

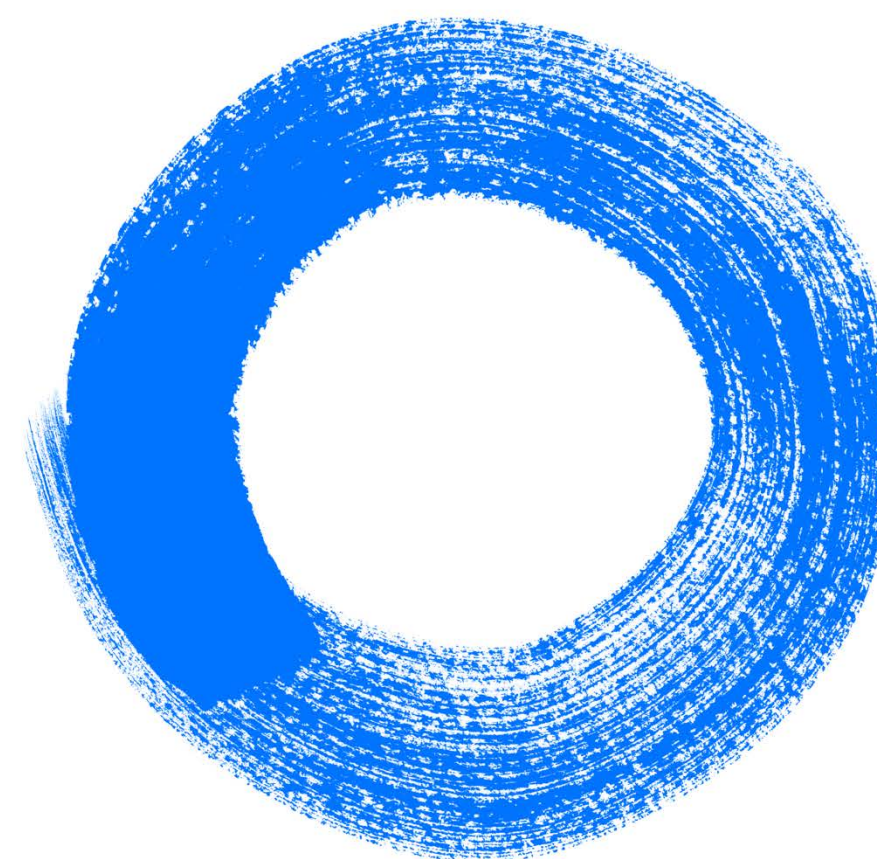
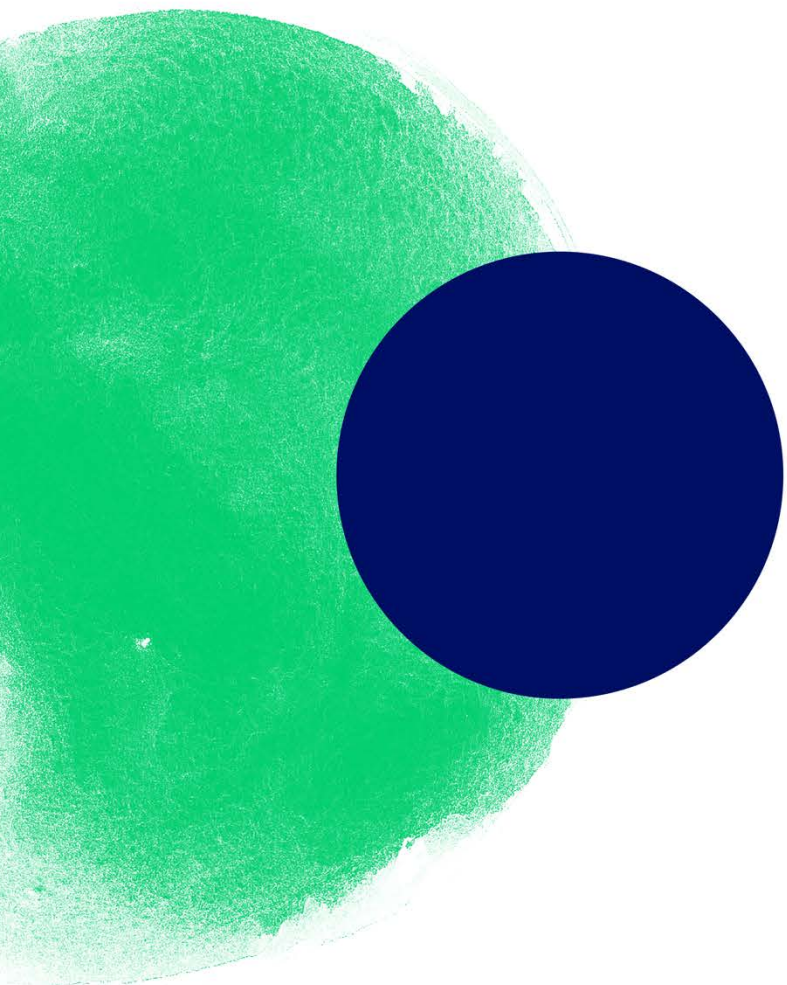
# Own what's next

2022

Annual Integrated Report



Sonae



This report is a translation of the Portuguese original version of the Sonae's official accountability document, submitted at the CMVM website and website on April 4<sup>th</sup>, 2022, in ESEF format. In case of discrepancies between this version and the official ESEF version, the latter prevails.



## About this integrated report

In 2022, Sonae renewed its identity, adopting an uncompromised focus on a better future. A future that respects people, communities, and the planet, reinforcing our mission of creating long-term economic and social value. As part of this commitment towards a better future, we strongly believe in accountability and transparency. This year, the annual Integrated Report (IR) is driven by one of our values - **Own what's next**. This value defines Sonae as an entrepreneur first and foremost, continuously challenging the status quo and driving what's next, which we believe is a clear reflection of all our activities during last year. Nevertheless, at Sonae, we are continuously and relentlessly focused on a better future that celebrates and respects every person, the communities, and the planet. A future in which we will remain Sonae, faithful to our values. A future that we will own.

Sonae's 2022 Integrated Report reflects once again our progress in our integrated management journey, combining all content in one comprehensive document, including an overview of our strategy and performance during the year. It clearly demonstrates our commitment to communicate with all our stakeholders with full transparency. More specifically, this report aims to provide a true, fair, balanced, comprehensive and understandable assessment of our business model, strategy, performance, risk management and prospects in relation to material financial, economic, social, environmental and governance issues.

Moreover, our Integrated Report demonstrates how our value creation approach is aligned with the capitals of the integrated reporting framework, namely 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 January 1 to December 31, 2022. Notes and further explanations accompany the text and tables of our performance indicators when necessary.

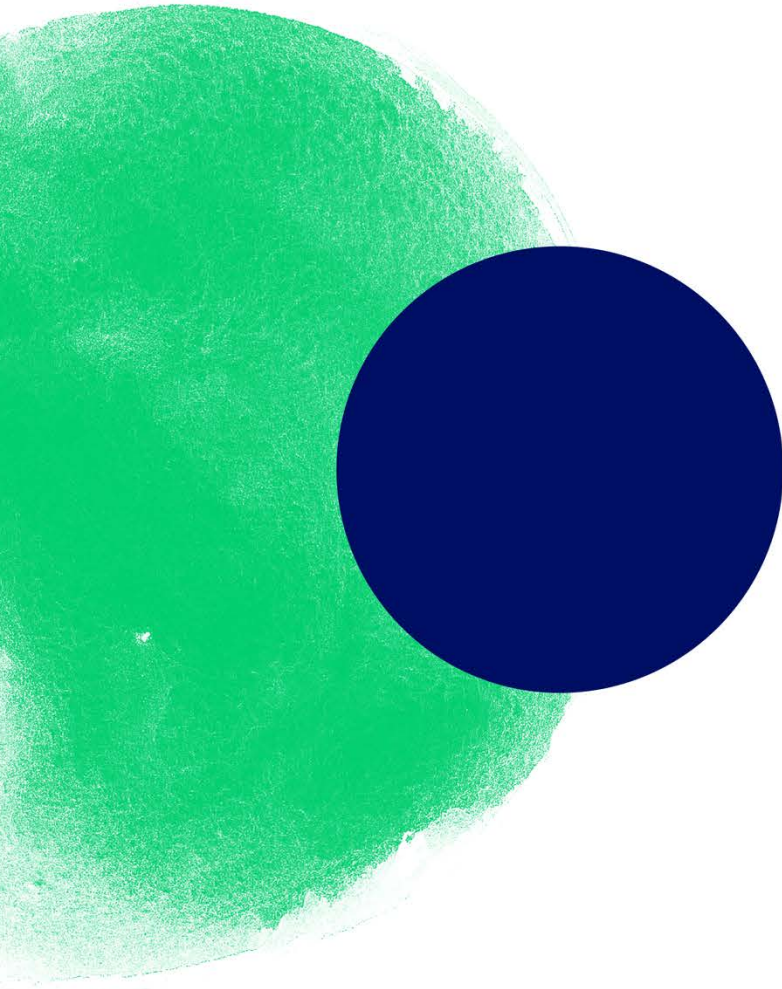
### Reporting Standards

Our report is a harmonization of various frameworks and standards. The information presented in this report was prepared in accordance with the applicable legal requirements namely, the Portuguese Companies Act, the Portuguese Securities Code, the requirements of the Portuguese Decree-Law no. 89/2017, published on 28<sup>th</sup> July and Spanish law no. 11/2018, published on 28<sup>th</sup> December. 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) - version of 2021, the EU Taxonomy Regulation and the Sustainability Accounting Standards Board (SASB). We also highlight our progress against the Task Force on Climate-related Financial Disclosures (TCFD), as after an initial climate risk assessment, in 2022 an internal procedure was developed to annually monitor and define mitigating action plans and opportunities, and identify the potential financial impacts from climate risks.

### Reporting and external assurance

Last but not least, our annual integrated report includes the Integrated Management Report, the Corporate Governance Report (including the Remuneration Report), the Financial Statements and the Annexes. The annexes include (i) GRI Sustainability Reporting Guidelines, GRI 1: Foundation 2021; (ii) the non-financial statements, responding to the requirements of the Portuguese Decree-Law no. 89/2017, published on 28<sup>th</sup> July and Spanish law no. 11/2018, published on 28<sup>th</sup> 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 of environmental activities, written in compliance with the EU Taxonomy Regulation; and (v) the Sustainability Accounting Standards Board (SASB) reporting.

All parts excluding the annexes are audited by PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.. The sustainability information in the chapters "Our Strategy", "Our Impact" and "Our performance" of the Integrated Management Report and the GRI annex are duly verified by an external entity (KPMG).





1.Management  
Integrated Report 7

3.Financial  
Statements 128

2.Corporate  
Governance Report 58

4.Annexes 274

# Sonae

Own  
what's next





1. Management  
Integrated Report

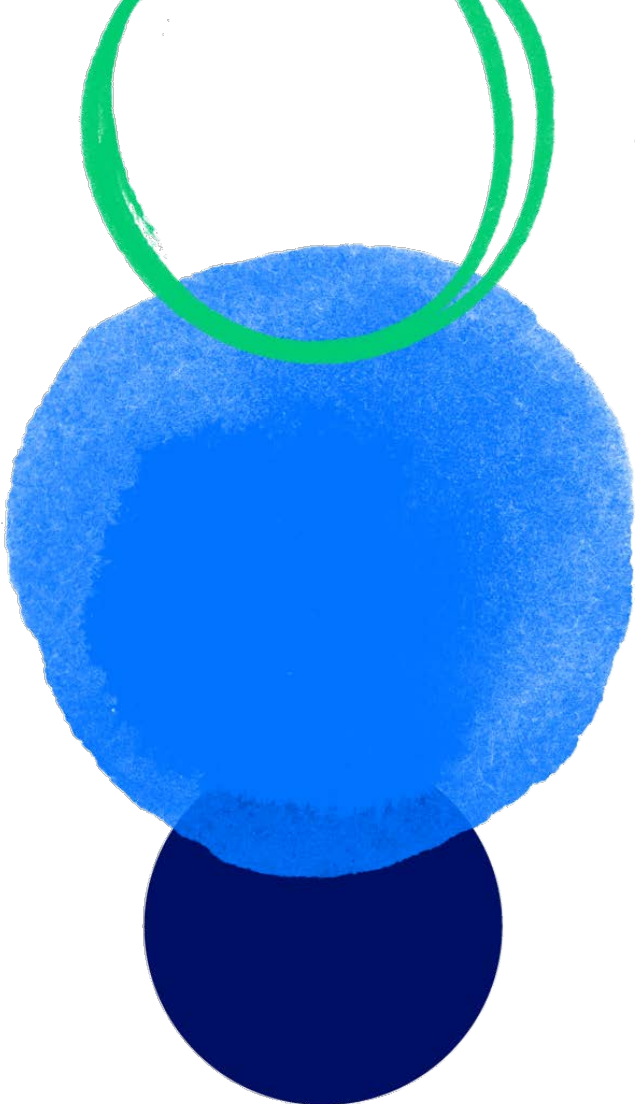
**Challenging  
what's next**

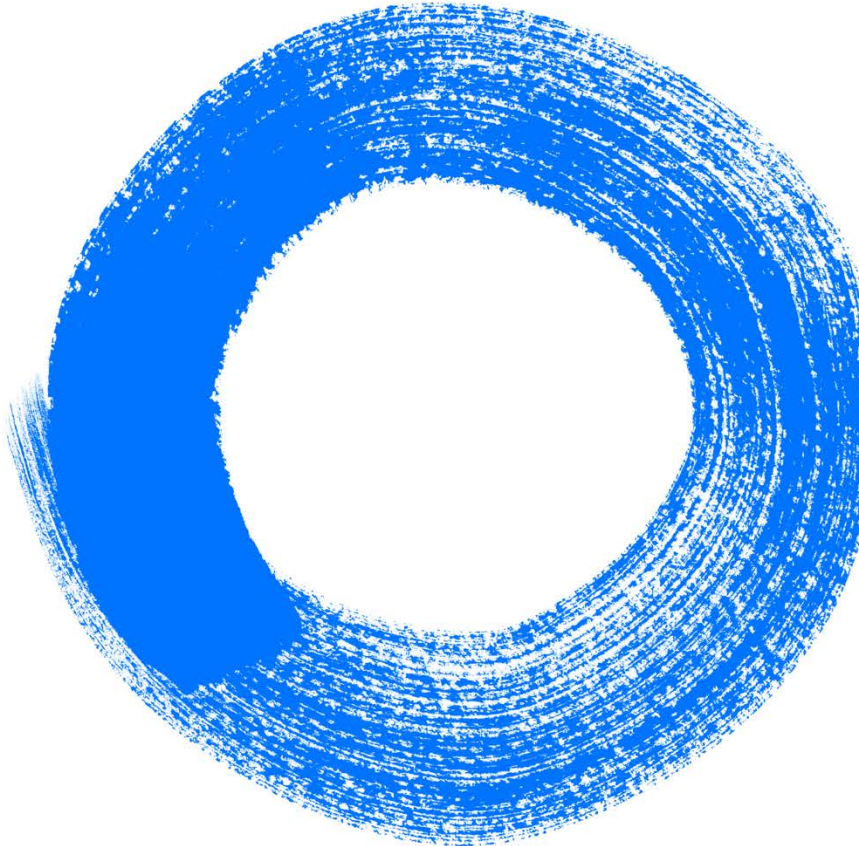
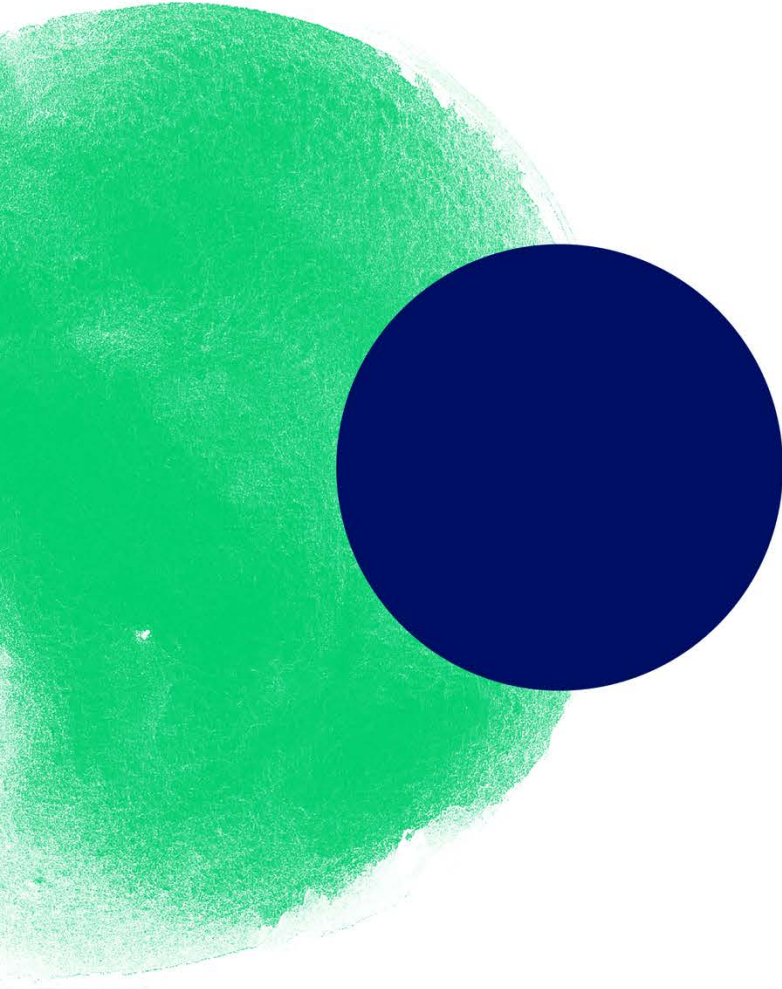




