance bonus that can be bought at market price	2,797,282	2,405,525
Weighted average number of shares used to calculate diluted earnings per share	**1,932,363,374**	**1,923,697,839**
Earnings per share		
Basic	0.13420	0.06891
Diluted	0.13384	0.06873

5.6. Loans

As at 31 December 2023 and 2022, the Loans had the following details:

	31 Dec 2023		31 Dec 2022	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae SGPS - commercial paper	–	–	45,000	–
Sonae SGPS - commercial paper ESG-Linked	–	127,500	–	300,000
Sonae SGPS, SA 2016/2029	–	30,000	–	30,000
Sonae SGPS, SA 2020/2025	12,500	12,500	–	25,000
Sonae, SGPS, SA - 2023/2029 - ESG Linked	–	30,000	–	–
	12,500	**200,000**	**45,000**	**355,000**
Up-front fees beard with the issuance of borrowings	–	(238)	–	(109)
Bank loans	**12,500**	**199,762**	**45,000**	**354,891**

	31 Dec 2023		31 Dec 2022	
	Current	Non Current	Current	Non Current
Bonds				
Bonds ESG Sonae SGPS 2020/2025	4,000	4,000	4,000	8,000
Bonds ESG Sonae SGPS /2023/2028	–	75,000	–	–
Bonds Sonae SGPS /2022/2027	–	25,000	–	25,000
Up-front fees beard with the issuance of borrowings	–	(608)	–	(170)
Bonds	**4,000**	**103,392**	**4,000**	**32,830**

Loans estimated fair value is considered to be near its carrying amount. Loans fair value was determined by discounting estimated future cash flows. The major part of loans bears interests at variable interest rates indexed to market benchmarks.

Maturity of Loans

As at 31 December 2023 and 2022 the details of the maturity of loans excluding derivatives is as follows:

	31 Dec 2023		31 Dec 2022	
	Capital	Interests	Capital	Interests
N+1	16,500	11,745	49,000	8,462
N+2	16,500	11,064	16,500	6,999
N+3	75,000	10,423	16,500	8,757
N+4	77,500	9,993	120,000	8,335
N+5	120,000	4,273	150,000	6,953
After N+5	15,000	389	85,000	5,993
	320,500	**47,886**	**437,000**	**45,498**

The maturities shown above were estimated in accordance with the contractual clauses of the loans and considering Sonae's expectations regarding their amortisation date.

The interest amount was calculated considering the applicable interest rates for each loan at 31 December 2023.

As at 31 December 2023 and 2022, there were financing transactions with financial covenants whose conditions were negotiated in accordance with applicable market practices and which, at the date of this report, are in regular compliance.

As at 31 December 2023, in addition to the amounts referred to under the caption cash and cash equivalents (Note 4.3), Sonae had 1,050 million euros available to cover its treasury needs, as follows:

	31 Dec 2023		31 Dec 2022	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Agreed credit facilities	182,000	867,500	194,000	267,500
Unused credit facilities	182,000	867,500	149,000	95,000

Interest rate as at 31 December 2023 of the bonds and bank loan was, in average, 3.97% (2% as at 31 December 2022).

5.7. Reconciliation of liabilities arising from financing activities

The reconciliation of liabilities arising from financing activities as at 31 December 2023 and 2022 is as follows:

	Loans	Group companies
Opening balance as at 1 January 2022	**492,600**	**340,791**
Bond loan receipts	25,000	–
Bond loan payments	(8,000)	–
Bank loan receipts	2,461,440	–
Bank loan payments	(2,534,040)	–
Related parties loan receipts	–	4,083,762
Related Party Loan Payments	–	(3,689,941)
Opening balance as at 1 January 2023	**437,000**	**734,612**
Bond loan receipts	75,000	–
Bond loan payments	(4,000)	–
Bank loan receipts	2,512,000	–
Bank loan payments	(2,699,500)	–
Related parties loan receipts	–	3,284,060
Related parties Loan Payments	–	(3,390,452)
Closing balance as at 31 December 2023	**320,500**	**628,220**

5.8. Cash and cash equivalents

As at 31 December 2023 and 2022, Cash and cash equivalents are as follows:

	31 Dec 2023	31 Dec 2022
Cash at hand	6	5
Bank deposits	281,371	3,685
Cash and bank balances on the statement of financial position	**281,377**	**3,690**
Cash and bank balances in the statement of cash flows	**281,377**	**3,690**

5.9. Net financial expenses

As at 31 December 2023 and 2022, net financial expenses are as follows:

	31 Dec 2023	31 Dec 2022
Interest expenses		
related with other loans	(26,181)	(8,103)
related with bank loans	(9,399)	(2,564)
Up front fees and commissions related to loans	(668)	(2,239)
related with non convertible bonds	(3,040)	(327)
Foreign exchanges losses	–	(151)
Interest of lease liabilities	(14)	(4)
Other financial expenses	(398)	(240)
Financial expenses	**(39,700)**	**(13,627)**
Income		
Interest income	21,182	5,344
Others	–	1
Financial income	**21,420**	**5,345**
Net Financial Expenses	**(18,280)**	**(8,282)**

6. Operating activity

6.1. Services rendered

Accounting policy

Revenue comprises the fair value of the consideration received or receivable for services rendered from management fees debited to group companies. Revenue is recognized net of value added tax.

Services provided in 2023 in the amount of 7.2 million euros (6.7 million euros at 31 December 2022) correspond to shared services provided to group companies.

6.2. External supplies and services

As at 31 December 2023 and 2022, external supplies and services are as follows:

	31 Dec 2023	31 Dec 2022
Services	7,978	7,427
Others	2,692	1,915
	10,670	**9,342**

As at 31 December 2023 and 2022, the amount registered in services obtained are mainly related to shared services provided by subsidiaries and to consultancy rendered by external entities.

The amounts recorded under other supplies and services at 31 December 2023 and 2022 essentially relate to expenses with guarantees provided by the parent company (Efanor Investimentos, SGPS, S.E.), insurance and travel and stays.

6.3. Payroll

As at 31 December 2023 and 2022, payroll are as follows:

	31 Dec 2023	31 Dec 2022
Salaries	8,163	7,997
Social security contributions	1,201	1,058
Other staff costs	1,160	885
	10,524	**9,940**

6.4. Share-based payments

Accounting Policies

Share-based payments result from deferred performance bonus plans that are referenced to Sonae share price and/or that of its publicly listed affiliated companies and vest within a period of 3 years after being granted.

Share-based payments are measured at fair value on the date they are granted (usually in March of each year).

The settlement of plans is made by the delivery of Company shares, with the option to settle the plans in cash, and the value of each plan is determined as at the grant date based on fair value of shares granted and cost is recognized ratably during the period of each plan. Liability is recorded in equity, with a corresponding entry to personnel expenses, linearly throughout the liability maturity period.

In 2023 and in previous years, in accordance with the remuneration policy described in the corporate governance report and in accordance with the policy described above, Sonae granted deferred performance bonuses in the form of shares, to be acquired at a discount, three years after their assignment. The exercise of rights only occurs if the employee is at work on the due date.

As at 31 December 2023 and 2022, the outstanding plans were as follows:

	Vesting period		31 Dec 2023		31 Dec 2022	
	Year of grant	Vesting year	Number of participants	Number of shares	Number of participants	Number of shares
Plan 2019	2020	2023	-	–	6	954,227
Plan 2020	2021	2024	4	699,871	6	805,114
Plan 2021	2022	2025	5	858,206	5	950,740
Plan 2022	2023	2026	5	885,175	-	–

The fair values of the attributed shares for the outstanding plans can be detailed as follows:

	Assignment Date	Maturity Date	At the date of assignment 2023	At the date of assignment 2022	31 Dec 2023	31 Dec 2022
Plan 2019	2020	2023	–	743	–	631
Plan 2020	2021	2024	547	630	702	808
Plan 2021	2022	2025	875	970	802	889
Plan 2022	2022	2025	890	–	801	–

During the year the movements occurred can be detailed as follows:

	31 Dec 2023	31 Dec 2022
Balance as at 31 December 2022	2,710,081	2,505,033
Changes during the year:		
Attribued	885,175	950,740
Vested	(1,641,193)	(821,598)
Canceled/ extinct/ correted/ transferred	489,189	75,906
Closing balance as at 31 December 2023	**2,443,252**	**2,710,081**

	31 Dec 2023	31 Dec 2022
Recorded as staff cost in the year	1,153	1,786
Recorded as staff cost in previous year	1,530	627
	2,682	**2,413**

7. Contingent liabilities

Accounting Policies

Contingent assets are not recorded in the financial statements but disclosed when future economic benefits are probable.

Contingent liabilities are not recorded in the financial statements. Instead they are disclosed in the notes to the financial statements, unless the probability of a cash outflow is remote, in which case, no disclosure is made.

As at 31 December 2023 and 2022, contingent liabilities were guarantees given are as follows:

	31 Dec 2023	31 Dec 2022
Guarantees given:		
on tax claims	272,922	184,288
on judicial claims	71	71
Guarantees given in the name of subsidiaries (a)	347,235	350,065
	620,228	**534,424**

a) Guarantees given to Tax authorities in favour of subsidiaries to defer tax claims. The main tax claims for which guarantees were issued are disclosed in consolidated financial statements.

The caption guarantees provided by tax proceedings in progress includes guarantees provided in favour of the Tax Administration relating to corporate income tax for the years 2007 to 2017. Regarding these guarantees, the most relevant amount is associated with a positive equity variation by the sale of own shares to a third party in 2007, as well as by disregarding either reinvestment as capital gains due to the sale of shares, or the tax neutrality associated with spin-off operations. The Company proceeded with the judicial challenge of these additional assessments, and the Board of Directors believes, based on the opinion of its advisors, that the aforementioned legal challenges will be upheld.

In view of the issuance of additional assessments of Corporate Tax to MCH Sucursal, as representative of the Tax Group in Spain of which Sonae SGPS, SA is the dominant entity, and taking into account that the company contested these assessments and intends to fully exhaust the avenues of contestation available under Spanish and Community law, a guarantee was provided to the Spanish State in the form of bond insurance to ensure compliance with this responsibility in the remote event of it being confirmed by the Spanish Courts.

At the same time, a firm agreement was established between MCH and Sonae SGPS, SA, under which the latter, as the dominant entity of the Tax Group in Spain, fully assumed this responsibility, through a firm commitment to reimburse MCH any amount owed be paid to the Spanish State in relation to these settlements.

No provision has been accounted to face risks arising from events related to guarantees given, as the Board of Directors considers that no liabilities will result for the Company.

8. Related parties

Accounting Policies

Transactions between related entities are carried out based on market references, with income or expenses arising from these transactions being recognized.

Balances and transactions with related parties are as follows:

	Parent Company		Subsidiaries companies		Associated companies	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Sales & Services rendered (Note 6.1)	–	–	7,100	6,619	–	–
Other income	1	1	2,036	1,699	2	1
External supplies and services	(402)	(480)	(2,587)	(2,739)	(47)	(44)
Dividends received	–	–	255,784	162,529	25,028	11,988
Financial income (Note 5.9)	–	–	18,334	5,344	–	–
Financial expense (Note 5.9)	(463)	(114)	(25,718)	(7,989)	–	–
Acquisition of investments /Capital increases (Note 2.1)	–	83,471	88,566	73,220	–	–
Disposal of investments (Note 2.1)	–	–	(41,915)	(6,063)	(195,318)	–
Sale of treasury shares (Note 5.2)	–	–	(8,156)	(4,033)	–	–

	Jointly controlled companies		Other related parties	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Sales & Services rendered (Note 6.1)	10	9	50	50
Other income	–	–	134	27
External supplies and services	–	(141)	(45)	(50)
Acquisition of investments (Note 2.1)	–	9,518	–	–

	Parent Company		Subsidiaries companies		Associated companies	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Accounts receivable (Notes 3.1, 3.2 and 3.3)	2	2	48,670	27,468	–	–
Accounts payable (Notes 3.6, 3.7 e 3.8)	379	553	98,969	37,778	7	383
Loans granted (Note 3.1)	–	–	180,287	422,422	–	–
Loans obtained (Note 3.4 and 3.5)	–	–	628,219	734,611	–	–

	Jointly controlled companies		Other related parties	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Accounts receivable (Notes 3.1, 3.2 and 3.3)	47	2	89	96
Accounts payable (Notes 3.6, 3.7 e 3.8)	3,539	–	31	28

"Other related parties" are considered to be all subsidiaries, jointly controlled companies or associates of Efanor Investimentos, SGPS, S.E., namely: the companies of Grupo Sonae, SGPS, SA (which includes, among others, companies belonging to the dominated subgroups MC, SGPS, S.A., Sonae Holdings, S.A., Sonae Sierra, SGPS, S.A. and Sonaecom, SGPS, S.A.); the companies of the Sonae Indústria, SC Investments and SC Industrials. The members of the Board of Directors are also considered to be related parties.

The remuneration attributed to the Board of Directors for the years ended 31 December 2023 and 2022 is detailed as follows:

	31 Dec 2023	31 Dec 2022
Short-term benefits	3,410	2,522
Share-based benefits	1,307	837
	4,717	3,358

In 2023 and 2022 no loans were granted to Company Directors.

On 31 December, 2023 and 2022 there were no balances with the Company's administrators.

All transactions with related parties were made on terms equivalent to those prevailing in transactions where there is no relationship between the parties.

9. Dividends

Regarding the 2023 financial year, the Board of Directors will propose that a gross dividend of 0.05639 euros per share be paid, the total amount of dividends to be paid will be 112,780 thousand euros. This dividend is subject to approval by shareholders at the General Meeting.

In 2022 financial year, Board of Director decided to distribute dividends in the amount of 107,400 thousand euros. Of this amount, 103,600 thousand euros were paid to shareholders and 3,800 thousand euros, related to own shares, were accounted as "Free Reserves".

10. Approval of financial statements

The accompanying separate financial statements were approved by the Board of Directors on 29 March 2024. Nevertheless, they are still subject to approval at the Shareholders Annual General Meeting.

11. Information required by law

Decree-Law nº 318/94 art.º5º nº 4

During the year ended 31 December 2023, financial operations contracts were signed with the following companies:

Arat Inmuebles, SAU

Fashion Division, S.A.

Halfdozen Real Estate, S.A.

Iservices, Lda.

Mktplace – Comércio Eletrónico, S.A.

Satfiel, Lda.

Sesagest – Projectos e Gestão Imobiliária, S.A.

Sonae Corporate, S.A.

Sonae Investments, B.V.

Sparkfood, S.A.

Sparkfood Ingredients, S.A.

Sonae Holdings, S.A.

Sonae RE, S.A.

Sontel, B.V.

Universo, IME, SA

Universo, GC, S.A.

Universo Sonae, S.A.

Worten - Equipamentos para o Lar, S.A.

Worten España Distribución, S.L.

Worten Safe, S.A.

Zaask – Plataforma Digital, S.A.

As at 31 December 2023, the accounts receivables in respect of these transactions are as follows:

	Closing Balance
Sonae Holdings, SA	2,636
Fashion Division, SA	52,700
Worten - Equipamento para o Lar, SA	60,476
Sparkfood, S.A.	31,806
Iservices, Lda.	1,278
Sonae Corporate, SA	1,181
Halfdozen Real Estate, SA	340
Sparkfood Ingredients, S.A.	29,734
Others	136
	180,287

As at 31 December 2023, the accounts payables in respect of these transactions are as follows:

	Closing Balance
Worten España Distribución, S.L.	230,566
Sontel, B.V.	199,810
Universo, GC, S.A. (Former - SFS, Gestão e Consultoria, S.A.)	147,430
Sesagest – Projectos e Gestão Imobiliária, S.A.	40,318
Sonae Corporate, S.A.	5,061
Universo Sonae, S.A. (Former-Sonae FS, S.A.)	4,347
Sonae RE, S.A.	514
Zaask - Plataforma Digital, S.A.	173
	628,219

Article 66 of the Commercial Companies Code

As of 31 December, 2023, the Statutory Auditor's fees amounted to 77,327 euros for auditing and 4,490 euros for other services.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

José Manuel Neves Adelino

Maria Teresa Ballester Fornes

Marcelo Faria de Lima

Carlos António Rocha Moreira da Silva

Eve Alexandra Henrikson

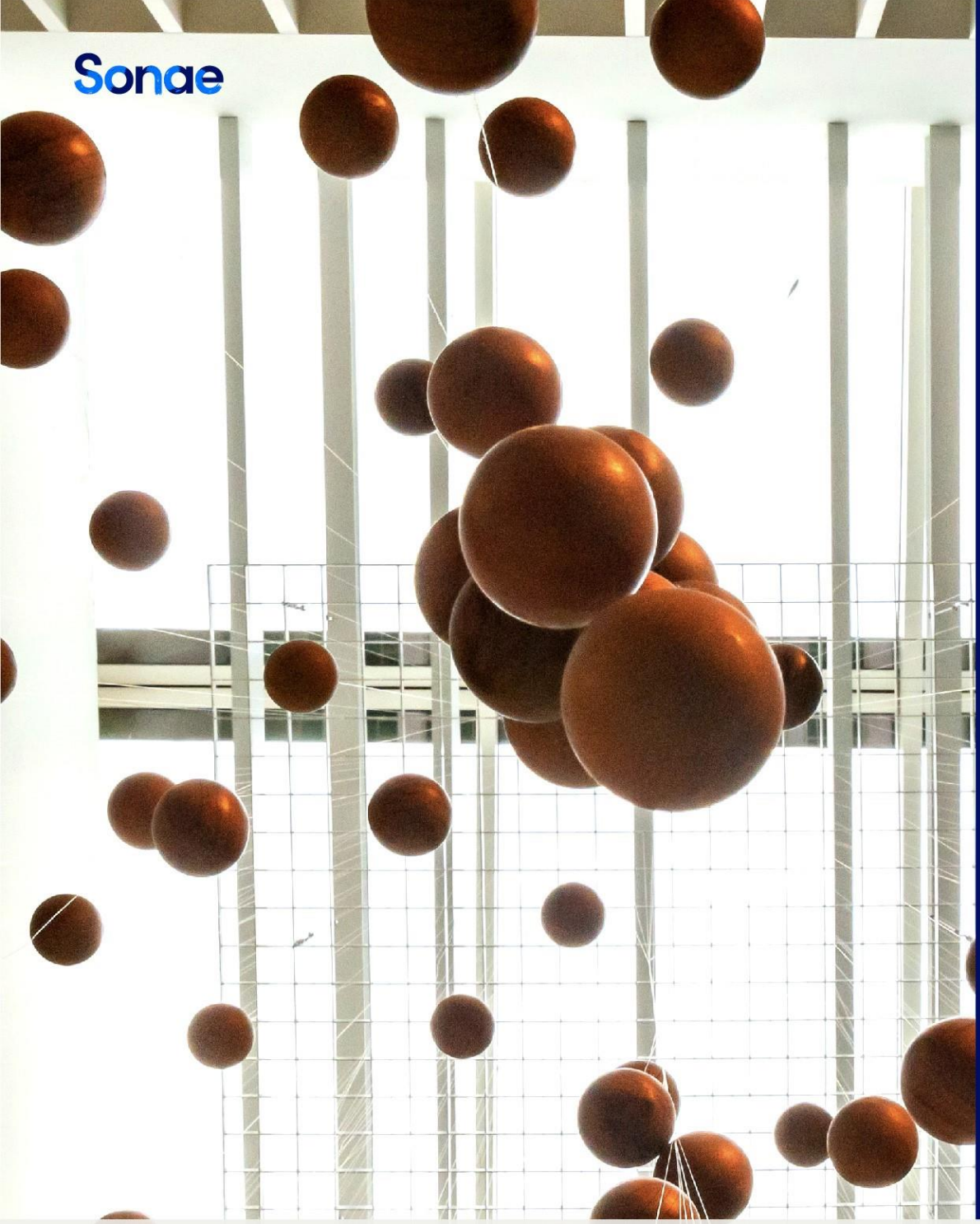
Maria Fuencisla Clemares Sempere

Philippe Cyriel Elodie Haspeslagh

Maria Cláudia Teixeira de Azevedo

João Pedro Magalhães da Silva Torres Dolores

João Nonell Günther Amaral



3

3.3 Statutory and audit reports

3.3.1 Statutory and audit reports | Consolidated financial statements

pwc

Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Sonae, SGPS, S.A. (the Group), which comprise the statement of the consolidated financial position as at 31 December 2023 (which shows total assets of Euro 8,845,055 thousand and total equity of Euro 3,461,779 thousand including a profit for the period attributable to the equity holders of the parent company of Euro 357,062 thousand), the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Sonae, SGPS, S.A. as at 31 December 2023, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
Porto Office Park, Avenida de Sidónio Pais, 153 - piso 1, 4100-467 Porto, Portugal
Tel: +351 225 433 000, Fax: +351 225 433 499, www.pwc.pt
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Key Audit Matter	*Summary of the Audit Approach*
Measurement of investment in the associate, NOS	
The caption, Investments in Joint Ventures and Associates, includes an investment measured by the equity method amounting to Euro 806.7 million in the associate, NOS, SGPS, SA (NOS), which in turn holds investments in the Angolan entities, Finstar and ZAP Media (consolidated Finstar). With regards to Finstar, the shareholdings representing 70% of its capital, held by the other shareholder, are seized. As disclosed as at 31 December 2023 and 2022, the Group considers that there is no effective control over NOS through the 37.37% equity share, but only significant influence. As a result, the interest is measured through equity method. In accordance with IFRS 3 by remission from IAS 28, the purchase price allocation to the acquired assets and liabilities related to the 10.78% equity share directly held by Sonae SGPS as at 30 September 2022, when the Group began to exercise significant influence directly over NOS and classified that interest as an associate, was concluded in 2023. As required in IAS 36, impairment tests are performed on the abovementioned investments whenever impairment indicators exist. The recoverable amount determined for the purpose of assessing the existence or not of impairment of the investment in NOS is based on business plans approved by the associate management. Given the judgement applied by management in assessing the control over NOS and the inherent subjectivity of the estimation uncertainty of the assumptions used in determining its recoverable amount, we consider the measurement of that asset as a key audit matter. The related disclosures are presented in notes 3.2.1, 3.2.2.2, 3.2.3.2 and 3.2.4 to the consolidated financial statements.	Considering the widely dispersed capital and the absence of any shareholder with a majority of voting rights in the investee, we have assessed any indicators of power and capacity to exercise control over NOS ("de facto control"). Our procedures included: i) inquiring management in relation to any other established agreements with minority shareholders at this date, or any potential voting rights arising from other contractual arrangements; ii) reviewing NOS bylaws regarding majority requirements in relation to decisions taken at shareholders' meetings; and iii) analyzing the level of attendance of shareholders with voting rights at shareholders' meeting in 2023. With regards to the allocation of the purchase price, our audit procedures included, among others, assessing the reasonableness of the relevant assumptions and the methodology used to determine the fair value of the acquired assets and liabilities, involving internal experts, as well as reperforming the calculations of the model and the impact in the 2022 and 2023 financial statements. As the financial statements of the associate are audited by another auditor, we have: i) sent audit instructions; ii) interacted with the respective auditor; iii) evaluated the strategy and the audit plan, as well as the procedures performed for the significant areas and the conclusions reached; iv) also reviewed the appropriateness of the equity accounting; and v) obtained the related financial statements and the audit report. Regarding the recoverable amount of NOS and the facts involving the equity interest in Finstar, we have performed the following audit procedures: i) assessing the impacts of the seizure of Finstar's interest in the measurement of the investment in the Angolan entity included

Key Audit Matter	*Summary of the Audit Approach*
	in the carrying amount of NOS and the reasonableness of the assumptions used in its measurement; and ii) obtaining and reviewing the impairment test of the referred associate. The analysis of the associate's impairment test, involving internal experts, when considered relevant, included the following procedures: i) assessing the models used to determine the recoverable amount and compliance with the applicable accounting standards; ii) assessing the reasonableness of the assumptions used in the forecasts made, considering the market conditions and the historical forecasting and budgeting accuracy; iii) reperforming the calculations of the model; and iv) performing sensitivity analysis of the most significant assumptions in the model. We also reviewed the disclosures related to investments in associates in the consolidated financial statements.
Impairment of goodwill, tangible, intangible and right of use assets The consolidated statement of financial position includes a carrying amount of goodwill of Euro 657.4 million, as well as tangible and intangible assets amounting to Euro 1,795.7 million and Euro 489.8 million, respectively, including indefinite-life intangible assets of Euro 171.6 million, as well as right-of-use assets amounting to Euro 1,191.3 million. Goodwill and indefinite-life intangible assets (brands) are not amortized and are tested for impairment, annually or whenever impairment indicators exist. In what concerns tangible fixed assets and the remaining intangible assets and right-of-use assets, impairment tests are carried out whenever impairment indicators exist, or with goodwill allocated. The determination of the recoverable amount of those assets, based on discounted cash flows	Our audit procedures included, among others, when applicable: i) evaluating the criteria used to determine the cash generating units for valuation models prepared for impairment tests; ii) assessing the reasonableness of the relevant assumptions and methodology used in the respective calculations, in particular, discount rates, growth rates and royalty rates for trademarks; iii) reperforming the calculations of the models; iv) scenarios analysis and performing sensitivity analysis around the most relevant variables; and v) comparing the recoverable amount obtained with the carrying amount of the referred assets, when applicable, as well as assessing the reasonableness of the booked impairment losses. Regarding real estate assets, the audit procedures on this key matter included, among others: (i) obtaining external valuations; (ii)

Key Audit Matter	*Summary of the Audit Approach*
methodology, was considered a key audit matter, due to the materiality of those captions, the impact of the impairment charges booked in the consolidated financial statements amounting to Euro 89.6 million, the high degree of judgment and uncertainty involved in the determination of its value, which is based on the definition by Management of a set of estimates and assumptions, based on strategic business plans. For most of its real estate assets, the Group determines its fair value through external experts valuations. The assessment of the fair value of these assets was also considered as a key audit matter because there is no active market and, therefore, some uncertainty in the determination of the related value. The related disclosures are presented in Notes 3.1, 3.8, 3.9, 3.10 and 3.12 to the consolidated financial statements.	assessment of the criteria used by the external consultant in the measurement of the fair value of those real estate assets, namely rents and yields used and comparison with the previous year, involving, namely, our internal experts; and (iii) verifying the adequacy of using the referred criteria in determining the recoverable amount for consolidated financial statements' purposes. We also reviewed the disclosures related to these impairment tests.
Measurement of investment properties at fair value The Group owns investment properties amounting to Euro 327.1 million, as well as a significant portfolio of investments in joint ventures and associates held through the subsidiary, Sonae Sierra, SGPS, SA (Sonae Sierra) amounting to Euro 165.5 million and Euro 673.5 million, respectively, which hold directly or indirectly investment properties. The referred investment properties are measured at fair value determined by appraisals performed by independent specialized entities. On the other hand, the realizable value of the investments in joint ventures and associates is determined by reference to the estimated sale price, based on the fair value of their investment properties, held directly or indirectly, also determined by valuations performed by specialized entities or, internally by Sonae Sierra, regarding the assets located in Brazil held by the associate ALLOS, SA (ex Aliansce Sonae Shopping Centers, SA), whose contribution to the consolidated financial statements amounts to Euro 175.8 million.	The investment properties presented in the consolidated statement of financial position refer to the subsidiary, Sonae Sierra, whose consolidated financial statements are audited by another auditor. We have sent audit instructions, interacted with the respective auditor and reviewed Sonae Sierra's auditors working papers, focusing on the procedures performed and conclusions reached regarding the measurement of investment properties as at 31 December 2023, namely in relation to the assessment of the technical competence of the appraisers and independence requirements, and verified that written confirmations of this fact were obtained. We have also obtained the audit report and the related consolidated financial statements. Additionally, for a sample of investment properties, we have performed the following audit procedures: i) obtaining the valuations performed by the entities hired by the Group for this purpose and the valuations made internally

Key Audit Matter	*Summary of the Audit Approach*
Fair value is determined through property valuation methodologies based on relevant assumptions, amongst which the discount rate and future projections of the shopping centres operations. The fair value measurement of investment properties was considered a key audit matter, taking into account the high degree of judgment and the complexity associated with such measurement, due to the uncertainty of its future realization. The related disclosures are presented in Notes 3.2.1, 3.2.2, 3.2.3 and 3.11 to the consolidated financial statements.	by Sierra, regarding some investment properties located in Brazil; ii) analyzing the major assumptions included in those valuations, namely discount rates, exit cap rates, revenue growth rate, change of the ratio of operational result to revenue and implicit yields in the valuation, involving internal experts; and iii) validating the equity method accounting for joint ventures and associates. We have also reviewed the disclosures presented in the notes to the consolidated financial statements.
Financial assets measured at fair value	
The Group holds equity instruments not traded in an organized market, measured at fair value and classified in level 3 of the fair value hierarchy, and recognised as Financial assets at fair value through profit or loss, amounting to Euro 234.9 million, as well as Financial assets at fair value through other comprehensive income amounting to Euro 10 million related to Bright Pixel. The change in the fair value of these instruments represented a loss in the consolidated income statement of Euro 21 million booked as Gains and losses on investments recorded at fair value through profit and loss. Furthermore, the Group holds investments in the associates, Armilar II, Armilar III and Armilar I+I, amounting to Euro 90.3 million, which are investment entities and also have their own financial investments measured at fair value. These associate investees are measured in the Group's consolidated financial statements, using the equity method. The determination of the fair value of equity instruments involves the application of valuation methodologies that use relevant assumptions and requires the use of significant judgments by management.	Regarding the assets held through the segment Bright Pixel, our audit procedures included, among others: i) reviewing the bid and ask quotes used in the valuation, when applicable; ii) assessing the methodologies, data and assumptions used by management in the determination of the fair value of the referred financial assets; iii) regarding the equity instruments of entities that were subject to recent transactions, reviewing the documentation that supports those transactions, in order to corroborate the fair value determined as at 31 December 2023; and iv) for those equity instruments with no such transactions, management inquiry about the existence of significant changes, facts and circumstances since the acquisition that might indicate the need to change the valuation, as well as reviewing, on a sampling basis, the latest financial information available in order to assess the performance of the assets since the acquisition and validate their valuation. With regards to the associated investees, Armilar II, Armilar III and Armilar I+I, as these entities are audited by another auditor, we have sent audit instructions, interacted with the

Key Audit Matter	*Summary of the Audit Approach*
TThe fair value measurement of equity instruments classified at level 3 of the fair value hierarchy was considered a key audit matter, due to its high degree of judgment and the uncertainty associated with such measurement. The related disclosures are presented in Notes 3.2.1 and 3.4 to the consolidated financial statements.	respective auditor and evaluated the procedures carried out and conclusions reached, focusing on the determination of the fair value of the respective financial investments. We have also reviewed the equity accounting application and obtained the financial statements and their statutory audit reports. We have also reviewed the disclosures presented in the notes to the consolidated financial statements.
Litigations and Contingencies	
Contingent liabilities disclosed by the Group as at 31 December 2023 amounting to Euro 1.196,9 million, include, among others, uncertain tax positions being disputed in tax courts and other judicial proceedings, for which, at that date, were granted warranties amounting to Euro 1,044.7 million and Euro 105.2 million, respectively. Part of those uncertain tax positions relate to additional settlements of Value Added Tax (Euro 342.1 million) and income tax in Portugal (Euro 244.3 million) and Spain (Euro 85.8 million). There are also several ongoing proceedings to challenge fines imposed by the Competition Authority amounting to Euro 252.2 million, for which guarantees were provided. The classification of the litigations as contingent liabilities (only disclosed in the notes) or provisions (when there is a present obligation and a probable outflow of resources), as well as its measurement, were considered a key audit matter, considering the materiality of the related amounts, the high degree of judgement by the management, the fact that the assessment of those proceedings is complex and have uncertain outcomes, which depend upon potential future developments. The related disclosures are presented in the Note 7.4 to the consolidated financial statements.	The audit procedures regarding the assessment of contingencies and tax and judicial litigations included, among others: i) obtaining the list of ongoing tax disputes and its probability outcome assessment, prepared by the group corporate tax department, which includes the significant subsidiaries of the group; ii) obtaining and reviewing the confirmations of the guarantees provided by the banking institutions in response to our confirmation requests, as well as claims received from external legal consultants, when applicable, with the support of our internal tax experts, having met the lawyer in charge of the proceedings initiated by the Portuguese Competition Authority; iii) for a sample of undergoing tax litigations, analysis of the related documentation and evaluation of claims and disputes made by the group, in the applicable cases; iv) discussion of the assumptions and arguments that support the management position regarding a sample of tax litigations and the proceedings of the Competition Authority; and v) assessing the assumptions assumed by the Group in the classification of the referred contingencies. We have also reviewed the disclosures presented in the notes to the consolidated financial statements.

Key Audit Matter	*Summary of the Audit Approach*
Commercial income from suppliers	
The Group has a significant set of agreements with suppliers from which obtains commercial income. This commercial income is related to purchase volume-based discounts or amounts related to services rendered in stores, such as placement of articles in brochures and tops, as well as the participation on promotional campaigns for partner products, indirectly associated with purchase processes. That income constitutes a deduction to the purchase price, and as such is recorded as a deduction to Cost of sales or to Inventories. The recognition of the commercial income related to the aforementioned service component depends on the fulfillment of the performance obligation agreed with the supplier, which requires a detailed review of the contractual terms, being supported on specific information systems with several categories of commercial income. The commercial income from suppliers was considered a key audit matter based on its materiality, the volume of transactions and the fact that the allocation to inventories of the service component is based on manual processes more susceptible to the occurrence of errors. The related disclosures are presented in Notes 4.1 and 4.4 to the consolidated financial statements.	The audit procedures included, among others: i) the analysis of the design, implementation and assessment of relevant controls over commercial income (approval of agreements with suppliers, information systems supporting such operations and their calculations, data interfaces); ii) analytical procedures, namely the analysis of ratios of income to purchases and comparisons with the previous year; iii) for a sample of agreements, the analysis of the supporting documentation in order to check whether it was properly contracted and agreed with the suppliers and the validation of the adequacy of the accounting treatment of such agreements; iv) testing the allocation of obtained discounts and commercial income to inventories as at 31 December 2023, when applicable; v) testing whether amounts were recorded in the correct period, namely through subsequent events procedures in January 2024, and vi) requesting external confirmations for a sample of suppliers, and reviewing its reconciliation, when applicable. We also reviewed the disclosures presented in the consolidated financial statements.

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and the cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' Report, the corporate governance report, the non-financial statement and the remunerations report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;

g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

i) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the consolidated financial statements, the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters and verifying that the consolidated non-financial statement and the remunerations report were presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1. c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's consolidated financial statements for the year ended on 31 December 2023 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of 17 December 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

a) obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format, and

b) the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to tag the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Consolidated non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group prepared a separate report of the Directors' report that includes the consolidated non-financial statement set forth in article No. 508-G of the Portuguese Company Law, which was disclosed together with the Directors' report.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of Sonae, SGPS, S.A. in the Shareholders' General Meeting of 3 May 2018 until the end of the mandate 2015 to 2018, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 28 April 2023 for the period from 2023 to 2026.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of 2 April 2024.

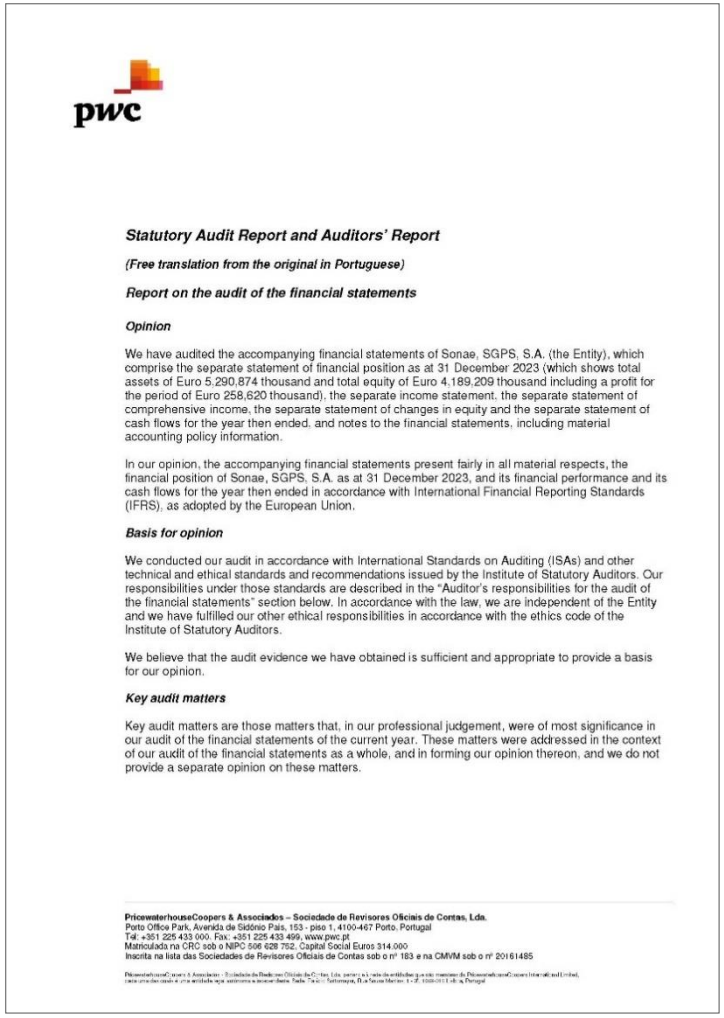
d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

2 April 2024

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Joaquim Miguel de Azevedo Barroso, ROC nº 1426
Registered with the Portuguese Securities Market Commission under nº 20161036

3.3.2 Statutory and audit reports | Separate financial statements



pwc

Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Sonae, SGPS, S.A. (the Entity), which comprise the separate statement of financial position as at 31 December 2023 (which shows total assets of Euro 5,290,874 thousand and total equity of Euro 4,189,209 thousand including a profit for the period of Euro 258,620 thousand), the separate income statement, the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Sonae, SGPS, S.A. as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

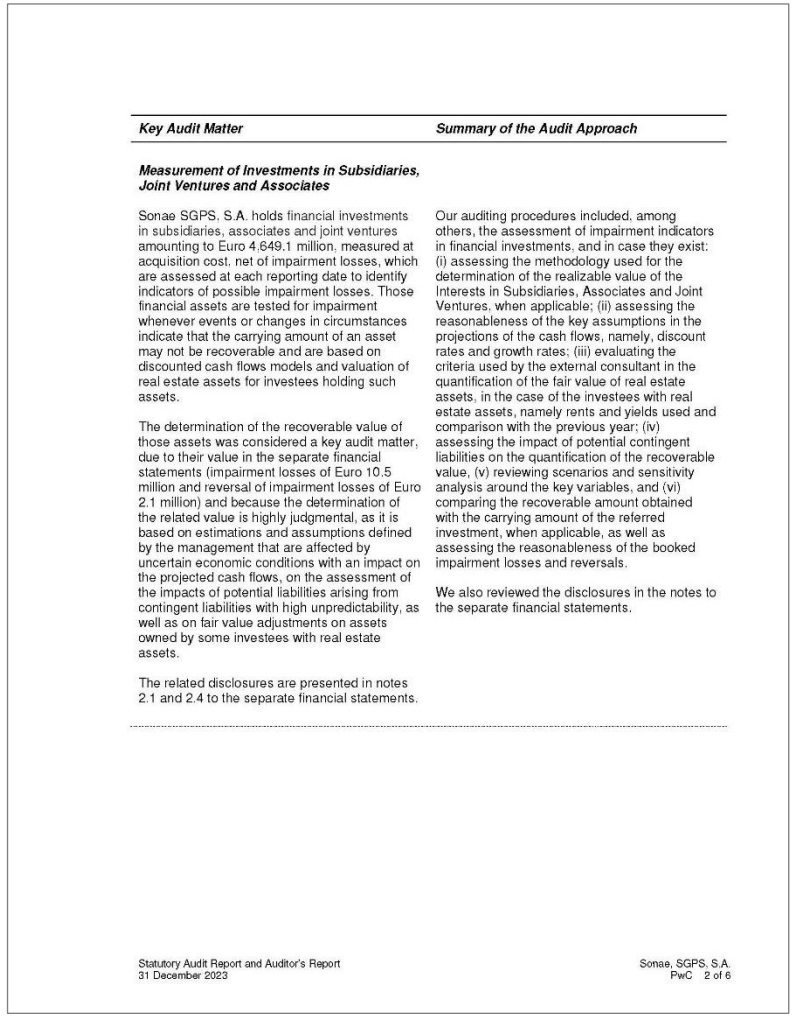
We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law, we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
Porto Office Park, Avenida de Sidónio Pais, 153 - piso 1, 4100-467 Porto, Portugal
Tel: +351 225 433 000, Fax: +351 225 433 499, www.pwc.pt
Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485



Key Audit Matter	*Summary of the Audit Approach*
Measurement of Investments in Subsidiaries, Joint Ventures and Associates	
Sonae SGPS, S.A. holds financial investments in subsidiaries, associates and joint ventures amounting to Euro 4,649.1 million, measured at acquisition cost, net of impairment losses, which are assessed at each reporting date to identify indicators of possible impairment losses. Those financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and are based on discounted cash flows models and valuation of real estate assets for investees holding such assets. The determination of the recoverable value of those assets was considered a key audit matter, due to their value in the separate financial statements (impairment losses of Euro 10.5 million and reversal of impairment losses of Euro 2.1 million) and because the determination of the related value is highly judgmental, as it is based on estimations and assumptions defined by the management that are affected by uncertain economic conditions with an impact on the projected cash flows, on the assessment of the impacts of potential liabilities arising from contingent liabilities with high unpredictability, as well as on fair value adjustments on assets owned by some investees with real estate assets. The related disclosures are presented in notes 2.1 and 2.4 to the separate financial statements.	Our auditing procedures included, among others, the assessment of impairment indicators in financial investments, and in case they exist: (i) assessing the methodology used for the determination of the realizable value of the Interests in Subsidiaries, Associates and Joint Ventures, when applicable; (ii) assessing the reasonableness of the key assumptions in the projections of the cash flows, namely, discount rates and growth rates; (iii) evaluating the criteria used by the external consultant in the quantification of the fair value of real estate assets, in the case of the investees with real estate assets, namely rents and yields used and comparison with the previous year; (iv) assessing the impact of potential contingent liabilities on the quantification of the recoverable value, (v) reviewing scenarios and sensitivity analysis around the key variables, and (vi) comparing the recoverable amount obtained with the carrying amount of the referred investment, when applicable, as well as assessing the reasonableness of the booked impairment losses and reversals. We also reviewed the disclosures in the notes to the separate financial statements.

Responsibilities of management and supervisory board for the financial statements

Management is responsible for:

a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' Report, the corporate governance report and the remunerations report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure;

h) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters, and verifying that the remunerations report is presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the Corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1. c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's financial statements for the year ended on 31 December 2022 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of 17 December 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others, obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format.
In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of Sonae, SGPS, S.A. in the Shareholders' General Meeting of 3 May 2020 until the end of the mandate 2015 to 2018, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 28 April 2023 for the period from 2023 to 2026.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud.

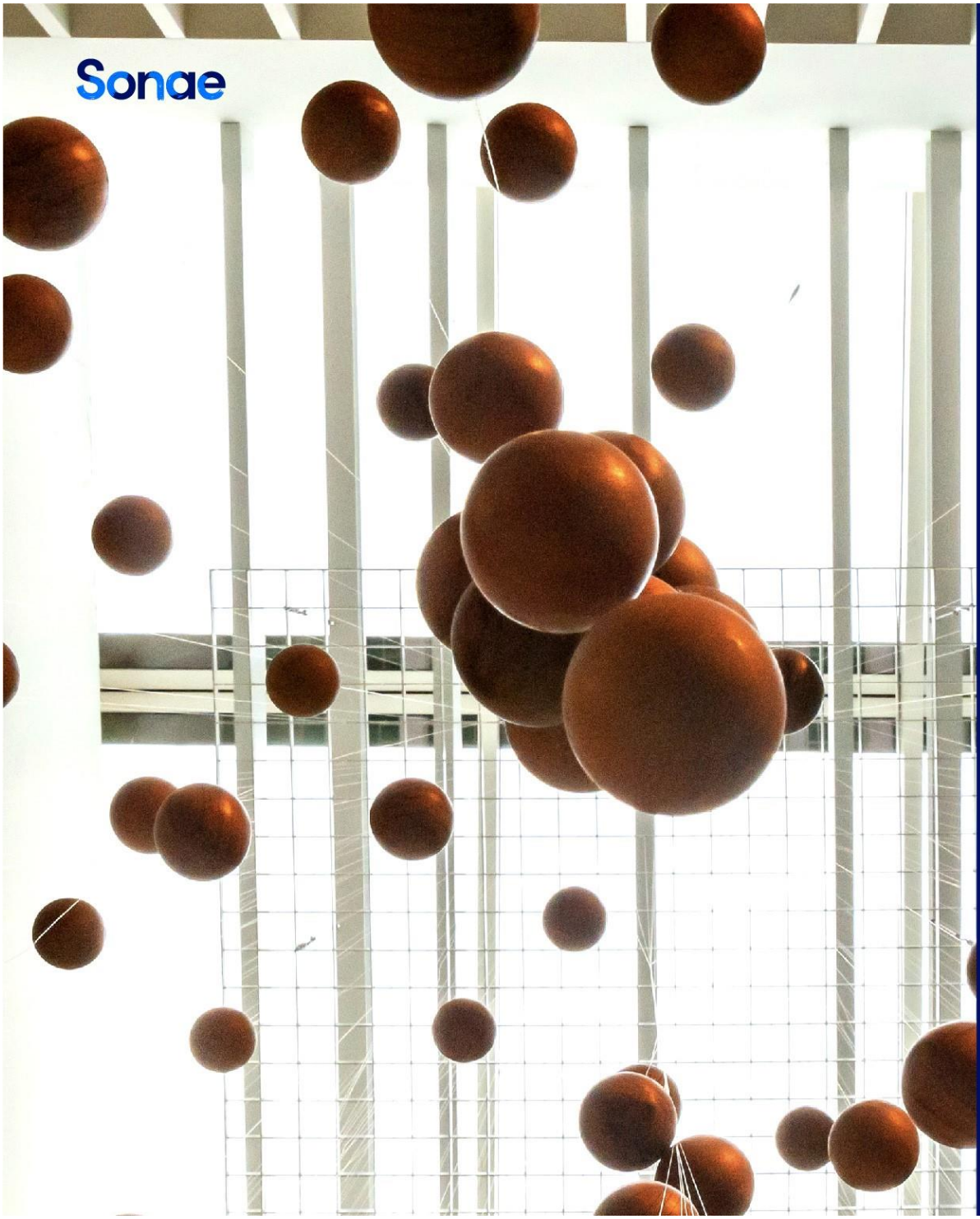
c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Entity's supervisory board as of 2 April 2024.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014 and that we remain independent of the Entity in conducting our audit.

2 April 2024

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Joaquim Miguel de Azevedo Barroso, ROC nº 1426
Registered with the Portuguese Securities Market Commission under nº 20161036



3

3.4 Report and opinion of Statutory Audit Board

REPORT AND OPINION OF STATUTORY AUDIT BOARD

Sonae, SGPS, S.A.

(Translation of a Report and Opinion originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

To the Shareholders

1 – Report

1.1 – Introduction

In compliance with the applicable legislation and statutory regulations, as well as in accordance with the terms of our mandate, the Statutory Audit Board presents its report on the supervision performed and its opinion on the management report and on the individual and consolidated financial statements for the year ended on 31 December 2022, which are responsibility of the Board of Directors.

1.2 – Supervision

During the year, the Statutory Audit Board, in accordance with its competence and with its regulations, accompanied the strategic lines and risk policy approved by the management, in compliance with the process described in the Recommendation V.1 of the IPCG Corporate Governance Code (hereinafter "CGS IPCG"), from which did not arise any issue, and supervised, with the required scope, the activity of the Board of Directors and its committees, evolution of the businesses operations, the adequacy of the accounting records, the quality and appropriateness regarding the process of preparation and disclosure of the financial information, accounting policies and valuation criteria used, and also verified the compliance with legal regulatory requirements.

In the exercise of its competences, the Statutory Audit Board obtained from the Board of Directors, in particular from the Board Audit and Finance Committee, the necessary information to carry out its supervision activity and proceeded with the necessary interactions to fulfill the competencies listed in the law and in its Internal regulations.

The Statutory Audit Board verified the effectiveness of internal control system, including its risk management, compliance and internal audit functions, in accordance with is described in CGS IPCG in its recommendations VII.3, VII.4, VII.10 and VII.11, in accordance with and within the scope of its competencies, assessed the planning and results of the external and internal auditors' activities, monitored the reception and follow up of reported irregularities activities and oversaw the reports issued by Internal Denouncement Channel created by the company and reviewed the reports issued by Sonae' ombudsman, assessed the process of preparing the individual and consolidated accounts, provided information to the Board of Directors on the conclusions and quality of the financial statements audit and its intervention in this process, approved, previously, non-audit services permitted by law rendered by the external auditor, and

exercised its mandate in what concerns to the evolution of the competence and independence of the External Auditor, as well as to the supervision of their remuneration.

The Statutory Audit Board, through the elements made available to it regularly throughout the year, became aware of and appreciated the presentations of the quarterly accounts as well as the respective earnings announcements, which agreed with. Regarding the annual, individual and consolidated accounts for the year ended 31 December 2023, the Statutory Audit Board monitored the process of preparing and disclosing financial information through the information regularly provided by Management and the company's corporate services, as well as through the audit work carried out by the statutory and external auditor, in order to ensure the integrity of the process. This monitoring included the approval of the audit plan for the accounts, the appreciation and discussion of the audit process methodology and approach, the analysis and discussion of the preliminary and final presentations of the audit results, the monitoring of the independence of the statutory and external auditor, the appreciation of the Additional Report to the Statutory Audit Board and the analysis of the audit report and legal certification issued by the statutory and external auditor, which does not include any emphases or audit qualifications.

During the year, the Statutory Audit Board closely monitored the accounting treatment of operations that materially influenced the evolution of the activity expressed in the consolidated and individual financial position of Sonae, SGPS, S.A. and, from this point of view, highlights the positive evolution of the business segments and the main partnerships, whose effects are evident in the healthy economic and financial development of the Group.

Within the scope of its duties, the Statutory Audit Board examined the individual and consolidated balance sheets, the individual and consolidated statements of income by nature, cash flows, comprehensive income, changes in equity and the corresponding notes, for the year 2023, having received from the statutory auditor and external auditor all the information and clarifications requested, as well as the Additional Report to the Statutory Audit Board provided in accordance with article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014, and paragraphs a) and c) of No. Article 78 of the Statute of the Board of Chartered Accountants, approved by Law No. 140/2015, of September 7, with the amendments introduced by Law No. 99-A/2021, of December 31.

The Statutory Audit Board, in compliance with article 29º-S, paragraph 1 of the Portuguese Securities Market Code and in compliance with the Internal Policy on Transactions with Related Parties, proceeded to the assessment of such transactions. During the year, transactions with related parties or qualified shareholders that are within the scope of the Company´s current activity, were carried out under market conditions, complying with the applicable legal and regulatory requirements, with no conflicts of interest identified.

The Statutory Audit Board complied with the Recommendations of the CGS IPCG II.2.2., II.2.3., II.2.4., II.3.1., II.3.2., II.4.1., II.4.2., II.5.1., V.1., VII.2., VII.3., VII.4., VII.5., VII.10., VII.11., VIII.1.1., VIII.2.1., VIII.2.2. and VIII.2.3..

As a Statutory Board, under the terms of al. c) of no. 2 of Article 3 of Law 148/2015, of September 9, which approves the Legal Regime for Audit Supervision, composed by independent members, and being the President an independent member in accordance with the legal criteria, and all professionally qualified to perform their duties, the Statutory Audit Board developed its competences and interrelations with the other statutory bodies and Company's services in accordance with the principles and conduct recommended in the terms of legal and recommendations, and did not receive from the Statutory Auditor any report relating to irregularities or difficulties in the performance of its duties.

In the fulfilment of its duties, the Statutory Audit Board held twenty-seven meetings, with an overall attendance rate of one hundred percent and with minutes draw from all these meetings. Depending on the matters in the agenda, members of the Board of Directors and officers in charge of management planning and control, accounting, treasury and finance, tax, internal audit, risk management, statutory and external auditor and Sonae's ombudsman attended these meetings. Moreover, this board maintained appropriate interactions with general counsel and corporate governance department. Additionally, the Statutory Audit Board participated in the Board of Directors' meeting where the Annual report and accounts were approved and, during the year, had access to all the documental or personal information that appeared appropriate to the exercise of its audit action.

The Statutory Audit Board reviewed the corporate governance report, enclosed to the Management Report on the consolidated financial statements, in accordance with nr. 5 of

article 420º of Commercial Companies Code, having verified that it includes the elements referred to in article 29º-H of the Portuguese Securities Market Code.

Still, in the fulfilment of its duties, the Statutory Audit Board reviewed the Management Integrated Report, the corporate governance report and remaining individual and consolidated statements prepared by the Board of Directors, concluding that these information is in accordance with the applicable legislation and appropriate to the understanding of the financial position and results of the Company and the consolidation perimeter, and has reviewed the statutory audit report and auditors' Report and agreed with its content.

2 – Opinion

Considering the above, it is the Statutory Audit Board opinion that all the necessary conditions are fulfilled in order to be approved in the Shareholders' General Meeting:

a) The Board of Directors Report.

b) The individual and consolidated financial statements, including the Company`s financial position, profit and loss by natures, comprehensive income, changes in equity and in cash flows, and the related notes for the year ended 31 December 2023.

c) The proposal of net profit appropriation presented by the Board of Directors.

3 – Responsibility Statement

In accordance with article 29º-G, paragraph c) nº 1 of the Portuguese Securities Market Code, the members of the Statutory Audit Board declare that, to their knowledge, the information contained in the individual and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of Sonae, SGPS, S.A. and companies included in the consolidation perimeter. Also, it is our understanding that the Manager Integrated Report faithfully describes the business evolution, performance and financial position of Sonae, S.G.P.S., S.A. and companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face. It is also declared that the Corporate Governance Report complies with article 29º-H A of the Portuguese Securities Market Code.

Maia, 2 April 2024

THE STATUTORY AUDIT BOARD

Maria José Martins Lourenço da Fonseca

Daniel Bessa Fernandes Coelho

Manuel Heleno Sismeiro



Sonae

Annual Integrated Report 2023

Leading with impact

for a better tomorrow for all

4 Additional Information

4.1 Closing remarks and acknowledgements
4.2 Proposal of the appropriation of results
4.3 ESG framework
4.4 Glossary
4.5 Contacts



4.1. Closing remarks and acknowledgments

The Board of Directors would like to thank the Statutory Audit Board and the Statutory External Auditor for their valuable advice and assistance. The Board would also like to express its gratitude to suppliers, banks and other business associates of Sonae for their continuing involvement and for the confidence that they have shown in the organisation.

The Board of Directors also expresses its gratitude to all employees for their effort and dedication throughout the year.

Approved at the meeting of the Board of Directors held on March 29th, 2023

The Board of Directors

Duarte Paulo Teixeira de Azevedo, Chairman

Ângelo Gabriel Ribeirinho dos Santos Paupério, Non-Executive Director

José Manuel Neves Adelino, Non-Executive Director

Marcelo Faria de Lima, Non-Executive Director

Carlos António Rocha Moreira da Silva, Non-Executive Director

Fuencisla Clemares, Non-Executive Director

Philippe Cyriel Elodie Haspeslagh, Non-Executive Director

Eve Alexandra Henrikson, Non-Executive Director

Maria Teresa Ballester Fornes, Non-Executive Director

Maria Cláudia Teixeira de Azevedo, Executive Director (CEO)

João Pedro Magalhães da Silva Torres Dolores, Executive Director (CFO)

João Nonell Günther Amaral, Executive Director (CDO)

4.2. Proposed appropriation of the financial year net result

Taking into consideration Sonae shareholders' remuneration policy, the Group's financial position, and the amount of distributable reserves which allow for compliance with article 32 of the Portuguese Companies Act, the Board of Directors hereby proposes to the Shareholders' General Meeting that, pursuant to the terms of the law and the Articles of Association, the net profit of the separate financial statements of Sonae, SGPS, SA from 2023 in the amount of 258,619,589.49 euros, are applicable as follows:

- Legal Reserves: 12,930,979.47 euros;
- Dividends: 112,780,000.00 euros;
- Free Reserves: 127,010,698.02 euros.
- Other reserves: 5,897,912.00 euros

The Board of Directors accordingly proposes that a gross dividend of 0.05639 euros per share is paid to the shareholders, excluding of the total dividends of 112,780,000.00 euros, the amount of dividends that would be attributable to the shares that, at the distribution date, are held by the Company or by any of its subsidiaries, which should be added to Free Reserves.

This dividend corresponds to a dividend yield of 6.2%, considering the closing price of December 29th, 2023 (€0,9045).

4.3 ESG framework

4.3.1 GRI

About our Global Reporting Initiative (GRI) report

The information published in this GRI report refers to the period of activity from the 1st January to the 31st December 2023 of Sonae SGPS, SA, and includes sustainability information about the **fully consolidated portfolio's companies in the financial demonstrations**: Holding, MC (which includes Continente's different formats, Meu Super, Note!, Make Notes, Well's, Dr. Wells, 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. MC and Worten have their activities mostly concentrated in Portugal and Spain (Canary islands, and a warehouse and a store in Madrid in the case of Worten). Sierra and Zeitreel have operations in several countries.

This report 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.

For more information about our portfolio consult the chapter "1.4 Our strong and resilient portfolio" from the Integrated Management Report.

This Integrated Report was developed in accordance with the GRI Sustainability Reporting Guidelines (GRI Standards) version of 2021. The report highlights our performance at the level of the United Nations Global Compact (UNGC) Principles and the Sustainable Development Goals (SDG), in addition to respond to the requirements of the Portuguese Decree-Law nº. 89/2017, published on 28th July and to the Spanish law nº. 11/2018, published on 28th December.

This report complements the information reported in the chapters "1.5 Our sustainability ambition: our new strategy" and "1.7 Our performance" of the Integrated Management Report that is structured based on the five-sustainability axes identified as priority. For each one of the axes, the group's performance and some of the initiatives developed to improve that performance is presented. This GRI report complements the content reported in the main document, in response to the respective indicators of this standard, considering the materiality of the indicator's theme applied in the context of our businesses. The information reported in this GRI report was subject to verification by an external entity (KPMG), in accordance with Independent Limited Assurance Report disclosed at the end of this document.

GRI Content Table	
Statement of use	Sonae SGPS, SA reported in accordance with the GRI Standards for the period from January 1st to December 31st 2023
Version used	GRI 1: Foundation 2021
GRI Applicable Sectorial Standards	N.A. at the date of publication of this Report

GRI Index and match table

The table below presents the GRI content summary, the corresponding additional references in this Integrated Report and Sonae's website, the disclosure status (fully,partially or omitted) and the correspondence of each GRI standard with the SDG, UNGC and Sustainability Accounting Standards Board (SASB) guidelines. This report complies with the GRI reporting requirements, any omission or exception is referred in the methodological notes next to each indicator. For more information about each GRI standard see next section of this report "GRI details".

GRI		References	Disclosure status	SDG	UNGC	SASB
General disclosures						
The organisation and its reporting practices						
2-1	Organisational details	Where we are in the world; Government of society; Shareholder Structure	Fully disclosed	16	-	-
2-2	Entities included in the organisation's sustainability reporting	4.3.1 GRI	Fully disclosed	16	-	-
2-3	Reporting period, frequency, and contact point	Contacts	Fully disclosed	-	-	-
2-4	Restatements of information	4.3.1 GRI	Fully disclosed	-	-	-
2-5	External assurance	4.3.6 Independent Limited Assurance Report	Fully disclosed	16	10	-
Activities and workers						
2-6	Activities, value chain, and other business relationships	Where we are in the world; The Group and our Businesses; Code of Ethics and Conduct; Suppliers' Code of Conduct	Fully disclosed	8	-	-
2-7	Information about employees	Chapter "1.2.5. Our Stakeholders" of the Integrated Management Report	Fully disclosed	5, 8	6	Workforce Diversity & Inclusion- CG-MR-330a.1 (Multiline and Retail and Distribution Specialists)
2-8	Workers who are not employees	-	Fully disclosed	8	6	-

GRI		References	Disclosure statuse	SDG	UNGC	SASB
Governance						
2-9	Governance structure and composition	Corporate Governance Report; Chapter "1.5 Our sustainability ambition: our new strategy" of the Integrated Management Report	Fully disclosed	16	10	-
2-10	Nomination and selection of the highest governance body	Corporate Governance Report; Selection Policy	Fully disclosed	16	10	-
2-11	Chair of the highest governance body	Corporate Governance Report; Chapter "1.5 Our sustainability ambition: our new strategy" of the Integrated Management Report	Fully disclosed	16	10	-
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report	Fully disclosed	16	-	-
2-13	Delegation of responsibility for managing impacts	Corporate Governance Report	Fully disclosed	16	-	-
2-14	Role of the highest governance body in sustainability reporting	Internal Regulation of the Board of Directors	Fully disclosed	16	-	-
2-15	Conflicts of interest	Corporate Governance Report; Internal Regulation of the Board of Directors	Fully disclosed	16	10	-
2-16	Communication of critical concerns	Corporate Governance Report; Code of Ethics and Conduct	Fully disclosed	16	-	-
2-17	Collective knowledge of the highest governance body	Corporate Governance Report	Fully disclosed	16	10	-
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report	Fully disclosed	16	10	-
2-19	Remuneration policies	Remuneration Policy	Fully disclosed	5, 8, 10	6	-
2-20	Process to determine remuneration	Remuneration Policy	Fully disclosed	5, 8, 10	6	-
2-21	Annual total compensation ratio	Corporate Governance Report	Fully disclosed	5, 8, 10	6	-

GRI		References	Disclosure status	SDG	UNGC	SASB
Strategy, policies and practices						
2-22	Statement on sustainable development strategy	"Letter from our Chair" and "Letter from our CEO" of the Integrated Management Report	Fully disclosed	1-17	1-10	-
2-23	Policy commitments	Human Rights Policy; Code of Ethics and Conduct; Suppliers' Code of Conduct	Fully disclosed	1-17	1-10	-
2-24	Embedding policy commitments	Chapter "1.5 Our sustainability ambition: our new strategy" of the Integrated Management Report	Fully disclosed	1-17	1-10	-
2-25	Processes to remediate negative impacts	Corporate Governance Report	Fully disclosed	-	-	-
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Report; Code of Ethics and Conduct	Fully disclosed	-	-	-
2-27	Compliance with laws and regulations	-	Fully disclosed	16	1-5	Labour Practices - FB-FR-310a.4 (Food retailers & distributors)
2-28	Membership associations	Chapter "1.2.5. Our Stakeholders" of the Integrated Management Report; Partner Organisations	Fully disclosed	8	-	-
Stakeholder engagement						
2-29	Approach to stakeholder engagement	Chapter "1.2.5. Our Stakeholders" of the Integrated Management Report	Fully disclosed	1-17	-	-
2-30	Collective bargaining agreements	-	Fully disclosed	8	3	Labour Practices - FB-FR-310a.2 (Food Retailers & Distributors)

GRI		References	Disclosure status	SDG	UNGC	SASB
Material topics						
Disclosure on Material Topics						
3-1	Process to determine material topics	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report; 2018 Sustainability Report	Fully disclosed	1-17	-	-
3-2	List of material topics	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report; 2018 Sustainability Report	Fully disclosed	3, 4, 5, 7, 8, 10, 12, 13, 14, 15	6	-
3-3	Management of material topics	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report; TCFD section	Fully disclosed	3, 4, 5, 7, 8, 10, 12, 13, 14, 15	-	-

Strategic axes		Material topics	Managing material topics
0	Managing with ESG criteria	• Investing with ESG criteria • Promote the sustainability of the supply chain • Act with ethics and transparency	As mentioned in the chapter “1.5 Our sustainability ambition: our new strategy" Responsible Investment and Sustainable Supply Chain are transversal areas that are integrated into the dimensions of our strategy towards sustainability. These two areas have an impact on our management decisions that guide the way we invest and how Sonae, together with its suppliers and partners, designs and develops processes, products and services following the principles of efficiency and circularity. In addition to the examples of initiatives that Sonae companies develop with their suppliers and partners, presented in the chapter “1.7 Our performance", the following stand out: • Adherence to the United Nations Principles for Responsible Investment (UN PRI) by Sierra, which promotes the incorporation of ESG principles into the investment decision-making process; • Ensure evolution in environmental, social and government performance along the value chain, including suppliers and customers.
1	Accelerating Decarbonisation	• Combating climate change	As mentioned in the chapters "1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance”, Sonae understands the agenda of transition and energy efficiency as essential in carrying out its path of reducing CO_{2e} emissions and combating climate change, towards decarbonisation through the following commitments and targets: • Mitigation and compensation of Greenhouse Gas (GHG) emissions: implement measures to reduce GHG emissions and, when necessary, offset them through sequestration; • 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; • 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; • In line with our guidelines, both Sonae and our portfolio companies have integrated a roadmap towards carbon neutrality. This involves assessing the exposure of each business to climate risks, defining mitigation measures and roadmaps development to increase their resilience, the ongoing implementation of projects focused on monitoring and optimising energy consumption, as well as increasing the share of renewable energy; • Extend scope 3 emissions mapping to include more categories and portfolio companies; • Implement compensation measures in situations where emissions reduction is not possible.
2	Valuing Biodiversity and Water	• Biodiversity protection • Valuing the Water	As mentioned in the chapters "1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance”, Sonae recognizes its dependence on natural capital, and how, directly or indirectly, it has the potential to alter or contribute to the destruction of natural habitats, therefore nature and biodiversity protection are guiding objectives, which materialise through the following commitments: • Assess the impacts and dependencies of the businesses on natural capital along the value chain, measuring it and defining targets, when applicable; • Define roadmaps of action to avoid and reduce biodiversity loss, regarding land use, water, oceans and other ecosystems; • Collaborate in the restoration of critical ecosystems and deploy actions on biodiversity regeneration; • Preventing the conversion of new ecosystems for production purposes; • Promoting balanced consumption patterns via awareness actions and improved offer. As part of working to deliver this commitment, Sonae has joined since 2020 the Science Based Targets Network Corporate Engagement Program (SBTN), aiming to collaborate on developing a methodology for setting specific, achievable, and time-bound goals aligned with the Earth's ecological limits. This program focuses on four crucial areas: freshwater, biodiversity, land, and oceans. The progress towards valuing biodiversity and water is intrinsically related to these methodological developments (SBTN for Nature) that steer our businesses in the identification, and prioritization of key pressures within the value chain, such as drivers of biodiversity loss and freshwater degradation, therefore establishing where to focus their main efforts towards achieving a positive outcome.

Strategic axes		Material topics	Managing material topics
3	Promoting Circularity	• Increase the Circularity	As mentioned in the chapters "1.5 Our sustainability ambition: our new strategy" and “1.7 Our performance”, plastic and waste management are emerging social problems resulting from consumption patterns and trends, which we have in mind in our management principles for circularity, through the following targets and commitments: • Ensure that all our private label plastic packaging is 100% recyclable, reusable or compostable by 2025; • Ensure the incorporation, on average, of 30% recycled plastic in new packaging of our own brand by 2025; • Eliminate the single-use and disposable plastics; • Rethink and redesign processes, in particular regarding the impact of plastic bags and packaging; • Promote proper waste management by routing to licensed operators; • Subscription and commitment of the Portuguese Pact for Plastics in 2020.
4	Enhancing Human Development	• Developing our people • Create resilient communities • Protecting our customers	As mentioned in the chapters "1.5 Our sustainability ambition: our new strategy" and “1.7 Our performance” Sonae is one of the largest employers in Portugal, recognises the overall positive influence it can have in the social context, and is therefore committed to: • Combat inequalities, build a more inclusive and fair work environment in opportunities; • Define professional requalification plans, through projects such as PRO_MOV, in partnership with different national entities; • Ensure that 39% of leadership positions are held by women by 2023 (achieved in 2022). As mentioned in the chapters "1.5 Our sustainability ambition: our new strategy" and “1.7 Our performance”, we recognize that we have a relevant presence in society and that we can contribute to building stronger and more sustainable communities, so we are committed and committed to: • Increase the resilience and self-sufficiency of the communities in which we operate, to eliminate poverty in all its forms; • Invest and promote our involvement in the community, through collaboration with different organisations, donations and voluntary actions; • Implement analytical methods in the sales strategy and promote different initiatives to minimize food waste.

GRI	References	References	Disclosure status	SDG	UNGC	SASB
Economic disclosures						
Economic performance						
201-1	Direct economic value generated and distributed	-	Fully disclosed	2, 5, 7, 8, 9	-	-
201-2	Financial implications and other risks and opportunities for the organisation due to climate change	4.3.3 TCFD	Fully disclosed	13	7	Climate Change Adaptation - IF-RE-450a.2 (Real Estate)
201-3	Defined benefit plan obligations and other retirement	-	Fully disclosed	-	-	-
201-4	Financial assistance received from government	-	Fully disclosed	-	-	-

GRI		References	Disclosure status	SDG	UNGC	SASB
Market presence						-
202-2	Proportion of senior management hired from the local community	-	Fully disclosed	8	6	-
Indirect economic impacts						-
203-1	Infrastructure investments and services supported	-	Fully disclosed	2, 5, 7, 8, 9	-	-
203-2	Significant indirect economic impacts	-	Fully disclosed	1, 2, 3, 8, 10, 17	-	-
Procurement practices						-
204-1	Proportion of spending on local suppliers	-	Fully disclosed	8, 12, 16, 17	-	-
Anti-corruption						
205-1	Operations assessed for risk related to corruption	Code of Ethics and Conduct; Corporate Governance	Fully disclosed	16	10	-
205-2	Communication and training about anti-corruption policies and procedures	Code of Ethics and Conduct; Suppliers' Code of Conduct; Corporate Governance	Fully disclosed	4, 16	10	-
205-3	Confirmed incidents of corruption and actions taken	Code of Ethics and Conduct; Corporate Governance	Fully disclosed	16	10	-
Environmental disclosures						
Materials						
301-1	Materials used by weight or volume	-	Partially disclosed: only considers own brand; does not consider Sierra	-	7-8	-
301-2	Recycled input materials used	-		12	7-8	-
301-3	Reclaimed products and their packaging materials	Chapter "1.7 Our performance" of the Integrated Management Report		-	7-8	-

GRI		References	Disclosure status	SDG	UNGC	SASB
Energy						
302-1	Energy consumption	Chapter “1.7 Our performance” of the Integrated Management Report	Fully disclosed	7, 9, 12, 13	7-8	Energy Management - IF-RE-130a.2 (Real Estate) Fleet Fuel Management - FB-FR-110a.1 (Food Retailers & Distributors) Energy Management - FB-FR 130a.1 (Food Retailers & Distributors) Energy Management in Retail & Distribution - CG-MR-130a.1 (Multiline and Retail and Distribution Specialists)
302-3	Energy Intensity	Chapter “1.7 Our performance” of the Integrated Management Report	Fully disclosed	7, 9, 12, 13	8	-
302-4	Reduction of energy consumption	Chapter “1.7 Our performance” of the Integrated Management Report	Fully disclosed	7, 9, 12, 13	8-9	-
302-5	Reductions in energy requirements of products and services	-	Fully disclosed	7, 9, 12, 13	8-9	-
Water and effluents						
303-1	Interactions with water as a shared resource	-	Fully disclosed	6	7-8	-
303-2	Management of water discharge-related impacts	-	Fully disclosed	6	7-8	-
303-3	Water withdrawal	-	Fully disclosed	6	8	Water Management - IF-RE-140a.2 (Real Estate)
303-4	Water discharge	-	Fully disclosed	6	8	-
303-5	Water consumption	-	Fully disclosed	6	8	-
Biodiversity						
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	6, 14, 15	8	-
304-2	Significant impacts of activities, products and services on biodiversity	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	6, 14, 15	8	-
304-3	Habitats protected or restored	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	6, 14, 15	8	-

GRI		References	Disclosure status	SDG	UNGC	SASB
Emissions						
305-1	Direct (Scope 1) GHG Emissions	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” Integrated Management Report	Fully disclosed	3, 12, 13, 14, 15	7-8	Air Emissions from Refrigeration - FB-FR-110b.1 (Food Retailers & Distributors)
305-2	Indirect (Scope 2) GHG Emissions	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	3, 12, 13, 14, 15	7-8	-
305-3	Indirect (Scope 3) GHG Emissions	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	3, 12, 13, 14, 15	7-8	-
305-4	GHG emissions intensity	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	3, 12, 13, 14, 15	8	-
305-5	Reduction of GHG emissions	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	3, 12, 13, 14, 15	8-9	-
305-6	Emissions of ozone-depleting substances	-	Fully disclosed	3, 12, 13, 14, 15	7-8	Air Emissions from Refrigeration - FB-FR 110b.1 (Food Retailers & Distributors)
305-7	Nitrogen oxides (NO_x), sulphur oxides (SO_2) and other significant air emissions	-	Fully disclosed	3, 12, 13, 14, 15	7-8	-
Waste						
306-1	Waste generation and significant waste-related impacts	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	6, 12	8	-
306-2	Management of significant waste-related impacts	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	6, 12	8	-
306-3	Waste Generated	-	Fully disclosed	6, 12	8	-
306-4	Waste diverted from disposal	-	Fully disclosed	6, 12	8	-
306-5	Waste directed to disposal	-	Fully disclosed	6, 12	8	-

GRI		References	Disclosure status	SDG	UNGC	SASB
Social disclosures						
Employment						
401-1	New employee hires and employee turnover	Chapter “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Partially disclosure: Internal mobility and promotions do not consider Sierra	5, 8	6	Labor Practices - CG-MR-310a.2 (Multiline and Retail and Distribution Specialists)
401-3	Parental leave	-	Partially disclosed: does not consider Sierra	5, 8	6	-
Occupational health and safety						
403-1	Occupational health and safety management system	-	Fully disclosed	3, 8	-	-
403-2	Hazard identification, risk assessment, and incident investigation	-	Fully disclosed	3, 8	- -	-
403-3	Occupational health services	-	Fully disclosed	3, 8	-	-
403-4	Worker participation, consultation, and communication on occupational health and safety	-	Fully disclosed	-	3, 6	-
403-5	Worker training on occupational health and safety	-	Fully disclosed	3, 4, 8	6	-
403-6	Promotion of worker health	-	Fully disclosed	3, 8	6	-
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	Fully disclosed	3, 8	6	-
403-8	Workers covered by an occupational health and safety management system	-	Partially disclosed: only consider Sierra	3, 8	6	-
403-9	Work-related injuries	-	Partially disclosed: does not considers Sierra	3, 8	-	-

GRI		References	Disclosure status	SDG	UNGC	SASB
Training and education						
404-1	Average hours of training per year per participant	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	4, 5, 8	6	-
404-2	Programmes for upgrading participants skills and transition assistance programmes	-	Partially disclosed: does not considers Sierra	8	6	-
404-3	Percentage of employees receiving regular performance and career development reviews	-	Fully disclosed	5, 8	-	-
Diversity and equal opportunities						
405-1	Diversity of governance bodies and employees	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	5, 8	6	-
405-2	Ration of basic salary and remuneration of women to men	-	Partially disclosed: does not considers Sierra	5, 8, 10	6	Labor Practices - CG-MR-310a.1 (Multiline and Retail and Distribution Specialists)
Non-discrimination						
406-1	Incidents of discrimination and corrective actions taken	-	Fully disclosed	5, 8, 16	6	-
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	-	Fully disclosed	8, 16	3	-
Child labour						
408-1	Operations and suppliers at significant risk for child labour incidents	-	Fully disclosed	8, 16	5	-
Forced or compulsory labour						
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	-	Fully disclosed	8, 16	4	-

GRI		References	Disclosure status	SDG	UNGC	SASB
Security practices						
410-1	Security personnel trained in human rights policies or procedures	-	Fully disclosed	4	-	-
Local communities						
413-1	Operations with local community engagement, impact assessments and development programmes	Chapters “1.5 Our sustainability ambition: our new strategy” and “1.7 Our performance” of the Integrated Management Report	Fully disclosed	11	-	-
Supplier social and environmental assessment						
414-1 and 308-1	New suppliers that were screened using social and environmental criteria	-	Fully disclosed	1-6, 8, 12	1-2	Labor Conditions in the Supply Chain - CG-AA-430b.1 (Apparel, Accessories & Footwear)
Customer health and safety						
416-1	Assessment of the health and safety impacts of products and services	-	Fully disclosed	16	-	Management of Chemicals in Products - CG-AA-250a.2 (Apparel, accessories & footwear)
Marketing and labeling						
417-1	Requirements for product and service information and labelling	-	Fully disclosed	12, 16	-	Product Health & Nutrition - FB-FR-260a.2 (Food Retailers & Distributors)

GRI details

GRI 2 - General disclosures

1. The organisation and its reporting practices

2-1 Organisational Details

Name of the organisation: Sonae SGPS, SA (Sonae)

Headquarters: Lugar do Espido, Via Norte Maia – Portugal

The most significant operations are located in Portugal. More information about our operations' location available in our website: Where we are in the world.

Sonae is a joint stock and a publicly traded company. More information about ownership and the legal form available in our website: Corporate Governance and Shareholder Structure.

2-2 Entities included in the organisation's sustainability reporting

See information in the section "About our GRI report" of this GRI report.

2-3 Reporting period, frequency and contact point

The current GRI report focuses on the period of activity between January 1st and December 31st, 2023, and was published at 3rd of April of 2024. Its frequency of reporting is annual.

For additional clarifications on the information published in the GRI report, please see the information in our website or contact us through:

- the website contact form: Contacts or
- the phone number: +351 220 104 000.