Index

Highlights of our year.....11  
Letter from our Chair.....12  
CEO Letter.....15  
Our History.....16  
Our Business model.....18  
Our Strategy.....19  
Our risk management .....27  
Our Impact.....32  
Engaging with our stakeholders.....40  
Our Portfolio.....42  
Our Performance.....43  
Closing remarks and acknowledgements.....56  
Glossary.....57







# Highlights of our year



## Economic Value

€4.0bn

Net Asset Value  
-1.0% yoy

€98m

Dividends paid to our shareholders  
+5% yoy

€7.7bn

Turnover  
+11% yoy

€927m

EBITDA  
+27% yoy

5.9%

Holding Loan to Value  
Target < 15%

12.7%

Return on Invested Capital  
Target > 10%

## Social and Natural Value

-24% tCO<sub>2e</sub>

GHG emissions  
(Scope 1+2) vs 2018

80%

Reusable, Recyclable or Compostable  
plastic packaging +6pp yoy

37%

Electricity consumed  
from renewable sources

88,545

Donated trees

48k

Employees

39%

Leadership positions occupied by Women  
+2.6pp yoy

€31m

Community support  
+47% yoy

2,159

Volunteer hours

# Letter from our Chair



**“Another year, another challenge. The past few years have truly taken our resilience to new limits. The outstanding results achieved, leave me cautiously optimistic even faced with an uncertain future.”**

The current Board term, which is now coming to an end, has witnessed very significant exogenous events that have profoundly impacted our society. In early 2020, the world was brought to a standstill by the outbreak of a pandemic which caused lasting economic and social scars. After two years strongly marked by the pandemic, and when we were preparing for a strong rebound, 2022 was suddenly hit by the Russian invasion of Ukraine, a peaceful and democratic country. Russia started a war in Europe on an unimaginable scale unseen for almost 80 years. This ongoing conflict has resulted in a humanitarian tragedy, a new perilous geopolitical situation, and a questioning of long held beliefs on European values, peace and stability.

All these events cast a cloud of uncertainty disrupting the life of employees, consumers, our partners, and impacting their respective supply chains. We take pride in our teams that have shown the required agility and creativity to continue to deliver and serve our customers with high quality standards, despite the material shortages and logistical obstacles they faced. In particular they were able to anticipate the pressure on household’s disposable income which soaring inflation would provoke and work across supply chains to find innovative ways to be more efficient and mitigate impact on customers and profitability. Amidst all this turmoil, our employees were our biggest asset and our highest priority, and they were relentless in finding alternative and innovative solutions to every challenge thrown at us.

In the face of all these challenges, of the uncertainty and urgency, I believe our teams were also able to maintain focus on the long term, and the commitment to a sustainable future. Sonae’s commitment to the United Nations Sustainable Development Goals and the Global Compact were never forgotten or placed on hold. We are in a time when it is necessary to be even more inclusive, building bridges that bring together different perspectives, and working closely with all stakeholders to deliver long-term value. I am profoundly convinced that Sonae and its businesses made a real difference to the communities in which we are present and that we progressed in understanding and reducing impact on nature. Our sense of purpose and our pledge to act to create today a

better tomorrow for all, are increasingly shared amongst our stakeholders and are part of what makes Sonae distinctive.

## Natural Value

Our commitments on reduction of Green House Gas (GHG) emissions and use of plastics have been detailed, made public, and never changed other than to make them more demanding in scope, targets or deadlines. They continue to be tenaciously pursued in many large-scale operations, notably through investments in renewables, usage of recycled and more sustainable materials in new buildings and retrofits, review of operating procedures to reduce energy consumption, additional efficiency measures for better waste management and circularity, and reduction of products and food waste.

On these two critical fronts, we are progressing towards our latest and most ambitious goals, and during 2022:

- scope 1+2 GHG emissions were 24% below the 2018 figure, and on course to reach our target of 54% reduction by 2030 and carbon neutrality by 2040,
- 100% of the GHG emissions of our car fleet emissions were offset, and will continue to be in the future until the fleet becomes fully electric, by planting a resilient, productive, and biodiverse forest,
- we have reached 80% of reusable, recyclable, or compostable plastic packaging in our own products, on our way towards 100% target for 2025.

As was to be expected, the problems to be solved are becoming increasingly difficult to find the answers to, but we remain confident that our resolve and creativity will continue to bear fruit. One item of particular concern this year is the general unavailability and delay of infrastructure and process to collect and treat compostable plastics, which is inhibiting their large-scale deployment, as they would inevitably end up mixed with recyclable plastics and negatively impact the recovery and reuse process.

Understanding our total impact on the loss of Biodiversity has been a major challenge and will remain so for some years to come, as we tackle more and more complex impacts on ecosystems. In the last 2 years, we have joined Act4Nature and endorsed the UN Global Compact Sustainable Ocean Principles. Our companies have developed biodiversity strategies, they have been able to tackle the first simple but important problems and we have made a new important public commitment to Zero Deforestation by 2030.

Importantly, all this work has raised the awareness of our teams on the impact we have on nature and how these go far beyond GHG emissions and exacerbate the impacts on climate change. Furthermore, our sector-leading investments in renewables and efficient use of energy proved to be a relative competitive advantage in the last year of spiking energy prices.

## Social Value

Sonae has believed for many decades that promoting social value is not only a duty of responsible companies but is also crucial for sustainability and long-term success. Embracing and investing in the creation of social value helps to foster an inclusive, supportive, engaged and motivated work environment, which is essential to promote talent attraction, development and retention. Furthermore, the effects of creating social value extend far beyond our walls to the communities around us which naturally include our customers. At Sonae, we live by the simple idea that sustainable societies must be essentially composed of sustainable organisations.

Faced with yet another year of mounting difficulties for many of the communities we serve, with surging record-high inflation adding significant pressure on households' disposable income, often still fragile and recovering from the pandemic, Sonae again stepped up its social support. We partnered with several local organisations and increased by 47% the level of community aid to €31 million, carefully selecting the causes and initiatives we support so that we can maximise the impact of our contributions. This almost triples the values at the beginning of this term reflecting the exceptional circumstances we are living.

But Sonae help extends far beyond donations. Last year our teams exceeded expectations and offered more than 2 thousand hours of volunteering work with our support. Amongst all the initiatives, I would like to highlight Sonae for Ukraine. When the war first began, our team was on alert and ready to help, and that is exactly what they did. Sonae for Ukraine put forward a comprehensive plan using the assets and competencies of our different businesses to receive, lodge and support refugees in the best manner possible.

The accelerated pace of change we are living, and the timely European Digital and Green initiatives will leave millions of people in Europe at risk of not having the skills that would allow them to have a rewarding job, unless they are made aware of the need to reskill and given the opportunity to do so. This is a risk with a tremendous social and financial impact, and Sonae, together with many companies of the ERT (European Roundtable for Industry) and the BRP (Business RoundTable Portugal) in Portugal, have quickly started and are actively supporting a set of projects aiming to reskill one million Europeans to in-demand competencies and professions. In Portugal this initiative, now labelled PRO\_MOV, has launched seven labs involving more than one hundred participants currently being reskilled.

In 2022, one year ahead of our commitment, Sonae reached its 2023 goal of having 39% leadership positions held by women. I am extremely proud of this achievement. I am also excited about our initiative "People with a difference", aiming to recruit people with disabilities, and our general push for more diversity in our teams. We truly believe in the richness of a diverse team and how it can nurture a more innovative, inclusive and skilled work environment.

We are proud of the way we work and of our sense of purpose, but we also know we can only fulfil our mission if we continue to grow and create jobs which is our greatest contribution to society. During the year we have increased our number of employees to more than 48 thousand creating 1,250 new jobs. Our people have a world of opportunities inside Sonae, and we keep paying attention to their opinions and acting quickly to protect them and make them feel respected and valued.

## Economic value

Sonae's environmental and social development was once again matched by improved economic performance, following a challenging 2021. In fact, Sonae has delivered strong results against a backdrop of significant cost inflation, tight supply chains and the ongoing operational complexities of the global pandemic, with consolidated EBITDA of €927 million, up by 27% vs 2021 and RoE of 13.4% in line with 2021.

Our portfolio management in 2022 did not yet result in significant strategic development acquisitions but we were able to execute important transactions to improve the portfolio structure such as winding down Zopt, increasing Sierra ownership to 90%, and conclude other operations previously announced to the market such as the sales of MDS and Maxive. As a result, we maintained a conservative leverage position giving us the ability to pursue growth through new acquisitions in the years ahead. In addition, Universo, our financial services arm, announced an important joint venture agreement with Bankinter to increase its scope of services and accelerate growth.

Operational performance was relatively good across the portfolio apart from Zeitreel where we did not manage to recover from the previous year which had been affected by Covid-19 related restrictions. I am particularly proud of the work achieved in our food retailing businesses as our teams reduced gross margins to support our customers in times of high inflation and absorbed very large increases in energy costs whilst containing the damage to our EBITDA margin. It is particularly frustrating to witness the



disrespect for this work in the current government led campaign to falsely attribute the inflation in food prices to rising margins of retailers including our company.

Against a background of negative stock market performances in the year, Sonae's TSR stood at -2%, while NAV (net asset value) reduced slightly by 1%. Whilst this outperformance relative to the market no doubt reflects the positive operational results of our businesses, we have not yet been able to significantly reduce the holding discount at which we trade. The Board of Directors will propose to shareholders to maintain our dividend policy resulting in an annual dividend increase of 5%.

### Final note

I would like to thank all my colleagues on the Board of Directors, and other statutory governing bodies, for their devotion to this ambitious project, each one always contributing in every possible way.

I would like to record a special thank you to Cláudia and our management team and to our portfolio companies' CEOs and their teams. No one could have anticipated the challenges that we have all faced, notably in the last three years, and, in the face of adversity, they delivered an outstanding leadership performance.

I must also take this opportunity to express my sincere appreciation to everyone at Sonae. Your commitment, resilience and dedication in this turbulent period were clear demonstrations of why Sonae is a leading organisation and a long living company. Over the last few years our partners and suppliers also had to run an extra mile. All our stakeholders were key – they all demonstrated their confidence in Sonae and embraced our journey. Thank you.

We look forward with cautious optimism as times will continue to be volatile and challenging, but we are energized by the many opportunities that continue to appear for the Group. Despite the headwinds of the past years, Sonae remains strong. We will keep working to improve the profitability of our businesses, improve our social and natural impacts, and we will keep looking for new growth paths, across the different geographies and markets addressing the challenges in partnership with all our stakeholders. Working together for sustainable and responsible value creation – Shaping tomorrow, today.

Paulo Azevedo,

Chair





# CEO Letter



2022 marks the last year of the current Board of Directors’ mandate, a period which I faced with great pride and sense of responsibility as the Group’s CEO. The last four years have been quite eventful and challenging. But I am proud of what we have achieved collectively. As the world around us has changed, we have changed too. But our purpose has remained the same: to create economic and social value, improving the lives of people around us. We made strong progress on all fronts, despite the immeasurable external challenges that we faced.

In 2022, and after two years of pandemic, the invasion of Ukraine brought consequences that we are still dealing with, and which will persist for a long period of time. During the year, inflation surged to levels the world had not witnessed this century, mostly driven by sharp rises in energy costs and disruptions in the supply chains that spread to the entire economy. High inflation, together with increasing interest rates, put significant pressure on households’ disposable income and, consequently, their spending patterns. At Sonae, we quickly understood the potential impact on our communities and acted swiftly to mitigate them. To avoid greater stress on family budgets, our retail businesses absorbed part of the inflationary pressure, at the expense of their own profitability. However, with dedication, innovation, and intrapreneurship, we continued to improve our value propositions to consumers. We quickly adapted our offerings to cater to changing market needs, and these efforts were clearly recognised by customers, as we saw our market shares increase across all businesses, despite the more intense competitive environments.

Amidst this challenging context, Sonae maintained a high level of investment. In total, the group invested €357m in its operational activities (a 28% increase over 2021) and created over 1,200 new jobs, to reach more than 48,000 employees. We increased our investment and commitment to our Group companies, particularly by increasing our stakes in Sierra and NOS. Our debt level fell to a historically low level, giving us comfort that, despite the high interest rate environment and the challenges we face in each sector, we will be able to continue to invest to create value in our communities for years to come.

Sonae remained firm in its pursuit for a better future, as we stood by our people and our communities while remaining committed to our environmental goals. Regarding environmental sustainability, not only do we remain well on track to reach our ambitious goal to become carbon neutral by 2040, but we have also established a new pledge, the

Zero Deforestation commitment by 2030, a critical step to guarantee that all our businesses will be at the forefront of fighting deforestation. We have also made significant progress towards making the plastic packaging of all our own brand products reusable, recyclable or compostable by 2025, with the recyclability of packaging reaching 80% in 2022.

On the social front, in 2022 we launched the “Sonae for Ukraine Programme” to support the Ukrainian refugees that fled to Portugal. We contributed financially and with employment opportunities, basic items, food, consumer goods and the support of our volunteers. Additionally, we met our goal of having 39% of leadership positions held by women, one year ahead of time, and increased the support to our communities by almost 50% to more than €30m.

When I look back at the last four years, I am truly proud of what we have accomplished. Today, we have a positive impact on the lives of many more people, and that is precisely what drives us. I would like to thank our teams and all our stakeholders who have partnered with us and share the same values, as this allows us to amplify our impact far beyond our own direct reach.

The pace of change will not slow down. And there are always unexpected risks emerging on the horizon. But I am sure we will be ready to deal with them. This year is already packed with dynamic projects and initiatives, filled with innovation and sustainability. We will continue to drive growth and work together to create a better tomorrow for all.