2-4 Restatements of information

The changes and reformulations of the information are identified in notes corresponding to the applicable indicators.

2-5 External assurance

The non-financial information reported in the 2023 Integrated Management Report, including this report, was subject to verification by an external entity – KPMG.

2. Activities and workers

2-6 Activities, value chain, and other business relationships

See information on Sonae's activities, brands and markets served in our website: The group and our Businesses and Where we are in the world.

Together with our suppliers and partners, we aim to progress on the principles of sustainable development. We base this relationship in the principles of our Code of Ethics and Conduct (Code of Ethics and Conduct) and the Suppliers' Code of Conduct (Suppliers' Code of Conduct), which summarizes the environmental, social and ethical concerns that we aim to ensure throughout the value chain. Additionally, each of our companies have a set of specific procedures, in the context of their businesses, that guide its actions with its suppliers and business partners, in order to promote a long-term relationship, based on environmental, social and governance criteria. At Sonae we consider the Sustainable Supply Chain a key dimension for our performance, with impact and influence across our strategic action axes defined according with our materiality assessment (see GRI 3 - Material Topics).

Additionally, see the following GRI indicators: "204-1 Proportion of spending on local suppliers"; "304-2 Significant impacts of activities, products and services on biodiversity"; "407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk "; "408-1 Operations and suppliers at significant risk for child labour incidents"; "409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour" and "414-1 and 308-1 New suppliers that were screened using social and environmental criteria".

Regarding significant changes to the organisation see the chapter "1.7 Our performance" in the Integrated Management Report.

2-7 Information about employees

Number of employees per type of contract

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra*			Sonae		
	M	W	T	M	W	T	M	W	T	M	W	T
Permanent	12,086	24,098	36,184	150	169	319	301	394	695	12,537	24,661	37,198
Temporary	4,068	6,802	10,870	–	–	–	10	25	35	4,078	6,827	10,905
Total	**16,154**	**30,900**	**47,054**	**150**	**169**	**319**	**311**	**419**	**730**	**16,615**	**31,488**	**48,103**
Full-time	13,063	22,889	35,952	149	168	317	311	399	710	13,523	23,456	36,979
Part-time	3,091	8,011	11,102	1	1	2	–	20	20	3,092	8,032	11,124
Total	**16,154**	**30,900**	**47,054**	**150**	**169**	**319**	**311**	**419**	**730**	**16,615**	**31,488**	**48,103**

*In Sierra, direct employees are considered. Updated reporting criteria and workers from Poland and Luís Malheiro excluded, as they are outside the Sierra Payroll.

Note: M - Men, W- Women, T - Total.

Number employees per type of contract and country

2023	Holding, MC, Worten and Zeitreel				Sonaecom (Bright Pixel & Media)				Sierra				Sonae			
	Portugal	Spain	RoW	Total	Portugal	Spain	RoW	Total	Portugal	Spain	RoW	Total	Portugal	Spain	RoW	Total
Permanent	34,328	1,780	76	**36,184**	318	1	–	**319**	470	76	149	**695**	35,116	1,857	225	**37,198**
Temporary	10,396	463	11	**10,870**	–	–	–	**–**	24	2	9	**35**	10,420	465	20	**10,905**
Total	**44,724**	**2,243**	**87**	**47,054**	**318**	**1**	**–**	**319**	**494**	**78**	**158**	**730**	**45,536**	**2,322**	**245**	**48,103**
Full-time	35,036	859	57	**35,952**	316	1	–	**317**	493	71	146	**710**	35,845	931	203	**36,979**
Part-time	9,688	1,384	30	**11,102**	2	–	–	**2**	1	7	12	**20**	9,691	1,391	42	**11,124**
Total	**44,724**	**2,243**	**87**	**47,054**	**318**	**1**	**–**	**319**	**494**	**78**	**158**	**730**	**45,536**	**2,322**	**245**	**48,103**

Note: RoW - Rest of the World.

Number of employees including governance bodies by employee category and country

2023	Holding, MC, Worten and Zeitreel				Sonaecom (Bright Pixel & Media)				Sonaecom (Bright Pixel & Media)				Sonae			
	Portugal	Spain	RoW	Total	Portugal	Spain	RoW	Total	Portugal	Spain	RoW	Total	Spain	RoW	Total	T
Governance bodies	20	–	–	**20**	1	–	–	**1**	8	–	–	**8**	29	–	–	**29**
Executives	81	2	–	**83**	3	–	–	**3**	7	4	4	**15**	91	6	4	**101**
Senior & Middle Managers	1,191	35	5	**1,231**	29	–	–	**29**	158	25	60	**243**	1,378	60	65	**1,503**
Coordinators & Supervisors	2,764	781	17	**3,562**	286	1	–	**287**	100	20	39	**159**	3,150	802	56	**4,008**
Technicians & Specialists	3,755	87	19	**3,861**	–	–	–	**–**	229	29	55	**313**	3,984	116	74	**4,174**
Operational	36,933	1,338	46	**38,317**	–	–	–	**–**	–	–	–	**–**	36,933	1,338	46	**38,317**
Total	**44,744**	**2,243**	**87**	**47,074**	**319**	**1**	**–**	**320**	**502**	**78**	**158**	**738**	**45,565**	**2,322**	**245**	**48,132**

Note: Employees of government agencies are included in the indicator report.

Number of employees including governance bodies by employee category, age and gender

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	M	W	T	M	W	T	M	W	T	M	W	T
Governance bodies	**16**	**4**	**20**	**1**	**–**	**1**	**5**	**3**	**8**	**22**	**7**	**29**
< 30 years old	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**
From 30 to 50 years old	6	1	**7**	–	–	**–**	1	1	**2**	7	2	**9**
≥ 50 years old	10	3	**13**	1	–	**1**	4	2	**6**	15	5	**20**
Executives	**62**	**21**	**83**	**1**	**2**	**3**	**11**	**4**	**15**	**74**	**27**	**101**
< 30 years old	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**
From 30 to 50 years old	30	14	**44**	1	2	**3**	6	–	**6**	37	16	**53**
≥ 50 years old	32	7	**39**	–	–	**–**	5	4	**9**	37	11	**48**
Senior & Middle Managers	**732**	**499**	**1,231**	**20**	**9**	**29**	**146**	**97**	**243**	**898**	**605**	**1,503**
< 30 years old	14	10	**24**	1	–	**1**	–	–	**–**	15	10	**25**
From 30 to 50 years old	515	352	**867**	13	6	**19**	73	63	**136**	601	421	**1,022**
≥ 50 years old	203	137	**340**	6	3	**9**	73	34	**107**	282	174	**456**
Coordinators & Supervisors	**1,193**	**2,369**	**3,562**	**129**	**158**	**287**	**74**	**85**	**159**	**1,396**	**2,612**	**4,008**
< 30 years old	114	308	**422**	22	31	**53**	9	10	**19**	145	349	**494**
From 30 to 50 years old	876	1,673	**2,549**	67	82	**149**	45	56	**101**	988	1,811	**2,799**
≥ 50 years old	203	388	**591**	40	45	**85**	20	19	**39**	263	452	**715**
Technicians & Specialists	**1,370**	**2,491**	**3,861**	**–**	**–**	**–**	**80**	**233**	**313**	**1,450**	**2,724**	**4,174**
< 30 years old	495	804	**1,299**	–	–	**–**	20	50	**70**	515	854	**1,369**
From 30 to 50 years old	745	1,379	**2,124**	–	–	**–**	44	124	**168**	789	1,503	**2,292**
≥ 50 years old	130	308	**438**	–	–	**–**	16	59	**75**	146	367	**513**
Operational	**12,797**	**25,520**	**38,317**	**–**	**–**	**–**	**–**	**–**	**–**	**12,797**	**25,520**	**38,317**
< 30 years old	6,572	9,834	**16,406**	–	–	**–**	–	–	**–**	6,572	9,834	**16,406**
From 30 to 50 years old	5,031	11,316	**16,347**	–	–	**–**	–	–	**–**	5,031	11,316	**16,347**
≥ 50 years old	1,194	4,370	**5,564**	–	–	**–**	–	–	**–**	1,194	4,370	**5,564**

Note: Governance bodies are included in the indicator report.

2-8 Workers who are not employees

In 2023, were registered a total of 1,020 workers who were not employed but whose work was managed by the organisation, namely contractors, trainees, maintenance and security service providers.

3. Governance

2-9 Governance structure and composition

For the governance indicators see Sonae's 2023 Corporate Governance Report, namely the topics 15, 17, 18, 21, 26 and 27 (of the chapter "II. Management and Supervision" of the section "B. Governing Bodies and Committees") of the "Part I Shareholders' Structure, Organisation and Corporate Governance" and the "Appendix I – Board of Directors".

In addition, see the section "1.3.2 Our Corporate governance structure" of the chapter "1.3 Our Leadership" of the 2023 Integrated Management Report.

2-10 Nomination and selection of the highest governance body

The Company has an Internal Policy for the Selection and Assessment of the Adequacy of the Members of the Administrative and Supervisory Bodies available in our website: Selection Policy.

For more information see the topic 15 (of the chapter "II. Management and Supervision" of the section "B. Governing Bodies and Committees") of the "Part I Shareholders' Structure, Organisation and Corporate Governance" of the 2023 Corporate Governance Report.

2-11 Chair of the highest governance body

The Chair of the Board of Directors is Duarte Paulo Teixeira de Azevedo and is a non-executive Director.

For more information see the topic 15 (of the chapter "II. Management and Supervision" of the section "B. Governing Bodies and Committees") of the "Part I Shareholders' Structure, Organisation and Corporate Governance" of the 2023 Corporate Governance Report.

In addition, see the section "1.3.2 Our Corporate governance structure" of the chapter "1.3 Our Leadership" of the Integrated Management Report.

2-12 Role of the highest governance body in overseeing the management of impacts

The Executive Committee, with the support of the Sustainability Area, ensures the definition, implementation and monitorization of Sonae's sustainability strategy, benefiting also from the Sustainability Consulting Group as a vehicle to reinforce the growing commitment to sustainable development, manage impacts and to oversee the progress and performance of each Sonae company in relation to its sustainability. Our CEO and our Chairman oversee and participate in all Sustainability Consulting Group meetings, where specific working groups related to strategic sustainability pillars are led.

In addition, the TCFD implementation project is being conducted in partnership with the Risk Management Consulting Group, which is supervised by our CFO, maintaining oversight of the climate risk assessment exercises currently being carried out by each of the group's companies.

For more information see the topic 21 (of the chapter "II. Management and Supervision" of the section "B. Governing Bodies and Committees") of the "Part I Shareholders' Structure,

Organisation and Corporate Governance" of the 2023 Corporate Governance Report and the Chapter "1.5. Our sustainability ambition: our new strategy" (Guiding and implementing sustainability in Sonae | Our way).

2-13 Delegation of responsibility for managing impacts

The holding structure is supported by several areas, namely the Sustainability that has the responsibility to overview the sustainability strategy's progress, and to coordinate the Sustainability Consulting Group.

For more information see the topic 21 (of the chapter "II. Management and Supervision" of the section "B. Governing Bodies and Committees"-) of the "Part I Shareholders' Structure, Organisation and Corporate Governance" of the 2023 Corporate Governance Report and the Chapter "1.5. Our sustainability ambition: our new strategy" (Guiding and implementing sustainability in Sonae | Our way).

2-14 Role of the highest governance body in sustainability reporting

The commitment of Sonae's Board of Directors, through the identification and improvement of critical processes in terms of preparation and communication of non-financial information, ensures an effective internal control environment for the provision of sustainability information that is transparent, material and reliable.

The Board of Directors has the responsibility of review and approve the integrated annual report which includes non-financial information regarding the sustainability reporting. Please refer to the Article 3 in the Internal Regulation of the Board of Directors, available for consultation at the company's website: Internal Regulation of the Board of Directors.

2-15 Conflicts of interest

The conflicts of interest prevention policy, approved by the company, and the Board of Directors' Regulation establish internal mechanisms regarding potential conflicts of interest involving members of the Board of Directors, including internal committees and collaborators. The policy establishes an obligation to immediately report any actual or potential situation of conflict of interests to the respective body.

The Rules of Procedure of the Board of Directors, available in our website (Internal Regulation of the Board of Directors), require the immediate communication to the body of the existence of any fact that may constitute or give rise to a conflict of interest, as well as any circumstances affecting its independence and exemption.

For more information see the topic 15 (of the chapter "II. Management and Supervision" of the section "B. Governing Bodies and Committees") of the 2023 Corporate Governance Report.

2-16 Communication of critical concerns

As part of our values and principles, our business culture is founded upon principles of awareness and absolute respect for the rules of good conduct in the management of conflicts of interest and duties of diligence and confidentiality in dealing with critical concerns.

Furthermore, we have a Suggestions and Complaints Management System that allows us to identify several areas and opportunities for development and to implement different improvements and changes, resulting from the feedback of our main stakeholders, both at the product level and at the operation level. Sonae's governance model provides 3 channels for employees to become aware and communicate: i) any possible irregularity immediately inform the Ombudsperson through the following e-mail: provedoria@sonae.pt or the form on the Sonae's website, ii) any possible violation of the Code of Ethics and Conduct

immediately inform the Ethics Committee through the following e-mail: comissaodeetica@sonae.pt and iii) the Reporting Channel under the corruption prevention policy.

In addition, the Sonae Ombudsperson provides its contact channel to all Customers, Employees and Suppliers, welcoming compliments, suggestions, requests of information and/or complaints.

For more information see the topic 49 (of the chapter “II. Reporting of irregularities (whistleblowing)” of the section “C. Internal Organisation”) of the "Part I Shareholders’ Structure, Organisation and Corporate Governance” of the 2023 Corporate Governance Report.

2-17 Collective knowledge of the highest governance body

To ensure that Sonae's highest governance body are well equipped to manage sustainable development, the following measures are taken:

- Ensure diversity of profiles and knowledge in the team: the choice of members of the Board and ExCom has to do with their expertise and areas of knowledge, diverse and complementary to each other, in the various aspects and themes of the business;
- Regular and Continuous Training and Education: in 2023, we developed an inclusive training program, capable of reaching everyone, translating complex issues into clear messages and reinforcing the importance of sustainability and the urgency of concerted action; know the areas of action of Sonae Companies and understand their challenges; and understand how our businesses impact and are impacted by the theme, as well as its risks and opportunities;
- Collaboration: the highest governance body collaborates with other organisations, experts, and stakeholders in sustainable development to share experience, knowledge, and skills. For more information about our Partner Organisations see GRI “2-28 Membership associations”. This type of collaboration provides us with a more intensive understanding of the complexities of sustainable development, emerging issues, and how to mitigate risks;
- Track Progress Regularly: to advance sustainable development efforts, the highest governance body establish a mechanism for tracking their progress. Tracking the progress with clear performance indicators help Sonae understand how far they have come and what needs improvement. For this, we have a Sustainability Consulting Group.

By adopting these measures, Sonae enhances governance capability and develops the knowledge, skills, and experience of their highest governance board, which ultimately improves performance and progress toward sustainable development.

2-18 Evaluation of the performance of the highest governance body

The performance evaluation of the members of the management body is carried out in accordance with the principles, valuations and rules established in the Remuneration Policy presented by the Remuneration Committee and approved by the Shareholders' General Meeting. This assessment is based on predetermined criteria, consisting of objective performance indicators, set for each period and aligned with the overall strategy of growth and positive business performance in a medium- and long-term perspective.

For more information about the evaluation of performance of the Executive Directors see the topic 25 (of the chapter “II. Management and Supervision” of the section “B. Governing Bodies and Committees”) of the "Part I Shareholders’ Structure, Organisation and Corporate Governance” of the 2023 Corporate Governance Report.

In addition, for further details on the assessments and their frequency of assessments see the recommendation VI.1.1. (of the topic “VI. Performance Assessment, Remuneration and

Appointments" of the Chapter "2. Analysis of compliance with the adopted Corporate Governance Code") of the "Part II: Statement of Compliance".

Any changes to the composition of the highest governance body and organisational practices shall be accessed in accordance with the applicable legal framework.

2-19 Remuneration policies

The Shareholders' Remuneration Committee is responsible for approving the remuneration of the Board members, of the members of other statutory governing bodies and of persons discharging managerial responsibilities, on behalf of shareholders, under the terms specified in the Remuneration and Compensation Policy approved by the shareholders at the Shareholders' General Meeting.

The Board Remuneration Committee, composed of Non-Executive Directors, as described in the topic 29 (of the chapter "II. Management and Supervision" of the section "B. Governing Bodies and Committees") of the "Part I Shareholders' Structure, Organisation and Corporate Governance" of the 2023 Corporate Governance Report, supports the Shareholders' Remuneration Committee in carrying out its duties.

For more information about our remuneration policy and its structure and process to determinate the remuneration, see:

- our Remuneration Policy, approved in the 2021 Shareholders General Meeting, and its annex available in our website (Remuneration Policy); and
- the topics 69 to 88 (of the chapter "III. Remuneration Structure" of the section "D. Remuneration" of the "Part I Shareholders' Structure, Organisation and Corporate Governance") of the 2023 Corporate Governance Report.

At the Shareholders' General Meeting held on 28th April 2023, an amendment to the remuneration policy was approved (Remuneration Policy).

2-20 Process to determine remuneration

See GRI "2-19 Remuneration policies".

2-21 Annual total compensation ratio

In 2023, the ratio between the total annual compensation of the highest paid individual to the median of the average annual compensation of all employees, except the highest paid, was 43.0 at MC, 40.9 at Worten and 11.9 BrightPixel. Additionally, the ratio between the percentage increase in the total annual compensation of the highest paid individual of the organisation to the average percentage increase in total compensation for all employees was 0.42 at MC, 0.6 at Worten and 0.3 BrightPixel.

For more information see the section "D. Remuneration" of the "Part I Shareholders' Structure, Organisation and Corporate Governance" of the 2023 Corporate Governance Report.

Note: The information presented is not reported in a consolidated manner, since it is representative for each of the businesses.

4. Strategy, policies and practices

2-22 Statement on sustainable development strategy

See the "Letter from our Chair" and the "Letter from our CEO" of the 2023 Integrated Management Report and "Our Commitment" in our website.

2-23 Policy commitments

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. More information on Sonae's values, codes and principles is available at our website.

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 of 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; National 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 CO_2 & Climate Change; Sonae Companies' Letter 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.

2-24 Embedding policy commitments

Our policy commitments are based in our values and business purpose and is reflected in our Code of Ethics and Conduct, which orients our way of acting and contribute actively for positive business relations, and to the definition of our business strategy. Therefore, we have strong corporate communication actions of our values and mission throughout our companies. Our leaders receive training on these values and all employees' performance evaluation is linked to our values.

Within the scope of training, the Code of Ethics and Conduct is made available to all employees, which includes a set of principles that govern the activity of the group companies, and a set of rules of an ethical and deontological nature to be observed by the members of the governing bodies and by all employees, in their relationship with customers, suppliers and other stakeholders. Compliance with Sonae's Code of Ethics and Conduct by employees is mandatory. All employees must declare their adoption through an individualized declaration.

Additionally, the commercial relations with our partners are based in our Code of Ethics and Suppliers Code of Conduct.

For more information about how we integrate these commitments into our strategy, the responsibility and business implementation see the chapter "1.5 Our sustainability ambition: our new strategy" of the Integrated Management Report.

2-25 Processes to remediate negative impacts

See the chapter "II. Reporting of irregularities (whistleblowing)" of the section "C. Internal Organisation" of the "Part I Shareholders' Structure, Organisation and Corporate Governance" of the 2023 Corporate Governance Report-.

2-26 Mechanisms for seeking advice and raising concerns

See GRI “2-16 Communication of critical concerns”.

2-27 Compliance with laws and regulations

Sonae considers a fine to be significant when the total monetary value is equal or higher than to €12,000, which corresponds to the minimum fine of a serious environmental offense (Law no.114/2015, of 28 August).

Non-compliance with laws and regulations in the economic, social and environmental areas

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Significant fines: monetary value (€)	43,095	93,871	–	–	–	–	–	–	–	43,095	93,871	–
Non-monetary sanctions (no.)	3	2	1	–	–	–	–	–	–	3	2	1

2-28 Membership associations

Sonae engages with more than 45 national and international organisations that is part of, namely contributing and coordinating with various industry associations in areas of relevance to Sonae’s interests.

More information about our Partner Organisations:

- at our website: Partner Organisations; and
- the chapter “Our stakeholders” of the Integrated Management Report.

5. Stakeholder engagement

2-29 Approach to stakeholder engagement

The management of our activities is based on the premises of sustainable development, whose contribution goes beyond the economic value generated by our businesses and comes directly from a set of values and principles that guide our way of opera\ting. This vision is only possible by establishing long-term relationships with our main stakeholders. For this purpose, we have implemented tools and processes in our companies that allow us to identify and understand the current and future needs and concerns of our mains stakeholders, like: “Our People” (Employees), “Our Communities (Local Communities, Customers and Visitors), “Our companies” (Business), “Our Investors” (Investors), “Our partners” (Suppliers and Shop’s Tenants) and “Organizations and Public Entities” (Regulatory and Governmental Entities).

See the chapter “Our stakeholders” of the Integrated Management Report for more details on our approach to engaging with stakeholders.

2-30 Collective bargaining agreements

In Sonae 94% of employees are covered by collective bargaining agreements.

GRI 3 - Material Topics

1. Disclosure on Material Topics

3-1 Process to determine material topics

In 2022, Sonae embarked on a comprehensive overhaul of the Sustainability Strategy. This endeavor involved a meticulous process that included listening, analysis, research, and feedback gathering from a diverse range of stakeholders, both internal and external. We also took into account global and sectoral trends, as well as the evolving ESG regulatory landscape.

Our methodology incorporated an extensive feedback loop, which formed the basis for collaboratively crafting strategic pillars, guiding commitments, minimum guidelines, and overarching indicators applicable across the Sonae portfolio. This approach not only sets a benchmark for organisations within our current portfolio but also serves as a blueprint for any new entity joining Sonae. It ensures that our strategy remains adaptable and aligned with both the European Corporate Sustainability Reporting Directive (CSRD) and our internal strategic imperatives.

As part of this process, we employed the 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). From a pool of 29 potentially material themes, we consolidated strategic themes that are integral to Sonae's sustainability efforts.

Based on the material issues identified, the results of the previous strategic cycle, the areas highlighted at sector level, the commitments subscribed to by Sonae and in line with the United Nations Sustainable Development Goals, and with the group's Top Management review lens, we defined **five action axes**, that have been guiding our positioning and action towards a sustainable future:



Additionally, cooperating and closely interacting with each one of our stakeholders is part of the day-to-day life through Sonae. For this purpose, we have created and maintain a diversified base of specific communication channels for each group of stakeholders (see indicator GRI "2-29 Approach to stakeholder engagement"), complemented with the interaction with the main responsible for these channels and who follow the related topics, allowed us to continuously measure the needs and expectations of our stakeholders and, thus, understand whether the analysis performed remains updated and relevant.

By adopting a proactive and adaptive approach, regularly engaging stakeholders, and staying informed about relevant developments, Sonae can ensure that its Sustainability Strategy remains a dynamic and effective tool for long-term success. Therefore, we work in a cycle of continuous improvement and collaboration, with the goal of swiftly achieving the expected results and responding to external and internal drivers to deliver strong performance.

Note: It should be noted that the materiality analysis process had no impact on the GRI indicators disclosed and was carried out before the approval of the European Union Directive.

3-2 List of material topics

In 2022, they initiated the update of their Sustainability Strategy through a thorough process involving stakeholder engagement, analysis of global trends, and regulatory landscapes. Using the Double Materiality approach, we identified ten strategic themes crucial for Sonae's socio-economic, environmental impact, and financial viability. These themes were organized into four strategic action axes, with a central axis facilitating seamless integration of sustainability across the portfolio. Sonae adopts a proactive approach, continuously improving its strategy through stakeholder engagement and staying informed about relevant developments, ensuring its effectiveness in achieving long-term success.

As a result of the process, during the materiality assessment that took place during 2022, we converge the priority themes in the following **10 material topics**:

- **Combating Climate Change**: Promote the efficient use of energy and the reduction of consumption, opt for renewable energy solutions that contribute to less energy dependence, reducing greenhouse gas emissions. Develop actions that reduce the impacts arising from climate risks in the operations of companies. Partnerships to reduce the impacts of climate change. Implement GHG offset initiatives that contribute to carbon neutrality;
- **Biodiversity**: Protect and restore terrestrial and marine ecosystems through responsible practices, investment in conservation and regeneration, and enhancement of natural capital;
- **Increase Circularity**: Minimize the extraction of resources from the planet, betting on the fight against waste and the extension of the life cycle of products, in their correct management and recovery, privileging their reuse and recycling;
- **Water**: Value the water resource and promote the efficient management of water resources along the value chain;
- **Investing with ESG Criteria**: Integrate Environmental, Social and Governance (ESG) criteria in the group's expansion strategy, through investment policies and procedures, fostering long-term sustainable business;
- **Create resilient communities**: Contribute to the resilience and sustainable development of local communities, through investment, partnerships, and creation of shared value that promote the quality of life of the population, equity and social justice;
- **Promote the sustainability of the supply chain**: Ensure the sustainability of the supply chain in a responsible, fair and transparent way, preventing environmental impacts, respecting the rights and freedoms of those involved in the supply chain. Diversify and responsibly support suppliers in preventing disruption of the supply chain, both in terms of transport and the origin of raw materials;
- **Developing our people**: Attract, retain and develop the best talent through policies and practices focused on our people, in line with the best references and future of work. Protect and promote the physical and mental well-being of employees. Ensure balance, diversity and inclusion in the work environment, especially between different generations, gender, disabilities;

- **Protecting our customers**: Ensure the quality and safety of products and services offered to customers, as well as provide clear information to support informed decision making. Implement cybersecurity measures that ensure data protection and promote scrupulous compliance with the agreed conditions;
- **Act with ethics and transparence**: Ensure responsible business conduct, based on ethical and transparent action in the relationship with different stakeholders. Promote the Brand values in the relationship with suppliers, partners, customers and other stakeholders, aiming at satisfaction, trust and notoriety. Communicate responsibly and transparently.

3-3 Management of material topics

Based on the guiding material topics identified within a structured materiality process, and with a view to more effective management of our impacts of sustainability dimensions, Sonae defined five strategic axes of action, directly related to the material topics and which enable us to address them effectively towards a sustainable future: Managing with ESG Criteria; Accelerating decarbonisation; Valuing Biodiversity and Water; Promoting Circularity; and Enhancing Human development.

For each of these axes, Sonae defined a strategy based on commitments and targets, revisited annually to assess their attainment levels and implementation of potential necessary improvements, presented in chapter " Our Sustainability strategy 2023-2026" of the Integrated Management Report, and recognizes that the associated impacts are the basis for structuring an approach to manage and reduce its effects through a set of initiatives described in the chapter “1.7 Our performance”. Inherent to this approach, Sonae maintains measuring and monitoring processes that allow us to evaluate its progress and performance in relation to the established commitments, presenting results that demonstrate our motivation to always do better, as presented in the chapter “1.7 Our performance” of the Integrated Management Report. In addition to the contents presented in the Management Report, in the GRI report we identify the indicators that are associated with material topics and related to our axes of strategic sustainability action.

GRI 200 - Economic disclosures

201: Economic performance

201-1 Direct economic value generated and distributed

The direct economic value generated and distributed encompasses the following: generated economic value (revenue), distributed economic value (operational costs, remuneration and employees’ benefits, payments to investors, payments to the State, donations and other community investments) and accumulated economic value.

For more details, see the Consolidated Income Statement for the periods ended on the 31st of December of 2023 and of 2022.

201-2 Financial implications and other risks and opportunities for the organisation due to climate change

Sonae has been evolving its processes to assess climate-related risks and opportunities and assess direct financial impacts. Once again, we have submitted our climate management and performance practices to the **Carbon Disclosure Project (CDP)** scrutiny and maintained our recognition as a leading company in this domain, with a score of A.

Aiming to manage the critical risk ““Failure to mitigate and adapt to climate change” and recognizing the importance of being aligned with the global recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), we developed a corporate procedure to manage our companies’ climate related risks and opportunities and since 2021 have been assessing and reporting those risks and opportunities under TCFD framework. For more information see the TCFD section.

201-3 Defined benefit plan obligations and other retirement

Sonae does not have a pension fund.

201-4 Financial assistance received from government

In 2023, the Sonae group received a total of €89.5m. It should be noted that the Government is not part of the shareholder structure of the company.

202: Market presence

202-2 Proportion of senior management hired from the local community

99% of Sonae, MC, Worten, Zeitreel and Sonaecom senior management were hired from the local community.

Note: Sierra does not report this indicator.

203: Indirect economic impacts

203-1 Infrastructure investments and services supported

See GRI “413-1 Operations with local community engagement, impact assessments and development programes”.

203-2 Significant indirect economic impacts

See GRI “413-1 Operations with local community engagement, impact assessments and development programmes”.

204: Procurement practices [material aspect]

204-1 Proportion of spending on local suppliers

	2021	2022	2023
% of spending on foreign suppliers	17	18	19
% of spending on local suppliers	83	82	81

205: Anti-corruption

205-1 Operations assessed for risk related to corruption

Sonae implements the Enterprise-Wide Risk Management (EWRM) Framework in its risk management process, which allows the identification of types of risks and threats to business development, both at a strategic and operational level.

Following the approval of the National Anti-Corruption Strategy 2020-2024, it was established, through Decree-Law n.º 109-E/2021 of December 09 (hereinafter DL 109-E/2021), the National Anti-Corruption Mechanism (MENAC) and the General Regime for the Prevention of Corruption ("RGPC"). In compliance with this diploma and guided by high standards of professional responsibility and ethics, governed by the principles of integrity, transparency, honesty, loyalty, rigor and good faith, in 2022, Sonae, has drawn up this Plan for the Prevention of Risks of Corruption and Related Infractions (hereinafter referred to as

PPR), which covers its entire organisation. For more information see the Document "Plan for the Prevention of Corruption" (PPR) available on the Sonae website.

Sonae' governance model manages the risk of corruption through three levels, with the business units responsible for the first level of defense, being responsible for identifying and assessing risks and implementing controls to mitigate them.

For the operationalization of the second level of defense, Sonae provides 3 channels for employees to become aware and communicate: i) any possible irregularity immediately inform the Ombudsperson through the following e-mail: provedoria@sonae.pt or the form on the Sonae's website, ii) any possible violation of the Code of Ethics and Conduct immediately inform the Ethics Committee through the following e-mail: comissaodeetica@sonae.pt and iii) the Reporting Channel under the corruption prevention policy.

Within the scope of training, the Code of Ethics and Conduct is made available to all employees, which includes a set of principles that govern the activity of the Sonae group companies, and a set of rules of an ethical and deontological nature to be observed by the members of the governing bodies and by all employees, in their relationship with customers, suppliers and other stakeholders.

Compliance with Sonae's Code of Ethics and Conduct by Sonae employees is mandatory. All employees must declare their adoption through an individualized declaration.

Sonae's Ombudsperson also provides a privileged contact channel for its Customers, Employees and Suppliers, welcoming compliments, suggestions, requests for information, complaints and denouncements about corrupt practices.

As an example, Sierra's Code of Conduct defines that it is forbidden to give or accept any reward (or "benefit") with the purpose of influencing someone's behavior to obtain a commercial advantage. The compliance with this obligation is ensure by incorporation of corruption risk into the annual Internal Audit Plan of activities. Additionally, the Anti-Corruption Guidelines have enabled the development of anti-corruption awareness through the provision of staff training, carried out under a program named BEST – Behaviour with Ethics Sierra Training.

205-2 Communication and training about anti-corruption policies and procedures

Sonae's Code of Conduct and Ethics, which includes anti-corruption policies, is communicated in the onboarding training to 100% of the employees. Additionally, Sonae has a Suppliers' Code of Conduct and Ethics, which is an annex to the general supply contracts. These codes are available on Sonae's website: Code of Conduct and Ethics and Suppliers' Code of Conduct.

In 2023, two Governance Bodies and 13,466 employees received training in anti-corruption.

At Sierra, "The Anti-Corruption Guidelines" has enabled the development of anti-corruption awareness through the provision of staff training, carried out under a program named BEST – Behaviour with Ethics Sierra Training.

205-3 Confirmed incidents of corruption and actions taken

In 2023, no cases of corruption were reported.

GRI 300 - Environmental disclosures

301: Materials [material aspect]

301-1 Materials used by weight or volume

Sonae aims at a sustainable use and extending the life cycle of materials and products consumption associated with its value chain. Our companies, when defining its own brand products and packaging or designing its solutions and services, takes into account design principles aiming at optimization and efficiency in the use of materials, preferring the use of the most appropriate materials, thinking about recyclability, reuse and/or repairability of the product. In addition, there are also consider criteria that facilitate processes of use, correct recovery and disposal at the end of their use. To this end, we promote a series of initiatives with suppliers to select materials with a reduced footprint, reduce unnecessary use of materials, promote its reincorporation in the value chain (by reusing or recycling), ensure traceability of the origin of raw materials, among others. Some of these practices are presented in the chapter “1.7 Our performance” of the Integrated Management Report.

The materials reported in GRI “301-3 Reclaimed products and their packaging materials” are the most relevant in weight and volume, among our companies’ activities.

301-2 Recycled input materials used

See GRI “301-3 Reclaimed products and their packaging materials

301-3 Reclaimed products and their packaging materials

Materials used to produce and package products

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)		Sonae*		
	Materials used	Recycled materials used	Recovered products and packaging materials	Materials used	Recycled materials used	Materials used	Recycled materials used	Recovered products and packaging materials
Tonnes								
Plastic [1]	35,039	7,104	2,905	–	–	35,039	7,104	2,905
Plastic (packaging)	23,608	3,230	-	–	–	23,608	3,230	–
Plastic (products)	11,432	3,875	-	–	–	11,432	3,875	–
Paper e card [2]	13,085	5,104	38,539	1,168	–	14,253	5,104	38,539
Recovered clothing [3]	-	-	758	-	-	-	-	758
Cotton [4]	6,685	26	-	–	-	6,685	26	-
Glass	10,931	-	-	–	-	10,931	-	-
Metal	11,325	-	-	–	-	11,325	-	-
Wood	335	-	539	–	-	335	-	539
Total	**77,401**	**12,235**	**42,741**	**1,168**	**–**	**78,569**	**12,235**	**42,741**
Number								
EEE: equipments [5]	-	-	154,942	-	-	-	-	154,942
Clothing: garments [6]	-	-	2,200	-	-	-	-	2,200
Total	**–**	**–**	**157,142**	**–**	**–**	**–**	**–**	**157,142**

* Excluding Sierra, as Sierra does not report this indicator.

Notes:

In 2022 change of scope in the mapping of materials based on the volume of purchases.

[1] Plastic present in packaging and products whose placement on the market is the responsibility of the Group companies.

[2] At Sonaecom, the reported paper comes from Público.

[3] This indicator refers to the reuse of uniforms at MC.

[4] This indicator is applied to Zeitreel and MC.

[5] This indicator refers to the number of equipment from UTRAD (Depreciated Items Treatment Unit), which accepts electrical and electronic equipment, with minor defects and malfunctions, which are subsequently recovered/repaired and are resold in store at more affordable prices, and the Reuse project, referring to used products that are also conditioned (for example battery replacement) and placed on the market.

[6] This indicator refers to the number of garments recovered under the Salsa Infinity project since 2022.

302: Energy [material aspect]

302-1 Energy consumption

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Fossil fuels - Fleet	454,889	557,941	578,126	9,598	7,205	2,245	8,655	10,905	11,134	473,142	576,051	591,505
Fossil fuels - Installations	38,277	31,126	26,863	–	–	–	126,522	35,634	94,611	164,799	66,760	121,474
Heating and cooling	66,708	52,394	50,815	–	–	–	71,917	91,862	96,515	138,625	144,256	147,330
Electricity	1,754,303	1,803,833	1,873,699	3,222	3,471	2,567	304,426	306,331	306,212	2,061,951	2,113,635	2,182,477
Electricity produced and sold by local cogeneration – subtracted from total consumption	-	-	-	-	-	-	29,631	1,909	19,317	29,631	1,909	19,317
Total	**2,314,177**	**2,445,294**	**2,529,502**	**12,820**	**10,676**	**4,812**	**481,888**	**442,823**	**489,155**	**2,808,885**	**2,898,793**	**3,023,469**

Note: Updated historical values resulting from the adjustment in the calculation methodology.

Renewable Energy Production (GJ)

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Produced and consumed	87,216	102,899	144,553	–	–	–	–	–	–	87,216	102,899	144,553
Produced and sold	27,175	27,179	24,776	–	–	–	–	–	–	27,175	27,179	24,776
Total	**114,391**	**130,078**	**169,329**	**–**	**–**	**–**	**–**	**–**	**–**	**114,391**	**130,078**	**169,329**

Rewable Energy Purchase (GJ)

2023	Holding, MC, Worten and Zeitreel	Sonaecom (Bright Pixel & Media)	Sierra	Sonae
Purchased by contracts (PPA and GO)	489,027	–	220,933	709,960

PPA: Power Purchase Agreement

GO: Guarantee of Origin

302-3 Energy Intensity

Energy Intensity Ratio

	Energy Intensity Ratio			Methodological notes
	2021	2022	2023	accordingly to the nature of our businesses' activities
Holding, MC, Worten and Zeitreel	2.21	2.28	2.30	Total energy consumption (GJ) / Sales area (sqm)
Sonaecom (Bright Pixel & Media)	76	80	27	Total energy consumption (GJ) / Cash invested in the Bright Pixel's active portfolio (€m)
Sierra: Shopping centres	450	408	459	Total energy consumption (kWh) [1] / common areas [2] (m^2) [1] Considering natural gas, liquefied petroleum gas (LPG), electricity, chilled and hot water consumption in owned shopping centres under management and in operation. Includes energy purchased on behalf of tenants and excludes energy consumption outside shopping centres. [2] Shopping centre mall and toilet areas of owned shopping centres under management and in operation.

Note: Update of specific metrics relevant to the business.

302-4 Reduction of energy consumption

In 2023, given the business expansion, our companies reinforced the implementation of strategic measures and the application of decarbonization roadmaps to promote the optimization of our companies' operations, focused on efficiency in energy consumption processes and monitorization, investment in more efficient equipment, maintenance revisions, energy audits, equipment upgrade, replacement of lighting in stores, offices and parks with LED lighting and the optimization of HVAC systems, conversion of the fleet for electric or hybrid, as in the implementation of projects that contribute to the production and consumption of energy from renewable sources.

In order to respond to the demanding energy context, MC continued the 'Energy Forum' Project with the aim of accelerating the eco-efficiency culture, investing in the adoption of new structural measures, expanding renewable energy production capacity and closely monitoring its operations. Another significant achievement for MC was the BREEAM Excellent certification of the Vila Nova da Rainha Distribution Center. As the first Logistics Park in Portugal to obtain BREEAM Excellent certification, this represents one of the most advanced sustainability assessment and certification systems globally. Beyond energy considerations, this certification analyses water and waste management measures, construction materials, and the well-being of teams. The centre prioritizes spacious social areas, natural lighting, bicycle parking spaces, and proximity to transport, exemplifying MC's dedication to holistic sustainability practices.

Sierra launched the 'Tech to Zero', a solution which offers an innovative and integrated approach to building management to achieve carbon neutrality, improve operational efficiency and enhance the customer experience though the implementation of state-of-the-art technology.

In 2023, Sonae Tech Hub building was distinguished with the WELL platinum-level certification, the highest rating granted by the International WELL Building Institute and by the US Green Building Council. This building, inaugurated in 2019, features 570 m^2 of solar panels, which contribute to a 40% decrease in electricity consumption, 100% LED low energy lights with automatic regulation depending on outside lighting.

For more information see the chapter "1.7 Our performance" of the Integrated Management Report.

302-5 Reductions in energy requirements of products and services

Our concern also extends to our products and how we can encourage more sustainable consumption by our customers. During 2023, Worten continued to develop several campaigns to promote the acquisition of more efficient equipment and promote the sharing of information on the new energy efficiency label to its customers and consumers in Portugal and Spain, through the "*Eficiência Energética*" initiative, which aims to raise awareness of

the advantages of purchasing more energy efficient appliances and equipment. For more information about the "*Eficiência Energética*" campaign see Worten website.

303: Water and effluents

303-1 Interactions with water as a shared resource

Most of the water consumed in Sonae's operations comes from the public supply network and is related to human use. However, with the aim of reducing the environmental impact of their businesses, the companies of the Sonae group are committed to reducing their water footprint, increasing the efficiency of their operations, innovating and taking advantage of technology to rethink the way water is used and managed in its infrastructures.

At Sierra, we monitor and manage water consumption in our owned shopping centres under management, and are committed to reducing water consumption, increasing the efficiency of our operations and using innovation and technology to rethink how water is used and managed. By improving water consumption efficiency and integrating systems for water reuse and rainwater harvesting, we are able to reduce exposure to the risk of water scarcity and minimize our water footprint. In 2014, Sierra developed the Dive® tool, which serves as a comprehensive water management and improvement program. This initiative was designed to assess a building's actual water consumption against an optimal theoretical simulation, identifying both technical and management-level improvement measures. In response to the escalating water stress scenario, in 2023, Sierra's response involved updating sanitary-ware standards, incorporating stringent water consumption requirements based on BREEAM In-Use/NC, Best practice, and Taxonomy regulations. Additionally, the Dive® benchmarking further reinforced Sierra's commitment to sustainable water management practices. The benchmark allowed us to identify 76 actions with investments between 264 and 597 thousand euros that are expected to allow water savings of around 8%, corresponding to 102 thousand euros of costs avoided annually.

Additionally, on Sonae Campus there are two buildings certified by the LEED (Leadership in Energy and Environmental Design) and WELL platinum-level certifications – the Sonae Business Center and the Sonae Tech Hub buildings. These buildings incorporate state-of-the-art mechanisms in terms of water efficiency, which allow a marked reduction in water consumption compared to a reference building, such as the collection of rainwater for reuse inside the buildings or the pre-treatment of rainwater that is discharged into the network, avoiding contamination of water courses. Through these water efficiency systems, there was a total consumption of drinking water less than about 50% in the Tech Hub and 40% in the Business Center building, compared to a reference building.

For more information see the chapter "1.7 Our performance" of the Integrated Management Report.

303-2 Management of water discharge-related impacts

The wastewater of the Sonae group activity is sent to the public sanitation network, where it is subjected to adequate treatment in dedicated facilities (Wastewater Treatment Plants - WWTS). The monitoring and control of wastewater quality parameters are guaranteed by the responsible entities in order to comply with the established legal requirements. With the exception of some warehouses, namely those located in the area of Azambuja, the Meat Processing Centre (CPC), whose effluents are pretreated in the WWTP facilities, being subsequently forwarded to the public network or discarded to the natural environment. Also, some stores are equipped with WWTS in order to comply with the emission limit values imposed by the respective municipal services. Regarding the recycling/reuse of effluents, the CPC has a recycling system for liquid effluents intended for consumption in less demanding situations from the point of view of water quality, above all to complement the water consumption of the cooling towers. To this end, the effluent, after being treated at the WWTS, is then subjected to a new treatment, with the aim of improving the quality of water to be reused in the aforementioned cooling towers.

At Sierra, we incorporate solutions that reduce pollution of local water sources. Our assets may have up to five different effluent collection systems, which make it possible to reuse and/or treat resources according to their characteristics. Although we comply with legislation at all sites, at the assets where Sierra's Multisite SHEMS is being implemented we have stricter procedures and wastewater discharges are regularly analyzed by externally certified laboratories to control the levels of contamination from our discharges. If there is no applicable legislation or the site license does not require compliance with any threshold values, the asset complies with the conditions defined in our Technical Procedure that establishes the rules for managing and monitoring wastewater that is drained into the wastewater network or directly into natural environment.

As mentioned above, the Sonae Business Centre and the Sonae Tech Hub buildings are equipped with water efficiency systems for reuse and pre-treatment of rainwater inside their buildings, avoiding contamination of watercourses, and sanitary discharge systems are ensured by recycled water from washbasins and showers. In 2023, Tech Hub's rainwater reuse system and water recirculation systems allowed 30% of the building's total water consumption to be met by the rainwater collection and recovery system. In the Business Center, 100% of sanitary discharges were ensured by recycled water from washbasins and showers.

In accordance with best engineering practices, when information from meters were not available, we assume that 80% of the water consumed ends up being rejected as liquid effluent, and the remaining 20% is used.

303-3 Water withdrawal

By source (m^3)

2023	Holding, MC, Worten and Zeitreel	Sonaecom (Bright Pixel & Media)	Sierra	Sonae
Third party water	892,258	2,005	730,056	1,624,319
Groundwater	215,968	-	145,705	361,673
Surface water	213,602	-	–	213,602
Rainwater	–	-	8,575	8,575
Greywater	–	-	14,583	14,583
Mixture of water sources	–	-	9,368	9,368
Total	**1,321,827**	**2,005**	**908,287**	**2,232,119**

303-4 Water discharge

By source (m^3)

2023	Holding, MC, Worten and Zeitreel	Sonaecom (Bright Pixel & Media)	Sierra	Sonae
Third party water	1,043,353	1,604	726,629	1,771,586
Groundwater	3,552	-	–	3,552
Surface water	7,775	-	–	7,775
Rainwater	–	-	6,860	6,860
Greywater	–	-	11,666	11,666
Mixture of water sources	–	-	7,494	7,494
Total	**1,054,680**	**1,604**	**752,649**	**1,808,934**

Note: When data is not directly available, the retail area of Sonae uses an assumption of 80% of water withdrawal is discharged and 20% is consumed.

303-5 Water consumption

By source (m^3)

2023	Holding, MC, Worten[1] and Zeitreel	Sonaecom (Bright Pixel & Media)	Sierra	Sonae
Total water consumption	**267,147**	**401**	**155,638**	**423,186**
Water consumption in areas with water stress	116,674	-	128,954	245,628

Note: The estimated water consumption resulted from the difference between the volume of water captured by the volume of effluent discharged.

[1] Not including water consumption in Worten stores because it is considered immaterial in the context of the Group.

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

Sonae does not own any facilities in areas classified as habitats rich in biodiversity, in its direct operations. In fact, the stores of our retail businesses are located in urban areas and retails parks. Several of these facilities are managed by Sierra.

Sierra perform these assessments for projects under development, when this issue is more critical, and most of its assets in operation are in urban areas, where these impacts are less relevant. Notwithstanding, Sierra conducts Environmental Impact Studies or Preliminary Environmental Evaluations on all new development projects and on major expansions when agreed by our partners.

Also, Sonae reinforces its concern with biodiversity with the Zero Deforestation Commitment, a public pledge published in 2022.

The Sonae companies pledging to this commitment include MC, Zeitreel, Worten and Sierra and is relative to activities and operations under direct control of Sonae companies and their supply chains.

In 2023, Sonae companies conducted the first assessment in the progress towards the Zero Deforestation Commitment resulting in 58% considered deforestation-free (with the criteria of sourcing these commodities from non-risk countries or if the commodities hold a specific third-party certification (for instance FSC, RSPO)).

Sonae has several other commitments and initiatives to contribute positively for biodiversity restoration and protection, as Sonae Forest, *Clube de Produtores do Continente* (CPC) and CPC Project *Águia Caçadeira* (Montagu's Harrier).

For more information see the chapter "1.7 Our performance" of the Integrated Management Report.

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

Contributing to halt and reverse biodiversity loss by 2030 and improving water protection and efficiency is one of Sonae's sustainability commitments.

Our companies recognize its dependency on natural resources and its influence in the balance those materials on the nature, so it's crucial to evolve against overexploitation and pollution of natural ecosystems and integrate this agenda at the corporate strategy.

Sonae continues to be actively involved in the Corporate Engagement Program of the Science-Based Objectives Network (SBTN) since its launch in 2020, collaborating in the

development of methodologies and tools to define objectives aligned with science for our business. This involves a thorough analysis of our value chain activities, identifying and quantifying the key biodiversity loss factors within our business.

At the same time, prospective work was carried out with Sonae companies to identify a set of actions that could be adopted in the short-medium term and that would have a positive impact on nature and biodiversity and formalized the group's commitments to act4nature Portugal.

This is an initiative promoted by BCSD Portugal within the scope of the international act4nature (launched in France, in 2018) and which aims to mobilize companies to protect, promote and restore biodiversity.

As mention above, the companies also assumed a public commitment with forest preservation, defining objectives of zero deforestation which aims to avoid deforestation associated with the production of critical raw materials – cattle, timber, palm oil and soy and in the development of new infrastructure; additionally, the objective was to contribute positively to the conservation and restoration of forests.

For more information see the chapter “1.7 Our performance” of the Integrated Management Report.

304-3 Habitats protected or restored

Considering the importance of forest preservation and restoration, in climate change combat, Sonae companies continued to invest in the development of Sonae Forest Project. In the period of 10 years, we will reforest 1,100 hectares.

Between 2019 and 2023, Sonae companies reforested more than 269 hectares of area. In 2023, our businesses financed the reforestation more than 70 hectares, corresponding to about 88 thousand trees, referring to the compensation of 8.8 thousand tCO_{2e} related to the emission of greenhouse gases from the fleet of vehicles of employees and service vehicles in the year 2022.

Additionally, MC’s *Clube de Produtores do Continente* (CPC) oversees various initiatives aimed at enhancing production practices, packaging, and nutritional solutions. Notably, the Regenerative Agriculture Program focuses on improving soil conditions, plant nutrition, and water management for producers, with 7 participants in 2023. Also, the Agroecology Program supports 23 producers in developing action plans based on Water, Biodiversity, and Carbon (ABC) factors.

For more information see the chapter “1.7 Our performance” of the Integrated Management Report.

305: Emissions [material aspect]

305-1 Direct (Scope 1) GHG Emissions

Scope 1 Emissions (t CO_{2e})

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022 [1]	2023	2021	2022 [2]	2023	2021	2022 [3]	2023 [4]	2021	2022	2023
GHG CO_2 emissions	32,953	39,950	40,809	704	411	163	7,086	1,884	3,010	40,743	42,245	43,982
GHG CH_4 emissions	14	103	156	0.59	0.44	0.16	9	3	3	23	106	159
GHG N_2O emissions	341	479	525	8	6	2	10	9	7	359	494	533
GHG F-Gases emissions	18,416	23,136	23,901	–	–	–	406	426	824	18,822	23,562	24,725
Total Emissions Scope 1	**51,723**	**63,669**	**65,391**	**713**	**417**	**165**	**7,511**	**2,322**	**3,844**	**59,947**	**66,408**	**69,400**

Note: Updated historical values resulting from the adjustment in the calculation methodology and reporting scope. The methodology applied is operational control, with the exception of Sierra from 2022.

[1] Zeitreel updated value to include biogenic emissions.

[2] Sonaecom updated value where the transactions sold, S21Sec and Excellium companies were excluded. Considering the previous perimeter, Sonaecom would have a total scope 1 emissions value of 532 tCO_{2e}.

[3] Sierra updated value to consider scope change in Equity Share submitted and approved by SBTi.

[4] Sierra adjusted the values considering the SBTi submission criteria, for Equity Share scope. In 2023, the scope 1 emissions for the Sierra consolidation perimeter (assets owned and under management in 100%, and offices) were 5,934 tCO_{2e}. Considering this consolidation methodology, Sonae SGPS would have total emissions scope 1 of 71,490 tCO_{2e}.

305-2 Indirect (Scope 2) GHG Emissions

Scope 2 Emissions (t CO_{2e}) - Emissions associated with electricity consumption

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022 [1]	2023	2021	2022 [2]	2023 [3]	2021	2022	2023
Market based	119,395	94,916	82,632	184	110	187	4,681	**2,353**	1,702	124,260	99,025	84,522
Thermal energy	4,334	3,471	3,301	–	–	–	1,914		345	6,248	6,022	3,646
Total GHG Emissions Scope 2 Market based	**123,729**	**98,387**	**85,933**	**184**	**110**	**187**	**6,595**	**2,353**	**2,047**	**130,508**	**105,047**	**88,168**
Location based	120,902	129,045	112,390	115	266	123	14,924	6,550	5,603	135,941	135,861	118,117
Thermal energy	NA	NA	NA	NA	NA	NA	NA	NA	383	NA	NA	383
Total GHG Emissions Scope 2 Location based	**120,902**	**129,045**	**112,390**	**115**	**266**	**123**	**14,924**	**6,550**	**5,986**	**135,941**	**135,861**	**118,500**

Note: Emissions associated with the consumption of electricity and thermal energy (related to the consumption of chilled water and heated water) included. The methodology applied is operational control, with the exception of Sierra from 2022.

[1] Sonaecom updated value where the transactions sold, S21Sec and Excellium companies were excluded. Considering the previous perimeter, Sonaecom would have a total scope 2 Market-based emissions value of 263 tCO_{2e}.

[2] Sierra updated value to consider scope change in Equity Share submitted and approved by SBTi.

[3] Sierra ajusted the values considering the SBTi submission criteria, for Equity Share Scope. In 2023, the scope 2 Market-based emissions for the Sierra consolidation perimeter (assets owned and under management in 100%, and offices) were 5,188 tCO_{2e}. Considering this consolidated methodology, Sonae SGPS would have a total emissions value scope 2 Market -based of 91,309 tCO_{2e}.

305-3 Indirect (Scope 3) GHG Emissions

Scope 3 Emissions by Category (t CO_{2e})

	MC [1], Worten [2] and Zeitreel			Sonaecom (Bright Pixel e Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023 [3]	2021	2022	2023
C1: Purchased goods and services	4,076,752	4,677,349	4,836,531	–	–	–	–	–	12,261	4,076,752	4,677,349	4,848,792
C2: Capital goods	6,309	96,447	12,515	–	–	–	–	–	21,823	6,309	96,447	34,338
C3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	24,991	26,185	2,763	–	–	–	–	489	1,954	24,991	26,674	4,717
C4: Upstream transportation and distribution	38,070	39,718	47,685	–	–	–	–	–	4,802	38,070	39,718	52,487
C5: Waste generated in operations	10,196	10,233	231	–	–	–	1,351	1,892	3,820	11,547	12,125	4,051
C6: Business travel	1,017	2,048	867	40	135	135	459	1,177	1,208	1,516	3,360	2,210
C7: Employee commuting	67,160	77,078	12,477	–	133	133	380	543	1,331	67,540	77,754	13,941
C8: Upstream leased assets	–	–	–	–	–	–	–	–	11	–	–	11
C9: Downstream transportation and distribution	142,332	181,138	26,409	–	–	–	382,288	488,514	–	524,620	669,652	26,409
C10: Processing of sold products	–	–	–	–	–	–	–	–	–	–	–	–
C11: Use of sold products	1,148,185	1,196,790	912,195	–	–	–	–	–	2,606	1,148,185	1,196,790	914,801
C12: End of life treatment of sold products	4,851	102,644	8,327	–	–	–	–	–	211	4,851	102,644	8,538
C13: Downstream leased assets	–	–	–	–	–	–	57,833	88,339	27,087	57,833	88,339	27,087
C14: Franchises	17,086	25,965	1,456	–	–	–	–	–	–	17,086	25,965	1,456
C15: Investments	–	–	–	–	–	–	–	–	–	–	–	–
Total emissions Scope 3	**5,536,949**	**6,435,595**	**5,861,456**	**40**	**268**	**268**	**442,311**	**580,954**	**77,114**	**5,979,300**	**7,016,817**	**5,938,838**

Note: In 2023, Sonae considered the scope of reporting of its scope 3 GHG emissions, including the most representative categories for these emissions

[1] In 2022, MC values were updated due to changes in calculation methodology. In 2023, the MC included category C1 for representing more than 67% of scope 3 and following the target approved by the SBTis. Scope 3 of 2022 includes all categories of companies and is not directly comparable to the year 2023, as this includes for MC only Category 1.

[2] Worten scope 3 information included in 2021, 2022 and 2023 figures.

[3] In 2023, Sierra scope in Equity Share submitted and approved by SBTi.

Total emissions by scope (t CO_{2e})

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023 [2]	2021	2022	2023
Scope 1	51,723	63,669	65,391	713	417	165	7,511	2,322	3,844	59,947	66,408	69,400
Scope 2 [1]	123,729	98,387	85,933	184	110	187	6,595	6,550	5,986	130,508	105,047	92,107
Scope 3	5,536,949	6,435,595	5,861,456	40	268	268	442,311	580,954	77,114	5,979,300	7,016,817	5,938,838
Total emissions	**5,712,401**	**6,597,651**	**6,012,780**	**937**	**795**	**621**	**456,417**	**589,826**	**86,944**	**6,169,755**	**7,188,271**	**6,100,345**

Notes: The GHG emissions calculation (scope 1, 2, 3) are based on the methodology established under the GHG International Protocol. The methodology applied is operational control, with the exception of Sierra from 2022.

[1] Scope 2 considered for Market-based, with the exception of Sierra which presents scope 2 emissions in Location-based.

[2] Sierra ajusted the values considering the SBTi submission criteria, for Equity Share Scope. In 2023, the total scope 1 and 2 Market-based emissions for the Sierra consolidation perimeter (assets owned and under management in 100%, and offices) were 11,122 tCO_{2e}. Considering this consolidated methodology, Sonae SGPS would have a total value for scope 1 and 2 Market-based of 169,799 tCO_{2e}.

Information regarding conversion and emission factors are at the end of the GRI table, in the methodological notes section, For further information on Sierra's 2021, 2022 and 2023 emission factors, please refer to Sierra's Sustainability Report for the respective years.

305-4 GHG emissions intensity

Emissions intensity

	GHG emissions intensity ratio			Methodological notes
	2021	2022	2023	accordingly to the nature of our businesses' activities
Holding, MC, Worten and Zeitreel	0.17	0.15	0.14	GHG emissions scope 1 and 2 (market based) (t CO2e) / Sales area (sqm)
Sonaecom (Bright Pixel & Media)	5.35	3.96	2.00	GHG emissions scope 1 and 2 (market based) (t CO2e) / Cash invested in the Bright Pixel's active portfolio (€m)
Sierra excluding tenants emissions	0.043	0.020	0.020	GHG emissions scope 1, 2 and 3[1] (t CO2e) / area excluding tenants [2] (sqm) [1] Calculation method updated in 2022 and 2023, for the scope of Sierra Equity Share and considering Location-based, aligned with the approval of the targets by SBTi. Scope 1 emissions excluding emissions from natural gas consumed by cogeneration but including emissions from hot/chilled water produced by cogeneration and consumed on-site, Scope 2 emissions according to the GHG methodology and Scope 3 emissions regarding waste of owned shopping centres under management and in operation and of corporate offices [2] Shopping centre mall and toilet areas of owned shopping centres under management and in operation plus the area of corporate office monitoring energy and waste.

Note: Update of specific metrics relevant to the business.

305-5 Reduction of GHG emissions

In 2023, our portfolio companies went through a process of revising and setting ambitious emission reduction targets, aligned with the Science Based Targets initiative (SBTi) framework.

As so, we assumed a corporate reduction greenhouse gases (GHG) reduction emissions target of 53% by 2032 when compared with 2022.

In order to achieve their specific targets, and the corporate one, each company developed their own decarbonization roadmaps, tailored to its business context, based on known best practices and best technological and scientific knowledge.

Moving to cooling equipment that uses low-impact refrigerants, investing on on-site renewable energy production and supply of renewable energy, electrifying our vehicles fleet and advancing our efforts to promote the ecoefficiency of our operations are some of the measures planned to achieve our targets, as also reported in the GRI "302-4 Reduction of energy consumption".

For more information see the chapter "1.7 Our performance" of the Integrated Management Report.

305-6 Emissions of ozone-depleting substances

Ozone-depleting substances (kg)

	2021	2022	2023
R407C	167	160	85
R410A	125	251	153
R417A	-	–	–
R438A	-	9	–
R32	-	-	2

Note: The ozone-depleting substances R417A and R438A were reported for the first time in 2022. There are no values for 2021. In 2023 the ozone-depleting substances R32 were included.

305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_2) and other significant air emissions

Nitrogen oxides(NO_x), sulphur oxides (SO_2), methanol (CH_4) and F-gases emissions (t)

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sonae*		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
NO_x	344	393	392	6.48	5.40	1.68	351	399	394
SO_2	90	116	115	1.68	1.26	0.39	91	117	115
CH_4	14	103	156	0.59	0.44	0.16	14	103	156
F-gases	18,416	23,136	23,901	–	–	–	18,416	23,136	23,901

* Excluding Sierra, as Sierra does not report this indicator.

Note: Updated historical values resulting from the adjustment in the calculation methodology.

306: Waste

306-1 Waste generation and significant waste-related impacts

Sonae recognizing the potential impacts arising from waste generation of its activities and operations, like pollution and depreciation of ecosystems and species, has implemented initiatives focused on the management of waste produced by its operations, as well as waste reduction and/or reuse practices, which include: creation of specific areas in stores and warehouses for waste management; separation, temporary storage and shipment of different types of waste to licensed operators; separation of the organic portion of waste and sending for organic recovery; reduction of packaging material for private label products; reuse of transport packaging; and training and awareness of employees.

Efforts to promote effective waste prevention, management and disposal have taken on increased significance in recent years given the growing social awareness and legislative agenda to tackle waste at both a regional and national level.

Whenever possible, landfill disposing is avoided, because is not only an inefficient use of resources; it can generate damaging greenhouse gas emissions such as methane and carbon dioxide, as well as pollutants that can leach into the soil and groundwater. Consequently, disposal of waste in landfill is becoming more tightly regulated and costlier in most locations where we operate.

On the other hand, good waste management can reduce environment impacts and be more cost effective for businesses as it avoids landfill tax and waste disposal costs. A closed-loop approach to waste management can also cut costs and environmental impacts associated with the consumption of raw materials. We are committed to reducing the quantity of waste generated by our activities and to achieving high levels of waste recycling.

Additionally, to promote our customers aware of the correct disposal of waste, in the car parks of some of our commercial spaces, we provide containers for depositing and separating electrical and electronic waste and cooking oils, for example.

For more information see the chapter “1.7 Our performance” of the Integrated Management Report.

306-2 Management of significant waste-related impacts

We reinforce the principles of prevention, efficiency and circularity in the way we manage our activity, as we design and develop our services and products, avoiding single-use plastics whenever possible, favouring the reuse and repair of materials, and, when this is not possible, sending waste for recycling or other forms of waste recovery and disposal (including plastics, electronic waste, and hazardous waste); in addition to actions to combat food waste.

In 2023 , Sierra performed Waste Characterization studies in a set of assets aiming to identify valuable materials within undifferentiated waste streams to drive optimization in processes for resource recovery and increasing the recycling rate. Also, MC have been working to ensure smarter and more assertive waste management, throughout mechanisms to accelerate the flow of products and minimize food waste.

Regarding innovative solutions and services that promote circular economy, MC continue working the Refill Spot by Continente project, provide refill-at-home packaging solutions, eco spots systems in our food retail stores, and second-hand initiatives like the [Re]cycle for bicycles, [Re]style for clothing, [Re]baby for childcare items, and [Re]use for electric tools.

At Worten, there are several programs that promote the circularity of Electrical and Electronic Equipment (EEEs) and waste management, mostly supported on Worten’s refurbishment and repair services, carried out at Depreciated Items Treatment and Recovery Unit (UTRAD) and Technical Services Center (TSC). At UTRAD there is a specialized technical team full dedicated to achieving the highest possible recovery rate, limiting to a minimum the non-recoverable items sent to recycling. This unit refurbishes home appliances damaged through transportation, handling and/or exposition from stores, repair partners, warehouses and customers. The recovered products are then reintroduced in the sales flow of the Worten outlet store, preventing thousands of products from becoming electronic waste. At TSC, products received from customers through Worten’s Resolve Program are repaired and prolonged its useful life time. At TSC, selected products (smartphones, smartwatches and tablets), purchased by Worten to its customers, are also refurbished and put up for sale again as second-hand under the Reuse program. Additionally, at Worten’s Warehouse, TSC and stores, measures are adopted to reduce packaging consumption along the various logistics flows for example: the definition of KPI's at the warehouse to reduce packaging consumption, the use of reusable rigid boxes for the logistics circuit between the warehouse and Worten mobile (pilot project) and the reuse of packaging in stores for shipping of equipment for the TSC. TSC has implemented a system of reusable envelopes for the treatment of refurbished equipment in the Reuse program.

For more information see the chapter “1.7 Our performance” of the Integrated Management Report.

306-3 Waste Generated

Waste Generated (t)

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Hazardous waste	2,538	2,233	2,941	–	–	–	28	14	42	2,566	2,247	2,983
Non-hazardous waste	78,342	78,228	83,733	–	–	–	16,707	21,971	23,338	95,049	100,199	107,071
Total	**80,880**	**80,461**	**86,674**	**–**	**–**	**–**	**16,735**	**21,985**	**23,381**	**97,615**	**102,446**	**110,054**

306-4 Waste diverted from disposal

Waste diverted from disposal (t)

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Hazardous waste												
Recycled	2,508	2,205	2,884	–	–	–	26	11	10	2,534	2,216	2,894
Prepared for reuse	–	–	–	–	–	–	–	–	–	–	–	–
Incinerated (with energy recovery)	–	–	–	–	–	–	–	–	–	–	–	–
Other recovery operations*	9	–	–	–	–	–	–	–	–	9	–	–
Total hazardous waste diverted from disposal	**2,518**	**2,205**	**2,884**	**–**	**–**	**–**	**26**	**11**	**10**	**2,544**	**2,216**	**2,894**
Non-hazardous waste												
Recycled	50,114	49,618	52,944	–	–	–	8,330	11,061	11,814	58,444	60,680	64,758
Prepared for reuse	–	–	–	–	–	–	–	–	–	–	–	–
Incinerated (with energy recovery)	6,257	7,847	8,574	–	–	–	1,705	2,382	1,488	7,962	10,229	10,062
Other recovery operations*	9,816	9,336	9,512	–	–	–	4,353	5,234	6,760	14,169	14,570	16,272
Total non-hazardous waste diverted from disposal	**66,187**	**66,802**	**71,030**	**–**	**–**	**–**	**14,388**	**18,677**	**20,062**	**80,575**	**85,479**	**91,092**

*Compost and anaerobic digestion.

306-5 Waste directed to disposal

Waste directed to disposal (t)

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Hazardous waste												
Incinerated (without energy recovery)	–	–	–	–	–	–	–	–	–	–	–	–
Directed to landfill	–	3	3	–	–	–	–	–	–	–	3	3
Other disposal operations*	21	25	54	–	–	–	2	2	32	23	28	86
Total hazardous waste directed to disposal	**21**	**28**	**57**	**–**	**–**	**–**	**3**	**2**	**32**	**23**	**30**	**89**
Non-hazardous waste												
Incinerated (without energy recovery)	–	–	–	–	–	–	9	–	–	9	–	18
Directed to landfill	12,028	10,887	12,023	–	–	–	2,303	3,293	3,255	14,331	14,181	15,278
Other disposal operations*	127	539	680	–	–	–	7	1	22	134	540	701
Total non-hazardous waste directed to disposal	**12,155**	**11,426**	**12,703**	**–**	**–**	**–**	**2,319**	**3,294**	**3,276**	**14,475**	**14,721**	**15,979**

*Includes storage option.

GRI 400 - Social disclosures

401: Employment [material aspect]

401-1 New employee hires and employee turnover

New hires and departures (number)

2023	Holding, MC, Worten and Zeitreel		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	New hires	Departures	New hires	Departures	New hires	Departures	New hires	Departures
Men	9,363	9,375	6	10	54	51	9,423	9,436
Women	14,772	15,152	18	20	77	52	14,867	15,224
Total	**24,135**	**24,527**	**24**	**30**	**131**	**103**	**24,290**	**24,660**
<30 years old	17,978	17,690	14	18	53	25	18,045	17,733
From 30 to 50 years old	5,566	5,864	8	11	69	59	5,643	5,934
>50 years old	591	973	2	1	9	19	602	993
Total	**24,135**	**24,527**	**24**	**30**	**131**	**103**	**24,290**	**24,660**
Portugal	22,906	23,439	24	30	86	62	23,016	23,531
Spain	1,177	1,058	–	–	7	9	1,184	1,067
Rest of the world	52	30	–	–	38	32	90	62
Total	**24,135**	**24,527**	**24**	**30**	**131**	**103**	**24,290**	**24,660**

New hires and departures (%)

2023	Holding, MC, Worten and Zeitreel		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	New hires	Departures	New hires	Departures	New hires	Departures	New hires	Departures
Men	19.9%	19.9%	1.9%	3.1%	7.4%	7.0%	19.6%	19.6%
Women	31.4%	32.1%	5.6%	6.3%	10.5%	7.1%	30.9%	31.6%
Total	**51.3%**	**52.0%**	**7.5%**	**9.4%**	**17.9%**	**14.1%**	**50.5%**	**51.3%**
<30 years old	38.2%	37.6%	4.4%	5.6%	7.3%	3.4%	37.5%	36.9%
From 30 to 50 years old	11.8%	12.5%	2.5%	3.4%	9.5%	8.1%	11.7%	12.3%
>50 years old	1.3%	2.1%	0.6%	0.3%	1.2%	2.6%	1.3%	2.1%
Total	**51.3%**	**52.1%**	**7.5%**	**9.4%**	**17.9%**	**14.1%**	**50.5%**	**51.3%**
Portugal	48.7%	49.8%	7.5%	9.4%	11.8%	8.5%	47.8%	48.9%
Spain	2.5%	2.2%	0.0%	0.0%	1.0%	1.2%	2.5%	2.2%
Rest of the world	0.1%	0.1%	0.0%	0.0%	5.2%	4.4%	0.2%	0.1%
Total	**51.3%**	**52.1%**	**7.5%**	**9.4%**	**17.9%**	**14.1%**	**50.5%**	**51.3%**

Ratio of new hires and departures

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total Employees	45,062	47,192	47,054	870	320	319	902	710	730	46,834	48,222	48,111
New hires	24,115	27,876	24,135	180	52	24	131	150	131	24,426	28,078	24,290
Ratio of new hires (%)	**53%**	**59%**	**51%**	**21%**	**16%**	**8%**	**15%**	**21%**	**18%**	**52%**	**58%**	**50%**
Departures	21,913	26,359	24,527	147	139	30	114	92	103	22,174	26,590	24,660
Ratio of departures (%)	**48%**	**56%**	**52%**	**17%**	**43%**	**9%**	**13%**	**13%**	**14%**	**47%**	**55%**	**51%**

Voluntary or involuntary departures (number)

2023	Holding, MC, Worten and Zeitreel						Sonaecom (Bright Pixel & Media)						Sonae*					
	Voluntary Departures			Involuntary Departures			Voluntary Departures			Involuntary Departures			Voluntary Departures			Involuntary Departures		
	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T
Executives	**2**	**1**	**3**	**2**	**–**	**2**	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**1**	**3**	**2**	**–**	**2**
< 30 years old	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**
From 30 to 50 years old	2	–	**2**	–	–	**–**	–	–	**–**	–	–	**–**	2	–	**2**	–	–	**–**
≥ 50 years old	–	1	**1**	2	–	**2**	–	–	**–**	–	–	**–**	–	1	**1**	2	–	**2**
Senior & Middle Managers	**29**	**20**	**49**	**23**	**10**	**33**	**1**	**2**	**3**	**–**	**–**	**–**	**30**	**22**	**52**	**23**	**10**	**33**
< 30 years old	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**	–	–	**–**
From 30 to 50 years old	25	19	**44**	9	7	**16**	1	2	**3**	–	–	**–**	26	21	**47**	9	7	**16**
≥ 50 years old	4	1	**5**	14	3	**17**	–	–	**–**	–	–	**–**	4	1	**5**	14	3	**17**
Coordinators & Supervisors	**26**	**66**	**92**	**16**	**53**	**69**	**6**	**14**	**20**	**3**	**4**	**7**	**32**	**80**	**112**	**19**	**57**	**76**
< 30 years old	6	16	**22**	1	12	**13**	4	7	**11**	3	4	**7**	10	23	**33**	4	16	**20**
From 30 to 50 years old	18	44	**62**	4	35	**39**	1	7	**8**	–	–	**–**	19	51	**70**	4	35	**39**
≥ 50 years old	2	6	**8**	11	6	**17**	1	–	**1**	–	–	**–**	3	6	**9**	11	6	**17**
Technicians & Specialists	**251**	**407**	**658**	**77**	**128**	**205**	**–**	**–**	**–**	**–**	**–**	**–**	**251**	**407**	**658**	**77**	**128**	**205**
< 30 years old	92	179	**271**	22	49	**71**	–	–	**–**	–	–	**–**	92	179	**271**	22	49	**71**
From 30 to 50 years old	156	220	**376**	44	62	**106**	–	–	**–**	–	–	**–**	156	220	**376**	44	62	**106**
≥ 50 years old	3	8	**11**	11	17	**28**	–	–	**–**	–	–	**–**	3	8	**11**	11	17	**28**
Operational	**3,435**	**5,889**	**9,324**	**5,515**	**8,577**	**14,092**	**–**	**–**	**–**	**–**	**–**	**–**	**3,435**	**5,889**	**9,324**	**5,515**	**8,577**	**14,092**
< 30 years old	2,530	3,967	**6,497**	4,478	6,338	**10,816**	–	–	**–**	–	–	**–**	2,530	3,967	**6,497**	4,478	6,338	**10,816**
From 30 to 50 years old	849	1,713	**2,562**	882	1,775	**2,657**	–	–	**–**	–	–	**–**	849	1,713	**2,562**	882	1,775	**2,657**
≥ 50 years old	56	209	**265**	155	464	**619**	–	–	**–**	–	–	**–**	56	209	**265**	155	464	**619**

* Excluding Sierra, as Sierra does not report this indicator.

Internal mobility and promotions

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sonae		
	M	W	T	M	W	T	M	W	T
Mobility (nº)	1,607	2,934	**4,541**	3	3	**6**	1,610	2,937	**4,547**
Internal mobility (%)	**10%**	**9%**	**10%**	**2%**	**2%**	**2%**	**10%**	**9%**	**10%**
Promotions (nº)	7,889	16,432	**24,321**	4	4	**8**	7,893	16,436	**24,329**
Promotions (%)	**49%**	**53%**	**52%**	**3%**	**2%**	**3%**	**48%**	**53%**	**51%**

* Excluding Sierra, as Sierra does not report this indicator.

401-3 Parental leave

Parental leave

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T
Total employees who benefitted from parental leave (no.)	692	1,700	**2,392**	7	6	**13**	699	1,706	**2,405**
Total employees entitled to parental leave (no.)	16,154	30,900	**47,054**	150	169	**319**	16,304	31,069	**47,373**
Take-up rate (%)	**4%**	**6%**	**5%**	**5%**	**4%**	**4%**	**4%**	**5%**	**5%**
Total employees who returned to work after completion of parental leave (no.)	681	1,622	**2,303**	7	5	**12**	688	1,627	**2,315**
Rate of return (%)	**98%**	**95%**	**96%**	**100%**	**83%**	**92%**	**98%**	**95%**	**96%**
Total employees who returned to work after completion of parental leave and continued to work for the Company 12 months after returning (no.)	466	1,323	**1,789**	5	3	**8**	471	1,326	**1,797**
Rate of retantion (%)	**76%**	**77%**	**77%**	**35%**	**26%**	**31%**	**74%**	**77%**	**76%**

* Excluding Sierra, as Sierra does not report this indicator.

Notes: Employees who have taken leave in 2022, remain in the company 12 months after return are counted.

Sonae guarantees the right to parental leave for all employees. Likewise, it is also ensured the granting to employees of periods of layoff and absences to care for children, as previewed in the applicable legislation. In Portugal, the paid parental leave for the primary caregiver is a minimum of 120 days and for the non-primary caregiver is a minimum of 28 days.

403: Occupational health and safety

403-1 Occupational health and safety management system

Sonae does not have a formal occupational health and safety management system, although we promote practices for a low risk and healthy and safe work environment. Only Sierra applies an occupational health and safety management system (see the GRI "403-8 Workers covered by an occupational health and safety management system").

However, Worten maintained the voluntary V-Safe Certification until June 2022 (2nd year of certification to face the Covid-19 pandemic). It was a management system with a guiding reference from the certifying company TUV Ibéria. The implementation was based on the legal requirements in force and several documents were created for this certification following legal compliance.

MC follows a management model, with internal references, and based on the references of the safety management system of ISO45001:2018 and DuPont Safety Management System.

403-2 Hazard identification, risk assessment, and incident investigation

In Sonae, although we do not have a transversal and formal health and safety system, we have hazard identification and risk assessment procedures in our companies' operations (like stores, warehouses, offices), based on an annual plan of activities carried out by the Occupational Health and Safety (OHS) teams, certified for this purpose. These procedures are periodically updated and analysed when new incidents occur, or new procedures, or new regulation, or new equipment are introduced that may affect the level of risk. The OSH technicians who accompany the units update and constantly monitor them. 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. Annually, in the strategic review of this process, the results of these evaluations are taken into account.

For instance, MC has a model that covers 3 dimensions - Safety, Ergonomics and Operational Efficiency, and is based on two main phases: phase 1, of diagnosis and characterization of the activities carried out in the stores, with a total mapping of the tasks and a rigorous, comprehensive, solid and scientifically based assessment of each of these tasks in each of the three axes, in which we were able to evaluate each one of them over time and in their surroundings. Consequently, phase 2 of implementation of a significant set of improvement solutions, based on four transformational programs: o P1 – transversal quickwins; o P2 – development of improvement projects; o P3 – collaborative robotic solutions; o P4 – comprehensive design of the most demanding jobs.

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.

Thus, in addition to training in OSH, the information is shared with employees and made available in the workplace, through communication tools such as "MyWorten", where for instance, in the first week of each month, all accidents, causes and actions taken relating to all accidents that occurred in the previous month are published. Also, an annual consultation with employees on OSH issues is ensured, through a questionnaire in which employees comment on all topics related to OSH. Employees' responses are analysed as a way of assessing their perception of working conditions. Employees can also report incidents through store audits, platforms ("Sonae Circle" at Holding and MC and "W-Talk" IT Platform at Worten) and internal applications, or through direct contact with OSH technicians.