Cláudia Azevedo,  
CEO

# Our History

Sonae has a long history and a diversified past, with a focus on sustainable success

## Start up

1950s - 1960s

Sonae's Foundation (1959) wood based panel producer

Belmiro de Azevedo is hired (1965)



## Vertical integration

1970s

Wood based panel expansion to new markets and products

Acquisitions in particleboard manufacturing and wood agglomerate production

## Diversification

1980s

Sonae's IPO (1983)

Opening of the 1st Hypermarket in Portugal (1985)



Sonae's Culture and Statement

Expansion to real estate and opening of the first two shopping centres in Portugal (1989)



## Expansion

1990s

Launch of Público 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

## International Growth

2000s

Sonae Indústria and Sonae Capital spin-offs

Sale of food retail business in Brazil

Launch of the online food retail business (Continente Online)



Sonae joins the Global Compact of the United Nations

Sierra's expansion to Spain, Greece, Germany, Italy and Romania

Acquisition of Carrefour Portugal (food retail)

Launch of Sonae IM (Bright Pixel)

Worten and Sportzone expansion into Spain

## Portfolio Reorganisation

2010s



Creation of "our way" (Sonae's unique culture, values and principles)

Merger of Zon and Optimus and creation of NOS

Commitment 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 joins Paris Pledge for Action

Increased stake in Sierra

Launch of the Universo card

## Active and sustainable value creation

2020s

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

New brand strategy and updated visual identity



Sonae companies create commitment to avoid deforestation by 2030

Sonae joins the UN Ocean Principles

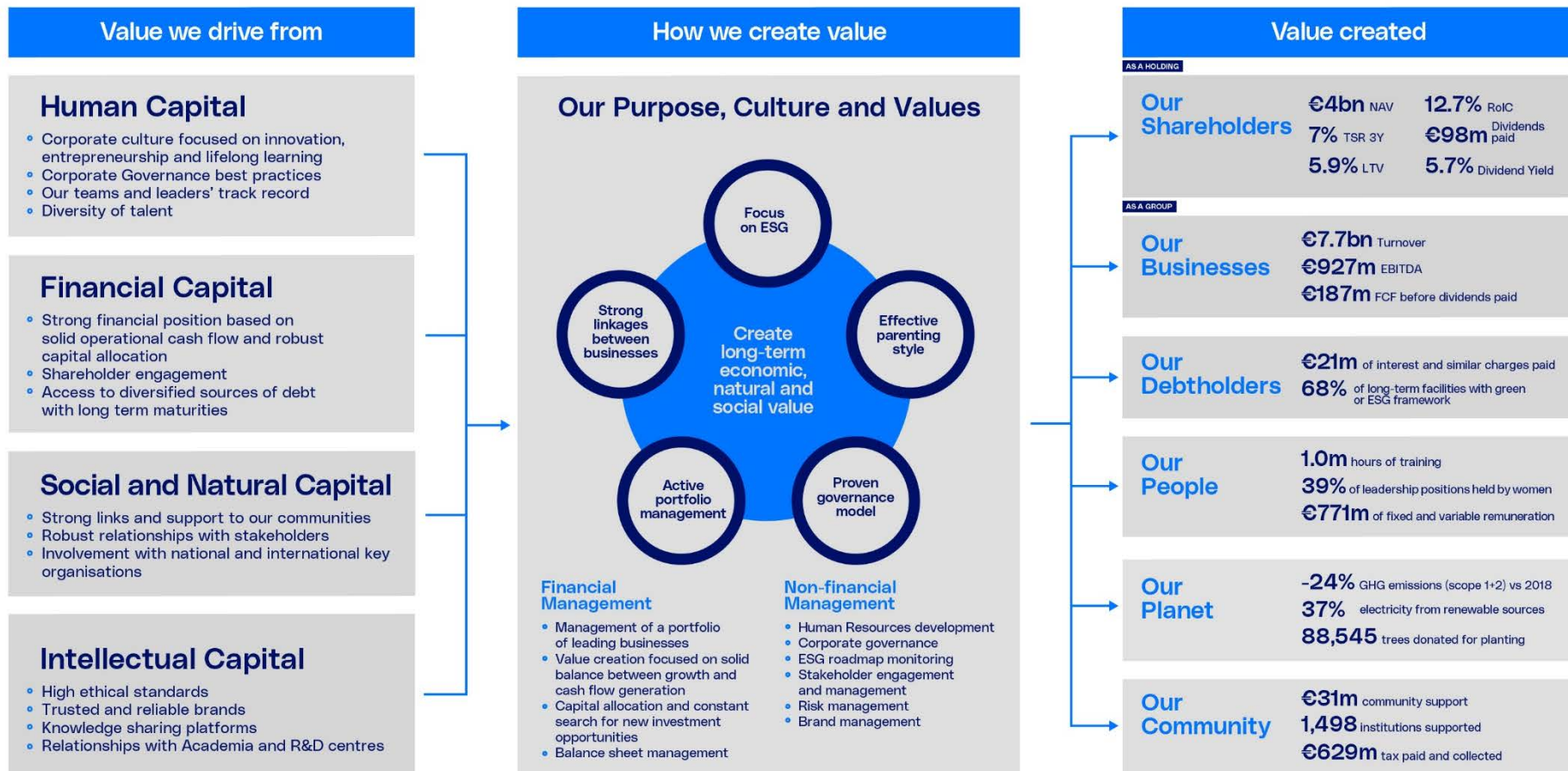
Increased exposure to Sierra and NOS, and termination of Zopt partnership

New JV announced for Universo

Creation of a corruption policy aligned with Sonae's Code of Ethics



# Our Business Model

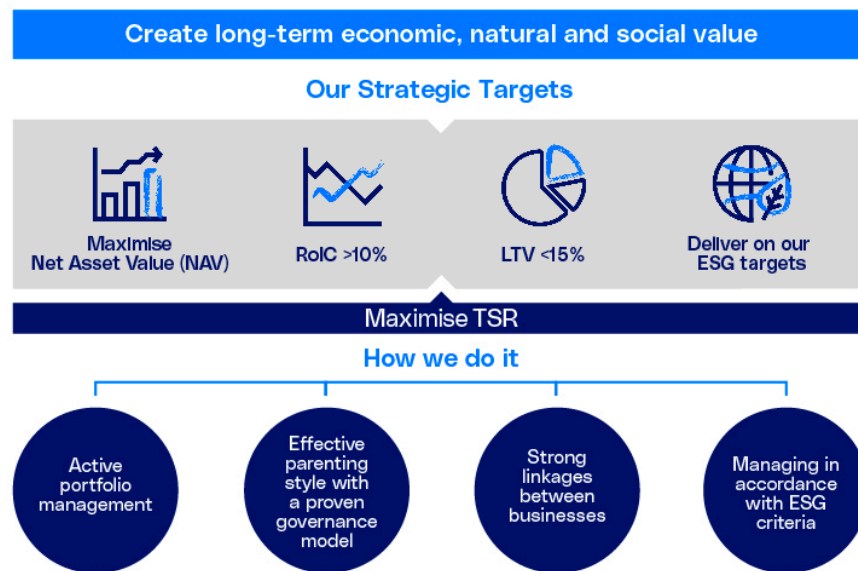


Note: Tax paid and collected amount is non-audited.



# Our Strategy

We believe that continuous growth and best-in-class performance are Sonae's driving forces, as they generate opportunities for its stakeholders and ensure superior economic, social, and natural value creation.



Sonae is part of a globalised, faster and increasingly digital world, which pushes its ambitions further and raises the bar for its operations. This context requires a continuous understanding of long-term trends, a focus on innovation and the search for and investment in areas with strong growth prospects, as well as a balanced exposure to different risks, namely in terms of geography and sectors.

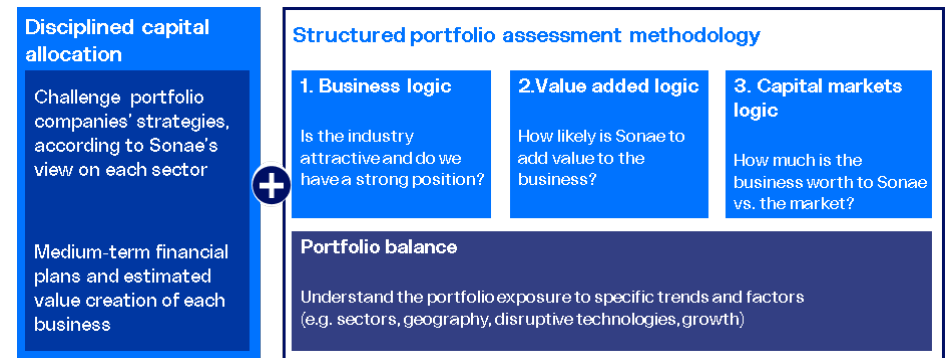
In our quest for superior economic, social, and natural value, we implement our strategy through distinct fronts (i) active portfolio management, (ii) effective parenting style with a proven governance model, (iii) strong linkages between our portfolio businesses to foster synergies, and (iv) always managing in accordance with ESG criteria.

## i. Active portfolio management

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 those movements are value accretive. This approach continuously requires (1) an active portfolio management mindset, through the establishment of a comprehensive understanding of each portfolio business, its market and sector, enabling the strategies and financial plans to be challenged to deliver above-market performances and growth, long-term sustainability and added value creation at economic, social and natural levels, and (2) a continuous search for new investment opportunities, through a defined investment strategy, that contributes towards our ambition, values and targets.

### 1 Active management of our current portfolio

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



Our structured approach is based on **three main principles**:

- **Business logic:** is the industry attractive and do we hold a strong position? 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 appraises 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.
- **Capital markets logic:** How much is the business worth to Sonae vs. the market? Sonae needs to understand the valuation impact of capital markets, namely how the market values Sonae's assets in comparison to the net present value of future cash flows that Sonae estimates for the business.

In parallel, Sonae carries out a **Portfolio Balance analysis**, providing a holistic view of the portfolio, and enabling an understanding of its capital exposure to specific trends and factors (e.g. sector, market, growth pattern, geography or technologic disruption).

This approach allows Sonae to establish the best options for the businesses in its portfolio, which are ultimately the basis for shaping and optimising the portfolio over time in the search for continuous sustainable value creation.

This framework has been pivotal for our active portfolio management activity and capital allocation in the last few years.

## 2 Continuous search for new investments

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

In this task we pursue:



- **Sectors with strong growth and long-term trends:** sectors supported by solid macro trends and that allow long term positions. We are looking for best-in-class companies, with market leading positions and distinctive value proposals.
- **International exposure:** Sonae aims to invest in companies that bring geographic diversification to its portfolio. Additionally, we consider highly international businesses with scalability potential.

- **Flexible investment approach:** despite not being bound by strict requirements, Sonae primarily looks 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 the existing governance structures to foster growth and value creation.
- **Responsible and sustainable investments:** supporting companies to develop an ESG strategy and a roadmap according to their stakeholders, objectives, and impacts, whilst also actively contributing to the execution of Sonae's ESG commitments.

It is through this growth mindset, a global vision and a sustainable approach that we can partner with the right companies and management teams to deliver our ambition and always in a responsible manner.



## ii. Effective parenting style with a proven governance model

Sonae's corporate governance model is based on a strong set of corporate values that reflect our identity, our 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.

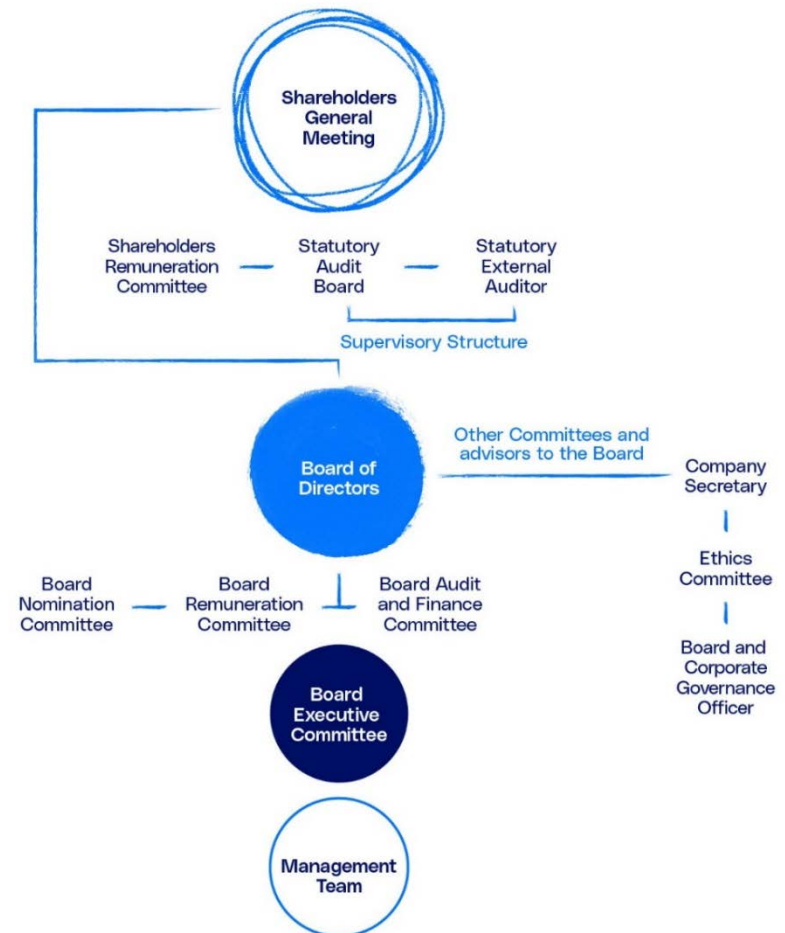
Sonae adopts a one-tier governance model structured around the Board of Directors. The Board of Directors hosts three specialised Committees – the Board Audit and Finance Committee, the Board Remuneration Committee, and the Board Nomination Committee – in order to support the nonexecutive directors' activity and ensure the 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.

Moreover, the Board and 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.

The Board 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. Of the ten members that compose the Board of Directors, eight are Non-Executive Directors, four are independent and its composition ensures diversity in gender, nationality, experience, and expertise.

The Executive Committee is composed by the two Executive Directors of the Board - the CEO and the CFO<sup>1</sup>. 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 management team.

The current Board of Directors was elected in the 2019 Shareholders' General Meeting and its mandate ended at the end of 2022. A new Board of Directors will be elected for the 2023-2026 mandate at the 2023 Shareholders' General Meeting.



<sup>1</sup> The compensation of the Executive Directors is linked to Sonae's strategy and includes both a fixed and a variable performance-based component. For more information, please see the Corporate Governance Report.