403-3 Occupational health services

Sonae provides occupational health service functions that contribute to the identification and elimination of hazards and risk minimization, namely occupational health services. These services, provided for by law, include: an entrance exam at the time of joining the company; periodic examinations and every 2 years for all employees between the ages of 18 and 50; and annual exams for employees under the age of 18 or over 50; Occasional exams are also carried out at the request of the employee or the company, and it is the obligation of all employees who have been absent for more than 30 days, after returning, to carry out any exams.

Occupational Medicine Consultations to all employees as well as visits to workplaces with labour doctors, complement, along with other OSH activities, actions for the identification and elimination of dangerousness and risk minimization, namely by the guidelines described in the medical aptitude sheets where the identification of medical restrictions is included.

Other services include monitoring of remodeling initiatives and store openings, training, procedures and safety standards, annual audit plan for all establishments, monitoring of claims processes (cause and participation) and ergonomic studies.

Additionally, awareness campaigns are performed, such as blood gifts, healthy eating, among others.

The type of organisation of the Occupational Safety and Health services is ensured by mixed services (internal and external), to support all units in the various areas. All services are provided by qualified OSH technicians.

403-4 Worker participation, consultation, and communication on occupational health and safety

In Sonae, employees are consulted annually on OSH issues, through a questionnaire, in which employees comment on all issues related to OSH. The questionnaire is adapted and updated periodically, and the responses of employees are analyzed as a way of assessing their perception of working conditions.

In addition, a survey is carried out on the satisfaction of the victims about the health activity carried out by the insurance company.

During the process of integrating new employees, a set of information related to health and safety is communicated, raising awareness of this topic.

Employees can also report incidents through store audits, platforms (“Sonae Circle” at Holding and MC and “W-Talk” IT Platform at Worten) and internal applications, or through direct contact with OSH technicians.

403-5 Worker training on occupational health and safety

During the admissions process, workers complete mandatory online training on workplace hazards and emergency organisation and response. Emergency teams are trained in person by OSH technicians. Other trainings that complement preventive and safety needs include all workplaces and functions, such as Covid-19 prevention, first aid, practical fires (occasional) training, manual movement of cargo, among other trainings. Most Sonae companies have 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 OSH monitoring audits carried out in stores are of an educational nature.

403-6 Promotion of worker health

Sonae is dedicated to ensuring its employees have convenient access to comprehensive healthcare and wellness services. Through various initiatives, Sonae facilitates both medical and non-occupational health needs for all employees such as curative medicine, food and nutrition, massage, yoga and other related initiatives. Furthermore, Sonae actively communicates health-related messages through targeted campaigns, addressing critical issues such as obesity, smoking cessation, heart health, and vaccination drives including Covid-19.

Sonae Campus is an example that offers a wide variety of services designed to improve the balance between personal and work life, namely, community vegetable garden, sports centres, schools, breastfeeding rooms, food courts, hairdressers, laundry, package delivery and pick-up spots and mobility sustainable solutions such as shuttles and bicycles and charging points for electrical vehicles. Moreover, the company promotes physical activities like padel tennis and provides benefits such as physiotherapy sessions and pilates classes to support employees' fitness goals.

Also, important to highlight the flexible work program, which was set out to actively contribute to integrating the personal and professional lives of employees and, consequently, for their well-being and professional fulfillment. With different formats, adjusted to the needs and reality of each employee, role and business, this program is designed to share and encourage the adoption of flexible working models, allowing employees to work remotely, to choose when their workday begins and ends, to reduce their weekly workload, to request for unpaid leave and to have up to 5 extra unpaid days for personal purposes.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

The health and safety impacts attributable to commercial relations are not considered relevant.

403-8 Workers covered by an occupational health and safety management system

Workers covered by an occupational health and safety management system

2023	Sierra			
	Direct Employees	Supervised	Independent	Total
Total workforce: direct employees, supervised workers and independent contractors (nº.)	738	27	4	**765**
Employees externally verified to be operating in compliance with OHSAS 18001/ISO 45001	734	27	4	**761**
Percentage of employees externally verified to be operating in compliance with OHSAS 18001/ISO 45001 (%)	**99%**	**100%**	**100%**	**99%**
Total number of employees internally verified to be operating in compliance with the safety and health management system (S&HMS)	734	27	4	**761**
Percentage of employees internally verified to be operating in compliance with the safety and health management system (S&HMS) (%)	**99%**	**100%**	**100%**	**99%**

403-9 Work-related injuries

Work-related injuries: Workers

2023	Holding, MC, Worten and Zeitreel	Sonaecom (Bright Pixel & Media)	Sonae*
Working hours	83,157,853	589,512	83,747,365
Hours worked	75,776,576	578,136	76,354,712
Work-related injuries	1,195	–	1,195
Fatalities	–	–	–
Work-related injuries rate (per million hours worked)	**16**	**–**	**16**
Number of lost days due to work-related injuries	16,402	–	16,402
Lost workday rate (per 200,000 hours worked)	**43**	**–**	**43**
Number of lost time work-related injuries	684	–	684
Lost-time injuries frequency rate (per million hours worked)	**9**	**–**	**9**

*Sierra does not report this indicator.

Work-related injuries: Workers who are not employees but whose work and/or workplace is controlled by the organisation

2023	Holding, MC, Worten and Zeitreel	Sonaecom (Bright Pixel & Media)	Sonae*
Hours worked	1,403,693	–	1,403,693
Work-related injuries	77	–	77
Fatalities	–	–	–
Work-related injuries rate (per million hours worked)	**55**	**–**	**55**
Number of lost time work-related injuries	24	–	24
Lost-time injuries frequency rate (per million hours worked)	**3**	**–**	**3**

* Excluding Sierra, as Sierra does not report this indicator.

404: Training and education [material aspect]

404-1 Average hours of training per year per participant

Hours of training

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total training hours (h)	1,184,119	1,017,243	1,108,097	15,395	11,225	1,066	14,900	9,113	9,425	1,214,414	1,037,581	1,118,588
Total Employees (no.)	56,357	72,821	52,556	514	371	782	902	710	738	57,773	73,902	54,076
Average number of hours of training (h/Employee)	**21**	**14**	**21**	**30**	**30**	**1**	**17**	**13**	**13**	**21**	**14**	**21**

Hours of training by participant category and gender

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra	Sonae
	M	W	T	M	W	T	T	T
Executives	1,046	574	**1,620**	2	35	**37**	**404**	**2,061**
Senior & Middle Managers	20,253	15,702	**35,955**	168	132	**300**	**4,705**	**40,960**
Coordinators & Supervisors	42,913	56,101	**99,015**	351	378	**729**	**1,928**	**101,672**
Technicians & Specialists	40,526	71,908	**112,434**	–	–	**–**	**2,388**	**114,822**
Operational	352,283	506,789	**859,073**	–	–	**–**	**–**	**859,073**
Total training hours (h)	**457,022**	**651,074**	**1,108,097**	**521**	**545**	**1,066**	**9,425**	**1,118,588**
Executives	48	19	**67**	1	1	**2**	**23**	**92**
Senior & Middle Managers	692	473	**1,165**	12	5	**17**	**243**	**1,425**
Coordinators & Supervisors	1,139	1,665	**2,804**	21	27	**48**	**159**	**3,011**
Technicians & Specialists	1,440	2,563	**4,003**	–	–	**–**	**313**	**4,316**
Operational	13,069	31,448	**44,517**	–	–	**–**	**–**	**44,517**
Total employees (nº)	**16,388**	**36,168**	**52,556**	**34**	**33**	**67**	**738**	**53,361**
Executives	22	30	**26**	2	35	**19**	**18**	**22**
Senior & Middle Managers	29	33	**31**	14	26	**20**	**19**	**29**
Coordinators & Supervisors	38	34	**36**	17	14	**15**	**12**	**34**
Technicians & Specialists	28	28	**28**	-	-	**-**	**8**	**27**
Operational	27	16	**22**	-	-	**-**	**-**	**19**
Average number of hours of training (h/employee)	**28**	**18**	**21**	**15**	**17**	**16**	**13**	**21**

Notes: This includes all training participants, regardless of if they were active or not in December 31, 2023.

404-2 Programmes for upgrading participants skills and transition assistance programmes

Actions and hours per training program

2023	Holding, MC, Worten and Zeitreel		Sonaecom (Bright Pixel & Media)		Sonae*	
	Total Actions (no.)	Total Hours (h)	Total Actions (no.)	Total Hours (h)	Total Actions (no.)	Total Hours (h)
Conferences & Seminars	82	938	–	–	82	938
Schools/Academies	198	19,888	3	132	201	20,020
Management	772	6,786	–	–	772	6,786
Management & Leadership	5,059	54,105	2	78	5,061	54,183
Continuous Improvement	4,932	53,500	–	–	4,932	53,500
Occupational Health and Safety	14,220	137,884	3	20	14,223	137,904
Sustainability	1,927	15,959	2	7	1,929	15,966
Technical	3,262	219,691	13	584	3,275	220,275
Transversal	7,340	100,428	17	65	7,357	100,493
Human rights policies or procedures[1]	26,625	88,362	–	–	26,625	88,362
Others	44,703	511,946	8	181	44,711	512,127
Total	**109,120**	**1,209,486**	**48**	**1,067**	**109,168**	**1,210,553**

* Excluding Sierra, as Sierra does not report this indicator.

Notes: This includes all training participants, regardless of if they are active on December 31, 2023.

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

In 2023, at Holding, MC, Worten and Zeitreel, 85% of the employees received performance assessment and career development reviews. At Bright Pixel and Sierra, 80% and 100%, of the employees received performance assessment and career development reviews, respectively.

Within the group, various assessment models are employed to tailor the process to each company's needs. For instance, MC implemented an Assessment Center for its 41 Head of Areas in 2023, using a 360º feedback approach to gather comprehensive insights.

Holding operates its Annual Feedback Platform, known as IOP (Improving Our People), which includes performance evaluations and development interviews, along with upward feedback mechanisms. At Worten, a bottom-up assessment system is in place, allowing teams to assess their leaders' effectiveness, that occurs alongside the annual performance review process.

In addition, MC conducted an Annual Upward Feedback Survey in 2023, which involved more than 2,500 leaders being evaluated by their team members. This inclusive approach, analyzed over 25,000 employees participating in the feedback process, ensuring a comprehensive assessment of leadership effectiveness and fostering a culture of openness and improvement within the organisation.

405: Diversity and equal opportunities [material aspect]

405-1 Diversity of governance bodies and employees

The scope of the indicator “Women in Leadership Functions” in the chapter “1.7 Our performance” of the Integrated Management Report has a different scope than that reported in this indicator. The “Women in leadership functions” indicator includes the functional category of “Executives” and “Senior & Middle Managers”. It only covers the holding and its subsidiaries that have defined gender equality targets and are governed by the segmentation of functions defined for the group, excluding Arenal.

Also at MC and Worten there are 38.7% of women in leadership roles in revenue-generating roles.

Percentage of employees by employee category and gender (%)

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	M	W	T	M	W	T	M	W	T	M	W	T
Governance bodies	80%	20%	**100%**	100%	0%	**100%**	63%	38%	**100%**	76%	24%	**100%**
Executives	75%	25%	**100%**	33%	67%	**100%**	73%	27%	**100%**	73%	27%	**100%**
Senior & Middle Managers	59%	41%	**100%**	69%	31%	**100%**	60%	40%	**100%**	60%	40%	**100%**
Coordinators & Supervisors	33%	67%	**100%**	45%	55%	**100%**	47%	53%	**100%**	35%	65%	**100%**
Technicians & Specialists	35%	65%	**100%**	0%	0%	**0%**	26%	74%	**100%**	35%	65%	**100%**
Operational	33%	67%	**100%**	0%	0%	**0%**	0%	0%	**0%**	33%	67%	**100%**
Total	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

Employees with disabilities (number)

2023	Holding, MC and Zeitreel	Sonaecom (Bright Pixel & Media)	Sierra	Sonae
Employees with disabilities	352	6	17	375

Percentage of employees by employee category, age and gender (%)

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	M	W	T	M	W	T	M	W	T	M	W	T
Governance bodies												
< 30 years old	0%	0%	**0%**	0%	0%	**0%**	0%	0%	**0%**	0%	0%	**0%**
From 30 to 50 years old	30%	5%	**35%**	0%	0%	**0%**	13%	13%	**25%**	24%	7%	**31%**
≥ 50 years old	50%	15%	**65%**	100%	0%	**100%**	50%	25%	**75%**	52%	17%	**69%**
Executives												
< 30 years old	0%	0%	**0%**	0%	0%	**0%**	0%	0%	**0%**	0%	0%	**0%**
From 30 to 50 years old	36%	17%	**53%**	33%	67%	**100%**	40%	0%	**40%**	37%	16%	**52%**
≥ 50 years old	39%	8%	**47%**	0%	0%	**0%**	33%	27%	**60%**	37%	11%	**48%**
Senior & Middle Managers												
< 30 years old	1%	1%	**2%**	3%	0%	**3%**	0%	0%	**0%**	1%	1%	**2%**
From 30 to 50 years old	42%	29%	**70%**	45%	21%	**66%**	30%	26%	**56%**	40%	28%	**68%**
≥ 50 years old	16%	11%	**28%**	21%	10%	**31%**	30%	14%	**44%**	19%	12%	**30%**
Coordinators & Supervisors												
< 30 years old	3%	9%	**12%**	8%	11%	**18%**	6%	6%	**12%**	4%	9%	**12%**
From 30 to 50 years old	25%	47%	**72%**	23%	29%	**52%**	28%	35%	**64%**	25%	45%	**70%**
≥ 50 years old	6%	11%	**17%**	14%	16%	**30%**	13%	12%	**25%**	7%	11%	**18%**
Technicians & Specialists												
< 30 years old	13%	21%	**34%**	0%	0%	**0%**	0%	0%	**0%**	12%	20%	**33%**
From 30 to 50 years old	19%	36%	**55%**	0%	0%	**0%**	0%	0%	**0%**	19%	36%	**55%**
≥ 50 years old	3%	8%	**11%**	0%	0%	**0%**	0%	0%	**0%**	3%	9%	**12%**
Operational												
< 30 years old	17%	26%	**43%**	0%	0%	**0%**	0%	0%	**0%**	17%	26%	**43%**
From 30 to 50 years old	13%	30%	**43%**	0%	0%	**0%**	0%	0%	**0%**	13%	30%	**43%**
≥ 50 years old	3%	11%	**15%**	0%	0%	**0%**	0%	0%	**0%**	3%	11%	**15%**

405-2 Ratio of basic salary and remuneration of women to men

Ratio of average basic salary by employee category (Women/Men)

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sonae*		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Executives	0.84	0.89	0.92	1.47	-	0.44	0.82	0.90	0.89
Senior & Middle Managers	0.91	0.89	0.94	2.08	1.35	0.78	1.03	0.90	0.94
Coordinators & Supervisors	0.92	0.91	0.92	0.89	0.76	0.92	1.15	0.93	0.91
Technicians & Specialists	0.90	0.92	0.93	-	-	-	0.90	0.92	0.93
Operational	1.01	0.99	1.00	-	-	-	1.01	0.99	1.00

*Sierra does not report this indicator.

Average pay ratio by employee category (Women/Men)

	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sonae*		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Executives	0.91	0.78	0.85	-	-	0.44	0.86	0.76	0.82
Senior & Middle Managers	1.14	0.92	0.92	1.95	1.43	0.78	1.29	0.93	0.92
Coordinators & Supervisors	0.91	0.91	0.88	0.90	0.77	0.90	1.14	0.93	0.88
Technicians & Specialists	0.89	0.95	0.91	-	-	-	0.88	0.95	0.91
Operational	1.02	1.00	1.01	-	-	-	1.02	1.00	1.01

* Excluding Sierra, as Sierra does not report this indicator.

Notes: the monthly base salary (converted to full-time equivalent) includes all fixed remuneration as of December 31, 2023. Based on 12 months. Total remuneration included (converted to full-time equivalent) the Monthly base salary; Performance bonus, discrepancy allowance and shift allowance as of December 31, 2023. Variable components calculated based on the last 12 months (January to December 2023).

Average remuneration by employee category and age group (€)

2023	Holding, MC, Worten and Zeitreel			Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T
Executives	**17,559**	**14,978**	**16,906**	**17,515**	**7,661**	**10,946**	**17,558**	**14,342**	**16,698**
< 30 years old	0	0	**0**	0	0	**0**	0	0	**0**
From 30 to 50 years old	14,167	13,961	**14,232**	17,515	7,661	**10,946**	14,275	13,173	**14,018**
≥ 50 years old	20,738	17,013	**20,069**	0	0	**0**	20,738	17,013	**20,069**
Senior & Middle Managers	**5,568**	**5,127**	**5,389**	**4,554**	**3,548**	**4,242**	**5,541**	**5,099**	**5,363**
< 30 years old	4,088	3,764	**4,156**	3,750	0	**3,750**	4,066	3,764	**4,139**
From 30 to 50 years old	5,346	4,968	**5,237**	4,721	3,183	**4,236**	5,331	4,938	**5,216**
≥ 50 years old	6,233	5,633	**5,991**	4,324	4,278	**4,308**	6,178	5,604	**5,948**
Coordinators & Supervisors	**2,000**	**1,763**	**1,842**	**2,141**	**1,926**	**2,022**	**2,013**	**1,773**	**1,856**
< 30 years old	1,635	1,464	**1,529**	1,489	1,120	**1,273**	1,611	1,432	**1,500**
From 30 to 50 years old	1,974	1,775	**1,853**	2,152	2,002	**2,069**	1,987	1,786	**1,865**
≥ 50 years old	2,314	1,959	**2,081**	2,480	2,343	**2,407**	2,341	1,999	**2,122**
Technicians & Specialists	**2,042**	**1,866**	**1,929**	**0**	**0**	**0**	**2,042**	**1,866**	**1,929**
< 30 years old	1,765	1,773	**1,863**	0	0	**0**	1,765	1,773	**1,863**
From 30 to 50 years old	2,171	1,925	**2,057**	0	0	**0**	2,171	1,925	**2,057**
≥ 50 years old	2,360	1,847	**2,001**	0	0	**0**	2,360	1,847	**2,001**
Operational	**979**	**991**	**987**	**0**	**0**	**0**	**979**	**991**	**987**
< 30 years old	952	969	**963**	0	0	**0**	952	969	**963**
From 30 to 50 years old	994	1,001	**999**	0	0	**0**	994	1.001	**999**
≥ 50 years old	1,045	1,012	**1,019**	0	0	**0**	1,045	1,012	**1,019**

* Excluding Sierra, as Sierra does not report this indicator.

406: Non-discrimination

406-1 Incidents of discrimination and corrective actions taken

In 2023, a total of 48 cases of discrimination were reported. The analysis and investigation processes carried out led to the filing and resolution 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 Sonae there are no direct operations with risk within the scope of exercising freedom of association and entering into collective bargaining agreements.

In the specific case of MC and Worten, according to the audit reports carried out, all suppliers have in accordance the criterion “Freedom of association: they can be members of institutions/associations that represent their rights”.

At Sonaecom, both because of the geographies in which it is present and because of the technical/technological complexity of the type of activities performed by employees and partners, Sonaecom has residual risks in terms of limiting freedom of association and collective bargaining.

Note: Sierra does not report this indicator.

408: Child labour

408-1 Operations and suppliers at significant risk for child labour incidents

At Sonae, as a rule, minors are not admitted. Minors between the ages of 16 and 18 are only allowed exceptionally, and always in compliance with the law. There are no operations with risk of incidents of child labour.

At MC, 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. And according to audit reports in 2023, all suppliers are in accordance with criterion “Is there evidence of child labour in the company?”. Sonae’s electronic retail company, Worten has the same procedure.

At Sonaecom, both in terms of the geographies in which it is present and due to the technical/technological complexity of the type of activities carried out by employees and partners, there are residual risks in terms of child labour.

Note: Sierra does not report this indicator.

409: Forced or compulsory labour

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

At Sonae, there are no operations with risk of incidents of forced labour.

At MC and Worten, if a supplier is found to have a significant risk of incidents of forced or compulsory labour, the supplier is placed on stand-by and only re-enters after an SA8000

audit by an accredited entity. According to audits reports made in 2023, all suppliers are in accordance with criterion “Is there evidence that employees are subject to physical abuse, psychological threats or verbal intimidation?”. In case of higher non-compliance, the entire group of ethical-related requirements is considered as zero. Sonae’s electronic retail company, Worten has the same procedure.

At Sonaecom, both because of the geographies in which it is present and because of the technical/technological complexity of the type of activities performed by employees and partners, there are residual risks in terms of forced labour analogous to slavery.

Note: Sierra does not report this indicator.

410: Security practices

410-1 Security personnel trained in human rights policies or procedures

For retail companies, in both Portugal and Spain, all security staff who work through security companies must have a professional identification, which requires obtaining and renewing training that includes matters of constitutional/fundamental rights, ethics and deontology. In 2023, 1,498 security workers were trained in human rights policies and procedures.

413: Local communities [material aspect]

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

From the moment a new unit is installed, Sonae ensures the necessary conditions so that it has the minimum negative impact on communities. During operation, it develops numerous activities of support to the local community, meeting their different needs. The activities are often carried out in partnership with local entities.

More detail about our management approach to community support, the main projects developed by our companies and the main results obtained can be consulted in the Integrated Management Report, “1.7 Our performance” chapters.

414 and 308: Supplier social and environmental assessment [material aspect]

414-1 and 308-1 New suppliers that were screened using social and environmental criteria – labour practices, human rights, with an impact on society and the environment

2023	MC		Worten		Zeitreel		Sonae	
	Total	New	Total	New	Total	New	Total	New
National	662	21	5	–	6	1	673	22
Foreign	728	45	90	–	164	17	982	62
Total qualified suppliers (no.)	**1,390**	**66**	**95**	**–**	**170**	**18**	**1,655**	**84**
National	715	23	5	–	78	12	798	35
Foreign	755	47	108	15	361	48	1,224	110
Total suppliers (no.)	**1,470**	**70**	**113**	**15**	**439**	**60**	**2,022**	**145**
National (%)	93%	91%	100%	0%	8%	8%	84%	63%
Foreign (%)	96%	96%	83%	0%	45%	35%	80%	56%
Percentage of qualified suppliers (%)	**95%**	**94%**	**84%**	**0%**	**39%**	**30%**	**82%**	**58%**
National	123	2	–	–	2	1	125	3
Foreign	144	–	18	–	210	16	372	16
Total audits performed on suppliers (no.)	**267**	**2**	**18**	**–**	**212**	**17**	**497**	**19**

For more information see the chapter “1.7 Our performance” of the Integrated Management Report.

416: Customer health and safety

416-1 Assessment of the health and safety impacts of products and services

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

In 2023, continuing the efforts of previous years, we ensured the certification process for the development of MC and Worten’s own brands, in accordance with the international quality management standard NP EN ISO 9001:2015.

We have a team of qualified internal and external professionals who are dedicated to carrying out periodic product verifications, including inspections, laboratory tests and audits, in order to guarantee compliance with quality and safety standards based on the annual plans in force. According to legislation in force, all products placed on the market are safe products.

In the indicator GRI "2-29 Approach to stakeholder engagement" we report how we manage and integrate feedback from our customers.

417: Marketing and labeling

417-1 Requirements for product and service information and labelling

We are committed to ensure the provision of a wide range of responsible products in order to meet the expectations of consumers and promote the adoption of a sustainable lifestyle. At the same time, considering the need to access immediate information, inherent to the profile of today's consumers, we are concerned about ensuring that we provide the necessary information about our products, so that consumers can make an informed and appropriate choice according to their lifestyle.

Additionally, all products of our own-brand present specific kneecap in the light of the legislation in force.

Methodologic notes

Emission factors:

Energy	Unit	2022	2023	Source (2022 and 2023)
Natural Gas	kg CO_2/GJ	56.4	56.4	2022: APA (2022) Portuguese National Inventory Report on Greenhouse Gases 2022 (page 121) (https://unfccc.int/documents/519827) 2022: APA (2022) Portuguese National Inventory Report on Greenhouse Gases 2023 (page 81) (https://apambiente.pt/sites/default/files/_Clima/Inventarios/20230404/NIR202315%20April.pdf)
Propane Gas		63.1	63.1	
Diesel		74.1	74.1	
Gasoline		69.3	69.3	
F-Gases: R-22	kg CO_2/kg	1,810	1,810	2022: APA (2022) Fluorinated Gases – Unit Converter (https://formularios.apambiente.pt/conversor/) 2023: APA (2023) Fluorinated Gases – Unit Converter (https://gfconversor.apambiente.pt/)
F-Gases: R-407C		1,774	1,774	
F-Gases: R-410[a]		2,088	2,088	
F-Gases: R-438[a]		2,265	2,265	

Energy	Unit	2022	2023	Source (2022 and 2023)
F-Gases: R-134A / HFC-134A	kg CO_2/kg	1,430	1,430	2022: APA (2022) Fluorinated Gases – Unit Converter (https://formularios.apambiente.pt/conversor/) 2023: APA (2023) Fluorinated Gases – Unit Converter (https://gfconversor.apambiente.pt/)
F-Gases: R-417C		2,346	2,346	
F-Gases: R-227 / HFC-227ea		3,220	3,220	
F-Gases: R-32		675	675	
Electricity – Market Based (MC and Sonae RP)	kg CO_2/GJ	57.3	48.6	
Electricity – Market Based (MO)	kg CO_2/GJ		59.69	2022 and 2023: The calculation of the annual values is based on the monthly values, which in turn result from the weighting of the emission factors reported by the various suppliers, taking into account the various energy sources (ERSE calculation for Base Mix from Continent System, RAA and RAM and Elergone Calculation for PPA and Guarantees of Origin)
Electricity – Market Based (Zippy&Losan)	kg CO_2/GJ	61.33	38.28	
Electricity – Market Based (Salsa)	kg CO_2/GJ		70.73	
Electricity – Market Based (Worten)				
Electricity – Market Based (Sonaecom)	kg CO_2/GJ	75.8	73.02	2022 and 2023: EDP emission factor (https://www.edp.pt/origem-energia/)
Electricity – Market Based – Arenal	kg CO_2/GJ	55.7	53.0	2022 and 2023: Electricity Labelling Agreement Related to Energy Produced In 2019, issued by the CMNC.
Electricity – Market Based Spain	kg CO_2/GJ	67.6	61.2	2022 and 2023: it was assumed emission factor Endesa: 220.28 gCO_2/kWh (https://www.endesa.pt/negocios/quemsomos/Origem-de-Energia)
Electricity – Location Based Portugal	kg CO_2/GJ	76.6	48.1	2022 and 2023: ERSE Rotulagem (https://www.erse.pt/eletricidade/rotulagem/rotulagem/)
Electricity – Location Based Spain	kg CO_2/GJ	44.4	56.7	2022: REE emission factor (https://www.ree.es/es/datos/generacion/no-renovables-detalle-emisiones-CO2) 2023: REE emission factor (https://www.eea.europa.eu/data-and-maps/daviz/co2-emission-intensity-14/#tab-googlechartid_chart_41)

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

The values in the GRI associated with GRI "305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_2) and other significant air emissions" were calculated using the following conversion factors:

Energy	Unit	NO_x	SO_2	Source
Diesel	kg/GJ	0.8	0.21	IPCC 2006
Gasoline	kg/GJ	0.6	0.075	IPCC 2006

4.3.2 Non-financial statement

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

Table of correspondence to Portuguese 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:

Information	Correspondence Integrated Report	Correspondence GRI
A brief description of the company's business model	1. Integrated Management Report: 1.2.3 Our Value creation model 1.2.4 Our Strategy 4. Additional Information: 4.3.1 GRI	2-1, 2-2, 2-6
A description of the company's policies in relation to these issues, including the due diligence procedures duly applied	1. Integrated Management Report: 1.2.4 Our Strategy 1.5.3 Our Sustainability Strategy 2023-2026 2. Corporate Governance Report: Part II: Statement of Compliance I. Company's relationship with shareholders, interested parties and the community at large 4. Additional Information: 4.3.1 GRI	2-19, 2-23 to 2-28, 205-1 to 205-3
The results from these policies	1. Integrated Management Report: 1.5.3 Our Sustainability Strategy 2023-2026 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, GRI 205-1 to 205-3, 301-1 to 301-3, 302-1 to 302-5, 303-1, 303-2, 304-1 to 304-3, 305-1 to 305-7, 306-1 to 306-5, 401-1, 401-3, 402, 403-1 to 403-9,

Information	Correspondence Integrated Report	Correspondence GRI
		404-1 ,403-2,403-3, 405-1,405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 413-1, 414-1 and 308-1, 416-1, 417-1
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	1. Integrated Management Report: 1.5.3. Our Sustainability Strategy 2023-2026 1.6.1. How we manage our risks 1.6.2. Our main risks and opportunities 2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks 4. Additional Information: 4.3.1 GRI 4.3.3 TCFD	2-25, 3-1, 3-2, 3-3, 416-407-1, 408-1, 409-1
Key performance indicators relevant to its specific activity	1. Integrated Management Report: 1.7 Our Performance 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 201, 205, 301, 302, 303, 304, 305, 306, 401,403, 404, 405, 407, 408, 413, 414, 416, 417
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.	1. Integrated Management Report: 1.3.2 Our Corporate governance structure 1.5.3 Our Sustainability Strategy 2023-2026 Action Axis 4 | Enhancing Human Development 1.7 Our Performance 4. Enhancing human development 4. Additional Information: 4.3.1 GRI	2-9, 2-10, 103, 401, 405

Table of correspondence to the Spanish Law 11/2018 of December 28

Information	Correspondence Integrated Report	Correspondence GRI
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; **In relation to:** - environmental issues, - social issues, - respect for human rights, - fight against 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.	1. Integrated Management Report: 1.2.3 Our Value creation model 1.2.4 Our Strategy 1.5.3 Our Sustainability Strategy 2023-2026 1.6.1. How we manage our risks 1.7 Our Performance 2. Corporate Governance Report: Part II: Statement of Compliance I. Company's relationship with shareholders, interested parties and the community at large II. Composition and functioning of the corporate bodies 4. Additional Information: 4.3.1 GRI	205-1 to 205-3, 301-1 to 301-3, 302-1 to 302-5, 303-1, 303-2, 304-1 to 304-3, 305-1 to 305-7, 306-1 to 306-5, 401-1, 401-3, 402, 403-1 to 403-9, 404-1 ,403-2,403-3, 405-1,405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 413-1, 414-1 and 308-1, 416-1, 417-1
Business model Brief description of the group's business model, which 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.	1. Integrated Management Report: 1.2.3 Our Value creation model 1.2.4 Our Strategy 1.5 Our sustainability ambition: our new strategy 4. Additional Information: 4.3.1 GRI	2-1, 2-2, 2-6, 2-7, 2-22, 202-2

Information	Correspondence Integrated Report	Correspondence GRI
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.	1. Integrated Management Report: 1.6.1. How we manage our risks 1.6.2. Our main risks and opportunities 1.5 Our sustainability ambition: our new strategy 2. Corporate Governance Report: Part II: Statement of Compliance I. Company's relationship with shareholders, interested parties and the community at large 4. Additional Information: 4.3.1 GRI 4.3.3 TCFD	2-19, 2-23 to 2-28, 3-1, 3-2, 3-3, 201-2, 205-1, 205-2, 307-1, 406-1, 407-1, 408-1, 409-1, 410-1, 414-1 and 308-1, 416-1, 417-1, 419-1
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.	1. Integrated Management Report: 1.7 Our Performance 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 201-2, 205-1 to 205-3, 301-1 to 301-3, 302-1 to 302-5, 303-1, 303-2, 304-1 to 304-3, 305-1 to 305-7, 306-1 to 306-5, 307-1, 401-1, 401-3, 402, 403-1 to 403-9, 404-1 ,403-2,403-3, 405-1,405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 413-1, 414-1 and 308-1, 416-1, 417-1, 419-1

Information	Correspondence Integrated Report	Correspondence GRI
Risks 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, and: - 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.	1. Integrated Management Report: 1.2.4 Our Strategy 1.5.3 Our Sustainability Strategy 2023-2026 1.6.1. How we manage our risks 1.6.2. Our main risks and opportunities 1.7 Our Performance 2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks 4. Additional Information: 4.3.1 GRI 4.3.3 TCFD	201-2, 203-2 205-1, 407-1, 408-1, 409-1, 413-1, 416-1, 417-1
Key performance indicators Key non-financial performance indicators that are relevant to the business activity and that meet the comparability, materiality, relevance and reliability criteria. In order to allow the comparison of information, both over time and across entities, standard key non-financial 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. The main indicators of non-financial results should be applied to each of the non-financial information topics. These indicators should be useful, taking into consideration the circumstances, and consistent with the parameters used in their internal assessment and risk management procedures. In any event, the information presented must be accurate, comparable and verifiable.	1. Integrated Management Report: 1.7 Our Performance 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 205-1 to 205-3, 301-1 to 301-3, 302-1 to 302-5, 303-1 to 303-2, 304-1 to 304-3, 305-1 to 305-7, 306-1 to 306-5, 401-1, 401-3, 402, 403-1 to 403-9, 404-1 ,403-2,403-3, 405-1,405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 413-1, 414-1 and 308-1, 416-1, 417-1

I. Information on environmental issues

Information	Correspondence Integrated Report	Correspondence GRI
Global environment 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.	1. Integrated Management Report: 1.5.3 Our Sustainability Strategy 2023-2026 1.6.1. How we manage our risks 1.6.2. Our main risks and opportunities 1.7 Our Performance 2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks Environmental Risks 4. Additional Information: 4.3.1 GRI 4.3.3 TCFD	2-11, 3-1, 3-2, 3-3, 201-2, 308-1
Pollution 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.	1. Integrated Management Report: 1.5.3 Our Sustainability Strategy 2023-2026 1.6.1. How we manage our risks 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 305-5, 305-6, 305-7 Note: Due to its nature, Sonae's activity has no significant impact on noise and light pollution

Information	Correspondence Integrated Report	Correspondence GRI
Circular economy and waste management and prevention [material issue] 1.) Circular economy; 2.) Waste: prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste.	1. Integrated Management Report: 1.5.3 Our Sustainability Strategy 2023-2026 Action Axis 3 | Promoting Circularity 1.6.1. How we manage our risks 1.7 Our Performance 3. Promoting circularity 2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks Environmental Risks 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 301-2, 301-3, 306-1, 306-2, 306-3, 306-4, 306-5
Sustainable use of resources [material issue] 1.) Water consumption and water supply according to local restrictions; 2.) Consumption of raw materials and the measures adopted to improve the efficiency of use; 3.) Energy consumption, direct and indirect, measures adopted to improve energy efficiency and the use of renewable energy.	1. Integrated Management Report: 1.5.3 Our Sustainability Strategy 2023-2026 1.6.1. How we manage our risks 1.7 Our Performance 2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks Environmental Risks 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 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

Information	Correspondence Integrated Report	Correspondence GRI
Climate change [material issue] 1.) 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; 2.) Measures taken to adapt to the consequences of climate change; 3.) The voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions and the measures implemented to achieve this.	1. Integrated Management Report: 1.5.3 Our Sustainability Strategy 2023-2026 Action Axis 1 | Accelerating Decarbonisation 1.6.1. How we manage our risks 1.7 Our Performance 1. Accelerating Decarbonisation 2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks Environmental Risks 4. Additional Information: 4.3.1 GRI 4.3.3 TCFD	3-1, 3-2, 3-3, 201-2, 305-1, 305-2, 305-3, 305-4, 305-5
Biodiversity protection [material issue] 1.) Measures taken to preserve and restore biodiversity; 2.) Impacts caused by the activities or operations in protected areas.	1. Integrated Management Report: 1.5.3 Our Sustainability Strategy 2023-2026 Action Axis 2 | Valuing Biodiversity and Water 1.6.1. How we manage our risks 1.7 Our Performance 2. Valuing Biodiversity and Water 2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks Environmental Risks 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 304-1, 304-2, 304-3

II. Information on social and employee related issues

Information	Correspondence Integrated Report	Correspondence GRI
Employment [material issue] 1.) Total number and distribution of employees by gender, age, country and professional category; 2.) Total number and distribution of work contract modalities; 3.) Annual average of undefined contracts, temporary contracts and part-time contracts by gender, age and professional category; 4.) Dismissal numbers by gender, age and professional category; 5.) The average remuneration and its evolution disaggregated by gender, age and professional category or equal value; 6.) Salary difference, the remuneration of equal or average positions in the company; 7.) 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; 8.) Implementation of labour disconnection policies; 9.) Employees with disabilities.	1. Integrated Management Report: 1.2.5 Our Stakeholders Our People 1.5.3 Our Sustainability Strategy 2023-2026 Action Axis 4 | Enhancing Human Development 1.6.1. How we manage our risks 1.7 Our Performance 4. Enhancing Human Development 2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance D. Remuneration Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks Human Resources Risks 4. Additional Information: 4.3.1 GRI	2-7, 2-8, 2-12, 2-19, 2-21, 3-1, 3-2, 3-3, 401-1, 405-1, 405-2
Organisation of work 1.) Organisation of workable hours; 2.) Number of hours of absence; 3.) Measures to facilitate parental leave and encourage joint responsibility by both parents.	4. Additional Information: 4.3.1 GRI	401-3, 403-2
Health and safety 1.) Health and safety conditions at work; 2.) Work accidents, their frequency and severity; 3.) Occupational diseases; disaggregated by gender.	2. Corporate Governance Report: Part I. Shareholders' Structure, Organisation and Corporate Governance C. Internal Organisation III. Internal Control and Risk Management 53. Identification and classification of main risks People Safety Risks 4. Additional Information: 4.3.1 GRI	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

Information	Correspondence Integrated Report	Correspondence GRI
Social relations 1.) Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them; 2.) Percentage of employees covered by collective bargaining agreements by country; 3.) The balance of collective bargaining agreements, especially in the field of health and safety at work.	4. Additional Information: 4.3.1 GRI	2-30, 403-1, 407-1
Training [material issue] 1.) The policies implemented in the field of training; 2.) Total number of hours of training by professional category.	1. Integrated Management Report: 1.2.5 Our Stakeholders Our People 1.5.3 Our Sustainability Strategy 2023-2026 Action Axis 4 | Enhancing Human Development 1.6 Managing our risk and creating opportunities 1.7 Our Performance 4. Enhancing Human Development 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 404-1, 404-2
Universal accessibility for people with disabilities	4. Additional Information: 4.3.1 GRI	401-1 Table of Employees with disabilities
Equality [material issue] 1.) Measures taken to promote equal treatment and opportunities between men and women; 2.) 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; 3.) The policy against all types of discrimination and, when appropriate, the management of diversity.	1. Integrated Management Report: 1.2.5 Our Stakeholders Our People 1.5.3 Our Sustainability Strategy 2023-2026 Action Axis 4 | Enhancing Human Development 1.6 Managing our risk and creating opportunities 1.7 Our Performance 4. Enhancing Human Development 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 405-1, 405-2, 406-1

III. Information on respect for human rights

Information	Correspondence Integrated Report	Correspondence GRI
Human rights 1.) Application of the due diligence procedures in the field of human rights; 2.) Prevention of the risks of human rights violations and, when appropriate, measures to mitigate, manage and repair possible abuses committed; 3.) Reports on cases of human rights violations; 4.) Promotion and enforcement of the provisions of the fundamental conventions of the international labour organisation concerning the respect for freedom of association and the right to collective bargaining; 5.) The elimination of employment and occupational discrimination; 6.) The elimination of forced or compulsory labour; 7.) The effective abolition of child labour.	1. Integrated Management Report: 1.6 Managing our risk and creating opportunities 4. Additional Information: 4.3.1 GRI	2-23, 2-26, 3-1, 3-2, 3-3, 406-1, 407-1, 408-1, 409-1, 410-1
Corruption and bribery 1.) Measures taken to prevent corruption and bribery; 2.) Measures taken to combat money laundering; 3.) Contributions to foundations and non-profit entities.	4. Additional Information: 4.3.1 GRI	2-23, 2-26, 205-1, 205-2, 205-3, 413-1

IV. Information on Societal issues

Information	Correspondence Integrated Report	Correspondence GRI
The company's commitment to sustainable development 1.) The impact of the company's activity on employment and local development; 2.) The impact of the company's activity on the local population and territory; 3.) The relations maintained with the representatives of the local communities and the modalities of dialogue with them; 4.) Association and sponsorship actions.	1. Integrated Management Report: 1.2.5 Our Stakeholders Our Communities 1.5.3 Our Sustainability Strategy 2023-2026 Action Axis 4 | Enhancing Human Development 1.7 Our Performance 4. Enhancing Human Development 2. Corporate Governance Report: Part II: Statement of Compliance I. Company's relationship with shareholders, interested parties and the community at large 4. Additional Information: 4.3.1 GRI	2-7, 3-1, 3-2, 3-3 308-1, 414-1, 2-26, 2-28, 2-29, 103, 203-1, 203-2, 413-1
Subcontractors and suppliers 1.) the inclusion of social, gender equality and environmental issues in procurement policy; 2.) consideration in relations with suppliers and subcontractors of their social and environmental responsibility; 3.) monitoring and auditing systems and their results.	1. Integrated Management Report: 1.2.5 Our Stakeholders Our Partners 1.5.3 Our Sustainability Strategy 2023-2026 Enabler Axis | Managing with ESG criteria 1.7 Our Performance Managing with ESG criteria 4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 204-1, 414-1 and 308-1, 407-1, 205-2
Consumers 1.) Measures for the health and safety of consumers; 2.) Complaints systems, complaints received and their resolution.	4. Additional Information: 4.3.1 GRI	2-29, 3-1, 3-2, 3-3, 416-1, 417-1
Tax information 1.) Benefits obtained by country; 2.) Taxes on benefits paid.	4. Additional Information: 4.3.1 GRI	3-1, 3-2, 3-3, 201-1, 201-4

4.3.3. Task Force on Climate-related Financial Disclosures

Climate change risk and our approach

The 2015 Paris Agreement, strives to promote an effective shift toward a future characterized by low emissions and resilience to climate impacts.

Sonae is conscient that business viability depends on the ability to mitigate and adapt to climate risks. Recognizing the important role of organisations and the private sector in leading climate change agenda, “failure of climate change mitigation and adaptation” has been identified as a critical risk for Sonae since 2020, through our **Enterprise-Wide Risk Management (EWRM) risk** management process, as set out in the 1.6 “Managing our risk and creating opportunities“ section of the Integrated Management Report.

Risk assessment and management are a crucial part of Sonae's management activity and are formally integrated into its strategic planning cycle. Risk Management is also deeply rooted in Sonae's culture and is one of its main Corporate Governance practices.

Regarding the climate risks and opportunities, Sonae supports the objectives of the **Task Force on Climate-related Financial Disclosures (TCFD)** and adopted this approach, as:

- we naturally believe that companies should disclose the risks and opportunities they face;
- it facilitates transparency regarding climate-related risks encountered in their relationship with the different stakeholders, as investors, creditors, insurers, customers, employees, suppliers, and others; and
- facilitates a systematic and methodical understanding of the impact of climate change on its companies.

Thus, through the leadership of the Risk Management Consulting Group, in coordination of the Sustainability Consulting Group, and following the first year of implementation of the TCFD in 2021, an internal corporate process was established to manage the “failure of climate change mitigation and adaptation”, as a critical risk, identified under the EWRM, which has been guiding our companies on its annual exercise since then.

This process makes it possible to continuously fine-tune the way in which the Group's companies analyse and manage materially relevant climate risks and opportunities, contributing to the identification and quantification of their potential financial impacts on each of the companies. The conclusions are presented throughout this annex, where we present the risks and opportunities arising from climate change, the potential financial impact on business and the actions that are being taken to mitigate these same risks and leverage opportunities.

Our TCFD Structure (as recommended by the TCFD)

1. Governance model
2. Strategy
3. Risk management
4. Metrics and targets

For additional disclosures, see throughout the Integrated Management Report, regarding climate change data see the closing section of this TCFD report, “Additional disclosures related to climate change”.

1. Governance Model | Management and oversight of climate-related risks and opportunities

Three bodies within the Board of Directors oversee how risks and opportunities are being managed at Sonae.

Board of Directors
Oversees all risks and opportunities

The Board of Directors oversees all risks and opportunities facing Sonae, including those related to climate change.

The Board of Directors is supported by:

Board Audit and Finance Committee
Oversees Sonae's EWRM process, which includes environmental issues

Remuneration Committee
Oversees climate-related metrics and targets linked to all employees variable remuneration

More specifically, as already mentioned, the TCFD process has been led by the Risk Management Consulting Group, in coordination of the Sustainability Consulting Group.

- **Risk Management Consulting Group:**

Chaired by the CFO, João Dolores, who oversees the climate risk assessment exercises that are currently being carried out by each of the Group's companies.

- **Sustainability Consulting Group:**

The Chairman of the Board of Directors, Paulo Azevedo, and the CEO, Cláudia Azevedo, are part of and sponsor the Sustainability Consulting Group.
This is a management-level working group that has the oversight and challenges on sustainability related topics and leads a tactical level working group that discusses and addresses those topics including on how Sonae companies contributes to the axis "Accelerating Decarbonization".
This working group is made up of at least one representative from each of the Group's companies ensuring that the actions defined and carried out are shared, among other sustainability commitments, to meet the climate targets set for carbon reduction.

At two of the five Sustainability Consultative Group's meetings, held annually, the subsidiaries of the group present the progress made towards the achievement of our targets and the roadmaps in place. The CEO and the Chair of the Board of Directors are present at all Sustainability Consulting Group meetings, thus maintaining oversight of the progress of each of our portfolio's companies in relation to its climate targets. Additionally, the indicators and targets are also shared with the Remuneration Committee so that, as previously mentioned, they can be part of the remuneration of executives and all other employees of the companies, relative to the successful management of climate risks.

See the section 1.3 "Our leadership" of the Integrated Management Report for more details on these bodies.

It should also be noted that Sonae constantly invests in the training of all its employees and executives, particularly in matters related to sustainability management at Sonae companies. In addition, Sonae also wants to contribute to improve the society knowledge on sustainability matters. In 2023, Sonae made publicly available its previously internal **training program**: "Sustainability, the Future in our hands", entailing 6 series, including one named "CO_2 and Climate Change". This series contain 4 different episodes about: (i) the importance and urgency of the topic, (ii) how Sonae approaches and manages this topic; (iii) a quiz for employees to assess their degree of knowledge and action, and finally (iv) a booklet with a summary of topic-related information and self-development tips.

2. Strategy

"Failure of climate change mitigation and adaptation" is a critical risk for our businesses, according to our EWRM process in place, whose potential impact may vary according to the **time horizon**:

- Short term: 1 to 3 years;
- Medium term: 3 to 5 years; or
- Long term: more than 5 years.

Under the supervision of the Risk Management Consulting Group, an assessment of the potential financial impacts resulting from climate change on each of the Group's companies was carried out, to knowledge the potential risks they face.

Each company, identified its relevant risks and opportunities and classified them according to the categories provided in the TCFD. Relevance was based on an assessment of "probability of occurrence" and "magnitude of impact" of each risk, the first is the probability of the risk materialising and the second is the quantification of the damage that the risk could cause.

In summary, the potential risks we face relate to the physical risks arising from the effects of climate change on our businesses, including extreme weather conditions and rising average temperatures, as well as potential transition risks associated with moving to a low-carbon economy, market uncertainties, regulation of existing products and services, and changing consumer preferences.

In the tables below, we present the climate-related risks that may affect our business, the identification and assessment of risks and opportunities, as well as the measurement of the respective financial impacts foreseen, which are defined taking into account the2030 and 2050 time horizons, and for scenarios of increases in the earth's temperature of 1.5°C (Intergovernmental Panel on Climate Change [IPCC] Representative Concentration Pathway [RCP] 2.6) and 4°C (IPCC RCP 8.5) as recommended by the TCFD and in accordance with the established internal procedure.

These scenarios, mentioned above, enable us to understand the climate impacts in our businesses from two different realities:

- The first, consists in an ambitious reduction of GHG emissions (in which the climate transition risks materialize); and
- The second, consists in a future without policy changes to reduce emissions – business as usual – and characterised by increasing GHG emissions leading to high atmospheric GHG concentrations (where physical climate risks materialise prominently).

Risk	Impact on our activities	Management actions	Time horizon
Climate risk category: Physical Risks			
Chronic: Increase in the average temperature	For the food and fashion retail sectors, the increase in average temperatures can compromise production capacity and cause increased costs (for example: increase in the price of raw materials), logistical difficulties, interruptions in the supply chain or reduce agricultural productivity (for example: higher cost of water, cotton and food).	• Initiatives, including innovation projects, R&D and business models; to use sustainable sourced fibres and materials, promoting new materials, increased durability and the circular economy.	Long term
		• Implementation of a footprint calculation tool to assess the water footprint of food products throughout the supply chain and develop efficiency measures for better water management. • Direct actions with agricultural producers aimed at promoting more sustainable agricultural practices and nature-based solutions.	Medium-long term
	For the real estate sector, water scarcity, associated with rising temperatures, can lead to increased costs due to the increased price of water in operations.	• A technical study on the resilience of assets and HVAC units that defined a set of measures to adapt to new temperature patterns.	Short term
Acute: Increased severity of extreme weather events such as cyclones and floods.	For all sectors, extreme weather conditions can lead to a loss of sales revenue due to business interruption caused by a building/store closure. These occurrences can generate costs to repair the buildings/stores, operating expenses resulting from impacts on the health and safety of the workforce and increased insurance expenses.	• Insurance coverage for employees. • Geographic distribution of our human capital and flexible work arrangements. • Continuous assessment of the potential operational impact of extreme weather events on the Risk Management process. • Continuous and enhanced analysis of risk of extreme weather events when evaluating current locations and expansion plans. • Inclusion of an emergency response (training, simulations, and early warning system) for extreme events in business continuity plans. • Technical resilience study to identify mitigating measures and define business continuity to adapt to situations of extreme weather events vis-à-vis the impacted assets.	Short-medium term
	For the food retail and fashion sectors, extreme weather can lead to reduced raw material yields and product availability, altering production costs. Suppliers may also need to relocate.	• Development of a contingency plan for high-risk regions in case of production interruptions, including alternative suppliers in low-risk regions.	Short-medium term

Risk	Impact on our activities	Management actions	Time horizon
Climate risk category: Transition Risks			
Political and Legal: Rise in carbon pricing	For all sectors in which we operate, compliance with new carbon pricing legislation and the possible implementation of a global carbon tax, would result in increased operating expenses, particularly if emissions from operations cannot be neutralised or reduced.	We set a Group-wide carbon reduction target (53% less emissions scope 1 and 2 by 2032, baseline 2022) and a carbon neutrality target to be achieved by 2040 in own operations. Specific routes have been defined for each of the Group's companies that will result in energy savings and a reduction in CO_2 emissions. The itineraries include a diverse set of actions, namely: • Implementation of an energy optimisation programme that includes the installation of more efficient equipment and systems (e.g., LED lighting, refrigeration systems). • Audits to identify and implement energy efficiency improvements in stores, buildings and logistic centres. • Autonomous production of photovoltaic solar energy and supply of electricity from renewable sources. • Electrification of the fleet of service vehicles. • Development of an intelligent energy management platform using AI to automate electricity consumption.	Short-medium term
	For the real estate sector, renovating buildings to increase energy efficiency and reduce emissions, required by the EU renovation wave, can lead to an increased cost of capital.	• Carrying out energy audits to identify improvements in the energy efficiency of our buildings.	Short term
Political and Legal: Regulation on existing products and services	The eventual introduction of the Carbon Border Adjustment Mechanism (CBAM) could have an impact on the electronic retail sector, because of an increase in the costs of purchasing products and materials imported from outside the EU.	• Engagement with the supply chain to raise awareness about the impacts of emerging legislation, as well as the implementation of initiatives to improve the performance of the value chain; analysis of alternative materials/products; incentives for best sustainability practices; establishment of a procurement policy for purchases outside the EU; among others.	Mid term
	Increased costs of replacing/acquiring/adapting equipment to eliminate the use of high GWP (Global Warming Potential) refrigerant gases such as F-Gases.	•Develop a specific strategy and action plan for the elimination of high GWP refrigerant gases that includes service and maintenance of equipment containing refrigerant gases and equipment replacement program.	Mid term

Risk	Impact on our activities	Management actions	Time horizon
Climate risk category: Transition Risks			
Technology: Transition costs to lower emission technologies	For the food retail sector, costs of developing and adapting to new practices and processes to implement technological solutions that allow the reduction/capture of CO_2 emissions.	• Autonomous production of photovoltaic solar energy and supply of electricity from renewable sources • Assessment of solutions and refurbishments to increase energy efficiency.	Mid term
Reputation: Changing consumer preferences and increased stakeholder concern	For the food retail sector and electronic products, an inadequate offer that does not meet customer preferences, who are more aware of environmental issues, can lead to loss of revenue if our products or practices are not climate friendly or low carbon.	• Adapting products to the new demands of consumers in terms of sustainability. For example, offering energy-efficient certified electronic products and working closely with national agricultural producers. • Train retail store employees to effectively communicate climate initiatives implemented (e.g., carbon reduction targets and more energy efficient products). • Communicating our commitment to carbon neutrality to different stakeholders and developing customer support programmes to raise awareness and support them in making more conscious decisions regarding the reduction of energy consumption and their carbon footprint.	Mid term
Market: Others (Adaptation to Electric Mobility)	For the real estate sector, as the demand for electric vehicle charging stations in buildings and shopping centres increases, we will have to invest in the roll-out of EV facilities. Failure to adapt can lead to a loss of visitors.	• Carrying out a feasibility study for the expansion of EV parking spaces and charging points at our facilities.	Short term

The materiality of climate risks for Sonae was also assessed considering their influence on the financial results of the Group's companies. Risks were weighted according to the weight of each business in the Group's consolidated value (Net Asset Value - NAV). We would like to emphasise that the risks are dealt individually by each company, however the holding pays particular attention to the higher materiality risks. For 2023 the following stand out:

i) Physical Risk - Acute: Increase in the severity of extreme weather events (e.g., cyclones, floods, storms),
ii) Transition Risk - Political and/or Legal: Rise in carbon pricing.

In the next table, we disclose the potential financial impact of these material risks associated with the most challenging climate scenario of a temperature increase of 1.5ºC (IPCC RCP 2.6), for the middle-term time horizon of 2030.

Amount (Euros)
< 10m
10m – 30m
30m – 90m
> 90m

Climate risk category	Risk	Potential Impact in a 1.5ºC scenario for 2030	
		Min	Max
Physical - Acute	Increased severity of extreme weather events such as cyclones and floods		
Transition - Political and Legal	Rise in carbon pricing		

To assess the opportunities associated with potential climate risks, companies considered a variety of factors, including regulation, technology and market trends related to climate change. In addition, companies assessed their own capabilities and resources to adapt and benefit from the effect of climate change, as recommended in the TCFD framework. The main opportunities resulting from this assessment are related to: i) efficient use of resources, ii) energy sources, and iii) products and services. Details of the opportunities, as well as their respective potential benefits, are detailed below.

Opportunity category	Opportunity	Impact on our activities	Management actions	Time horizon	Potential benefit of the opportunity
Efficient use of resources	Use of more efficient production and distribution processes in our direct operations and supply chain	For the food and fashion retail sectors, more efficient use of water, electricity and chemicals in our direct operations can result in significant cost savings.	• Reduction of water consumption in the washing process of jeans through improved use of green chemicals and equipment upgrades (e.g., e-Flow process, laser technology, and ozone machines). • Energy and water costs avoided by implementing efficiency measures, namely energy optimisation programmes.	Short-medium term	
		Additionally, local sourcing of raw materials and products in our supply chain can lead to shorter lead times and the ability to be more agile in responding to sales opportunities, as well as mitigating the direct impact of supply chain disruption.	• Establishment of contracts with suppliers within close proximity.	Mid term	

Opportunity category	Opportunity	Impact on our activities	Management actions	Time horizon	Potential benefit of the opportunity
Efficient use of resources	Greater efficiency of our buildings	For the real estate sector, improving the energy efficiency of our buildings and shopping centres can result in reduced operating costs and therefore reduced common charges for tenants. More energy efficient buildings in our food retail, electronics retail and fashion retail stores can also lead to reduced operating costs.	• Conduct specialist energy audits to explore potential improvements in energy efficiency and improve the Energy Performance Certificate rating.	Mid term	
Energy sources	Use of low-emission energy sources	For the food retail and real estate sectors, there is an opportunity to use lower emission energy sources to power buildings, reducing operating costs and exposure to price increases from fossil fuels and electricity.	• Execution of actions to meet the goals of reduction and carbon neutrality. This includes investing in autonomous production of renewable energy and purchasing renewable energy through a power purchase agreement.	Mid term	
Products and services	Development of new products or services through R&D and innovation	For the fashion retail sector, the impact of rising prices on traditional raw materials such as cotton could be mitigated by using alternative production materials.	• Increased use of recycled fibers and more sustainable raw materials. • Selection of suppliers that develop innovative raw material production processes	Short term	
	Ability to diversify business activities	For the electronic retail sector, there are opportunities to diversify the company's regular activity into new services.	• Provision of energy consulting services to private homes, combined with energy efficiency solutions and equipment. • Revenue from Waste from Electric and Electronic Equipment (WEEE) collection reinvested in the business model that allows an increase in the collection/recycling rate and the valuing of various materials, such as: aluminium, iron, among others • Development of specialized electronics repair/maintenance services, through a specific business model.	Short term Mid term Mid term	
	Development and/or expansion of low-emission goods and services	For the electronic retail sector there are opportunities for the development and/or expansion of low-emission goods and services	• Increase in revenue due to expansion/new product lines of a sustainable/ecological nature (e.g., electric mobility) • Increase in revenue due to expansion/new lines/sale of low carbon/more efficient products.	Short term Mid term	
	Changing consumer preferences	For the electronic retail sector there are opportunities arising from changes in consumer preferences	• Increase in revenue due to increased demand for more efficient products, new products such as the one related to micro mobility and services associated with WEEE collection and treatment services.	Short term	

Assessing opportunities using the TCFD methodology allows companies to identify new services or products, efficiency options, as well as make informed decisions on where to invest their resources, leading to significant financial benefits, while generating positive environmental and social impacts.

Following on from previous years, performance in terms of GHG emissions is one of the indicators that influences our financial planning, specifically with regard to access to capital, to finance investments that aim to reduce our carbon emissions; since 2020, we have included performance in ESG indicators in the criteria for medium and long-term financing, as a result of this policy, currently, 83% of Sonae's total financing are sustainability-linked or green. Furthermore, in the management of our portfolio, as we aim to expand it, we explore different ways to integrate climate considerations into our portfolio management and acquisition strategies, including financing, due diligence and monitoring of key metrics. Finally, it is also important to highlight the existence of an internal policy – Position Paper on Climate Change – on the approach adopted in response to climate change and which serves as a guide for our actions.

More details and specific case studies on carbon reduction and energy efficiency initiatives carried out by the Group's companies are provided in the chapter 1.7 "Our Performance" of the Integrated Management Report.

3. Risk management

The EWRM process is an annual process aligned with the strategic planning cycle that takes a wide range of internal risk domains into consideration (e.g., financial, operational, strategic, technological, reputational, and human resources) and external risks, where we include the risks associated with climate change. The identification, assessment and management of risks associated with climate change follow the process established within the scope of the EWRM, which can be consulted in the chapter 1.6 "Managing our risk and creating opportunities" in the Integrated Management Report. Once again, the risk of "failure to mitigate and adapt to climate change" was identified as critical risk for our businesses, in this year's risk management cycle.

Within the scope of the EWRM process, and being acknowledged as a critical risk, the "failure to mitigate and adapt to climate change" is managed at the level of the Executive Committee of Sonae and under the direct responsibility of João Dolores (Board Member and CFO of Sonae) and João Günther Amaral (Board Member and CDO of Sonae). Included in these responsibilities are the monitoring of risks throughout the year and assess progress made in management and mitigation actions.

Given the importance of climate change as a risk for our activity, as explained in subsection "2. Strategy", the internal procedure for carrying out the risk assessment associated with climate change is followed by the Group's companies. This methodology aims to understand the specific sub-risks of "failure to mitigate and adapt to climate change" to which each of the Sonae companies is exposed. In this process, the relevant risks for each company were identified based on a predefined list of risk categories associated with climate change, aligned with the categories contained in the TCFD. Analysis of climate scenarios, under the Intergovernmental Panel on Climate Change IPCC reference, was carried out by each of the companies to better understand the potential financial impact of these risks and opportunities. To support this analysis, Sonae referred to the main global references in this area. See the "2. Strategy" subsection of this report, on the results achieved: the identified climate-related risks, the actions that are being taken to manage the occurrence of these risks in the coming years, as well as the potential financial impacts for the most material risks bearing in mind the relevance of Sonae's portfolio.

4. Metrics and Targets

We are committed to achieving carbon neutrality in our operations by 2040, 10 years ahead of the European Union's target. This target reflects our full commitment to our sustainability strategy and incorporates the pursuit of ambitious goals in the implementation of our business strategy. Additionally, as part of our aim to reduce our impact on the planet, we are committed to medium-term emission reduction targets in line with the Science Based Target Initiative (SBTi), considering the +1.5 Degrees Celsius scenario. Our goal is to reduce our own emissions (scope 1+2) by 53% by 2032, with reference to 2022 values, and ensure carbon neutrality of operations as mentioned. Additionally, in 2022, the companies in our portfolio made progress in the process of calculating Scope 3 GHG emissions and are developing strategies to reduce and set targets for emissions related to that scope. Because of that evolving exercise, in 2023 MC and Sierra submitted and had their targets approved by SBTi, while Worten has submitted its commitment and is waiting for the approval. The tables below show the evolution of scope 1, 2 and 3 emissions for 2022 and 2023, comparable figures in ton of CO_{2e}.

	Sonae	
t CO_{2e}	2022R [1]	2023
Scope 1	66,408	69,400
Scope 2	105,047	92,107
Scope 1+2	**171,454**	**161,505**
Scope 3	7,016,817	5,938,838
Total	**7,188,271**	**6,100,345**

Notes: All information presented was subject to verification by an external entity - KPMG. See Independent Limited Warranty Report in this Report.
[1] 2022 values restated to be comparable: MC scope 3 includes Arenal; Zeitreel extended scope 1 to include a biogenic emissions; Worten adjusted to include scope 3; Brightpixel excluded alienated companies S21Sec and Excellium; Universo excluded following the JV transaction with Bankinter; Sierra adjusted values considering SBTi submission criteria, equity share and scope 2 location based. Scope 3 of 2022 includes all categories of companies and is not directly comparable to the year 2023, as this includes for MC only Category 1.

	GHG emissions intensity ratio		Methodological notes
	2022	2023	accordingly to the nature of our businesses' activities
Holding, MC, Worten, Zeitreel	0.15	0.14	GHG emissions Scope 1 and 2 (market based) (t CO_{2e}) / Sales area (sqm)
Sonaecom (Bright Pixel & Media)	3.96	2.00	GHG emissions Scope 1 and 2 (market based) (t CO_{2e}) / Cash invested in the Brightpixel's active portfolio (€m)
Sierra excluding tenants' emissions	0.020	0.020	GHG emissions scope 1, 2 [1] (t CO_{2e}) / GLA [2] (sqm) [1] Calculation method updated in 2023, for the scope of Sierra Equity Share, aligned with the approval of targets by SBTi. Scope 1 and Scope 2 emissions in Location-based methodology. [2] assets GLA plus the area of corporate offices.

Note: Update of specific metrics relevant to the business.

In 2023, our companies emitted 6,100,345 tCO_{2e}, representing a decrease of 15.1% compared to the previous year. Scope 1 emissions represent 1.1% of our carbon footprint, Scope 2 emissions represent 1.5% and, finally, Scope 3 emissions represent 97.4%. In 2023, our portfolio continued to focus on mapping the most material categories of the Scope 3 emissions inventory and are taking measures to define our reduction roadmaps, recognizing the intricate nature of tracing value chain information. In this context, scope 3 emissions represented 5.94m tCO_{2e}, a decreased of 6%* year on year, as a result of our effort to engage with suppliers to decarbonize its value chain and also to promote the most energy-efficient products for clients. Given the nature of our portfolio activities, the most representative categories refer to the "Purchased goods and services" and "Use of sold products", with a weight of 82% and 15%, respectively.

* This value considers only Category 1 in 2022 and 2023 for MC, while other companies cover all categories in general. MC was aligned with its validated SBTi target, in 2023 its scope 3 carbon footprint is focused on category 1, as it represents more than 67% of scope 3 emissions. A new reassessment will be carried out every 5 years, to ensure consistency with the latest climate science and best practices.

During 2023, there was a reduction in Scope 2 emissions due to investments in energy efficiency, renewable energy, and green contracts. Considering the target set for 2032 of reducing our 1+2 emissions by 53% 2022 baseline, we recorded a 6% reduction in 2023 vs 2022 and 30% compared to 2018.

Additional information on the evolution of our performance can be consulted in the chapter 1.7 "Our performance" of the Integrated Management Report. Our emission results are based on the most recent Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). Please consult the GRI Annex for a more detailed description of emissions by company and activity.

Regarding our energy consumption and production, in 2023 our companies consumed 3,023,469 GJ of total energy, representing an increase of 4% compared to the previous year. This figure includes the consumption of renewable energy from green contracts and renewable energy produced and self-consumed, which represented 40% of the total electricity consumed. Additionally, the production of renewable energy by our companies increased by 30% compared to the previous year. Please consult the GRI Annex for a more detailed analysis of the energy metrics, as well as the chapter 1.7 "Our performance" of the Integrated Management Report.

To continue fulfilling our objectives, each company strengthened its action plan, adapted to its business context, based on well-known best practices and prevailing technological and scientific knowledge. For example, among the various energy efficiency and optimisation initiatives, it is worth highlighting the change made concerning refrigeration equipment that uses low-impact refrigerant gases, changes in store operating procedures, or initiatives to invest in the production of renewable energy on-site and the supply of renewable energy. Remuneration associated with meeting GHG emission reduction targets is also a fundamental part of our remuneration structure and reinforces the importance of managing the impacts of climate change.

Additional disclosures related to climate change

The Integrated Management Report contains additional disclosures, complementary to this chapter, related to climate change in following sections:

- 1.3 Our leadership;
- 1.5 Our sustainability ambition: our new strategy;
- 1.6 Managing our risk and creating opportunities;
- 1.7 Our performance.

Find out more about our actions on climate change and CO_2 on our website:
https://sustentabilidade.sonae.pt/

Additionally, our registration process under the 2023 CDP includes information developed on climate risks, opportunities, impacts, and mitigation actions related to our activity:
https://www.cdp.net/en

4.3.4 EU Taxonomy

The EU Regulation 2020/852 of June 2018, 2020, commonly referred as the "EU Taxonomy", was introduced to establish a common classification system for sustainable activities. As a key pillar of the action plan on sustainable finance, the Taxonomy is meant to provide investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable according to the following six objectives:

1 - Climate change mitigation (CCM);
2 - Climate change adaptation (CCA);
3 - Sustainable use and protection of water and marine resources (WTR);
4 - Transition to a circular economy (CE);
5 - Pollution prevention and control (PPC); and
6 - Protection and restoration of biodiversity and ecosystems (BIO).

The disclose of alignment and eligibility of activities that contribute to the climate change adaptation and climate change mitigation objectives became applicable on the 2022 financial year. For the reporting year 2023, Sonae SGPS (henceforth "Sonae" or "Sonae Group") must disclose the proportion of their EU Taxonomy-aligned, non-aligned but eligible, and non-eligible activities for the first two above mentioned environmental objectives (known as *Taxo 2*). In addition, as stated in the Environmental Delegated Act of the Taxonomy Regulation, officially adopted on 27th June 2023, which introduces a new set of criteria for the remaining four environmental objectives (known as *Taxo 4)*, Sonae is also required to disclose the proportion of their EU Taxonomy-eligible, and non-eligible activities regarding:

- Newly added activities to the environmental objectives 1 and 2;
- The activities defined for the remaining four environmental objectives (Environmental Delegated Act) which covers objectives 3 to 6.

Economic activities are taxonomy-eligible if they substantially contribute to at least one of the six environmental objectives. Whereas alignment goes beyond eligibility. Economic activities are taxonomy-aligned if they comply with the Taxonomy criteria for the specific activity. Such criteria consist in assessing if the activity simultaneously: i) provides a significant contribution to at least one of the environmental objectives, ii) causes no significant harm to any of the other environmental objectives (do no significant harm, DNSH) and, iii) observe and comply with the minimum safeguards for occupational safety and human rights.

In 2022, Sonae developed a Corporate Guideline for the EU Taxonomy supported by external expertise, with the objective to serve as a reference guiding tool for all Sonae Group companies that are included in the consolidation perimeter, to ensure a consistent group approach in the interpretation, assessment, and preparation of the information to be reported in the scope of Taxonomy, for upcoming reporting years. The guide was constructed under the best interpretation of the Taxonomy Regulation and Delegated Acts, and it is being revised in response to the newly available guidelines from the European Commission. Furthermore, a preliminary exercise was undertaken within the Group to evaluate alignment in relation to the identified eligible activities within the four objectives (*Taxo 4*), as well as to identify the main gaps to be addressed in the upcoming year.

For fiscal year 2023, the main results obtained for the reporting of the EU Taxonomy are the following:

- Sonae has obtained total Taxonomy-eligible figures of €286.8m turnover, €372m capex, and €5.4m opex, corresponding to 3.4%, 46.1% and 2.8% from consolidated figures, respectively;
- Out of the aforementioned figures, Taxonomy-aligned figures obtained correspond to 0.4% turnover, 6.0% capex and 0.8% opex;
- The results obtained for the Key Performance Indicators (KPIs) show that the items related to real estate activities (construction, renovation, and ownership of buildings), correspond to 20% of eligible Turnover and 67% of eligible capex.
- The publication of the four remaining environmental objectives enabled Sonae to raise eligible turnover, due to the sale of own brand products (plastic packaging, electric and electronic products) and other retail activities (repairing services, sale of second-hand goods) within the Group's retail segments. Overall, it is estimated that 78% of the eligible turnover is associated with the retail business;
- Individual measures carried out in the Group to support business operations and to improve environmental impact represent overall 33% of eligible capex.

The expansion of the EU Taxonomy to other four environmental objectives, namely the Circular Economy objective, contributed to increase Sonae's scope of eligible activities, reaching the retail business. Although most of the Group's business activities remain out of Taxonomy scope, an incremental effect of the turnover figures is noticed. The Group remains supportive of the EU Taxonomy's goals and embraces the continued evolution of the regulation.

Scope & Accounting Principles

Pursuant to Article 29 of the Accounting Directive (2013/34/EU), the statement of the disclosure requirements of Article 8 of the Taxonomy Regulation is presented on a consolidated basis.

Therefore, the exercise applies the same consolidation principles that apply to the group's financial reporting, in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union and currently in force. The scope of reporting is concentrated at Sonae's consolidation perimeter, which involves the subsidiaries, individual companies and closed-end real estate funds, as described in Note 1.3 of Notes to the Consolidated Financial Statements. The main accounting policies adopted by Sonae in the preparation of the consolidated financial statements are described and can be consulted in the Notes to the Consolidated Financial Statements.

The Taxonomy KPIs were prepared based on Annex I of the Disclosure Delegated Act supplementing Regulation (EU) 2020/852, and respective amendments published on 27th June 2023. The financial data is obtained on the financial statements for the year ended 31st December 2023, and the net turnover, capital and operating expenditure can be reconciled with the consolidated financial statements.

The method for calculating the proportion of environmentally sustainable activities is a two-stage process: in the first stage, the assessment determines whether an activity complies with the available Taxonomy list of eligible activities, and the second stage being the alignment analysis of each identified eligible activity.

Two ways for EU Taxonomy-eligibility for capex and opex were undertaken in accordance with the regulation:

- via the revenue-generating activities, where the value is the portion of capex and opex associated with such activities (e.g. service and rent income); and
- via investments in the acquisition of output of eligible activities that do not generate revenue but support core business operations (e.g. installing energy efficiency equipment for buildings). In this case, additions to assets (capex) are included, along with corresponding opex when existent (e.g. subcontracts or maintenance).

With respect to supporting activities, a Group decision to exclude eligible activities based on opex from Taxonomy reporting was made, grounded in the group's limited operational control over the activities. As a result, some eligible activities included in 2022 Taxonomy Report were excluded from 2023's scope of reporting (see chapter Economic Eligible Activities).

Due to the characteristics of the Group and the practice of mutual negotiations between the companies, the double counting is a subject of close attention. In this sense, to prevent double counting, any intercompany sales or provision of services between Sonae subsidiaries were excluded. Moreover, as each company from the group has its individual cost structure, each of the profit centres and cost centres were signalized for second validation and consolidation within the Group's accounting and consolidation department. For better identification and separation of the cost elements, in particular for investment, their respective purchase orders were also retrieved and validated.

Eligibility and Alignment assessment of the Group under the EU Taxonomy

Following the development of the Corporate Guideline for Taxonomy, Sonae reunited a group of focal points in each subsidiary to carry out the Taxonomy eligibility and alignment exercise internally.

First it was examined individually whether the company has activities that can be considered as Taxonomy-eligible. These activities are described in the in Annexes I and II of the Delegated Regulation (EU) 2021/2139, and respective amendments (climate change mitigation and climate change adaptation respectively), and are described in the Annexes I, II, III and IV, supplementing Regulation (EU) 2020/852, regarding the technical screening criteria of environmental objectives (*Taxo 4*). Then, and only for the activities related with climate change mitigation and climate change adaptation, the alignment assessment followed an extensive analysis of specific substantial contribution and 'do no significant harm' criteria for each eligible activity identified. Minimum safeguards were assessed on the Group level, while also taking the eligible activities under analysis into account.

Economic Eligible Activities

The Sonae group's consolidation perimeter manages a diversified portfolio, which covers the business fields of retail, technology and real estate. With the approval of a new set of EU Taxonomy criteria for economic activities that make a substantial contribution to the *Taxo* 4 environmental objectives, the list of eligible activities has extended to new sectors, namely manufacturing and retail services. As a result, comparing to fiscal year 2022, Sonae increased overall taxonomy-eligibility for revenue-generating activities in their retail business, mainly in electric and electronic sector. Sonae also engages in other secondary supporting activities that primarily support the core business, such as investments in outsourced transport fleet and individual measures implemented to lead GHG emissions reduction in core operations, included as eligible activities.

Economic Eligible Activities in Sonae Group

Taxo 2 – Climate Change Mitigation and Climate Change Adaptation

Eligible Economic activity according to EU Taxonomy	Description of Activity
CCM 3.5 Manufacture of energy efficiency equipment for buildings	Sales of energy efficiency equipment for buildings (products covered by the EU framework for energy labelling regulation)
CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Renting and leasing of electric and hybrid plugins for corporate car fleet
CCM 6.6 Freight transport services by road	Leasing of vehicles used for transportation of goods. This is an outsourced activity whose contracts are considered as leases, transferring right-of-use
CCM 7.1 Construction of new buildings	Development of construction projects for residential and non-residential buildings
CCM 7.2 Renovation of existing buildings	Major renovation projects for commercial buildings
CCM 7.3 Installation, maintenance, and repair of energy efficiency equipment	Provision of installation, repair, and maintenance services for air conditioning systems. Contracted services for installation, renewal, and maintenance of energy efficiency equipment, including insulation materials, LEDs and air conditioning systems.
CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings	Provision of installation, repair, and maintenance of electric vehicle charging stations services Contracted services for installation, repair, and maintenance of electric vehicle charging stations
CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Contracted services for installation and repair of electric power monitoring systems, building management systems and adapting Illumination control systems

Eligible Economic activity according to EU Taxonomy	Description of Activity
CCM 7.6 Installation, maintenance, and repair of renewable energy technologies	Provision of installation, repair, and maintenance services for photovoltaic and solar thermal systems; Contracted services for installation of production units for self-consumption and photovoltaic maintenance
CCM 7.7 Acquisition and ownership of buildings	Operation and management of commercial buildings; Commission of construction of new buildings that will be owned by the Group
CCM 9.3 Professional services related to energy performance of buildings	Provision of services: energy audits, certifications, technical and benchmark consulting, building design, energy management
CCA 9.3 Consultancy for physical climate risk management and adaptation	Provision of consultancy activities enabling organisations to manage physical climate risks

Taxo 4 – Water and Marine Resources, Circular Economy, Pollution Prevention Control, Biodiversity and Ecosystems

Eligible Economic activity according to EU Taxonomy	Description of Activity
WTR 1.1 Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	Contracted services for installation leakage control technologies that enable leakage reduction and prevention in water supply systems (WSSs)
CE 1.1 Manufacture of plastic packaging goods	Sale of various plastic articles used for packaging, such as plastic bags, sacks, containers, etc.
CE 1.2. Manufacture of electrical and electronic equipment	Manufacturing of electrical and electronic equipment for industrial, professional and consumer use.
CE 3.1. Construction of new buildings	Development of construction projects for residential and non-residential buildings
CE 3.2 Renovation of existing buildings	Major renovation projects for commercial buildings
CE 5.1 Repair, refurbishment and remanufacturing	Provision of repair, refurbishment and remanufacturing services of goods
CE 5.4 Sale of second-hand goods	Sale of second-hand goods, namely related to electrical and electronic, textile, and mobility products
BIO 1.1 Conservation, including restoration, of habitats, ecosystems and species	Development of conservation activities, including restoration activities, in collaboration with suppliers and external partners

When reassessing the eligibility exercise of the group's activities for FY2023, which also encompasses the incorporation of new *Taxo* 4 eligible activities, it has been determined that certain manufacturing activities (1.1. CE, 1.2. CE and 3.5. CCM) should be included in Sonae's scope of eligibility. According to the EU Taxonomy framework, Sonae is a manufacturer of products marketed under the Group's own registered brands. This assessment aligns with the regulatory definition of a "Manufacturer" as per Regulation (EU) 2019/1020, which encompasses entities that manufacture products and market them under their own name or trademark, either from in-house manufacturing or a third-party manufacturer. It is essential to highlight the fact that a share of the products placed on the market are fully sourced traded goods, while others have a closer involvement of Sonae companies in product development.