# Board of Directors



**Paulo Azevedo**  
 Non-Executive Chair since 2015  
 Appointed: 2000  
 Nationality: Portuguese  
 Age: 57  
 Areas of expertise: ESG, Retail, Telco and Strategy

C M



**Lorraine Trainer**  
 Senior Independent Non-Executive  
 Appointed: 2015  
 Nationality: British  
 Age: 70  
 Areas of expertise: Change Management, International and Corporate Governance

C M M



**Ângelo Paupério**  
 Non-Executive  
 Appointed: 2000  
 Nationality: Portuguese  
 Age: 63  
 Areas of expertise: Finance, Retail, Telco and Real Estate

M M



**Marcelo Faria de Lima**  
 Independent Non-Executive  
 Appointed: 2015  
 Nationality: Brazilian  
 Age: 61  
 Areas of expertise: International, Finance, Portfolio Management and Digital

M M



**Cláudia Azevedo**  
 CEO  
 Appointed: 2019  
 Nationality: Portuguese  
 Age: 52  
 Areas of expertise: Strategy, Portfolio Management, Digital and ESG



**João Dolores**  
 CFO  
 Appointed: 2019  
 Nationality: Portuguese  
 Age: 42  
 Areas of expertise: Finance, Strategy and International



**José Neves de Adelino**  
 Lead Non-Executive  
 Appointed: 2007  
 Nationality: Portuguese  
 Age: 68  
 Areas of expertise: Finance, International and Corporate Governance

C C



**Fuencisla Clemares**  
 Independent Non-Executive  
 Appointed: 2019  
 Nationality: Spanish  
 Age: 48  
 Areas of expertise: Digital, Retail and Strategy

M M



**Carlos Moreira da Silva**  
 Non-Executive  
 Appointed: 2019  
 Nationality: Portuguese  
 Age: 70  
 Areas of expertise: Portfolio Management, Industry and Entrepreneurship

M M



**Philippe Haspesslagh**  
 Independent Non-Executive  
 Appointed: 2019  
 Nationality: Belgian  
 Age: 72  
 Areas of expertise: International, Portfolio Management, ESG and HR

M M M

### Board diversity

by gender



● Female ● Male

by nationality



● Portugal ● International

by tenure



● 0-5 years ● 5-10 years ● >10 years

Composition



● Executive ● Non-Executive ● Independent

### Main areas of expertise



### Board Committees

- Executive
- Remuneration
- Ethics Committee
- Human Resources C.G.
- Audit and Finance
- Nomination
- Sustainability C.G.
- Risk C.G.
- Chairperson
- Member
- Audit Coordination Commission
- Corporate Finance Commission



## Management team



<p><b>João Dolores</b> Chief Financial Officer</p> <p>João joined Sonae in 2014, with the challenge of leading the Corporate Strategy area. From 2015 to 2019, João was Head of Group Strategy, Planning and Control. Before joining Sonae, João was Head of the Cloud business unit at Portugal Telecom, Associate at McKinsey &amp; Co., and Brand Manager at J.W.Burmester &amp; C, Lda. João was also a Professor of Strategy in the Executive MBA at Porto Business School.</p>	<p><b>João Günther Amaral</b> Chief Development Officer</p> <p>João was a member of MC's Executive Committee, from 2014 to 2019. He was previously responsible for Logistics, Production Centres and Supply Chain Management. In 2017, he became MC's CIO (Chief Information Officer). Between 2001 and 2014, João was Information Systems Analyst and Manager, Innovation Manager and Continuous Improvement Manager. Before joining Sonae, João worked at Agência de Inovação SA and Leica Camera AG, leading the IT function in both companies.</p>	<p><b>Cláudia Azevedo</b> Chief Executive Officer</p> <p>Cláudia has been part of Sonae's team since 1994, holding several positions across the portfolio. Over almost two decades, Cláudia led Sonae Investment Management (now Bright Pixel), a company dedicated to investments in IT applied to retail, telco and cybersecurity. In 2013, Cláudia was appointed CEO of Sonae Capital, and was responsible for managing a highly diversified portfolio of investments in different sectors.</p>
--	--	--

Sonae's Management Team, headed by Cláudia Azevedo (CEO), was appointed in April 2019. The management team is guided by Sonae's mission, supported by its core embedded values and is dedicated to executing the strategy approved by the Board of Directors.

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.

**Each portfolio company has its own corporate governance structure**

**Sonae's Management Team is involved with the Boards of the portfolio companies**

Nevertheless, and as the holding company, Sonae is engaged in the Governance structure of each portfolio company through the involvement of Sonae's Management Team on the Board of Directors and by advising 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.

Therefore, the Holding company has adapted its governance bodies and central corporate structure to be more focused on portfolio management, capital and talent allocation activities, while maintaining central coordination in a few key areas such as talent, sustainability, risk management, and digital to further future-proof our companies and strengthen competitiveness in their markets.

Finally, our **Holding teams** are focused on<sup>2</sup>:

- 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;

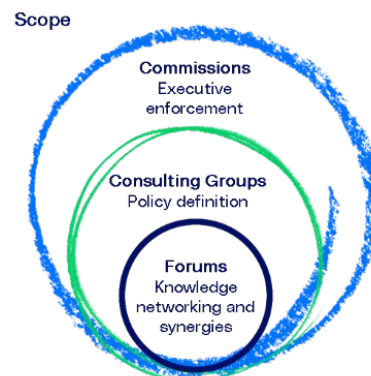
<sup>2</sup> For more information on the areas of the holding, please see the Corporate Governance Report.

- 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 live 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; and
- Supporting group coordinating platforms in key areas.

### iii. Strong linkages between businesses

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

These platforms not only foster 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)<sup>3</sup>.



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

Commissions	Members	Members of the Board or Management Team	Meetings in 2022
Corporate Finance	21	Ángelo Paupério, Non- Executive Board Member João Dolores, CFO	10
Audit	17	João Dolores, CFO	4

Moreover, Sonae also established **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 our corporate policies across different businesses and coordinate projects.

Consulting groups	Members	Members of the Board or Management Team	Meetings in 2022
Sustainability	31	Paulo Azevedo, Chair Cláudia Azevedo, CEO João Günther Amaral, CDO	27
Human Resources	14	Cláudia Azevedo, CEO João Günther Amaral, CDO	11
Risk Management	16	João Dolores, CFO	4
Improving our Work	30	Cláudia Azevedo, CEO João Günther Amaral, CDO	24

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

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.

Forums
Administrative & tax
Digital
E-commerce
Finco (IT solutions)
Finov (Innovation)
International
Legal
Planning & control

<sup>3</sup> For more information about these platforms, please see the Corporate Governance Report.

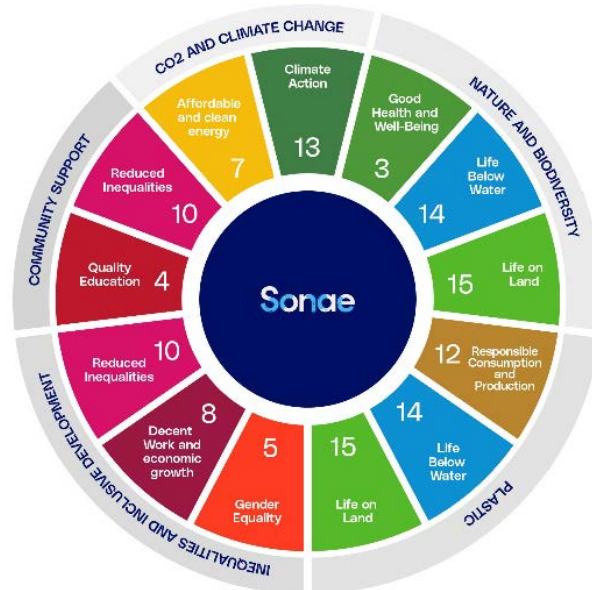
## iv. Managing in accordance with ESG criteria

Sonae's mission embraces value creation in all its dimensions – Economic, Social and Natural. Sonae understands the paramount relevance of upholding the highest sustainability principles as part of its strategy. Sustainability is engrained in our culture and identity and gives purpose to our mission. **We exist to actively shape the future we all want and need and we strive to have a meaningful impact today to ensure a better tomorrow for all.** Furthermore, as part of our strategy, Sonae actively engages with its network of stakeholders to extend the reach of its corporate values.

Sonae has defined five strategic axes of action as the result of a rigorous and comprehensive analysis conducted in 2018 together with our stakeholders during which we classified themes according to their importance for Sonae and its stakeholders, aligned with the United Nations Sustainable Development Goals (SDGs). We continuously invest and guide our positioning and action in these strategic axes, assessing their adequacy yearly.

Each strategic axis has its own roadmap that was carefully designed to be ambitious and to challenge us, to achieve the correspondent commitments and targets. 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 revisited yearly to assess their attainment levels, and to be adjusted where necessary.

### Sustainability Strategic Axes and alignment with the United Nations Sustainable Development Goals (SDGs)



### CO<sub>2</sub> and Climate Change



Sonae understands the urgency of reducing CO<sub>2</sub> emissions, as it constitutes one of the main drivers of climate change and the consequent global warming of the planet, threatening ecosystems and humans. We must all take significant and coordinated actions to limit the increase in temperature to 1.5°C and achieve the path to decarbonization.

### Nature and Biodiversity



Climate change, habitat loss, invasive species, overuse of resources, pollution and biodiversity loss are placing our ecosystems at risk of collapse and are bringing many species to the brink of extinction. The dependence of our companies on natural capital, and how it directly or indirectly has the potential to alter or contribute to the destruction of natural habitats, leads us to consider issues related to the protection of nature and biodiversity as strategic.

### Plastic



Plastic and waste generation are social problems emerging from a consumer culture that encourages ever-easier access to consumer goods and fast-moving consumer trends. This increases the risk of pollution in oceans and land, which negatively impact the environment and biodiversity, while presenting a risk to human health and well-being.

### Inequalities and Inclusive Development



Sonae is one of the largest employers in Portugal and is committed to combating inequalities and building a more humane, diverse, and inclusive society. The problem of inequalities is not new, but it is particularly severe considering the evolution of technology, the new industrial revolution, and consequently the emerging risks regarding inequality and inclusion.

### Community Support



Stronger communities are the only path to a more sustainable society. Sonae continues to be committed to increasing the resilience and self-sufficiency of the communities in which we operate, to eliminate poverty in all its forms.

For more details on our material topics, commitments, management approach and initiatives in each of these strategic axes please see chapters "Our Impact" and "Our Performance" of this Report.

In addition to these strategic action areas, **Responsible Investment** and **Sustainable Supply Chain** are transversal areas that are embedded in all dimensions of our strategy towards sustainability. These two areas impact our management decisions guiding how we invest and how we, together with our business' suppliers, design and develop processes, products and services following the principles of efficiency and circularity.



## Our targets - What we want to achieve

Financial targets	ESG targets
<p><b>Maximise NAV (Net Asset Value)</b></p> <p>The evolution of our NAV is a goal that, combined with our regular dividend payment, captures tangible value creation for shareholders. We pursue this through a combination of growth and improved profitability of our businesses, an active portfolio management style and a nimble capital allocation/recycling strategy. We report our NAV on a quarterly basis within our results announcement.</p> <p><b>Return on Invested Capital (RoIC)<sup>4</sup> &gt; 10%</b></p> <p>This performance ratio measures the return the company generates on its invested capital, aiming at above-market returns and maximising the spread to the cost of capital.</p> <p><b>Holding Loan to Value (LTV) &lt; 15%</b></p> <p>A solid capital structure supported by the strong cash-generating capacity of our portfolio is essential to take us forward and finance our growth ambitions. The right balance between Equity (NAV) and Debt at the Holding throughout an investment cycle is an indicator that we carefully monitor.</p>	<p><b>Carbon neutral operations (scope 1+2) by 2040</b>, ten years ahead of the European Union target.</p> <p><b>Reduce GHG emissions (scope 1+2) by 54% by 2030 (vs 2018)</b></p> <p>Aligned with Science Based Target Initiative, based on the Well Below 2°C scenario.</p> <p><b>Zero Deforestation by 2030</b></p> <p>Commitment ensuring forest maintenance resulting from the activities and operations under the direct control of Sonae's portfolio companies and their supply chains.</p> <p><b>Plastic packaging of our own brand products 100% reusable, recyclable or compostable and incorporate, on average, 30% recycled plastic into new plastic packaging by 2025</b></p> <p>These targets involve mapping the use of plastic in packaging when designing the products and packaging and rethinking its processes regarding circularity.</p> <p><b>39% of leadership positions held by women by 2023 – achieved in 2022!</b></p> <p>Considering Executives and Senior &amp; Middle Managers.</p>

Finally, during 2022, Sonae began a process of updating its sustainability strategy. An extensive study was carried out considering the context and information of the portfolio companies, as well as a benchmark and market trends coupled with an assessment of the current and expected regulatory agenda. This information was systematised and served as the basis for the participatory process that allowed the different views of the main stakeholders, such as: employees, financial entities and investors, sector organisations, external experts, among others.

The result was a dual materiality matrix that was built in line with the Corporate Sustainability Reporting Directive (CSRD), recently approved by the European Commission, which requires that companies report their strategy and progress in sustainability in a consistent and comparable manner, aligned with the EU Taxonomy and the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), International Integrated Reporting Council (IIRC) and Global Reporting Initiative (GRI) standards.

In 2023, we will announce the results from the update of our sustainability strategy, which will include strategic axes and commitments that will guide us as well as our companies into a new cycle between 2023 and 2026.



<sup>4</sup> RoIC is calculated with proportional management figures and with Sierra and Bright Pixel at historical cost.

# Our risk management

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 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 Sonae's employees across the entire organisation. 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 Group's diversification in terms of markets, sectors, and geographic areas.

## Risk management governance structure

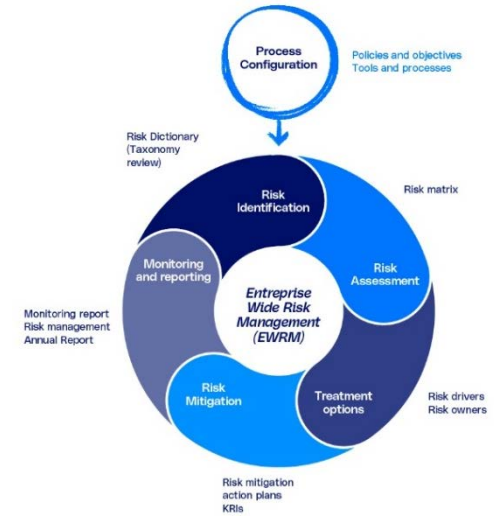


Risk Management is integrated into Sonae's planning process, as a structured and disciplined approach that aligns strategy, processes, people, technologies, and knowledge. Its goal is to identify, evaluate and manage threats and opportunities that Sonae and its portfolio companies face in the pursuit of their 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 to implement 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 Enterprise-Wide Risk Management (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.

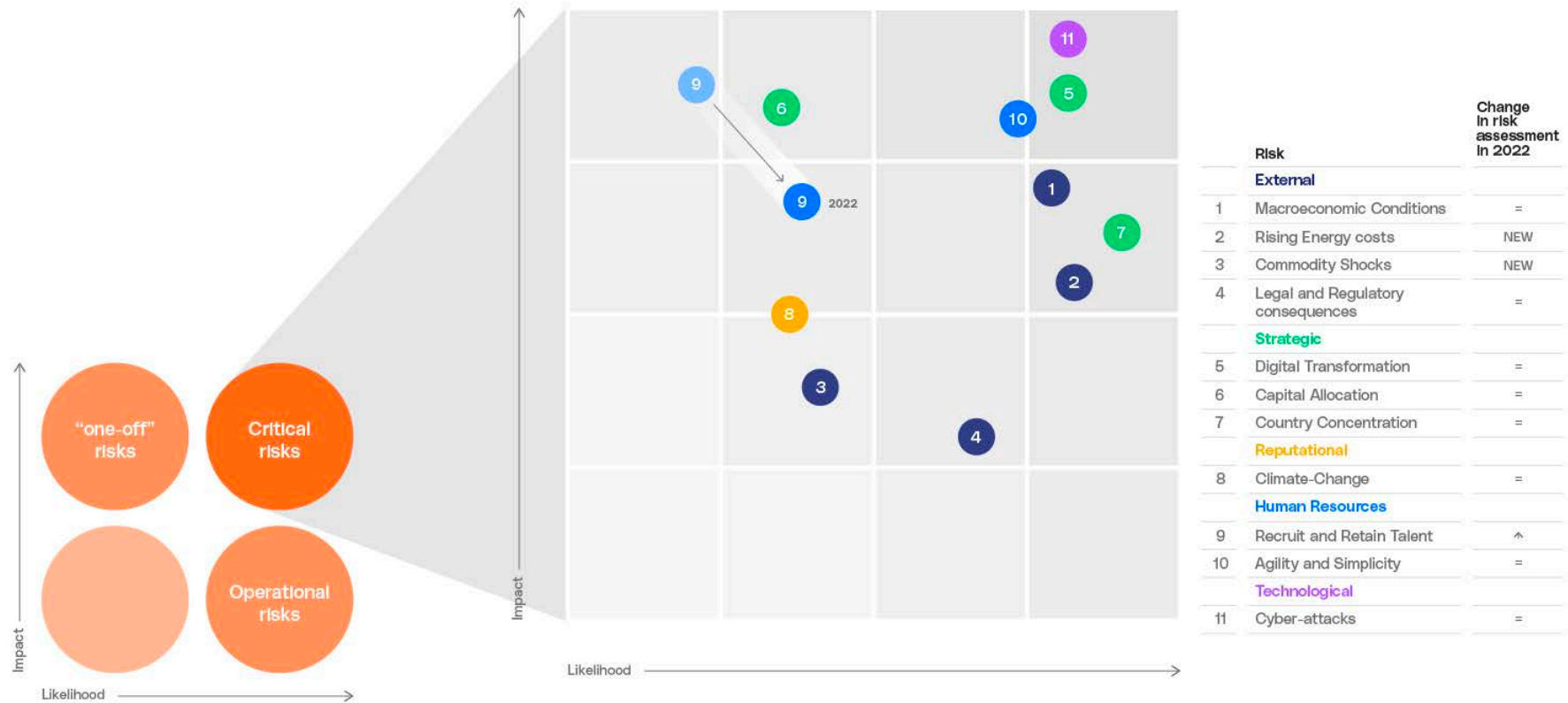
Our risk identification process, helps us to identify potential risks. We then use a Risk Matrix to assess both the risk event occurrence likelihood and its impact. By taking both factors into account, we can accurately assess the overall risk level and determine the appropriate response. This helps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



Our extensive understanding of Sonae's businesses operations and the specific nature of the respective risks we face, is 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 its 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.

## Matrix | Critical Risks in 2022



During the year, Sonae’s corporate risk management area continued to coordinate the implementation and operationalisation of our Enterprise-Wide Risk Management exercise, ensuring the alignment of the risk management methodologies, practices, and calendar. During the year, this team also performed an active role in monitoring MC’s cyberattack in the first quarter, and continued to manage the risks exacerbated by the pandemic, maintaining the safety of our people as a priority and continuing to closely follow the recommendations issued by international and national authorities, as the World Health Organization, the European Centre for Disease Prevention and Control, and the Directorate-General of Health (DGS). 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 2021 exercise, and a new dictionary and risk taxonomy were developed. In the second quarter of 2022, a risk assessment was carried out by Sonae’s Management Team, and after the individual assessment and calibration of the risks, the Board of Directors approved Sonae’s 2022 risk matrix, the identification of the current critical risks (including two new critical risks: rising energy costs and severe commodity shocks) and the

appointment of their respective owners. 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, and during 2022, we published, within the 2021 Integrated Annual Report, the first report adopting the TCFD framework. The adequacy of procedures to ensure compliance with the whistleblowers protection law (Law 93/2021 of 20 December) and with the general scheme for the prevention of corruption (Decree-Law 109-E/2021 of 9 December), was also assessed. Moreover, and during the year, an internal procedure was developed and implemented encompassing the annual review of the Groups’ related risks and the development of a process for monitoring and defining mitigating action plans and seizing opportunities. The purpose of this procedure is to support the corporate process of managing risks and opportunities related to climate change, through a systematic and periodic process of identifying, evaluating and managing risks and opportunities, in order to guarantee the continuous improvement of our portfolio companies and to mitigate the potential impact of climate change in the corporate objectives of our companies.



## External Risks

### 1. Unfavourable macroeconomic conditions

#### Risk owner: CFO

The deterioration of the macroeconomic conditions in which we operate, owing to the geopolitical and economic consequences of the war in Ukraine, can lead to prolonged economic stagflation. This is a combination of slow economic growth/recession and an increase in inflation rates 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 company's financial performance. More than a macroeconomic risk, this war poses a significant geopolitical risk with effects that will undoubtedly persist in the long term.

#### Mitigation actions

- 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.
- 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.

### 2. Rising energy costs | New risk

#### Risk owners: portfolio companies

A rise in energy prices (mainly in gas, oil and electricity) impacts the purchasing power of consumers, as well as increase operational, product and service costs for companies. This could even result in rationing energy consumption, directly affecting the continuity of the business and creating new challenges to the supply chain.

#### Mitigation actions

- Set up an Energy Forum (monitoring and reporting structural and operational measures).
- Increase the electric vehicles in our own fleet (plugin hybrid or 100% electric).
- Increase contracting in renewable energy (solar/wind) via Power Purchase Agreements (PPA).
- Increase energy production through photovoltaic self-consumption plants.
- Annually review the established roadmap, considering regulatory and technological evolutions.

### 3. Severe commodity shocks | New risk

#### Risk owners: portfolio companies

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 zone (Ukraine and Russia), 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, which may deliver similar quality/taste end 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).
- Increase inventory levels (purchasing from current suppliers) once the risk has been identified and until possible, namely using outsourced warehouse capacity.

### 4. Rising legal and regulatory negative consequences

#### Risk owner: CFO

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 are 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 level.
- Support the company's legal views vis-à-vis Portuguese and international stakeholders.
- Support the company's legal interests and views before 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.

## Strategic Risks

### 5. Failure to address digital transformation

**Risk owners:** CFO and CDO

Changes in the consumer profile (from bricks to clicks) and the inability to ensure the digital transformation of traditional business models can jeopardise the company's 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. Inadequate capital allocation

**Risk owner:** CFO

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.
- Continuous monitoring of macroeconomic conditions, competitive environment and relevant trends.

### 7. Country concentration

**Risk owner:** CFO

The concentration of the Group's businesses in Portugal can create excessive exposure to specific local market risks (Political, Economic or Social).

#### 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.

## Reputational Risks

### 8. Failure of climate change mitigation and adaptation

**Risk owners:** CFO and CDO

The inability to enforce, enact or invest in effective measures to mitigate climate change, 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 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 Sustainability Consulting Group and the Sustainability area, promoting a transversal approach, as well as the pursuit of common goals and targets.
- Definition of priority action axes towards a low carbon economy and act proactively in tackling climate change as outlined in Sonae Companies' Charter of Principles for CO<sub>2</sub> and Climate Change.
- Each portfolio company sets its CO<sub>2</sub> reduction targets (scenario well below 2°C), aligned with the Science Based Targets Initiative Network and has developed a roadmap that outlines the main initiatives to achieve those targets.
- Extend the scope 3 GHG emissions mapping, covering more portfolio companies and additional categories.
- Develop and implement an internal procedure for annual revision of the Groups' climate related risks, monitoring and defining mitigating action plans and assessing the potential financial impacts of those risks and opportunities, considering the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). For more information see the TCFD annex to this report.
- Continue the investment in Sonae Forest project to compensate for the car fleet GHG emissions.
- Adapting existing buildings and developing/renting/acquiring new buildings that perform better in predicted climate change scenarios (such as LEED<sup>5</sup>).
- Strengthen the presentation, discussion and dissemination of emerging regulations with potential impact, to ensure compliance.
- Reputation studies, public relations monitoring, and climate action disclosure tracks stakeholders' feedback.

<sup>5</sup> LEED: Leadership in Energy and Environmental Design

## Human Resources Risks

### 9. Inability to recruit and retain talent

**Risk owner: CDO**

Operating in an increasingly competitive labour market, in correlation with the lack of attractive career plans, mismatched work models (remote vs presential), compensation, training programmes and inadequate leadership, can compromise the ability to recruit and retain the company'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 the 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).
- "Flex It Up" as a way of labour flexibility and, consequently, attraction and retention of talent.
- Employee Net Promoter Score (eNPS) surveys carried out during the year (at least 2 times).

### 10. Lack of organizational agility and simplicity

**Risk owner: CDO**

The existence of highly complex and stiff organisational structures, due to the size of the company 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.
- Induce cultural transformation, leveraging new Sonae values.
- Monitor the agile ways of working through Consulting groups and other Forums.
- Lead by example, rethinking our processes and ways of working at the corporate centre.
- Monitor eNPS (employee net promoter score) to assess evolution of morale.

## Technological Risks

### 11. Cyber-attacks

**Risk owners: CFO and CDO**

The occurrence of a breach in the privacy and/or security of data of employees, suppliers or customers, as well as 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 Governance model.
- Dedicated cybersecurity teams.
- Cybersecurity awareness programme.
- Incident management procedure.
- Cyber threat intelligence (with 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 as a best practice.
- Critical data encryption.
- EDR, Antivirus, anti-spam and anti-malware detection.

In addition, due to its diversified profile, Sonae is exposed to a variety of other financial risks, such as interest rate risks, 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.



# Our impact

Sonae's risk management framework includes an additional layer of analysis that focuses on actively managing our social and environmental impact, considering the scope of our operations and their exposure to ESG risks, aware of the potential consequences, including financial, arising from reputational, legal and regulatory risks. This exercise is embedded in our activities and, by doing so, we can take the necessary actions to ensure that we contribute to a positive impact today and tomorrow.



Therefore, our goal is two-fold. On the one hand, we want to mitigate the negative impact of our activities, and, on the other hand, we aim at discovering and unlocking value-creation opportunities from emerging social and environmental risks. Both these dimensions are closely aligned with our purpose of promoting and managing according to ESG principles, which are integrated into our strategy and business model.

Sonae's history is a clear demonstration of the benefits of promoting a better planet and a better society. The Group's portfolio has a strong presence in the retail industry (both as a retailer and as a real estate player) and, therefore, our operations have a potentially significant impact on climate change and biodiversity. Consequently, Sonae prioritises impact management and views it as a key focal point. To further our dedication to sustainable development, we identified and continued to guide our strategy based on five strategic action areas – **CO<sub>2</sub> and Climate Change, Nature and Biodiversity, Plastic, Inequalities and Inclusive Development and Community Support.**

Through the Sustainability area, the Management Team has oversight of the implementation and progress of Sonae's sustainability strategy, based on those five axes. Our Chair and our CEO, both chair the Sustainability Consulting Group, of which one of the main goals is to build a global vision on sustainability management integrated across Sonae's portfolio companies and recommend the implementation of common sustainability guidelines.

In addition to vigorously actively driving change by working with all relevant stakeholders and continuously embracing projects that make a positive difference, Sonae is proactive in advocating and engaging in causes that promote a wider social and institutional understanding of the need to change to create a better tomorrow.

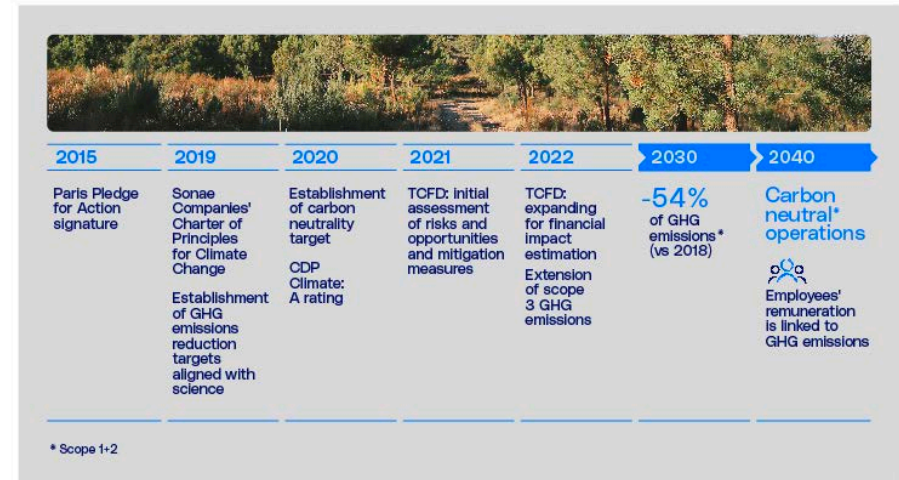
- CO<sub>2</sub> and Climate Change
- Nature and Biodiversity
- Plastic
- Inequalities and Inclusive Development
- Community Support

For this purpose, Sonae not only actively joins and participates in several institutions and forums in which the company is vocal in defending its beliefs, but also builds bridges linking different relevant institutions and organisations amplifying the change and the impact regarding these five strategic action axes.

## 1. CO<sub>2</sub> and Climate Change

Sonae's portfolio, anchored in retail and real estate sectors, recognises its role in GHG emissions and climate change, from the production to operations (e.g. own buildings, lighting, heavy vehicles, air conditioning, etc.), as well as through their extensive value chains.

Climate change is a central topic on our agenda as it poses a real threat to us and to future generations to live and grow in a peaceful and prosperous world and a biodiverse planet. The risk of failure of climate change mitigation and adaptation is identified in our annual Enterprise-Wide Risk Management process, as a critical risk<sup>6</sup>.



In 2015, Sonae was one of the first signatories to the **Paris Pledge for Action** and has been working since then, with its businesses to achieve ambitious **targets** to mitigate their impacts not only related to energy consumption, but also GHG emissions.

Under our guidelines, Sonae and our portfolio companies, integrated in their roadmap to carbon neutrality, continuously deploy projects to monitor and optimise energy consumption and increase renewable energy share, through partnerships with different entities such as suppliers, research institutes, experts and partners.

<sup>6</sup> For more information see "Our risk management approach" section of this report.

Our impact management is based on the following principles:

- Assessing the exposure of each business to climate risks, defining mitigation measures and roadmaps development to increase their resilience;
- Promoting efficient and flexible energy consumption initiatives across the portfolio;
- Decarbonising the energy matrix by changing to electricity-based systems, producing and acquiring electricity from renewable sources and implementing carbon-offsetting actions;
- Developing low-carbon products and services and encouraging consumers to make well-informed choices;
- Promoting education and awareness initiatives on climate change;
- Fostering partnerships with universities and research institutions to boost the development of innovative solutions that lead to the decarbonisation of our activities; and
- Monitoring and communicating the Group's performance.

Moreover, in 2021 the Risk Management Consulting Group launched an initiative to implement the TCFD (Task Force on Climate Related Financial Disclosures) project focused on identifying and assessing material climate risks and opportunities and, in 2022, estimated their potential impact on all our portfolio companies. In 2022, we extended to the mapping of our scope 3 GHG emissions, including more companies and categories.

**We are continuously designing new initiatives and investments to further improve our decarbonisation efforts, and below we share some examples.**

### Green energy for a greener future



MC celebrated a Power Purchase Agreement (PPA) with Shell Energy Europe Ltd to purchase around 100GWh of renewable energy per year. It is expected that this contract alone will represent 20% of the energy consumption. This PPA with Shell plays a key role in accelerating the decarbonisation of our energy matrix. Nevertheless, it is just one of the several instruments in place. Overall, in 2022, Sonae achieved 37% of electricity consumption from renewable sources, and looking ahead, this number should increase.

Moreover, MC's Plug&Charge network for electrical vehicles continues to grow across the country offering our customers an enhanced shopping experience in which they can charge their cars, while benefitting from all the offers we have in store. The Plug&Charge offers the same conditions across the country and in 2022, 47 of our stores had Plug&Charge services. Since its launch, in 2020, the network has prevented the release of 13,372 tonnes of CO<sub>2</sub>.



### Bright® 2.0 Reinventing our success



Sierra's Bright® programme profiles the energy consumption of a real estate asset and, based on an optimal theoretical simulation, identifies opportunities for improvement. From 2013 to 2021, this programme was implemented in Sierra investment properties and as a service provided to clients.

The programme was rolled out to 50 buildings from 9 countries, totalling 273 initiatives across all the programme's phases generating 703 improvement opportunities that led to 33,200 MWh and €7.4m in potential annual savings.

The last ten years of the programme were a period of continuous learning and improvement, resulting, in 2022, in the launch of Bright® 2.0. It was extended to the majority of our investment property portfolio, including specialised audits and performance monitoring initiatives, with updated technical standards based on the Best Available Technologies. It is already rendering 31% of its energy efficiency potential based on only half of the initiative rollout: 106 improvement opportunities were identified, totalling around 41,400 MWh and €6m in potential annual savings (at 2022 energy prices).

## 2. Nature and Biodiversity

Climate change, habitat loss, invasive species, overuse of resources, pollution and biodiversity loss are placing our ecosystems at risk of collapse and are bringing many species to the brink of extinction.

The dependence of our companies on natural capital, and how they directly or indirectly have the potential to alter or contribute to the destruction of natural habitats, leads us to consider issues related to the protection of nature and biodiversity as strategic for the Group. Sonae understands the paramount need for protecting nature and biodiversity, and we intend to contribute to the global commitment of generating positive impact on Nature and Biodiversity.

2010	2020	2021	2022	2030
Sustainable Fishing Policy	SBTN Corporate Engagement Program Business for nature's call to action signatory Launch of the Sonae Forest project	Act4nature Portugal signatory 1st CDP Forest questionnaire	UN Global Compact sustainable Ocean Principles signatory Establishment of Zero deforestation commitment	Zero Deforestation

To address the impact of Sonae portfolio companies, we are assessing within our value-chains the key pressures that are causing a global decline of Biodiversity, such as land and sea direct exploitation, climate change, pollution, and invasive species (IPBES Global Assessment Report on Biodiversity and Ecosystem Services, 2019).