Additionally, the Group decision to exclude eligible activities based on opex from Taxonomy reporting determined the exclusion of eligible activities considered in FY2022, namely outsourced activities related to collection and transport of waste, and data processing and hosting.

Apart from the identified eligible activities, the current coverage of Taxonomy still leaves room for other relevant activities in the scope of contribution to climate change. As an example, with focus on the food retail business of the Group, MC has been maintaining its efforts to promote reducing GWP (global warming potential) emissions associated to the cold chain, namely through the implementation and maintenance of better performing cold plants, installation of automation and regulation devices, replacement and upgrading of supporting equipment to increase efficiency and the substitution of fluorinated gases (F-gas) for gases with a lower GWP in the cold plants (such as CO_2 and isopropane, with a GWP of 1 and 3 respectively). In 2023, fugitive F-gas emissions accounted for approximately 16% of MC's scope 1 and 2 GHG emissions.

Although the Taxonomy currently does not identify these measures as eligible, they are relevant to reducing the company's carbon footprint, contributing to the objective of mitigating climate change. With the optimization of the cold chain, a 8% reduction in energy consumption per store is estimated, as well as a relevant reduction in the carbon footprint, as the new equipment has gases with lower GWP. Overall, FY 2023, a total investment of €23.5m was conducted at improving the environmental impact of the cold chain, representing 2.9% of consolidated Capex.

Alignment Assessment

The alignment was determined for the climate change mitigation and adaptation objectives, and specific substantial contribution and 'do no significant harm' criteria to determine the alignment for each activity were assessed. Although it is not yet required, the group carried out a preliminary exercise to extrapolate the alignment for the *Taxo* 4 eligible activities, to assess what is the current state of alignment and prepare next reporting year based on findings and gaps identified.

The assessment of alignment was carried out in each subsidiary of the group, in accordance with the Corporate Guideline orientations to ensure consistency in the interpretation and methodologies across the perimeter. Two approaches were used to determine whether each eligible activity complied with the technical screening criteria: (1) individual assessment per asset/project/service contract, or (2) on aggregate level, where the assessment then applies to every incorporated activity that fall within the same criteria set.

Below it is described the methodology for assessing each eligible activity in the Sonae Group.

3.5. Manufacture of energy efficiency equipment for buildings	
Substantial Contribution	
Climate Change Mitigation	The activity consists in the manufacture of own brand energy efficiency equipment for buildings which claims the substantial contribution to the climate change objective, corresponding to paragraphs f) household appliances, g) light sources and i) cooling and ventilation systems, of activity 3.5. taxonomy criteria. The products are considered to be in compliance if they fall into the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369. An evaluation per item was applied, where the energy label of each product was checked.
Do no significant harm (DNSH)	
Climate Change Adaptation	As the products are manufactured in third-party factories, the information was assessed through the suppliers. None of the manufacturers have demonstrated to perform, a robust climate risk and vulnerability assessment that enables the identification of the significant physical climate risks to operation, that forms the basis for the identification of suitable adaptation measures that are presented as part of an adaptation plan.
Water and Marine resources	As the products are manufactured in third-party factories, the information was assessed through the suppliers. It was evaluated whether an environmental system was in practice, specifically related to water management and water treatment practices. When information was not obtained, it was considered the criteria not to be met.
Circular Economy	The activity, where feasible, adopts techniques that support: (1) Enhancing manufacturing sustainability by promoting the reuse of materials, designing products for durability and recyclability: Implementation of additional eco-design criteria besides national quality compliance are feasible only for the products which the Group is involved in respective product development. Every product contains an instruction manual, and is accompanied by repairing information. Also, there are services and aftermarket programs provided to ensure durability and extended product lifetime. (2) Prioritizing recycling in waste management – waste management is a criteria assessed within environmental audits to suppliers, to ensure implementation of Group's internal policies. Moreover, the Group participates in waste management systems in the markets where the products are sold. (3) Traceability of substances of concern throughout the product life cycle – every evidence of control tests and quality certifications are provided from the suppliers
Pollution	The compliance regarding the use and presence of chemicals set out in Appendix C was assessed for each item. The information was obtained through a request to the main suppliers of each company of the Group, from technical sheets and descriptive documents of the products. To assess compliance, technical documents were analysed to determine if they demonstrate compliance with the regulations specified, such as REACH and RoHS regulations.
Biodiversity and Ecosystems	As the products are manufactured in third-party factories, the information was assessed through the suppliers. It was evaluated whether an environmental impact screening has been executed, and mitigation measures were being executed. When information was not obtained, it was considered the criteria not to be met.

6.5 Transport by motorbikes, passenger cars and light commercial vehicles	
Substantial Contribution	
Climate Change Mitigation	This activity consists of the acquisitions of electric and hybrid plugins for corporate car fleet (M1 category). As an individual measure implemented to lead to greenhouse gas reductions in the Group, only hybrid and plugins and electric vehicles were considered eligible. The specific emissions of CO_2 are already collected for carbon footprint quantification procedures. Then, an assessment of each vehicle was done in order to identify the ones with specific emissions of CO_2 lower than 50gCO_2/km (low- and zero-emission light-duty vehicles). Only those that complied with this criterion moved on to the DNSH criteria.
Do no significant harm (DNSH)	
Climate Change Adaptation	No physical risks associated with the climate relevant to the activity in question are identified.
Circular Economy	For circular economy criteria, both criteria were considered compliant. (1) national legislation already demands that vehicles can only be commercialized if they are reusable and/or recyclable at a minimum level of 85% by mass and reusable and/or recoverable at a minimum level of 95% by mass. Therefore, Sonae assumes that these regulations are complied with, due to the legality principle. (2) Sonae considers the criteria related to measures in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet to be non-applicable. In the Group, the vehicles are mostly rented or leased, in which the vehicles are then returned to the renting/leasing company, for which reason the Group is not responsible for the end of life of the vehicles. For this purpose, the suppliers were contacted, and the obtained information was that, at the end of the contract, the vehicles are placed on the second-hand market for reuse.
Pollution	For pollution criteria, each of the four criteria were assessed, and only few vehicles were considered to comply with all the criteria, and therefore considered aligned. When information was not available, the criteria was considered "not compliant". (1) in Sonae, all the vehicles are complying with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval; (2) Sonae considers that if compliance with Euro 6 is met, the specific DNSH criteria of compliance with Directive 2009/33/EC is also met; (3) tyres comply with external rolling noise requirements in the highest populated class (A) and with Rolling Resistance Coefficient in the two highest populated classes (A and B) - this was without doubt the most difficult criteria to assess, as this level of detail of information was not being collected with the suppliers. Only few vehicles were considered to comply with these criteria, being the vast majority not compliant due to absence of information; (4) the criteria of compliance with Regulation (EU) No 540/2014 were also considered to be met, assuming the legality principle.

6.6. Freight transport services by road	
Substantial Contribution	
Climate Change Mitigation	This activity consists in the leasing of freight transport services (N2 and N3 category). In Sonae, the specific emissions of CO_2 are already collected for carbon footprint quantification procedures. Then, an assessment of each vehicle was done in order to identify the ones with specific emissions of CO_2 lower than 1 gCO_2/km (low- and zero-emission light-duty vehicles), verifying that no vehicle complies. Specific CO2 emissions were also calculated, however no vehicle was less than half of the reference CO_2 emissions, therefore not being aligned.
Do no significant harm (DNSH)	
Climate Change Adaptation	No physical risks associated with the climate relevant to the activity in question are identified.
Circular Economy	For circular economy criteria, both criteria were considered compliant. (1) national legislation already demands that vehicles can only be commercialized if they are reusable and/or recyclable at a minimum level of 85% by mass and reusable and/or recoverable at a minimum level of 95% by mass. Therefore, Sonae assumes that these regulations are complied with, due to the legality principle. (2) Sonae considers the criteria related to measures in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet to be non-applicable. In the Group, the vehicles are either rented or leased, in which the vehicles are then returned to the renting/leasing company, for which reason the Group is not responsible for the end of life of the vehicles.
Pollution	For pollution criteria, each of the two criteria were assessed, and only few vehicles were considered to comply with all the criteria, and therefore considered aligned. When information was not available, the criteria was considered "not compliant". (1) Due to absence of information, the criteria was not met; (2) the criteria of compliance with Regulation (EU) No 540/2014 were considered to be met, assuming the legality principle.

7.1 Construction of new buildings	
Substantial Contribution	
Climate Change Mitigation	The activity includes two real estate construction projects: a residential project and an office tower. The assessment of Taxonomy criteria was made on project-level. (1) The Energy Performance Certificate (EPC) of the buildings were collected in order to assess the maximum value of the Energy Efficiency Indicator (IEES) and primary energy demand (IEE). Despacho n.º 6476-E/2021 (Portuguese law) defines the thresholds for the residential and commercial buildings must have to be considered nearly zero-energy building (nZEB). In order to be in compliance, the indicators should demonstrate to be 10% lower than the thresholds nationally established. (2) To assess if the buildings resulting from the construction undergoes testing for airtightness and thermal integrity, it was evaluated whether each project contemplates commissioning activities comprising completion of post-construction testing and inspection to ensure these characteristics; (3) Finally, it was assessed whether a Life Cycle Assessment (LCA) has been developed for the project, including Global Warming Potential (GWP) of the building resulting from the construction. One of the projects demonstrated the calculation for each stage in the life cycle in accordance with EN 15978, while for the other an LCA has been awarded and is waiting to be conducted.

7.1 Construction of new buildings	
Do no significant harm (DNSH)	
Climate Change Adaptation	One of the projects have demonstrated to perform, or intention to, a robust climate risk and vulnerability assessment that enables the identification of the significant physical climate risks to the building, that forms the basis for the identification of suitable adaptation measures that are presented as part of an adaptation plan, while the other did not.
Water and Marine resources	For the residential construction project, these criteria don't apply. For the second project, to assess compliance of the specified water use of the water appliances, the technical specifications of the appliances were consulted and cross-checked with the specific flow rate criteria.
Circular Economy	The circular economy criteria was considered to be met for the office tower project, and not for the residential project. (1) The first criteria demand the evidence of at least 70% (by weight) of the non-hazardous construction and demolition waste to be prepared for reuse, recycling and other material recovery, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Both projects present targets in accordance with the Taxonomy ambition. (2) An analysis of the potential of the project to be adaptable and easy to disassemble and adaptability is planned for the office tower project, while the second does not predict this type of assessment.
Pollution	To understand if the building components and materials used in the construction comply with the criteria set out in Appendix C, and the building components and materials that may come into contact with occupiers are low emitting materials in accordance with the conditions specified in Annex XVII to Regulation (EC) Nº 1907/2006 (REACH), the project guidelines and procurement policy were analysed focusing on the requirements of materials and components. To assess if measures were taken to reduce noise, dust and pollutant emissions during construction or maintenance works, both project Guidelines contemplate responsible construction practices, which include implementing best practice pollution prevention policies and procedures on construction site, including measures focused on noise and vibration and air quality.
Biodiversity and Ecosystems	As both construction projects are being built in an urban plot with an existing derelict building, therefore not being built in an arable land/greenfield or forest, the Biodiversity and Ecosystems criteria was considered to be met.

7.2 Renovation of existing buildings	
Substantial Contribution	
Climate Change Mitigation	The activity contemplates major renovation projects for commercial buildings. The consideration of "major renovation" follows the definition present in the Energy Performance of Buildings Directive, and respective national transpositions, in case of Portugal, Decreto Lei 101-D/2020. To understand if the building renovation complies with the applicable requirements in the national legislation relating to major renovations, the project documentation was collected, namely the descriptive documents, to assess compliance with the minimum requirements for major renovations.
Do no significant harm (DNSH)	
Climate Change Adaptation	None of the projects have demonstrated to perform, or intention to, a robust climate risk and vulnerability assessment that enables the identification of the significant physical climate risks to the building, that forms the basis for the identification of suitable adaptation measures that are presented as part of an adaptation plan.
Water and Marine resources	To assess compliance of the specified water use of the water appliances, when installed, the technical sheets of the appliances from suppliers were collected, as well as the descriptive documents of the execution project. When there was not enough information for each appliance, the criteria was not considered to be met.
Circular Economy	For the circular economy criteria, it was collected from the subcontractors the environmental management plan, which includes the construction and demolition waste plan, and when available, the waste transport declaration records. (1) The first criteria demand de evidence of at least 70% (by weight) of the non-hazardous construction and demolition waste to be prepared for reuse, recycling and other material recovery, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Depending on available information, when it was possible to verify this threshold, it was deemed to be compliant. (2) An analysis of the potential of the project to be adaptable and easy to disassemble and adaptability has not been considered for any of the project, therefore it was considered not to be met.
Pollution	To understand if the building components and materials used in the construction comply with the criteria set out in Appendix C, and the building components and materials that may come into contact with occupiers are low emitting materials in accordance with the conditions specified in Annex XVII to Regulation (EC) No 1907/2006 (REACH), the project execution documents were analysed focusing on the requirements of materials and components. If there was not enough evidence, it was considered not in compliance. To assess whether measures were taken to reduce noise, dust and pollutant emissions during construction or maintenance works, the project execution documents were analysed to contemplate responsible construction practices.

7.3 Installation, maintenance and repair of energy efficiency equipment	
Substantial Contribution	
Climate Change Mitigation	The activity consists in the installation, maintenance, and repair of energy efficiency equipment, namely substitution of LED lighting, installation and maintenance of HVAC systems, which claims the substantial contribution to the climate change objective, corresponding to paragraphs a), d) and e) of activity 7.3 taxonomy criteria. These projects are considered to be in compliance with the minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU, in Decreto-Lei n.º 101-D/2020. A generic evaluation was applied, where the main suppliers of each company of the Group of each type of solution were contacted, in order to obtain this evidence. For newly installed devices, whenever the Regulation (EU) 2017/1369 was applicable, the energy labels were collected per device (not assessed for maintenance expenses). For the suppliers where information was not obtained, it was considered not aligned.
Do no significant harm (DNSH)	
Climate Change Adaptation	Considering the small-scale character and context of this activity, the assessment of DNSH for the adaptation objective did not carry a deep risk and vulnerability assessment, but sufficient to uphold the underlying ambitions of this criteria: (1) to identify the physical climate risks that are material to the activity; (2) understanding which measures are taken for maintaining an efficient operation overtime facing climate events; and (3) demonstrate that the activity does not increase the risk of an adverse impact on people, nature or assets. (1) As these products are installed within the envelope of buildings, the main risks that could impact this activity are floods and fires that could affect the building where the equipment is installed, specifically the electric cabinet and connections. In the case of LED luminaires located outside of buildings, other climate risks such as extremely strong storms and winds might damage the devices. (2) The design and execution follow the Technical Rules for Electrical Installations, defined on national level, and the standards defined by the manufacturer. Electrical equipment is selected considering the requests and particular environmental conditions of the place where it will be installed and to which they may be subject. During operation, for HVAC, maintenance is performed quarterly in accordance with a preventive maintenance plan, which includes inspections and cleaning of system components (e.g. filter cleaning), checking the condition and functioning of components, and corrective actions (e.g. corrosion control of equipment). Similarly, for the LED lighting, preventive maintenance is also performed, with focus on electrical cabinets and connections. (3) Electrical equipment is selected so as not to cause, in normal service, disturbances either to other equipment or to the power supply network, including those resulting from manoeuvre. Moreover, as these are considered "non-essential" supporting equipment from operations perspective, any malfunction does not affect the core activity.
Pollution	The compliance regarding the use and presence of chemicals set out in Appendix C was assessed for HVAC and LED luminaires. The information was obtained through a request to the main suppliers of each company of the Group, from technical sheets and descriptive documents of the installations. Two approaches were followed to determine compliance: (1) the technical documents demonstrate compliance with the regulations specified, such as REACH and RoHS regulations or (2) the composition of the equipment does not evidence any of the substances described in the regulations of appendix C (e.g. mercury). For the main suppliers where information was not obtained, it was considered not aligned.

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings	
Substantial Contribution	
Climate Change Mitigation	This activity includes installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings, both from provision of services and individual implementation perspectives, which directly claims the substantial contribution to climate change, corresponding to activity 7.4 taxonomy criteria.
Do no significant harm (DNSH)	
Climate Change Adaptation	Considering the small-scale character and context of this activity, the assessment of DNSH for the adaptation objective did not carry a deep risk and vulnerability assessment, but sufficient to uphold the underlying ambitions of this criteria: (1) to identify the physical climate risks that are material to the activity; (2) understanding which measures are taken for maintaining an efficient operation overtime facing climate events; and (3) demonstrate that the activity does not increase the risk of an adverse impact on people, nature or assets. (1) The main risks that may impact this activity are: floods, fires, tornadoes, cyclones, hurricanes, typhoons, rising sea levels, landslides, insofar as they may have an influence on where the charging stations are located, or on the electrical network that supplies the charging stations; (2) The design and execution follow the Technical Rules for Electrical Installations, defined on national level, and the standards defined by the manufacturer. Electrical equipment is selected considering the requests and particular environmental conditions of the place where it will be installed and to which they may be subject. During operation, annual preventive maintenance is performed to maintain efficient operation of the systems, including testing safety equipment (differentials and emergency cuts), checking tightening and various measurements; (3) Electrical equipment is selected so as not to cause, in normal service, disturbances either to other equipment or to the power supply network, including those resulting from manoeuvre. Moreover, as these are considered supporting equipment "non-essential" from operations perspective, any malfunction does not affect the core activity.

7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	
Substantial Contribution	
Climate Change Mitigation	This activity includes installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings, both from provision of services and individual implementation perspectives, namely energy management systems and lighting control systems, which directly claims the substantial contribution to the climate change objective, corresponding to paragraph b) of activity 7.5 taxonomy criteria.
Do no significant harm (DNSH)	
Climate Change Adaptation	Considering the small-scale character and context of this activity, the assessment of DNSH for the adaptation objective did not carry a deep risk and vulnerability assessment, but sufficient to uphold the underlying ambitions of this criteria: (1) to identify the physical climate risks that are material to the activity; (2) understanding which measures are taken for maintaining an efficient operation overtime facing climate events; and (3) demonstrate that the activity does not increase the risk of an adverse impact on people, nature or assets. (1) The main risks that may impact this activity are: floods, fires, tornadoes, cyclones, hurricanes, typhoons, rising sea levels, landslides. These factors can have an influence on the locations where instruments and devices are located; (2) The design and execution follow the Technical Rules for Electrical Installations, defined on national level, and the standards defined by the manufacturer. Electrical equipment is selected considering the requests and particular environmental conditions of the place where it will be installed and to which they may be subject. During operation, annual preventive maintenance is performed to maintain efficient operation of the systems, including testing safety equipment (differentials and emergency cuts), checking tightening and various measurements; (3) Electrical equipment is selected so as not to cause, in normal service, disturbances either to other equipment or to the power supply network, including those resulting from manoeuvre. Moreover, as these are considered supporting equipment "non-essential" from operations perspective, any malfunction does not affect the core activity.

7.6 Installation, maintenance and repair of renewable energy technologies	
Substantial Contribution	
Climate Change Mitigation	This activity includes the installation and maintenance and repair of photovoltaic and solar plants, both from provision of services and individual implementation perspectives, which directly claims the substantial contribution to the climate change objective, corresponding to a) and b) paragraphs of 7.6 activity criteria.
Do no significant harm (DNSH)	
Climate Change Adaptation	Considering the small-scale character and context of this activity, the assessment of DNSH for the adaptation objective did not carry a deep risk and vulnerability assessment, but sufficient to uphold the underlying ambitions of this criteria: (1) to identify the physical climate risks that are material to the activity; (2)understanding which measures are taken for maintaining an efficient operation overtime facing climate events; and (3) demonstrate that the activity does not increase the risk of an adverse impact on people, nature or assets. (1) These installations are presented outside buildings and premises, thus being particularly sensitive to climatic events, from both performance and structure point of views. With regard to performance, the system can be affected by weather conditions where there is an absence or decrease in solar radiation, as well as an increase in the outside temperature (e.g. heat waves). From a structural point of view, the system is sensitive to extreme wind situations (e.g. tornados, cyclones, hurricanes, typhoons), and may also be affected, depending on its location, by floods, fires, rising sea levels, landslides; (2) For dimensioning of the system, structural design is carried out using software that evaluates the location of the system and other variables (such as building height, proximity to the coastline). The design and execution follow the Technical Rules for Electrical Installations, defined on national level, and the standards defined by the manufacturer. Electrical equipment is selected considering the requests and particular environmental conditions of the place where it will be installed and to which they may be subject. During operation, annual preventive maintenance is performed to maintain efficient operation of the systems, including measures such as checking and verification of electrical connections and mechanical structure, cleaning the surface of photovoltaic modules; (3) When applicable, an analysis of the roof's overload capacity is carried out to guarantee the building's structural stability. Electrical equipment is selected so as not to cause, in normal service, disturbances either to other equipment or to the power supply network, including those resulting from manoeuvre.

7.7 Acquisition and ownership of buildings	
Substantial Contribution	
Climate Change Mitigation	The activity includes the operation and management of commercial buildings, and commission of construction of new buildings that will be owned by the Group. The assessment of substantial contribution to climate change mitigation was made for each individual asset. For buildings built before 31 December 2020: The Energy Performance Certificate (EPC) class A criteria was used in the absence of an available national building stock reference. For buildings built after 31 December 2020 and commissioned constructions: the EPC of the buildings were collected in order to assess the maximum value of the Energy Efficiency Indicator (IEES) and primary energy demand (IEE). Despacho n.º 6476-E/2021 (Portuguese law) defines the thresholds for the commercial buildings must have to be considered nearly zero-energy building (nZEB). In order to be in compliance, the indicators should demonstrate to be 10% lower than the thresholds established. Finally, to understand if the buildings are efficiently operated through energy performance monitoring and assessment, it was assessed whether the building had a building management system in place or an energy performance contract.
Do no significant harm (DNSH)	
Climate Change Adaptation	The assessment of DNSH criteria for climate change adaptation was also performed on asset-level, however, it was found that there is a potential for further progress, since not all assets have established a thorough climate risk and vulnerability assessment or outlined a viable adaptation plan yet. The assets considered to be in compliance with these criteria are the ones that present a robust climate risk and vulnerability assessment that enables the identification of the significant physical climate risks to the building, that forms the basis for the identification of suitable adaptation measures that are presented as part of an adaptation plan.

CCM 9.3 Professional services related to energy performance of buildings	
Substantial Contribution	
Climate Change Mitigation	This activity includes energy audits, certifications, technical and benchmark consulting, building design, energy management, both from provision of services and individual implementation perspectives, which directly claims the substantial contribution to the climate change objective, corresponding to paragraphs a), b) and c) of activity 9.3 taxonomy criteria.
Do no significant harm (DNSH)	
Climate Change Adaptation	Considering these types of activities, it was considered that the services provided do not have exposure to climate physical risks to their performance, nor do adversely affect the adaptation efforts or the level of resilience to physical climate risks, but instead they are contributing to reduce assets' transition risks.

CCA 9.3 Consultancy for physical climate risk management and adaptation (CCA)	
Substantial Contribution	
Climate Change Adaptation	This activity includes the development of climates risk and vulnerability assessments, strategies, plans and measures, which directly claims the substantial contribution to the climate change adaptation objective, corresponding to paragraphs a) and b) of activity 9.3 taxonomy criteria.
Do no significant harm (DNSH)	
Climate Change Mitigation	Considering these types of activities, it was considered that the services provided do not undertaken on fossil fuel extraction, storage, transport or manufacture facilities.

Minimum Safeguards

The EU Taxonomy specifies that in addition to substantial contribution and 'do no significant harm' criteria, an economic activity can be considered environmentally sustainable only if it is carried out in compliance with the minimum safeguards, in accordance with the OECD (Organization for Economic Cooperation and Development) Guidelines for Multinational Enterprises, UN (United Nations) Guiding Principles on Business and Human Rights, ILO (International Labour Organization) Core Labour Standards and the International Bill of Human Rights must be ensured.

In June 2023, the European Commission issued a Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy, namely on how operators should consider the requirements for compliance with minimum safeguards under the Article 18 of Taxonomy Regulation. Considering this, for the 2023 assessment of minimum safeguards, Sonae follows the available guidance provided by the EU Platform on Sustainable Finance (issued in October 2022), as well as the orientations released in the Commission Notice. Compliance was assessed at the group level based on two criteria: (1) the presence of adequate human rights due diligence processes, and (2) the existence of processes and controls in place addressing human rights, corruption, taxation and fair competition, gender equality, as well as no breaches or violations of these areas by the parent company, its subsidiaries or senior management.

The Minimum Safeguards assessment was conducted at Group level, while also taking the eligible activities under analysis into account. It is worth noting that the main procedures regarding minimum guarantee of compliance for the Group's operations are developed in context of the core business operations of its subsidiaries, the majority of which are not currently covered in scope of Taxonomy. Therefore, while recognizing that the Group's policies and procedures are an umbrella to the scope eligible activities identified, the analysis evaluates what is the Group's subholdings current practice in subjects of human rights due diligence, anti-corruption, taxation, fair competition, and gender equality.

The range of activities considered eligible represents only a fraction of the services and investments provided by the Group. The scope of eligible activities identified has expanded significantly, primarily due to the inclusion of manufacturing activities in 2023. Although a considerable portion of the Group's services and investments still stem from supporting activities like implementing efficiency measures, managing the corporate fleet, and construction works, the manufacturing activities have substantially increased the eligibility criteria. Most of these operations are concentrated in Portugal and European countries, demonstrating a low risk of incompliance, while a relevant portion of the manufacturing operations are located abroad, presenting a higher effort from the Group brands to uphold minimum safeguards compliance.

Sonae recognizes the importance of having a more active position in safeguarding human rights and acknowledges the need to improve the human rights due diligence practice, and for that reason the Group integrated specific commitments and action plan in this regard in its sustainability revision process in 2023. The Group is also preparing to comply with the requirements of the Corporate Sustainability Due Diligence Directive (CSDDD), implementing a gap analysis for all relevant processes in business. All things considered, the Group considers its operations to be under no violations to meet the alignment with the minimum safeguards.

Below is described the assessment of minimum safeguards in the Sonae Group, including respective reference location within the Integrated Report.

Criteria 1: there are adequate human rights due diligence processes	
Human Rights Due Diligence	**Reference**
1. Embedding due diligence in governance and organisation, and policy Sonae has made a formal commitment to respect and promote human rights through our publicly available Human Rights Policy, which takes into account the 2011 United Nations Guiding Principles for Business and Human Rights among other main national and international regulations. Sonae considers respect for human rights to be a minimum requirement for compliance in all its operations and those of its subsidiaries, and expects their employees, suppliers, partners and other relevant stakeholders to uphold the same values in their activities.	Human Rights Policy 2022

Criteria 1: there are adequate human rights due diligence processes	
Human Rights Due Diligence	**Reference**
2. Identification and assessment of adverse impacts, including through stakeholder engagement	GRI 414-1 GRI 308-1 GRI 416-1
Sonae adopted and has in place an Enterprise Wide Risk Management Framework that involves coordinated risk management and cooperation between the different business units. Regarding its relations with suppliers, Sonae's assessment procedures in terms of certification, audit and evaluation are more challenging depending on the country and certifications of the supplier. Moreover, the contracts with suppliers requires them to adhere to the code of conduct and policies, as well as all relevant legislation. The Group's companies have a Global Country Risk index that evaluates the risk posed by a country considering the legal & regulatory, labour market, child labour, environmental and corruption risks. Sonae does not engage in any actual or potential exposure to the manufacture or selling of controversial weapons.	EWRM framework
3. Taking actions to address those adverse impacts	Code of Ethics and Conduct for Suppliers
Sonae has established a Code of Ethics and Conduct for Suppliers, which is included as an annex to the general supply contracts. The code clearly states that all suppliers must adhere to its requirements, which include requirements related to child labour, forced labour, human trafficking, work hours, remuneration and discrimination. Additionally, the Group also applies a set of qualification criteria to evaluate new suppliers, which include ESG criteria such as Human Rights, and one of the base criteria to evaluate a supplier is its geography risk in terms of a set of risks, including Human Rights risk exposure. Nevertheless, the evolution aimed by Sonae on this field implies that this Code of Ethics and Conduct for Suppliers is planed to be updated in alignment with the Responsible Investment Framework currently under development.	GRI 308-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 414-1 GRI 416-1

Criteria 1: there are adequate human rights due diligence processes	
Human Rights Due Diligence	**Reference**
4. Track implementation effectiveness	GRI 308-1 GRI 408-1 GRI 409-1 GRI 414-1
The Group conducts suppliers' audit programs that incorporate ESG criteria. If it is found that a supplier is at significant risk for child labour incidents or for incidents of forced or compulsory labour, the supplier is placed on stand-by and only re-enters after an accredited institution has conducted an SA8000 audit.	
5. Communication	GRI 205 GRI 407-1 GRI 408-1 GRI 409-1 GRI 410-1 GRI 412-1 GRI 412-2 GRI 412-3 GRI 414-1 GRI 308-1 GRI 416-1
The Group disclosures several elements in matters of human rights in the supply chain in the non-financial report, such as: corruption; freedom of association and collective bargaining; operations with risk of child labour or forced labour; security personnel trained in human rights policies or procedures; operations subject to human rights evaluations; training in human rights policies and procedures; investment agreements and contracts that include human rights clauses; number of suppliers screened and assessed on social and environmental criteria. The Group is also preparing to comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD).	
6. Remediation, including the establishment of a grievance mechanism	GRI 205-1
Sonae's values and principles are based on absolute respect and the adoption of rules of good conduct in the management of conflicts of interest and duties of diligence and confidentiality in relationships with third parties. The Company has permanent contacts available for the communication of irregularities to the Statutory Audit Board, to the Ethics Committee and to the Ombudsperson.	

Criteria 2: there are processes and controls in place addressing human rights, corruption, taxation, fair competition, gender equality, and no breaches or violations	
Human Rights	**Reference**
There is no evidence of any breach in Sonae for matters related to human rights and labour laws. In 2023, no operation that has been subject to a Human Rights reassessment and/or impact assessment was registered in this regard.	GRI 412-1 Code of Ethics and Conduct
Anti-corruption	**Reference**
Sonae Group governance model manages corruption risk through three levels: (1) identification, evaluation and mitigation, carried out internally in each business unit; (2) provision of formal channels to report on any infractions regarding corruption; and (3) training of employees, including senior management. There is no evidence nor does Sonae have any lawsuits pending on corruption or bribery issues.	GRI 205-1 GRI 205-2 GRI 205-3 Code of Ethics and Conduct Policy on Prevention of Corruption
Taxation	**Reference**
The Sonae Group identifies Legal, Tax and Regulatory Risks as included in the main risks in its internal management control and has adequate processes in place to ensure the protection of the interests of the Company and of the businesses in strict respect for the fulfilment of its legal duties as well as for the application of good practices. There is no evidence nor does Sonae have any lawsuits pending involving tax evasion issues.	Internal Control and Risk Management

Criteria 2: there are processes and controls in place addressing human rights, corruption, taxation, fair competition, gender equality, and no breaches or violations	
Fair Competition	
Sonae upholds legal rules and market standards, promoting a fair and healthy competition. Sonae's Code of Conduct and Ethics includes fair competition policies, which are communicated to employees and senior management through training. In the course of 2023, a specific training session was held in the subject of *Gun Jumping,* featured by specialist speakers in competition matters. The session involved people from both legal and Mergers & Acquisitions teams of the Holding and extended to other Group companies. There are no final and unappealable judgments for breach of competition laws at Sonae. The Company has some ongoing procedures that resulted from condemnation decisions by the Portuguese Competition Authority (AdC), that were challenged in court by the company, within the due legal time limits, and dully based on the assessment of the company's lawyers and economic consultants. In one of those proceedings, in view of its circumstances and procedural stage, the company took the decision to set aside a provision. Please refer to Notes to the Consolidates Financial, where applicable.	GRI 205-2 Notes to the Consolidated Financial Statements
Gender Equality	
Sonae is in fully compliance with Law no. 62/2017. The Group has a plan for gender equality that is revised annually, covering all companies fully owned, which aims to promote good practices within the scope of gender equality, applicable to both its employees and the members of governing bodies. Every year, a comprehensive self-assessment of gender equality at Sonae is performed, providing a retrospective of the measures implemented so far and in progress, as well as the plan for the year. The Plan encompasses the Group's commitment in 7 dimensions: 1) Strategy, mission and values; 2) Equal access to employment; 3) Initial and Continuous training; 4) Equality in working conditions; 5) Parenting protection; 6) Balance between professional, family and personal life; and 7) Preventing harassment in the workplace. The Group disclosures several elements in matters of Gender Equality in the non-financial report, such as gender pay gap, Board gender diversity, and others.	Plan for Gender Equality 2024 GRI 2-7 GRI 405-1 GRI 405-2

Key performance indicators for the EU Taxonomy

The three KPIs are calculated in accordance with IFRS, in line with consolidated financial statements for the year ended 31st december 2023. The Taxonomy Turnover, Capex, and Opex were collected pursuant to the criteria specified in Annex I of Disclosure Delegated regulation for non-financial undertakings and were determined on the basis of the following calculations.

Turnover

The net turnover of €8,399m provides the denominator for the turnover KPI and can be taken from the consolidated income statement. The turnover KPI is mainly relevant for real estate and retail business. Sonae's Taxonomy Turnover consists in a small portion of overall income of the Group, as most of core group activities are not comprised in scope of Taxonomy. However, eligible turnover in 2023 experienced an increase of more than 300% compared to 2022, mainly driven by the addition of own brand product sales activities, and after-sale services (repairing and refurbishment).

Turnover	Description
Numerator	Total net turnover derived from products and services associated with Taxonomy-eligible activities (aligned and not aligned): • Revenues for selling own-brand household appliances, light sources, cooling and ventilation systems and electric and other electronic equipment (activities CCM 3.5 and CE 1.2.), as well as selling own-brand plastic packaging and second-hand products (activities CE 1.2 and CE 5.4) • Service income from repair and refurbishment services (activity CE 5.1) and other technical services (activities CCM 7.4, CCM 7.6, CCA 9.3 and CCM 9.3) • Rental income, from fixed rentals and lease contracts of real estate, and other operating income (activity CCM 7.7)
Denominator	Total net turnover, calculated in accordance with "IAS 1.82 a) Revenue", comprising sales and provision of services of the Group

Capex

The total consolidated capital expenditures amount to €807m during the fiscal year 2023 (denominator). With reference to the relevant economic activities, Capex is reported mostly in relation to development and real estate activities (CCM 7.1, CCM 7.2 and CCM 7.7).

Additional Capex arises from supporting measures related to the acquisition and installation of technical equipment, renovation works, and the update of fleet leasing contracts, either to support business activities or promote operational efficiency.

Compared to 2022, the eligible Capex registered a substantial increase of more than 200% in 2023, with a notable portion attributed heavy fleet leasing contracts (activity CCM 6.6), which accounted for 20% of the eligible Capex for 2023, and the increase of investment in real estate activities.

The retail activities (CE 1.1, CE 1.2, CCM 3.5) do not contribute to the increase in Capex as the production of own brand products is outsourced.

Capex	Description
Numerator	Total capital expenditures, as the sum of: Capex derived from assets or processes that are associated with Taxonomy-eligible economic activities: • operational capex of real estate, construction and renovation works (activities CCM 7.1, CCM 7.2, CCM 7.7), comprising also other general costs (e.g. land) and financial costs related to construction developments • operational capex to support repairing services (CE 5.1, CE 5.4) Capex related to the purchase of output from Taxonomy eligible activities and to individual measures allowing core activities to be carried out in a low carbon manner or with reduced GHG emissions: • Operational leasing contracts for vehicle fleet (CCM 6.5) and outsourced heavy-transport fleet (CCM 6.6) • Acquisition and installation of technical systems and equipment (activities CCM 7.3, CCM 7.4, CCM 7.5, CCM 7.6, WTR 1.1)
Denominator	Total capital expenditure, as the sum of: Additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurements Investment property (IAS 40) Leases that lead to the recognition of a right-of-use over the asset (IFRS 16.53 h) Revaluations and impairments, additions resulting from business combinations and excluding fair value change

Opex

The total consolidated operating expenditures amount to €191m during the fiscal year 2023 (denominator).

The Opex is mainly derived from supporting business activities, either related to real estate maintenance initiatives or maintenance and repair measures allocated to supporting technical equipment and systems (activities CCM 7.3, CCM 7.6).

Data collection for Opex presented most challenges.

For the calculation of the Opex denominator, some operational lines, such as Subcontracts, Specialized Works and Others, had to be explored in detail do determine specific expenses that could be included for the denominator.

For the Operating Expenses, as Specialized works and Other's lines, Sonae applied an estimate on a pro-rata basis based on account detail historical data.

Opex	Description
Numerator	Total operating expenditures, as the sum of: Opex derived from assets or processes that are associated with Taxonomy-eligible economic activities: • Operational costs of real estate, related to maintenance and repairs (activity CCM 7.7) • Real estate rents, related to activities of repair (activities CE 5.1, CE 5.4) • Specialized works, including subcontracts and/or registry in systems, and repair and maintenance (activities CCM 7.6, CCM 9.3, CE 5.1, CE 5.4) Opex related to the purchase of output from Taxonomy eligible activities and to measures allowing core activities to be carried out in a low carbon manner or with reduced GHG emissions: • Maintenance and repairing services for technical systems and equipment (activities CCM 7.3, CCM 7.6), and for vehicle fleet (CCM 6.5)
Denominator	Total operating expenditure, as the sum of direct non-capitalized costs, including: Building renovation measures Short-term lease Maintenance and repairs Subcontracts and specialized works Any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party. Expenses related to supervision and safety, cleaning, hygiene and comfort.