Therefore, Sonae integrated the Science Based Targets Network Corporate Engagement Program, intending to collaborate in the definition of a methodology that allows companies to set specific, achievable, and time-bound goals in alignment with the Earth's limits in four key areas: freshwater, biodiversity, land and oceans. Thus, we are establishing important commitments and have adopted an approach together with its portfolio companies, namely through some of the following principles:

- Assessing the dependencies of the businesses on natural capital;
- Measuring the impacts of our businesses on nature;
- Deploying the necessary actions to halt biodiversity loss;
- Collaborating in the restoration of critical ecosystems;
- Preventing the conversion of new ecosystems for production purposes;
- Supporting the transition to regenerative agriculture that increases biodiversity, enriches soils, improves water management and ecosystems services;
- Promoting healthier oceans through sustainable management of marine resources;
- Promoting balanced consumption patterns via awareness actions and improved offer;
- Mitigating waste; and
- Monitoring and communicating the Group's performance.

Furthermore, we have a Sustainability Fishing Policy, since 2010. In 2021, Sonae joined the act4nature Portugal and in 2022, Sonae subscribed to the UN Global Compact Sustainable Ocean Principles and signed the manifesto urging the Heads of State to address the need to include the corporate sector in the assessment and disclosure of their performance on nature and biodiversity by 2030.

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

### Zero Deforestation by 2030:

A [commitment](#) subscribed by Sonae and our portfolio companies, which will be implemented worldwide across the Group and its value chains. The goal is to eliminate any potential deforestation from our operations and value chain and contribute to a more nature-positive economy. Sonae will thoroughly and critically examine its activities, in particular the sourcing of cattle, timber, palm oil and soy, and implement a roadmap to ensure "Zero Deforestation".

Sonae has already been working with its partners and businesses' suppliers to join efforts to ensure the traceability and compliance of the acquired materials and products, namely through the adoption of control mechanisms and other procedures, including, for example, the certification of raw materials. Additionally, the commitment also addresses potential deforestation in the



development of new infrastructure and aims to contribute positively to the conservation and restoration of forests.

This commitment is not only relevant to this strategic axis, but also to the CO<sub>2</sub> and Climate Change axis.

### We are continuously designing new initiatives to implement in these two axes:

#### Sierra – investing for a better tomorrow



In 2022, Sierra adhered to the UN Principles for Responsible Investment (UN PRI), a world-leading network that promotes the incorporation of ESG principles in the investment decision-making process. This public declaration emphasises Sierra's pledge to be a responsible and ethical player in the real estate sector and it is a legacy to its long-standing corporate values.

Furthermore, in 2022, Sierra also took another historic step by formalising its Responsible Investment Policy, setting a new benchmark for ESG performance in the real estate industry. This policy outlines Sierra's rigorous standards for ESG considerations in all its investments, and positions Sierra as a leader in promoting sustainable real estate. Sierra's Responsible Investment Policy builds upon its existing commitments to sustainability and reinforces its dedication to responsible finance. The policy aims to integrate ESG factors into all investment decisions and address the potential sustainability risks and negative impacts of Sierra's operations. Additionally, it complies with the latest EU regulations, such as the Sustainable Finance Disclosure Regulation (SFDR) and the Capital Requirements Regulation (CRR). Moreover, in line with the new Responsible Investment Policy, Sierra is updating its Due Diligence procedures to include a double materiality approach and to meet the latest regulatory requirements, such as the Corporate Sustainability Reporting Directive (CSRD) and the Taskforce on Nature-related Financial Disclosures (TNFD).

#### Cadernão (Ecospot for recycling notebooks)



In partnership with Oxford, the notebook brand, **MC** distributed collection bins across its store network where its clients could deposit their notebooks and paper to be recycled. For every tonne collected, 20 trees were planted in Sonae Forest. This initiative aimed to raise awareness of the recycling of school supplies while promoting the cultivation of trees and the fight against deforestation. The *Cadernão* initiative ran during the back-to-school period and, in such a short period, 12 tonnes of paper were collected to be recycled into a new life and, at the same time, 240 trees were planted, making our planet greener. This was an opportunity to also promote the Circular Economy. Sonae companies have been focusing on identifying initiatives that increase circularity not only in our operations but in society in general.



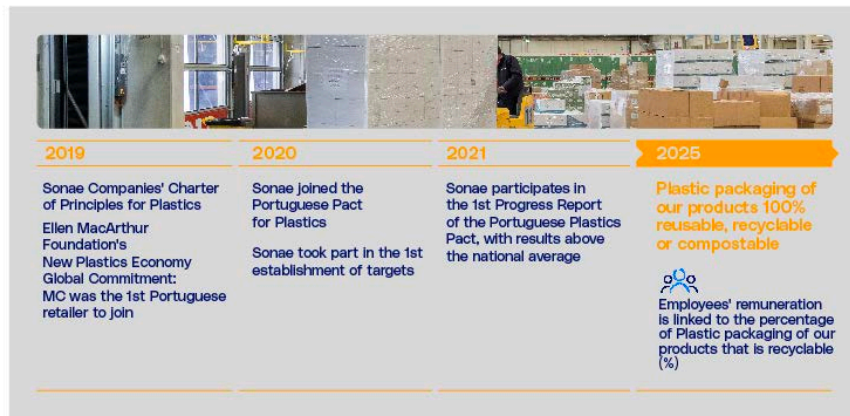


### 3. Plastic

We are aware of the escalating environmental catastrophe surrounding plastic, with impacts on the environment, as ocean and land pollution, with consequences on biodiversity, and consequently on humans, considering society's dependence on it, mainly due to the fast-moving consumer trends, widespread usage of single-use plastics and the ineffectiveness of recycling policies. Together, we must work towards reducing plastic usage upstream, adapting our operations to minimize plastic usage, and promoting responsible plastic use and disposal to our customers.

Plastic is a particularly pressing issue for Sonae, as its portfolio is centred on retail and plastic is used significantly in many of its activities, including interactions with producers, operators, and consumers. Sonae is tracking the use of plastic in packaging and products of its own brands that reaches the client, and in its operations (eg. warehouses, stores, etc.), reevaluating and redesigning its processes, products, and services to promote circularity and raise awareness of the impact of single-use plastic, and the correct use and disposal of plastic.

Sonae is also a strong advocate of improved regulation of plastic circularity, and is working together with partners, suppliers and researchers to identify alternative solutions and contribute positively to the responsible use of plastic and the reduction of plastic pollution.



Sonae publicly pledged via its Sonae Companies' Charter of Principles for Plastics and subscribed to the Portuguese Pact for Plastic in 2020. Additionally, Sonae established important milestones and targets, as it is actively working with its portfolio companies, not only at the level of the plastic, but in promoting circularity in general, namely by:

- Assessing the amount and type of plastic we use in the packaging, products and operations of our businesses, and monitoring progress against defined targets;
- Reinforcing the principles of circularity across all operations and value chains;

- Facilitating the recyclability of all plastics for which our businesses are responsible;
- Only considering materials of biological origin that do not promote the waste of natural resources;
- Raising awareness in our communities of the need to change consumption patterns and improve recycling practices;
- Rethinking and redesigning processes together with our partners and business' suppliers, clients and other stakeholders;
- Establishing partnerships with universities and research centres to promote the development and design of innovative and sustainable solutions; and
- Monitoring and communicating the Group's performance.

#### We are continuously designing new initiatives to promote circularity:

##### A tomorrow with more sustainable alternatives for plastic



Worten is fully committed to improving the circularity of Electrical and Electronic Equipment (EEE). In 2021, Worten and Prodelix implemented a pilot project to design store furniture incorporating recycled plastic from the EEE collected under Worten's Transforma programme. This project, which develops furniture made from recycled and recyclable electronic equipment, was a success, and it is now being scaled up, both in percentage (35% vs. 25% in the pilot phase) and in amount (2,170kg vs. 125kg in the pilot phase). This project also promotes awareness among consumers.

*Plástico Responsável* (Responsible Plastic) is a [website](#) developed by MC as a showroom to disseminate information and raise awareness of MC's initiatives to mitigate the use of plastic. MC has a wide range of initiatives to promote the re-use of plastic containers and groceries bags, but also the reengineering of its product packaging. This is based on eco-design principles that aim not only at the reduction of material used, but also at promoting the use of recycled and recyclable materials. Furthermore, MC invites everyone to participate with innovative ideas to improve its packaging by making an easy-to-use website available and offering rewards for the best suggestions.

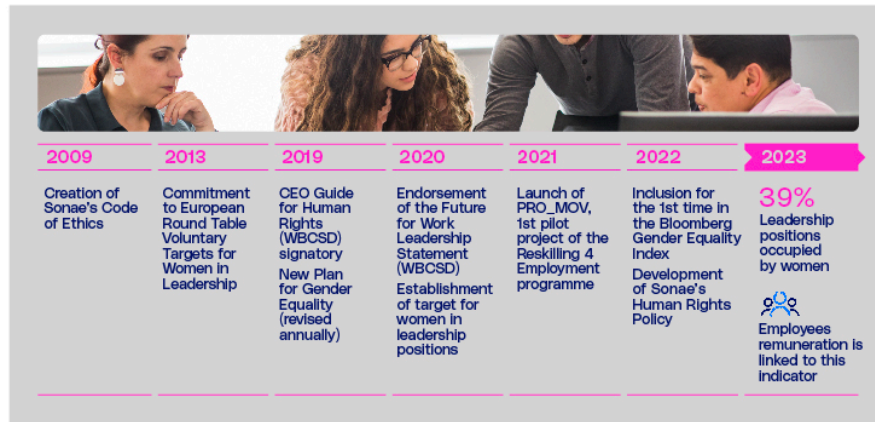
In 2022, MC also strengthened the development of its Continente ECO brand, which includes a growing number of products (e.g., hygiene and household products). Continente ECO detergents are Ecolabel certified (if the certification is available for that product category) and are all designed to be more environmentally friendly, including the packaging that is carefully designed to use less plastic, with higher percentages of recycled plastic and to be recyclable. Likewise, to combat the use of plastic, particularly single-use plastic, MC developed the Refill programme, a line of bulk products whereby customers can return to the store and refill their package. Currently, this programme is available as a self-service facility for detergents, dry fruits and pet food. MC is actively working to expand this service to additional stores and range of products.



Universo is exposed to plastic consumption in the production of payment and loyalty cards and has several initiatives to virtually eliminate the carbon footprint associated with this activity. In 2022, Universo joined the *Merece* initiative that promotes the recycling of plastic cards by transforming them into raw materials to be used in the construction of furniture. To strengthen this initiative, Universo adopted the commitment to contribute to "Sonae Forest" by planting a tree for each kilogram of cards collected for recycling. Universo also created the card "Dá Nature", which replaces the use of virgin plastic in its prepayment or gift card, for a paper-based solution that relies only on forests certified by the Forest Stewardship Council. These initiatives combined, allowed savings of 33.8 tonnes of CO<sub>2</sub>.

## 4. Inequalities and Inclusive Development

As a diversified Group, at Sonae we embrace and celebrate heterogeneity and we are committed to having this diversity represented in the organisation, making the most of the plurality of the different businesses, roles and geographic areas that we are in. We aim to create a community in which everybody is valued for their singularity. Diversity, equity and inclusion are about doing what is right for our people and the community.



Our approach is rooted in five dimensions – gender, disabilities, generations, cultural ties and LGBTQIA+. As we are aware that each one of these dimensions has reached different maturity levels, we are committed to ensuring we evolve on all of them, transforming our ambition into our culture. This is a commitment from each of us, as it is intrinsically related to the development, growth and diversification of each business at Sonae and the community around us.

We see inequality as one of the most complex and urgent social problems of our time, with a long journey of commitments and initiatives to follow, on an ongoing basis, in this strategic axis namely through the principles of:

- Promoting a diverse and inclusive organisation;
- Adopting active practices to promote inclusion;
- Adopting transparent guidelines for careers and talent retention;
- Promoting an agile and innovative work environment;
- Developing comprehensive and diversified training programmes;
- Breaking myths and barriers and fighting bias;
- Defining reskilling and upskilling plans;
- Exploring new ways of working;
- Encouraging work-life balance; and
- Monitoring and communicating the Group's performance.

As a reference employer with over 48 thousand employees, this is a challenge we want to embrace, contributing with several initiatives to be part of the solution. Sonae has a **Plan for Gender Equality** that is revised annually, an Anti-corruption policy and prevention plan, and a Human Rights policy aligned with the UN Guiding Principles on Business and Human Rights. Sonae has reached its ambitious target for leadership positions held by women (39%) in 2022, one year ahead of its target.

**We are continuously investing in our communities to promote inclusive development:**

### A future for everyone



The job market is increasingly global and digital and the last two years of the pandemic highlighted these issues by accelerating the digitalisation of the economy and by standardising remote work. Technology is pushing forward a new industrial paradigm - Industry 4.0 -, which is widening the gap between current skills and market needs at a dramatic speed and consequently worsening this trend. We are on the brink of a massive economic and social challenge. The inequalities gap will prevent inclusive development with significant social and economic repercussions.

Sonae, being true to its DNA, takes the lead when it comes to promoting this change. Sonae belongs to the European Round Table for Industry's (ERT) Committee on Jobs, Skills & Impact and is leading and shaping a comprehensive and planned response to the reskilling challenges passed to employees. Across our portfolio and our network of stakeholders, we devote all efforts to fostering the personal development of each individual and nurturing an agile and innovative work environment with transparent guidelines for careers and talent retention that offers the same opportunities to everyone and focuses on encouraging a healthy work-life balance.

Sonae is one of the three founding members of PRO\_MOV, an initiative that aims at reskilling the Portuguese working force that is currently unemployed or at risk. PRO\_MOV is part of the Reskilling 4 Employment (R4E) by the ERT and it is focused on the following areas: Business (Business Intelligence and Sales Excellence), Healthcare, Tech & Digital, Green Economy and Other (Logistic, Industry and Agriculture). Each area is coordinated by a prominent organisation that will design a reskilling plan, surpassing the gap between available skills and expected market trends and needs. The success and relevance of this initiative were highlighted by the recent subscription and association by the Business Roundtable Portugal and 17 of its 42 member organisations.

In 2022, pilot projects were launched in Portugal, Spain, and Sweden. In Portugal, PRO\_MOV implemented seven labs involving over 100 participants. The results are very promising and PRO\_MOV in Portugal will now scale up to achieve the goal of reskilling 20 thousand people by 2025.

## 5. Community Support

Stronger communities are important to create a more sustainable society. Within the framework of our portfolio companies, we aim to increase the resilience and autonomy of the communities in which we are present, contributing to mitigate and aiming to eliminate poverty in all its different forms.

2006	2013	2016	2019	2020	2022
Partnership with Junior Achievement Portugal	Creation of Somos Sonae (we are Sonae) programme Partnership with EPIS (Entrepreneurs for Social Inclusion)	1st edition of <i>Escola Missão Continente</i> programme	Partnership with Teach for Portugal	Sonae joins group of donors in Coronavirus Global Response initiative	Launch of PRO_MOV project of the Reskilling4 Employment programme Creation of Sonae for Ukraine programme

Increase resilience and autonomy of the communities in which we operate

Sonae's companies are permanently monitoring their communities needs to find opportunities to make a positive impact, namely by:

- Engaging with local authorities, local groups and NGOs to identify collaboration opportunities;
- Developing internal processes to facilitate helping local communities;
- Promoting the direct involvement of our teams through volunteering programmes;
- Creating methodologies to evaluate our impact; and
- Monitoring and communicating the Group's performance.

This continuous assessment to make a positive impact has resulted in long-term partnerships and programmes, such as Sonae's partnership with Junior Achievement Portugal and *Escola Missão Continente* programme. It also includes initiatives designed to respond to the evolving needs of our communities, for example, by donating to the Coronavirus Global Response initiative and, more recently to Sonae for Ukraine programme.

### Sonae for Ukraine programme:



Sonae for Ukraine is an example of Sonae's leadership for social causes. 2022 was marked by the invasion of Ukraine by Russia. Sonae brought together the strengths of its portfolio and, together with the Portuguese government and the social sector, implemented a comprehensive approach to welcome Ukrainian citizens fleeing to Portugal. Sonae for Ukraine developed an essential goods kit and provided support at reception centres. Furthermore, Sonae for Ukraine also promotes the professional integration of refugees by creating recruitment initiatives across the country, and our bilingual job platform has over 800 people registered.

Since its launch, Sonae for Ukraine already benefited from 1,308 hours of volunteering work by our colleagues, in initiatives such as welcome activities, support at shelters and implementing logistics that guarantee the flow of operations, namely in terms of the supply of goods and resources. Moreover, the *Missão Continente* campaign raised €1.6m, which was channelled to the Portuguese Red Cross to support Ukrainians affected by this conflict, including refugees in Portugal.

## Sonae For Ukraine



This programme is relevant not only to this strategic axis, but also to the "Inequalities and Inclusive Development" axis. We are continuously investing to implement new initiatives on these two axes:

### Working with future generations



Sonae has deployed several projects and initiatives that focus on children and youth, offering a wide range of skills that will provide them with access to more opportunities, but, more importantly, to be agents of change. With these projects, Sonae aims at creating a positive and long-lasting effect on its communities, which will resonate across all our strategic areas.

Sonae's long-standing partnership with Junior Achievement started in 2006 and already totals almost 16 thousand hours of volunteering (380 hours in 2022) by almost two thousand Sonae team members. Sonae's involvement has touched more than 30 thousand students (1,085 in 2022). This is a partnership to develop the next new generations of leaders.

Sonae, in partnership with *Empresários pela Inclusão Social* (EPIS - Entrepreneurs for Social Inclusion), has been coordinating a programme to improve academic success in the *Agrupamento de Escolas do Cerco* (a group of schools located in a region marked by low-income households) to promote

opportunities for more inclusive social development. The programme identifies students at risk of not succeeding academically and promotes a specific approach based on a comprehensive diagnosis methodology. Each student at risk benefits from a mentoring plan. Since 2013, 337 students (59 in the 2021/2022 academic year) were supported, and their progress is very encouraging.

Moreover, our Teach for Portugal initiative has already reached a total of 1,005 students (348 in the 2021/2022 academic year) and shares Sonae's vision that all children have the right to an education that allows them to reach their full potential. Teach for Portugal embraces the challenge of supporting teachers and students in schools located in areas marked by low-income levels. The project assigns graduate mentors to an educational community. The graduate mentor pairs up with a teacher (Mentor-Teacher) and supports the teacher in class activities, but, more importantly, in helping students to develop in areas such as self-confidence, determination and perseverance.

It should also be mentioned that MC continued its *Escola Missão Continente* programme that targets the younger generation and aims to raise awareness of the importance of healthy eating, conscious consumption and an active lifestyle. This year, the *Escola Missão Continente* programme has reached more than 100 thousand students and more than 800 Portuguese schools. By working with today's young generations, Sonae is accelerating a vital social change for the future.

**Sonae has been implementing a wide range of initiatives simultaneously in several of these five strategic axes** (CO<sub>2</sub> and Climate Change, Nature and Biodiversity, Plastic, Inequalities and Inclusive Development and Community Support):

### Working together for a sustainable tomorrow



The Clube de Produtores Continente (CPC, Continente's Producers Club) is a well-founded and long-established initiative by MC that has been delivering stellar performances since 1998, across several strategic areas. In pursuing its mission of supporting national producers and promoting the best production practices, CPC has significantly contributed to Sonae's sustainability goals. The focus on local producers is a strategic dimension that allows for fresher products to be offered at MC stores while reducing the environmental impact of transportation and improving the well-being of local communities offering new businesses and economic opportunities. In addition, MC has been closely involved with each CPC member, providing them with training and opportunities to share experiences and find new partnerships. This environment of sharing a common goal contributes to the organisational development, qualification of each partner and, ultimately, more resilience. In addition, MC promotes the benefits of a circular economy approach within the club, which aims at minimising the use and waste of resources. Finally, CPC promotes an offer of more sustainable and healthier products with a direct impact on promoting a healthier lifestyle to our clients.

In 2022, three new programmes were developed to contribute to better agricultural practices of our fruit and vegetable producers. Overall, CPC has 267 members that correspond to more than 220 thousand hectares of production and, this year, it amounted to purchases in a total of more than €500m in circa 240 thousand tonnes of products.

MC put forward its Sustainability Statement to be adopted by all CPC members, and has already been subscribed to by approximately 37% of the members. This is a commitment based on eleven principles, including topics such as nature and biodiversity conservation, promotion of regenerative agriculture and circularity, and a wide range of initiatives to promote sustainable production techniques and consumption habits. These initiatives cover all areas of the agro-food

sector and include better production practices, better packaging, and better nutritional solutions.

### Let's play the recycling game



Waste recycling is a problem across all social spectrums. Organisations must promote higher levels of circularity across all their activities and consumers must change their habits, both in terms of consumption and recycling. Sonae has been very active across its supply chains and through its activities in the search for opportunities to reduce waste production and improve its valorisation, but, equally as important, is being very vocal about the need to change habits and adopt a healthier and more environmentally friendly lifestyle. Sonae has a significant social footprint, mostly due to its network of stores and services.

Worten has partnered with Trash4Goods and ERP Portugal in an innovative project that was tested in four Worten stores in Lisbon and resulted in the collection of 4,500 items of Waste Electrical and Electronic Equipment (WEEE) for recycling. The project involved a gaming platform developed by Trash4Goods in which players collect points based on the number and type of equipment presented for recycling. Users with the most points received awards and vouchers that could be converted into personal or household goods at Worten. The app Trash4Goods was the winner of the 2021 edition of the e-Waste Open Innovation and offers an opportunity for users to view old electronic equipment as a valuable resource. The results were significant, not only in the number of items collected but, more importantly, in helping a younger generation to adopt better recycling practices that will make a difference in the future. Given the success of the initiative it is being studied to roll-out the project to other units of the country and even hold a "regional championship".

### Fighting waste production



Sonae adopted a comprehensive approach to fighting food waste and promoting efficient waste recovery, two related issues with significant impact on climate change and the protection of biodiversity.

MC has several initiatives in place to deal with food waste and efficient waste recovery that aim at improving circularity. They are designed to have a positive impact not only on mitigating environmental risks but also creating social value by promoting opportunities to support its communities. To optimise our efforts, MC developed an analytical model to calculate the probability of sale of each product close to the expiration date in each store and at different price brackets. This information allows MC to fine-tune its selling strategy and minimise food waste. In-store, MC promotes several initiatives to accelerate the flow of products, such as Zero% Waste Boxes and pink labels that focus on selling items close to the expiration date. These initiatives prevented approximately €23m from being wasted. Finally, to complement this initiative, MC donated around €31m in food products.

Sierra is actively promoting efficient waste recovery across its portfolio. All shopping centres have facilities in place dedicated to waste separation and recycling. Moreover, around 70% of its assets have processes in place to separate organic waste for composting or anaerobic digestion. Sierra is committed to improving circularity and has created a comprehensive plan targeting the assets in its portfolio.



## Everyone is focused on sustainability



A new and better future depends on everyone changing how they approach sustainability across all its dimensions. We need to be more demanding with ourselves, with our organisations and with our political and regulatory system. At Sonae, we are very clear on where we stand in this need for change.

To promote a complete alignment and knowledge sharing on this topic across the portfolio, Sonae has implemented several initiatives that raise awareness of sustainable causes and demonstrates how Sonae relentlessly strives to address the challenges of sustainability.

The Training Programme on Sustainability is one of these initiatives. It was developed to disseminate and extend the knowledge of our global team on the urgency of sustainability-related topics and Sonae's principles, initiatives and projects. It applies to everyone in Sonae and includes an in-depth self-learning component, exploring data and specific information about each of the sustainability strategic axis, using an innovative and technological approach to increase user engagement and knowledge retention.

At the same time, our companies are detailing knowledge about sustainability applied to their business context, such as Zeitreel with the Fashion Beat initiative. Fashion Beat is a show available to the whole team around the world and focuses on fashion-related topics like circular business in fashion.

In addition, Sierra's impressive social footprint, mostly through the distinct managed shopping centres that attract millions of visitors around the globe, creates a unique platform to be vocal and raise awareness about the most significant risk that we face as a society, climate change. Every year, Sierra's portfolio promotes awareness campaigns for climate change, such as "I Care Tool" and "Positive Energy". These campaigns took place in Parklake shopping centre (Romania), in partnership with Worldwide Fund for Nature, and in several Portuguese shopping centres under the motto "we barely notice, but the planet does", focusing on presenting visitors with information on recommendations to mitigate this risk and on the implementation of energy efficiency measures, whilst also inviting all tenants to join these efforts.

## Clothes for life



A better future is dependent on the more efficient use of limited resources. The concept of the Circular Economy here plays a crucial role, not only to achieve a higher level of efficiency in the resources used but also in terms of the numerous opportunities to create value that it leads to. Sonae is particularly interested in promoting projects that foster a more circular economy and the whole portfolio is looking to the future with new initiatives and projects that contribute to this goal.

Salsa, one of Zeitreel's brands, tested Infinity Salsa. This project offers a unique value proposition to our customers based on jeans that will have an "infinite" life. Jeans, and other products of a similar fabric, can be repaired, reused and adapted for new use, prolonging their life and, by definition, reducing the

resources used. During 2022, 873 products were reused. This circular approach shares the value created with our customers, significantly changing the pricing decision at the time of purchase.

MC is also innovating in the clothing sector with the project [RE]Style in partnership with Retry. For the first time, our customers can find second-hand clothing items in Continente stores. All items on sale are carefully inspected and cared for so that each item can have a "second life", promoting a reduction in resources used, while offering a valuable opportunity to our customers, who can buy items at a fraction of their original price.

## Sustainability at home



Our approach towards sustainability starts at home. Buildings and their surroundings have a relevant environmental impact and, as workspaces, play an important role in the well-being of users and in talent retention. Across the whole portfolio, Sonae has been actively transitioning to more sustainable buildings, either by adapting existing buildings or by opting for new solutions that answer our concerns relating to the environment and to our team.

Worten's new headquarters located at the World Trade Center Lisbon has been certified for its sustainability, namely, LEED Gold and Well Gold. The building includes a range of innovative solutions that span from light and water consumption sensors to renewable energy sources. As important to sustainability, the working space was designed with people in mind, including relaxation spaces, gardens, a lounge area, a rooftop, a medical office, a breastfeeding room, the Worten Wonder Restaurant and charging points for electric vehicles. Worten understands that location and work models are increasingly important in attracting and retaining talent. Using the most advanced technologies, in a healthy and sustainable environment, Worten's new home offers an inspiring experience that is contributing to keeping its team motivated, a team that is naturally working in person in the offices more regularly. Also, at operations level, Worten is compromised with increase efficiency performance, reaching, in 2022, 51% of Worten's operational area was certified by the Environmental Management System certification according to NP EN ISO14001: 2015.

Following the same approach, MC has a roadmap for continuous environmental management improvement, aiming for a more efficient use of resources, at stores and warehouses, therefore at the end of 2022, around 58% of MC's operational area had a system certified by NP EN ISO14001: 2015.


Sierra applies the highest standards in its business activities and is renowned for its sustainable approach to buildings. Sierra is focused on enhancing the international green accreditation of all projects in development and assets in operation, through certification schemes such as LEED, BREEAM, DGNB, ISO 14001 and 45001. In 2022, 38% of our shopping centres are certified with ISO 14001 & 45001 (9 out of 24 of owned assets under management) and 58% of its assets have BREEAM In-Use certifications (14 out of 24 owned assets under management).

# Engaging with 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 of creating economic and social value in the long term. 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. This 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. As a global company with a diversified portfolio, Sonae has a wide range of stakeholders. 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 following list includes our most significant stakeholder groups based on their impact on our business models, their level of engagement, and the extent to which they are affected by our business portfolio

					
<p>With over 48 thousand employees spread across the different businesses, the engagement and commitment of our <b>people</b> is 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 they need for our long-term success</p>	<p>Our <b>communities</b> are a pillar of our sustainability and of our success. Community engagement and social value creation are central to our ESG strategy. We recognise the impact of our presence on society and are committed to making a positive difference in the communities where we are and operate. We also recognised the importance of our <b>portfolio companies' customers</b>. They are seen as part of both our people and our communities, and therefore play an important role in Sonae's development by allowing to anticipate market trends across the portfolio.</p>	<p>Our <b>portfolio</b> is materialised on <b>eight businesses</b>. 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, enabling it to weather economic cycles and take advantage of opportunities in various markets. The <b>success of each business is independent</b> from the others, although leveraging on each other's know-how and resources to drive growth and efficiency. <b>Sonae's role</b> is to constantly challenge their management teams to excel results and performance and grasp market opportunities.</p>	<p>Sonae is a partnership between a family majority shareholder and several <b>investors</b> who are united in their focus on creating economic and social value in the long term. Sonae carefully manages its capital structure to align the interests of all <b>investors</b>, including minority shareholders and debt providers. The support of our equity and debt <b>investors</b> and continued access to capital is vital to long-term success.</p>	<p>Several of our businesses are supported on strong and long-term partnerships between Sonae and reference market players and/or investors. We recognise that <b>partnerships</b> allow resources, grant us access to new investment opportunities, knowledge and expertise, and increases our investment flexibility. On a wider view, we also consider our <b>businesses' suppliers</b> as important partners on our journey and with whom we share a common vision based on corporate responsibility principles.</p>	<p>Sonae and its portfolio companies are members of relevant national and international <b>organisations</b>. Sonae works openly and transparently with several <b>public entities</b> 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.</p>
<p><b>Our People</b></p>	<p><b>Our Communities</b></p>	<p><b>Our Companies</b></p>	<p><b>Our Investors</b></p>	<p><b>Our Partners</b></p>	<p><b>Organisations and Public Entities</b></p>

	Our People	Our Communities	Our Portfolio companies	Our Investors	Our Partners	Organisations and Public Entities
What matters to them?	<ul style="list-style-type: none"> <li>Fair and robust reward and recognition schemes</li> <li>Opportunity for learning and growth</li> <li>Work-life balance, well-being, experience and engagement</li> <li>Agile and flexible working practices</li> <li>Innovation environment</li> <li>Diverse and inclusive work environment</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and the local environment</li> <li>Impact on the local economy and society</li> <li>Adoption of healthier lifestyles</li> <li>Protection of biodiversity</li> <li>Improved community infrastructure</li> <li>Jobs' creation and reskilling opportunities</li> <li>Product and services sustainability performance</li> </ul>	<ul style="list-style-type: none"> <li>Strong and long-term economic and sustainable performance</li> <li>Financial and operational support</li> <li>Capital structure management</li> <li>Network and knowledge sharing</li> <li>Decision-making</li> <li>Independence and autonomy</li> </ul>	<ul style="list-style-type: none"> <li>Understand Sonae's purpose, values and culture</li> <li>Understand the risks and opportunities that affect Sonae's strategy and performance</li> <li>Long-term sustainable and profitable growth</li> <li>Transparent Dividend policy</li> <li>Active and balanced capital structure</li> <li>Financial and non-financial reporting</li> <li>Good governance and transparency</li> <li>Responsible investment</li> </ul>	<ul style="list-style-type: none"> <li>Investment and growth opportunities</li> <li>Trust, ethics and transparency</li> <li>Shared corporate values</li> <li>Peer-to-peer support</li> <li>Proactive engagement</li> <li>Good working relationships</li> </ul>	<p>Legal and safe operations, fully compliant with relevant regulations, namely on:</p> <ul style="list-style-type: none"> <li>Remuneration policy</li> <li>Environmentally sound practices, including waste management</li> <li>Consumer protection</li> <li>Food and product safety</li> <li>Digital and cybersecurity</li> <li>Supply chain due diligence</li> <li>Trade, Competition and Taxation</li> <li>Inequalities gap and reskilling</li> <li>Socioeconomic issues</li> </ul>
How we engaged in 2022?	<ul style="list-style-type: none"> <li>€771m of salaries, including fixed and variable components (€77m)</li> <li>39% of leadership positions held by women</li> <li>1 million hours of training, including a new training module about diversity and unconscious bias</li> <li>323 people recruited under the "People with a Difference" framework</li> <li>Employee Net Promoter Score based on satisfaction surveys conducted semiannually</li> <li>11 Human Resources Consulting Group meetings</li> </ul>	<ul style="list-style-type: none"> <li>€31m of community support</li> <li>1,498 institutions supported</li> <li>88,545 trees donated</li> <li>-24% GHG emissions vs 2018</li> <li>2,159 hours of employee volunteering</li> <li>Sonae for Ukraine programme</li> <li>Pro-mov and Reskilling initiatives</li> <li>+2 thousand retail stores</li> <li>Significant investments to improve stores networks, digital presence and logistical facilities</li> </ul>	<ul style="list-style-type: none"> <li>Sonae's management team is closed to the portfolio companies' Board of Directors</li> <li>Annual strategic planning cycle and financial planning</li> <li>Regular meetings of the Group Senior Executives</li> <li>Specialised forums across the portfolio</li> <li>Holding centre services</li> </ul>	<ul style="list-style-type: none"> <li>5% increase yoy in dividend per share</li> <li>+100 meetings with investors</li> <li>+200 contacts with sell-side analysts</li> <li>c.€1bn of refinanced long-term facilities</li> <li>68% of ESG and green-linked loans</li> <li>+30 market announcements, including annual and quarterly earnings reports</li> <li>Regular capital markets updates to the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Regular communication and meetings</li> <li>Share experience and know-how</li> <li>Value their contributions</li> <li>Supplier code of conduct in our portfolio companies</li> <li>Performance assessments to our suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Continuous and constructive dialogue, responding to direct queries and meeting periodically</li> <li>Nurtured relationships with external stakeholders</li> <li>Engagement with the more than 45 national and international organisations that Sonae is part of, namely:</li> </ul> <div style="text-align: right;">  </div>