Proportion of Turnover from products or services associated with Taxonomy-aligned economic activities 2023 (millions of EUR)

Economic Activities	Code(s)	Turnover 2023		Substantial contribution criteria (Y - eligible and aligned activity; N - eligible but not aligned activity; EL - eligible activity; N/EL- not eligible activity)						Does Not Significantly Harm Criteria (Y - yes / N - no)						Minimun Safeguards (Y - yes / N - no)	Turnover taxonomy-aligned (A.1) or eligible (A.2) 2022 (%)	Category: (E - Enabling activity; T - Transitional activity)
				Objectives						Objectives								
		(€m)	%	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO			
A Taxonomy-eligible activities																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.0%	E
Installation, maintenance and repair of instruments for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	-	E
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	3.4	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.1%	E
Acquisition and ownership of buildings	CCM 7.7	27.4	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.0%	-
Professional services related to energy performance of buildings	CCM 9.3	0.4	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.0%	E
Consultancy for physical climate risk management and adaptation	CCA 9.3	0.2	0.0%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	-	-	-	-	-	Y	-	E
Subtotal A.1 Environmentally sustainable activities (Taxonomy-aligned)		**31.5**	**0.4%**	**99.3%**	**0.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**-**	**-**	**-**	**-**	Y	**0.1%**	**-**
Of which Enabling		4.1	0.0%	94.5%	5.5%	0.0%	0.0%	0.0%	0.0%							Y	0.1%	E
Of which Transitional		-	-	-	-	-	-	-	-							Y	0.0%	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																		
Manufacture of plastic packaging goods	CE 1.1	11.2	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Manufacture of electrical and electronic equipment	CE 1.2	83.9	1.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Manufacture of energy efficiency equipment for buildings	CCM 3.5 / CE 1.2	61.5	0.7%	**EL**	N/EL	N/EL	EL	N/EL	N/EL									
Repair, refurbishment and remanufacturing	CE 5.1	23.2	0.3%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Sale of second-hand goods	CE 5.4	44.1	0.5%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1.6	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Acquisition and ownership of buildings	CCM 7.7	29.7	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Subtotal A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)		**255.2**	**3.0%**	**36.3%**	**0.0%**	**0.0%**	**63.7%**	**0.0%**	**0.0%**								**0.7%**	
Subtotal A Taxonomy-eligible activities (A.1 + A.2)		**286.8**	**3.4%**	**43.3%**	**0.1%**	**0.0%**	**56.7%**	**0.0%**	**0.0%**									
B. Taxonomy-non eligible activities		**8,112.4**	**96.6%**															
Total (A + B)		**8,399.2**	**100.0%**															

Proportion of Capex from products or services associated with Taxonomy-aligned economic activities 2023 (millions of EUR)

Economic Activities	Code(s)	CapEx 2023		Substantial contribution criteria (Y - eligible and aligned activity; N - eligible but not aligned activity; EL - eligible activity; N/EL- not eligible activity)						Does Not Significantly Harm Criteria (Y - yes / N - no)						Minimun Safeguards (Y - yes / N - no)	Capex taxonomy-aligned (A.1) or eligible (A.2) 2022 (%)	Category: (E - Enabling activity; T - Transitional activity)
				Objectives						Objectives								
		(€m)	%	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO			
A Taxonomy-eligible activities																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	0.0%	T
Construction of new buildings	CCM 7.1 / CE 3.1	21.3	2.6%	Y	N/EL	N/EL	N	N/EL	N/EL	-	Y	Y	Y	Y	Y	Y	-	-
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	11.6	1.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	-	Y	2.6%	E
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	1.4	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.3%	E
Installation, maintenance and repair of instruments for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.8	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.0%	E
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	10.7	1.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	1.5%	E
Acquisition and ownership of buildings	CCM 7.7	2.7	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	-	-
Subtotal A.1 Environmentally sustainable activities (Taxonomy-aligned)		**48.6**	**6.0%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**-**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**4.5%**	**-**
Of which Enabling		24.5	3.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%							Y	4.4%	E
Of which Transitional		0.1	0.012%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%							Y	0.0%	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																		
Installation of leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	0.3	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL									
Repair, refurbishment and remanufacturing	CE 5.1	0.2	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Sale of second-hand goods	CE 5.4	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1	0.1	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL									
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	15.1	1.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Freight transport services by road	CCM 6.6	80.6	10.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Construction of new buildings	CCM 7.1 / CE 3.1	13.7	1.7%	**EL**	N/EL	N/EL	EL	N/EL	N/EL									
Renovation of existing buildings	CCM 7.2 / CE 3.2	30.3	3.8%	**EL**	N/EL	N/EL	EL	N/EL	N/EL									
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.6	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Acquisition and ownership of buildings	CCM 7.7	182.1	22.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Subtotal A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)		**323.1**	**40.1%**	**99.8%**	**0.0%**	**0.1%**	**0.1%**	**0.0%**	**0.0%**								**18.7%**	
Subtotal A Taxonomy-eligible activities (A.1 + A.2)		**371.7**	**46.1%**	**99.8%**	**0.0%**	**0.1%**	**0.1%**	**0.0%**	**0.0%**									
B. Taxonomy-non eligible activities		**434.9**	**53.9%**															
Total (A + B)		**806.6**	**100.0%**															

Proportion of Opex from products or services associated with Taxonomy-aligned economic activities 2023 (millions of EUR)

Economic Activities	Code(s)	OpEx 2023		Substantial contribution criteria (Y - eligible and aligned activity; N - eligible but not aligned activity; EL - eligible activity; N/EL- not eligible activity)						Does Not Significantly Harm Criteria (Y - yes / N - no)						Minimun Safeguards (Y - yes / N - no)	Opex taxonomy-aligned (A.1) or eligible (A.2) 2022 (%)	Category: (E - Enabling activity; T - Transitional activity)
				Objectives						Objectives								
		(€m)	%	CCM	CCA	WTR	CE	PPC	BIO	CCM	CCA	WTR	CE	PPC	BIO			
A Taxonomy-eligible activities																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	Y	Y	-	Y	0.0%	T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	Y	-	Y	0.8%	E
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	-	E
Installation, maintenance and repair of instruments for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	-	E
Installation, maintenance, and repair of renewable energy technologies	CCM 7.6	0.8	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.4%	E
Acquisition and ownership of buildings	CCM 7.7	0.3	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	-	-
Professional services related to energy performance of buildings	CCM 9.3	0.3	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	-	Y	-	-	-	-	Y	0.0%	E
Subtotal A.1 Environmentally sustainable activities (Taxonomy-aligned)		**1.5**	**0.8%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**-**	**Y**	**-**	**Y**	**Y**	**-**	**Y**	**1.2%**	**-**
Of which Enabling		1.1	0.6%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%							Y	1.2%	E
Of which Transitional		0.0	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%							Y	0.0%	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																		
Repair, refurbishment and remanufacturing	CE 5.1	2.6	1.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Sale of second-hand goods	CE 5.4	0.0	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Acquisition and ownership of buildings	CCM 7.7	1.2	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
Subtotal A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)		**3.9**	**2.0%**	**31.5%**	**0.0%**	**0.0%**	**68.5%**	**0.0%**	**0.0%**								**2.6%**	
Subtotal A Taxonomy-eligible activities (A.1 + A.2)		**5.4**	**2.8%**	**50.3%**	**0.0%**	**0.0%**	**49.7%**	**0.0%**	**0.0%**									
B. Taxonomy-non eligible activities		**185.8**	**97.2%**															
Total (A + B)		**191.2**	**100.0%**															

Proportion of Turnover per Objective

Objective	Taxonomy Aligned	Taxonomy Eligible
CCM	0.4%	1.5%
CCA	0.0%	0.0%
WTR	-	-
CE	-	1.9%
PPC	-	-
BIO	-	-

Proportion of Capex per Objective

Objective	Taxonomy Aligned	Taxonomy Eligible
CCM	6.0%	46.0%
CCA	-	-
WTR	-	0.0%
CE	-	0.0%
PPC	-	-
BIO	-	0.0%

Proportion of Opex per Objective

Objective	Taxonomy Aligned	Taxonomy Eligible
CCM	0.8%	1.4%
CCA	-	-
WTR	-	-
CE	-	1.4%
PPC	-	-
BIO	-	-

4.3.5 Sustainability Accounting Standards Board (SASB)

SASB Table 1 - Food Retailers & Distributors
Reporting scope: MC

Topic	Metric	SASB Code	2023 Report
Fleet Fuel Management	Fleet fuel consumed, percentage of renewable	FB-FR-110a.1	In 2023, MC had a fleet fuel consumption of 552,189 GJ.
Emissions to Air from Refrigeration	Scope 1 emissions from refrigerants	FB-FR-110b.1	In 2023, MC recorded a total of 23,430 tCO_2e of scope 1 emissions from refrigerants.
	Percentage of refrigerant gases consumed with zero ozone-depleting potential	FB-FR-110b.2	100% of the refrigerant gases consumed have zero ozone depletion potential.
	Average refrigerant emissions rate	FB-FR-110b.3	In 2023, the average refrigerant emissions rate was 79 tCO_2e/kg.
Energy Management	(1) Operational energy consumption, (2) percentage of electricity in the grid, (3) percentage of renewable energy	FB-FR-130a.1	In 2023, MC had an electricity consumption of 1,707,005 GJ, of which 66% comes from the electricity grid and the remaining 34% comes from the PPA (Power Purchase Agreement) and renewable energy produced.
Food Waste Management	(1) Amount of food waste generated, (2) percentage redirected for recovery	FB-FR-150a.1	In 2023, MC avoided €65.7m of food waste. With regard to organic waste, 32% was recovered through composting and anaerobic digestion processes.

Topic	Metric	SASB Code	2023 Report
Information Security	(1) Number of data breaches, (2) percentage of data breaches involving personally identifiable information, (3) number of customers affected	FB-FR-230a.1	Unconsolidated information for 2023 reporting.
	Description of the approach used to identify and address risks related to information security	FB-FR-230a.2	MC's risk management process follows the international Enterprise Risk Management – Integrated Framework (COSO) methodology, which allows the identification of different types of risks and threats to business development, both at the strategic and operational levels. Cyber risk remains a critical risk, and several initiatives have been undertaken to reduce its severity. To support the process of identifying, assessing, and mitigating this risk, MC has adopted the international NIST Cybersecurity Framework (CSF). An inadequate level of protection of information systems by the Company, employees or third parties, as a result of outdated or obsolete procedures, a weak cybersecurity posture or insufficient training and awareness, may compromise business processes and crucial information, or violate the privacy of employees, customers or suppliers, with a direct impact on the Company's reputation and business continuity. For more information, see MC's 2023 Annual Report, chapter "Governance Principles and Practices", subchapter "Risk Management".
Food Safety	High-Risk Food Safety Violation Rate	FB-FR-250a.1	Unconsolidated information for 2023 reporting.
	(1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private label products	FB-FR-250a.2	Unconsolidated information for 2023 reporting.
Product Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	FB-FR-260a.1	Unconsolidated information for 2023 reporting.
	Discussion of processes for identifying and/or managing products and ingredients related to nutritional and health-related concerns of consumers	FB-FR-260a.2	MC's program to review the nutritional composition of private label products ensures that customers continue to enjoy their favorite products knowing they are healthier. We believe that a healthy and nutritious diet, which privileges flavor, can be within everyone's reach. In 2023, we continued to reduce salt, fat and sugar levels and eliminate hydrogenated fats and palm oil. At the same time, we have tried to introduce products with more protein, fibre, fruit and vegetables, as well as whole and naturally healthy products. Based on the precautionary principle, we establish strict nutritional criteria that all our private label products must comply with and ensure that they are constantly updated, as a result of new scientific discoveries, new legislation and/or recommendations, new processing technologies and ingredients.

Topic	Metric	SASB Code	2023 Report
Product Labeling & Marketing	Number of incidents of non-compliance with industrial or regulatory labelling and/or marketing codes	FB-FR-270a.1	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 of a serious administrative offence (according to the Legal Regime of Economic Offences). In 2023, MC did not experience any non-compliance with laws and regulations with labeling or industry and/or marketing codes with a total monetary value greater than or equal to €12,000.
	Total monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	FB-FR-270a.2	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 of a serious administrative offence (according to the Legal Regime of Economic Offences). In 2023, MC did not experience any non-compliance with laws and regulations with labeling or industry and/or marketing codes with a total monetary value greater than or equal to €12,000.
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	FB-FR-270a.3	In accordance with our internal policy, MC does not purchase products containing genetically modified organisms.
Labor Practices	(1) Average hourly wage and (2) percentage of in-store and distribution center employees earning the minimum wage, by region	FB-FR-310a.1	Unconsolidated information for 2023 reporting.
	Percentage of active workforce covered by collective bargaining agreements	FB-FR-310a.2	In 2023, 95.5% of MC's total employees are covered by collective bargaining agreements through the employment contract.
	(1) Number of work interruptions and (2) total days lost	FB-FR-310a.3	In 2023, there were no work stoppages involving 1,000 or more workers, lasting a full shift or more, so there were zero days lost as a result of the stoppages.
	Total monetary losses related to lawsuits related to violations of (1) labor laws and (2) employee discrimination	FB-FR-310a.4	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 of a serious administrative offence (according to the Legal Regime of Economic Offences). In 2023, MC did not experience any non-compliance with laws and regulations with labor law violations and employment discrimination with a total monetary value greater than or equal to €12,000.

Topic	Metric	SASB Code	2023 Report
Management of Environmental and Social Impacts in the Supply Chain	Revenue from products certified, externally, in accordance with environmental and/or social sustainability requirements	FB-FR-430a.1	Unconsolidated information for 2023 reporting.
	Percentage of revenue from (1) eggs that originated from a cage-free environment and (2) pork produced without the use of gestation crates	FB-FR-430a.2	Unconsolidated information for 2023 reporting.
	Discussion of the strategy for managing environmental and social risks in the supply chain, including animal welfare	FB-FR-430a.3	MC intends to guide its performance in all businesses, beyond strict compliance with the legislation in force. Recognizing the challenges and risks associated with its supply chain, in accordance with the Supplier Relationship Policy, it has established a Code of Ethics and Conduct for Suppliers that systematizes the environmental, social and ethical concerns that must be ensured throughout the value chain, which are complemented by a set of specific procedures and instruments. For more information, see MC's 2023 Annual Report, the report to the GRI indicators "304-2 Significant impacts of activities, products and services on biodiversity", "408-1 Operations and suppliers with significant risk of cases of child labor", "409-1 Operations and suppliers with significant risk of cases of forced or slave labor" and "414-1 and 308-1 New suppliers selected based on social and environmental criteria".
Management of Environmental and Social Impacts in the Supply Chain	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	MC aims at a sustainable use of the consumption of materials associated with its value chain and operation. Given the specificities of retail, packaging takes on a particularly material dimension at this level. Packaging plays a central role in the development of our products, with relevant impacts on the guarantee of product quality and validity, ensuring the conditions for correct storage and transport to our stores and from our stores to our customers' homes, so that products can be consumed safely. MC aims at a sustainable use of the consumption of materials associated with its value chain and operation. Given the specificities of retail, packaging takes on a particularly material dimension at this level. Packaging plays a central role in the development of our products, with relevant impacts on the guarantee of product quality and validity, ensuring the conditions for correct storage and transport to our stores and from our stores to our customers' homes, so that products can be consumed safely. Notwithstanding the importance of packaging, and aware of the impact underlying its single-use uses, we have defined an approach that aims to enhance the application of eco-design principles in the design of all packaging, privileging the use of the most appropriate materials, reducing the use of resources throughout the value chain, minimizing the possibility of releasing packaging parts into the environment. facilitating the processes of proper use and disposal by the consumer and seeking that all packaging is recyclable and effectively recycled, in a Design4Recycling approach. MC has an ongoing packaging change plan to ensure the development of recyclable packaging for its products from scratch. In the last year, these guidelines were revised, giving rise to MC's Sustainable Packaging Manual, as well as the provision of a training course for employees and suppliers, in order to ensure and accelerate its adoption. By 2025 we have the ambition to ensure that all packaging of MC's own and exclusive brands is recyclable, reusable or compostable and that it incorporates 30% recycled raw material. For more information, see MC's 2023 Annual Report, chapter "Sustainability in the Spotlight".

Topic	Metric	SASB Code	2023 Report
Activity Metrics	Number of (1) retail locations and (2) distribution centers	FB-FR-000. The	See MC's 2023 Annual Report.
	Total area of (1) retail locations and (2) distribution centers	FB-FR-000. B	See MC's 2023 Annual Report.
	Number of vehicles in the commercial fleet	FB-FR-000. C	Unconsolidated information for 2023 reporting.
	Tons miles travelled	FB-FR-000. D	Unconsolidated information for 2023 reporting.

SASB Table 2 - Multiline and Retail and Distribution Specialists

Reporting scope: Worten

Topic	Metric	SASB Code	2023 Report
Energy Management in Retail and Distribution	(1) Total energy consumed, (2) percentage of electricity from the distribution network, (3) percentage of electricity from renewable sources	CG-MR-130a.1	In 2023, Worten had an energy consumption of 107,673 GJ, where approximately 54% of the electricity consumed was ensured through renewable energy origin guarantee contracts.
Information Security	Description of the approach used to identify and address risks related to data security	CG-MR-230a.1	The Information Security risk management process is described in the Corporate Information Security Normative scope by the "SGSI_PRO_05 - Risk Management Procedure", which was created under the vision of the holding company's corporate risk management process (Risk Management Procedure). The process considers: 1.) Risk Identification: Identification of information assets relevant to the ISMS, to be included in the risk analysis. 2.) Risk analysis: Risk analysis provides information for risk assessment and for decisions about whether risks need to be addressed. 3.) Risk Assessment: Risk assessment involves comparing the level of risk determined during the analysis process with the risk criteria established when the context was set. Based on this comparison, the need for treatment will be determined. 4.) Risk Treatment: Risk treatment involves selecting one or more treatment options to avoid, mitigate, transfer, or accept risks and implementing those options by defining a Risk Treatment Plan (PTR). Once these options are implemented, treatments provide new controls or modify existing controls. 5.) Risk Monitoring and Review: Monitoring and review actions should be carried out to ensure the effective implementation of the identified treatment/control options and to detect any changes that may alter the level of risk. This activity is based on all risk information obtained from previous activities.
	(1) Number of data breaches, (2) percentage of data breaches involving personally identifiable information, (3) number of customers affected	CG-MR-230a.2	In 2023, 6 data breaches were recorded, where 50% resulted in personal data breaches, with identifiable information of data subjects, and with 1,915 customers affected.

Topic	Metric	SASB Code	2023 Report
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning the minimum wage, by region	CG-MR-310a.1	In 2023, the estimated average pay was approximately €8/hour. The amount was calculated taking into account the total average monthly remuneration, considering 22 working days per month and 8 hours working per day. Worten only partially responds to this indicator, since they do not yet have information on store employees who earn the minimum wage, by region.
	(1) Voluntary and (2) involuntary turnover rate for store associates	CG-MR-310a.2	In 2023, the voluntary turnover rate of Worten's employees was 38% and the involuntary turnover rate was 62%.
	Total monetary losses related to legal proceedings related to labour law violations	CG-MR-310a.3	In 2023, no monetary losses related to legal proceedings related to labour law violations were recorded in Portugal and Spain.
Employee Diversity and Inclusion	Percentage of employees by gender and ethnic/racial group in the professional categories of (1) management, and (2) all other employees	CG-MR-330a.1	As of December 31, 2023, Worten had 70% men and 30% leadership positions held by women (Executives and Senior Managers and middle management) and 62% men and 38% women in the remaining positions. Racial or ethnic origin is considered by the current European legislation on the protection of personal data (General Data Protection Regulation ("GDPR")) to be a special category of data, the processing of which is prohibited, except in the cases specifically provided for in Article 9 of the GDPR. To this extent, and given that the processing of this data by Worten is not framed in any of the legally admissible cases, it does not have information on the ethnic/racial group of its employees, so it is only in a position to partially respond to this indicator.
	Total monetary losses as a result of legal proceedings related to discrimination at work	CG-MR-330a.2	In 2023, no monetary losses related to fines/legal proceedings targeted by employee discrimination were recorded.
Product Procurement, and Product Packaging and Marketing	Revenue from products certified by third party in accordance with environmental and/or social sustainability requirements	CG-MR-410a.1	In 2023, Worten does not have products certified with these types of certifications.
	Discussion of the processes for the analysis and management of risks and/or hazards related to chemicals in products	CG-MR-410a.2	All private label articles, within the scope of the validation process, are evaluated in accordance with the requirements established by European regulations, namely through REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), safeguarding human health and the environment, particularly with regard to restricted substances. In 2023, 997 SKUs were analysed in Portugal and Spain (sold in both countries).

Topic	Metric	SASB Code	2023 Report
Product Procurement, and Product Packaging and Marketing	Discussion of strategies to reduce the environmental impact of product packaging	CG-MR-410a.3	In 2023, the private label product development process aimed to reduce plastic present in packaging, as well as to promote to suppliers so that the wood-based materials used in private label products are sustainably sourced. This strategy has been implemented through the conversion and/or development of an offer that incorporates these requirements consistently. One of the measures implemented with Private Brand suppliers was the identification of the type, recyclability and quantity of materials present in packaging and products, the survey of active SKU's and the definition of priority - RECYCON™ LEVEL SKU - of the Database of Private Brand Products and Packaging Materials. Also noteworthy is the development of new packaging concepts and solutions according to the defined priority.
Activity Metrics	Number of (1) retail locations and (2) distribution centers	CG-MR-000. The	In 2023, our activity had 219 stores and 2 distribution centers.
	Total area of (1) retail locations and (2) distribution centers	CG-MR-000. B	In 2023, the total area of Worten stores was 134,970 m^2, and 80,580 m^2 in distribution centers (considering only the activity in Portugal).

* Note: Worten Group operates Worten in Portugal, mainland Spain and the Canary Islands, iServices, Zaask and Satfield.

SASB Table 3 - Apparel, Accessories & Footwear

Scope of reporting: Zeitreel

Topic	Metric	SASB Code	2023 Report
Management of Chemicals in Products	Description of processes for maintaining compliance with restricted substances regulations	CG-AA-250a.1	Zeitreel carries out its activity in accordance with the requirements established by European regulations, namely through REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) for the management and use of chemicals in the products it develops, safeguarding human and environmental health, particularly with regard to restricted substances. Compliance with the requirements set out in REACH is reflected in the specifications of Zeitreel's suppliers. In addition, the suppliers are covered by a protocol established with Bureau Veritas, an entity that, according to our selection, performs chemical tests on some models of all suppliers. In addition, during the year 2023, a social and environmental guide was shared with all Zeitreel suppliers where, among others, good practices that suppliers must follow are described so that their productions do not contain restricted substances.
	Description of the processes for assessing and managing the risks and/or hazards associated with chemicals in products.	CG-AA-250a.2	Zeitreel does not have production units (except Salsa's laundry), the management and analysis of risks related to the use of chemicals in our products is guaranteed in two ways: Zeitreel guarantees compliance with the established chemical requirements by requiring its suppliers to comply with the specifications; and in Salsa's laundry, an Occupational Health and Safety (OSH) policy is implemented that defines protective measures (PPE) for its employees most exposed to risk. The risk assessment for employees is checked according to the exposure to the products, adjusting the personal protective equipment according to the workplace and exposure.
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 suppliers and (2) non-Tier 1 suppliers that are in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	By 2023, 100% of Zeitreel's Tier 1 suppliers are compliant with legal requirements related to wastewater discharge permits. Zeitreel has an internal document - Vendor Manual - that covers all of the company's suppliers, including Tier 1 suppliers, in which it defines the quality and business relationship requirements in order to ensure compliance with Zeitreel's values and ethical standards. In the Vendor Manual it is stated that suppliers must comply with the legislation in force in their country regarding wastewater treatment. Internal audits are carried out in order to verify compliance with the requirements set out in the Vendor Manual, in particular with regard to wastewater discharge permits. In 2023, Zeitreel carried out a survey of information regarding the identification of suppliers beyond Tier 1. However, there is still no information regarding the permits for wastewater discharges and/or contractual agreements with these suppliers.

Topic	Metric	SASB Code	2023 Report
Environmental in the Supply Chain	Percentage of (1) Tier 1 suppliers and (2) suppliers other than Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or other equivalent environmental indicator assessment.	CG-AA-430a.2	In 2023, 1.1% of Zeitreel's suppliers completed the Higg FEM assessment module.
Working Conditions in the Supply Chain	Percentage of (1) Tier 1 suppliers and (2) non-Tier 1 suppliers that have been audited in accordance with the code of labour conduct, (3) percentage of total audits conducted by an external auditor.	CG-AA-430b.1	All Zeitreel suppliers are covered by the Code of Ethics and Conduct, which is communicated through the Vendor's Manual. Since 2019, compliance has been verified through internal audits carried out by Zeitreel's specialized teams, trained by Bureau Veritas. In 2023, 37% of Tier 1 supplier installations were audited against a code of conduct. At Zeitreel, 8 external audits were carried out. Zeitreel does not yet have this information regarding suppliers other than Tier 1.
	Rate of priority non-compliance and rate of the number of corrective actions resulting from audits of suppliers' code of work conduct.	CG-AA-430b.2	Internal audits of suppliers are conducted within the scope of compliance with the Code of Ethics, where the critical points do not allow non-conformities under penalty of the audit failing. In the event that a non-compliance is identified, corrective actions are immediately communicated and reported in the audit report. Corrective actions are applied according to the non-conformities identified. In 2023, no non-conformities of the suppliers' code of ethics and conduct were recorded.
	Description of (1) occupational hazards and (2) most relevant environmental, health and safety hazards in the supply chain	CG-AA-430b.3	The risk of non-compliance with environmental and occupational safety rules is identified in Zeitreel's Enterprise-Wide Risk Management (EWRM) process as a priority risk. Aware of the characterization of its Supply Chain, Zeitreel identifies the possible use of child labor, disrespect for maximum weekly workloads, non-compliance with minimum wages and minimum conditions of health and safety at work as greater risks. As far as environmental risks are concerned, the biggest risks associated with Zeitreel's production chain are: the non-treatment of waste water and the use of hazardous substances beyond the limits defined in REACH. As an action to mitigate the risks mentioned above, Zeitreel has carried out a rigorous review of its Vendor's Manual and its audit grid, as well as maintains a plan for product and supplier audits.

Topic	Metric	SASB Code	2023 Report
Procurement of Raw Materials	Description of the environmental and social risks associated with the procurement of priority raw materials	CG-AA-440a.1	The main environmental and social risks related to the procurement of raw materials are the deforestation of tropical forests associated with the production of cellulosic-based raw materials, the production of bovine hides and the production of paper/wood. The production of other raw materials carries risks associated with greenhouse gas emissions, land degradation from mass use and the use of chemicals. In addition, the agricultural production of these raw materials is also related to social risks, such as the possible use of child labor, disrespect for maximum weekly workloads, non-compliance with minimum wages and minimum conditions of hygiene and safety at work, among others. Zeitreel has implemented measures aimed at minimizing the environmental and social risks associated with the sourcing of priority raw materials, namely: - FSC card labels; - Use of Lenzing brand fibers (TENCEL and ECOVERO), which come from sustainable forests; - Use of biological fibers (e.g. Cotton) and recycled fibers (Polyester, Cotton, Polyamide, etc.); - Use of certifications that guarantee environmental and/or social aspects: GOTS - Global Organic Textile Standard | GRS - Global Recycle Standard | OCS - Organic - Content Standard | RCS - Recycled Claim Standard | BCI - Better Cotton Production Principles and Criteria | CMIA - Cotton made in Africa (CmiA), etc.
	Percentage of raw materials certified by third parties according to an environmental and/or social sustainability standard	CG-AA-440a.2	In 2023, 2% of the raw material purchased was certified by a third party according to an environmental and/or social sustainability standard.
Activity Metrics	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1.	CG-AA-000. The	In 2023, Zeitreel's supply chain was characterized by 439 Tier 1 suppliers and 412 suppliers in addition to Tier 1.

SASB Table 4 - Real Estate

Reporting scope: Sierra

Topic	Metric	SASB Code	2023 Report
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	In 2023, the reporting of energy consumption covered 100% of Sierra's business portfolio.
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	IF-RE-130a.2	In 2023, Sierra had a total energy consumption of 489,155 GJ, where approximately 63% of the electricity consumed comes from the electricity grid and 45% of the total energy was from renewable sources.
	Year-on-year change in the share of energy consumption for the portfolio area with carryover coverage, by property subsector	IF-RE-130a.3	Compared to last year, Sierra's total energy consumption increased by 10% in 2023.
	Percentage of eligible portfolio with (1) energy rating and (2) ENERGY STAR certification, by property subsector	IF-RE-130a.4*	In 2023, 98% of Sierra's portfolio was energy certified. Sierra is not yet ENERGY STAR certified
	Description of how the management of energy consumption in buildings is integrated into property investment analysis and operational strategy	IF-RE-130a.5	Sierra's portfolio property management is certified in accordance with the requirements of ISO 14001 Environmental Systems Management. Energy-related issues are therefore integrated into a PDCA (Plan - Do - Check - Act) management cycle. In addition to the audits required by law, which vary from country to country, and Energy Performance Certificates (EPC's), and operational control routines to ensure that the equipment is working correctly and for the expected time, Sierra defines every year, per unit, the necessary improvements and investments, establishing annual targets aimed at these improvements. In addition, assessments are made for long-term energy efficiency and carbon neutrality objectives in order to define long-term asset strategies. Climate risks and measures to minimize them are also included in these long-term strategies.

Topic	Metric	SASB Code	2023 Report
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.1*	In 2023, the reported value of water withdrawn, including in water-stressed zones, represented 100% of Sierra's portfolio area. 71% of the water withdrawn (including retailers) from the Sierra occurs in areas identified with water stress. Based on the World Resource Institute's (WRI) Aqueduct reference tool, Sierra assessed the water risk of its operations, mapping the following basins according to water stress: Portugal (Atrium Saldanha, CascaiShopping, Centro Colombo, Centro Vasco da Gama and Portimão Retail Center: extremely high assessment; Estação Viana Shopping, GuimaráeShopping, MaiaShopping and NorteShopping: high rating), Spain (Sur Area and Plaza Mayor: extremely high rating; Luz del Tajo: high rating), Romania (ParkLake rating: high), Greece (Fashion City Outlet: extremely high rating).
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.2*	In 2023, Sierra recorded a total water withdrawal of 908,287 m3, of which 71% of the water withdrawn (including tenants) occurs in areas identified with water stress. Based on the World Resource Institute's (WRI) Aqueduct reference tool, Sierra assessed the water risk of its operations, mapping the following basins according to water stress: Portugal (Atrium Saldanha, CascaiShopping, Centro Colombo, Centro Vasco da Gama and Portimão Retail Center: extremely high assessment; Estação Viana Shopping, GuimaráeShopping, MaiaShopping and NorteShopping: high rating), Spain (Sur Area and Plaza Mayor: extremely high rating; Luz del Tajo: high rating), Romania (ParkLake rating: high), Greece (Fashion City Outlet: extremely high rating).
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	IF-RE-140a.3	In 2023, there were no significant changes compared to the previous year.
	Description of water management risks and discussion of strategies and practices to mitigate these risks	IF-RE-140a.4	Sierra's portfolio properties are certified according to the requirements of the ISO 14001 Environmental Management standard, and in addition 38% of the assets are individually certified. The management of water and the procedures for identifying the environmental impacts associated with its use are guaranteed within the scope of compliance with the requirements of this standard, implemented throughout the Sonae Sierra portfolio. Some of the water management mechanisms include definition of Objectives and Targets for performance improvement, Operational control methodologies, Investments to increase performance, among others.

Topic	Metric	SASB Code	2023 Report
Management of Sustainability Impacts related to Tenants	(1) Percentage of new leases containing a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	IF-RE-410a.1	Sierra does not have this information for 2023.
	Percentage of tenants who are monitored, separately, in relation to (1) electricity consumption from the grid and (2) water withdrawn, by real estate subsector	IF-RE-410a.2	In 2023, 100% of tenants monitored their grid electricity consumption and water consumption.
	Discussion of the approach to measuring, incentivizing, and improving tenant impacts	IF-RE-410a.3	All Sierra tenants are involved in its sustainability strategy, through various communication channels and activities, such as meetings, trainings and surveys. Sierra's Safety, Health and Environment Management System has specific tenant management procedures, such as shopping center operating rules or specifications to be included in adjustments that improve tenant performance. Safety, Health and Environment inspections and Safety Observations are also carried out in order to support your tenants in dealing with possible failures, promoting sustainability and improving your procedures and more efficient use of resources.
Climate Change Adaptation	Area of properties located in areas of flood that have had this characteristic for 100 years, by real estate subsector	IF-RE-450a.1	Sierra does not yet have information regarding the areas of its activity that are located in flood zones that have had this characteristic for 100 years.
	Description of risk analysis related to climate change, degree of systematic exposure of the portfolio and strategies to mitigate risks	IF-RE-450a.2	The 2023 reporting is available in the TCFD section and in the GRI annex, namely in the GRI indicator "201-2 Financial implications and other risks and opportunities for the organisation due to climate change", of the 2023 Integrated Report.
Activity Metrics*	Number of assets, by property subsector	IF-RE-000. The	25
	Leasable floor area, by property subsector	IF-RE-000. B	1,130,252 m2
	Share of portfolio assets that are managed indirectly, by property subsector	IF-RE-000. C	0%
	Average occupancy rate, by property subsector	IF-RE-000. D	98%

*Reporting scope: Shopping/retail centres owned and under direct management (e.g excludes Brazil, Colombia, standalone assets from ORES and SIGI funds, etc).

4.3.6. External assurance

KPMG

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A.
Edifício Burgo – Avenida da Boavista, 1837, 16º Andar
4100-133 Porto – Portugal
+351 22 010 23 00 – www.kpmg.pt

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 SGPS, S.A.

Introduction

We were engaged by the Board of Directors of **Sonae SGPS, S.A.** ("Sonae") to perform a limited assurance engagement on the sustainability information included in the chapters "Our sustainability ambition: our new strategy", "Our performance", in the sub-chapter "Our evolution during the year", and "ESG framework", in the sub-chapters "GRI" and "Non-financial statement", of the Annual Report of Sonae ("the Report") for the year ended 31 December 2023, identified in the "GRI Index and match table" included in the chapter "ESG framework", in the sub-chapter "GRI", and supplemented by the Erratum at the end of the Report, prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative ("GRI Standards").

Management's Responsibilities

The Management of Sonae is responsible:

— For the preparation of the Sustainability Information included in the chapters "Our sustainability ambition: our new strategy", "Our performance", in the sub-chapter "Our evolution during the year", and "ESG framework", in the sub-chapters "GRI" and "Non-financial statement", of the Annual Report of Sonae ("the Report") for the year ended 31 December 2023, identified in the "GRI Index and match table" included in the chapter "ESG framework" in the sub-chapter "GRI" , and supplemented by the Erratum at the end of the Report, in accordance with the *GRI Standards* and the information and assertions contained therein;

— For the design, implementation and maintenance of an appropriate information and internal control system to enable a preparation of of Sustainability Information that is free from material misstatement, whether due to fraud or error;

— For the prevention and detection of fraud, errors and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities; and,

— To ensure that the Management and the personnel involved with the preparation and presentation of the Sustainability Information have the appropriate skills.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., a Portuguese private limited company and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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Capital Social: 3.916.000 euros – Pessoa Colectiva Nº PT 502 161 078 – Inscrita na O.R.O.C. Nº 189 – Inscrita na C.M.V.M. Nº 20161489
Matriculada na Conservatória do registo Comercial de Lisboa sob o nº PT 502 161 078

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Our Responsibilities

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

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and further technical standards and technical guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors), which require that we plan and perform our work to obtain limited assurance as to whether nothing has come to our attention that causes us to believe that the Sustainability Information included in the chapters "Our sustainability ambition: our new strategy", "Our performance", in the sub-chapter "Our evolution during the year", and "ESG framework", in the sub-chapters "GRI" and "Non-financial statement", of the Annual Report of Sonae ("the Report") for the year ended 31 December 2023, identified in the "GRI Index and match table" included in the chapter "ESG framework", in the sub-chapter "GRI", and supplemented by the Erratum at the end of the Report, is not prepared, in all material aspects, in accordance with the GRI Standards. For this purpose, this work included, amongst other procedures, the following:

— Inquiries of the responsible personnel on the sustainability strategy to gain an understanding of Sonae's processes for determining the material issues for Sonae's key stakeholder groups;

— Inquiries of relevant staff, at the corporate and business unit level, responsible for providing the Sustainability Information included 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.

The procedures selected depend on our understanding of the compliance with the requirements of the GRI Standards and other circumstances related to the engagement, and on the consideration of areas where material misstatements are likely to arise.

The procedures performed in a limited assurance engagement are different in nature and timing 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.

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

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Quality and Independence

We applied the International Standard on Quality Management ISQM 1, which requires the firm to design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Conclusion

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

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Information included in the chapters "Our sustainability ambition: our new strategy", "Our performance", in the sub-chapter "Our evolution during the year", and "ESG framework", in the sub-chapters "GRI" and "Non-financial statement", of the Annual Report of Sonae ("the Report") for the year ended 31 December 2023, identified in the "GRI Index and match table" included in the chapter "ESG framework", in the sub-chapter "GRI", and supplemented by the Erratum at the end of the Report, has not been prepared, in all material respects, in accordance with the GRI Standards.

Restriction of use

This limited assurance report is issued exclusively for the disclosure of the Sustainability Information included in Sonae's Report 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 for our work, for this limited assurance report, or for the conclusions we have reached.

Porto, 3 April 2024

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 Morais Alves da Costa
(ROC nr. 1466 and registered at CMVM with the nr. 20161076)

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4.4 Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions. For NOS it includes right of use.
Cash-on-cash ratio	Exit value of the investment divided by the initial investment.
Direct result	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
EBITDA margin	EBITDA / turnover.
Indirect result	Includes Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning the remaining Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark-to-market methodology of other current investments that will be sold or exchanged in the near future and from other related income (including dividends); and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned and co-owned by Sierra.
Like for Like sales (LfL)	Sales made by omnichannel stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
Loan to Value (LTV) - Holding	Holding net debt (average) / NAV of the investment portfolio plus Holding net debt (average).
Loan to Value (LTV) – Sierra	Total debt / (Investment properties + properties under development), on a proportional basis.
INREV NAV Sierra	Open market value attributable to Sierra - net debt - minorities + deferred tax liabilities.
Net asset value (NAV) of the investment portfolio	Market value of each Sonae's businesses – average net debt – minorities (book value). Sonae's NAV is based on market references, such as trading multiples of comparable peers, external valuations, funding rounds and market capitalisations. Valuation methods and details per business unit are available in Sonae's Investor Kit at www.sonae.pt.
Net debt	Bonds + bank loans + other loans + shareholder loans - cash - bank deposits - current investments - other long-term financial applications.
Net financial debt	Net debt excluding shareholders' loans.
Right of use (RoU)	Lease liability at the beginning of the lease adjusted for, initial direct costs, advance rent payments and possible lease discounts.
RoIC	Return on invested capital.
Total Net Debt	Net Debt + lease liabilities.
Total Shareholder Return (TSR)	Profit or loss from net share price change, plus any dividends received over a given period.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.
Underlying EBITDA margin	Underlying EBITDA / turnover.

4.5 Contacts

Investor Relations Contacts

Ricardo Figueiredo da Rocha

Head of Investor Relations

rjfrocha@sonae.pt

+351 22 010 4794

Media Contacts

Maria João Oliveira

External Communication

majfoliveira@sonae.pt

+351 22 010 4000

Sonae

Lugar do Espido Via Norte

4471-909 Maia, Portugal

+351 22 948 7522

www.sonae.pt

SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that should not be regarded as historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts, and generally all recipients of this document, are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

Sonae

Shaping tomorrow, today