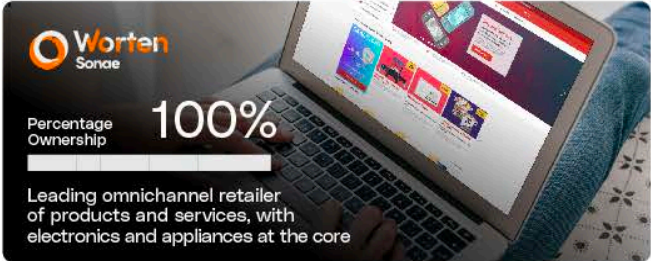
## Our Portfolio



**MC**  
Sonae

Percentage Ownership **75%**

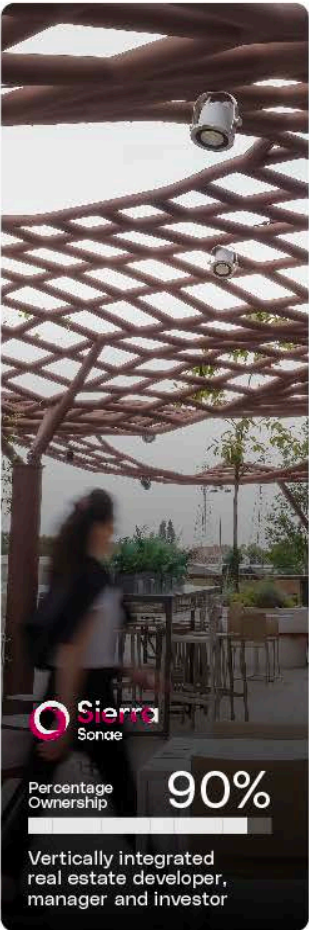
Leading food retailer in Portugal with an important role in the Health Wellness and Beauty sector in Iberia



**Worten**  
Sonae

Percentage Ownership **100%**

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



**Sierra**  
Sonae

Percentage Ownership **90%**

Vertically integrated real estate developer, manager and investor



**NOS**

Percentage Ownership **37%**

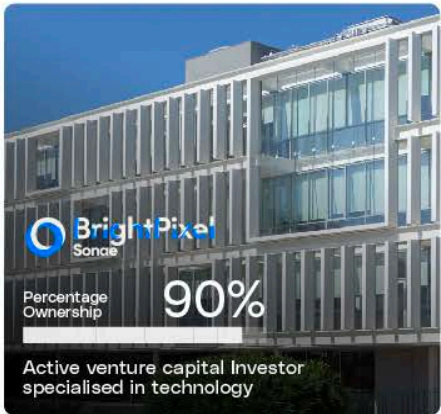
A leading convergent player in the Portuguese telecoms market



**IBERIAN SPORTS RETAIL GROUP**

Percentage Ownership **30%**

One of the largest and fastest growing sports retailers in Europe



**BrightPixel**  
Sonae

Percentage Ownership **90%**

Active venture capital investor specialised in technology



**Zeitree**  
Sonae

Percentage Ownership **100%**

Largest Portuguese fashion group (Salsa, MO, Zippy and Losan)



**Universo**  
Sonae

Percentage Ownership **100%**

Fast growing digital financial services player in Portugal



# Our performance

## Economic, Environmental, Social and Governance context

2022 was inevitably marked by the escalation of geopolitical tensions following Russia's invasion of Ukraine, creating a shockwave with catastrophic socio-economic consequences in a society still recovering from two years of the Covid-19 pandemic. Uncertainty levels remained remarkably high throughout this year, albeit of a different nature.

The pandemic effects were still very noticeable early in the year but, as vaccination rates improved, they started to fade. Governments have been dealing with the aftermath of a pandemic that left social scars that will take generations to heal and with the economic burden imposed on national budgets. Markets and organisations are still adjusting to a new paradigm stemming from a generation leap regarding technological disruption in the workplace, which not only affected work habits and work-personal life balance, but also drew attention to the growing skills gap in the labour market.

The invasion of Ukraine, the uncertainty about the outcome of the war and the risk of its escalation to a global level triggered a wave of economic consequences that continue to ripple through the global economy and were amplified by record-high inflation levels not seen in decades in developed economies: +8.0% in the United States and +8.4% in the euro area. As expected, Central Banks have been reacting by increasing interest rates to curb inflation levels and implementing new instruments to intervene in public debt markets to prevent speculative attacks on overindebted economies. Despite slowing down later in the year, inflation is still a significant risk factor. The high inflation, relating to energy and food prices, coupled with increased interest rates have imposed significant pressure on household disposable income and consequently on private consumption patterns.

Overall, despite the improvement in the epidemiological situation, the exhaustion of the favourable base effect along with the deterioration of the geopolitical context and financing conditions contributed to a sharp slowdown in global growth, with GDP growing +3.4% in 2022 (+6.2% in 2021). In fact, in the euro area, GDP slowed down when compared to last year, registering +3.5% in 2022, which compares with +5.3% in 2021. However, this trend was countered in the Iberian Peninsula, with the Spanish GDP maintaining its growth at +5.5% in 2022 (the same as in 2021) and the Portuguese GDP growing at +6.7% in 2022 (vs +5.5% in 2021). Moreover, the labour market remained under pressure, despite the decrease in the unemployment rate to 6.8% in the euro area, from 7.6% in 2019, which clearly shows a full recovery from the pandemic. This evolution is asymmetric across countries, shaped by strong regional effects induced both by the pandemic and the war. Again, Portugal had a very positive trend with the unemployment rate declining to 6.0% in 2022 (vs. 6.6% in 2021).

The Portuguese performance was somewhat surprising and surpassed pre-pandemic economic activity levels, benefiting from the contribution of domestic demand, particularly of private consumption as household spending increased by 5.9% and from job creation. Additionally, the use of extraordinary savings accumulated during the pandemic also contributed to this dynamic, helping to cushion the negative effect of the increase in interest rates and the inflation rate, which reached 8.1% on average for the year.

Nevertheless, and on the cost side, the increase in energy prices was particularly pronounced (+24% in 2022) and food category prices rose at an accelerated pace, driven by strong inflationary pressures throughout the entire chain. Specifically, in 2022, food prices increased, on average, by 29% at the producer level and 26% in food industries, while consumer price registered a +13% change. With the rise in financing costs, reduced levels of family confidence and weakened purchasing power, consumer credit levels remained below pre-pandemic levels. In Portugal, total retail sales increased by 13% in 2022 in nominal terms, in the context of a sharp increase in the overall level of prices. Sales of non-food products increased by 16%, with fashion retail sales showing a more significant recovery, increasing by 32% in 2022, but remaining 5% below 2019. Electronic retail sales showed a similar dynamic to total non-food product sales, recording a growth of 15% yoy. In turn, sales of Food, Beverages and Tobacco accelerated in 2022 and recorded an increase of 11% supported by price increases.

On the non-financial side, climate change remained on top of the political and regulatory agenda, even though the invasion of Ukraine created pressure to reinstate part of the fossil fuel infrastructure to mitigate the effects of the shortage on the supply side resulting from both lost capacity and sanctions on Russia. Nevertheless, the events over the last two decades, namely the collapse of large institutions due to governance failures, the pandemic and scientific consensus on the effects associated with climate change, and the combat of social inequalities brought home the relevance of solid ESG values and practices to the public, significantly increasing the pressure on organisations, governments and regulators to adopt strategies to actively fight climate change, social inequities and governance issues.

Notwithstanding, the ESG agenda continued to be pushed by several driving forces. On the one hand, leading organisations and companies clearly understood the potential of the opportunities arising from embedding a sustainable approach within their strategies. Consumers and the public, in general, are also less tolerant of companies that look for short-term profit by jeopardising social and environmental long-term value. Scrutiny by the public will continue to increase and companies must answer with a stricter notion of transparency and accountability. On the other hand, investors are also playing a critical role in this process, by demanding sustainable solutions for their investments, additional detailed information and sounder ESG risk management approaches from companies and channelling their liquidity to more sustainable assets. During 2022, ESG assets under management continued to increase and ESG flows have remained more resilient compared to generic equities, even though ESG funds have underperformed when compared to 2020 and 2021, returning to pre-pandemic levels. Energy transition and clean energy remain the main driving forces for environmental and sustainable impact and performance. Both the capacity to attract investment and its resilience are a demonstration that a significant portion of investors already consider sustainability over short-term returns.

Overall, 2022 was a mixed year. Economic activity returned following two years of a pandemic that brought the world to a halt, but the positive signs were strongly obfuscated by the invasion of Ukraine and afterwards by inflation. All these effects contributed to a clouded context during 2022, driven by high uncertainty that is likely to continue.

## Our Financial performance

€m	31.12.21	31.03.22	30.06.22	30.09.22	31.12.22
NAV	4,015	4,080	3,848	3,966	<b>3,974</b>
Market capitalization	2,006	2,084	2,342	1,649	<b>1,870</b>
Net Debt	563	931	1,103	1,022	<b>540</b>

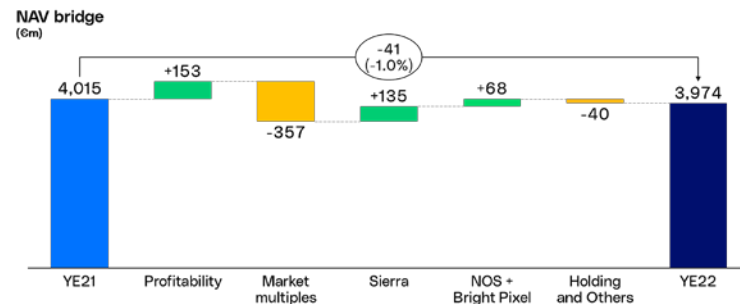
€m	4Q21 R	4Q22	yoy	2021 R	2022	yoy
Turnover	1,992	2,233	12.1%	6,965	<b>7,726</b>	10.9%
Underlying EBITDA	186	195	4.9%	601	<b>635</b>	5.7%
Underlying EBITDA margin	9.3%	8.7%	-0.6 p.p.	8.6%	<b>8.2%</b>	-0.4 p.p.
Net result group share	109	132	20.6%	267	<b>342</b>	27.7%
Net result group share, excluding non recurrent items	109	-10	-	215	<b>179</b>	-16.7%
Sale of assets	14	229	-	663	<b>301</b>	-54.6%
M&A capex	-22	-46	-	-195	<b>-277</b>	-41.9%
Free cash flow before dividends paid	295	483	63.8%	681	<b>187</b>	-
Dividends paid	-	-	-	-96	<b>-169</b>	76.4%

	1Y	3Y	5Y	10Y
Total Shareholder return*	-2%	7%	2%	8%

\*Source: Bloomberg.  
R - Restated as Maxive from Bright Pixel was considered as asset held for sale and all periods in 2021 and 1Q22 were restated to consider this asset as discontinued operation.

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](http://www.sonae.pt).

Sonae's NAV amounted to €4bn at the end of the year, slightly below year end of 2021, owing to operational performance of our businesses coupled with our active portfolio management, which almost fully offset the turmoil of the capital markets reflected in the contraction of market multiples.



Company (€m)	Ownership	31.12.21	31.12.22	Var	Major drivers
MC	75%	1,870	<b>1,824</b>	-2.5%	Lower multiples despite improved operational performance
Sierra	90%	740	<b>875</b>	18.2%	Increased stake and higher NAV
NOS <sup>(1)</sup>	35%	538	<b>686</b>	27.6%	Increased stake and share price performance
Bright Pixel	90%	356	<b>276</b>	-22.5%	NAV decreased due to portfolio activity
Worten	100%	244	<b>203</b>	-16.8%	Lower multiples
ISRG	30%	213	<b>183</b>	-14.1%	Lower multiples despite improved operational performance
Universe	100%	51	<b>45</b>	-10.6%	Lower multiples
Zetreef	100%	124	<b>38</b>	-69.2%	Lower multiples
Other investments <sup>(2)</sup>		175	<b>75</b>	-56.8%	Completion of MDS transaction
Holding Real Estate		176	<b>183</b>	4.2%	
Holding Structure		-131	<b>-143</b>	-9.2%	
Holding Net Debt <sup>(3)</sup>		-318	<b>-248</b>	21.9%	
Minorities		-23	<b>-23</b>	-2.9%	
<b>Total</b>		<b>4,015</b>	<b>3,974</b>	<b>-1.0%</b>	

(1) Stake calculated as the sum between Sonae's direct stake and 90% of Sonaeom's stake (2) Other investments include Gosh and MDS (until the deal was completed, 4Q22). (3) Normalized average net debt.

During 2022, Sonae's businesses faced a challenging macro environment, with sharply rising inflation and interest rates, soaring energy prices, continued disruptions in global supply chains, and the lingering pandemic, but most of all by the Russian invasion of Ukraine. Against this backdrop, Sonae and its portfolio showed once again a strong resilience, with total consolidated turnover reaching €7.7bn and underlying EBITDA staying at €635m, with a margin of 8.2%, implying a contraction of 41bps yoy due to the impact of inflation and pressure on our cost base. Equity method consolidated businesses also continued to deliver improved operational performances which, coupled with significant capital gains from the disposals of MDS and Maxive, led consolidated EBITDA to reach €927m at the end of year.

Indirect result stood at -€43m in 2022, fuelled by the 4Q22 figure of -€92m, which was mainly influenced by (i) the negative impact in the value of Sierra's investment properties (-€31m) in an environment of yield expansion and despite the improved operational performance of its assets; (ii) the negative impact in the value of Bright Pixel's portfolio mainly due to exchange rate effects (-€22.5m) and (iii) impairments related to our fashion business (-€48m), considering the expected negative impact from the macroeconomic context on fashion consumption. Consequently, at the end of 2022, net result (group share) stood at €342m. Excluding non-recurrent results, mainly related with asset sales, net result was €179m (-17% yoy) driven by indirect results.

€m	2021	2022	var.
EBITDA (inc. rents and taxes)	400	416	4.0%
Working cap. and others	32	42	28.3%
Operational capex	-279	-357	-27.9%
<b>Operational cash flow</b>	<b>164</b>	<b>101</b>	<b>-34.5%</b>
Net financial activity	-31	-21	33.0%
M&A capex	-195	-277	-41.9%
Sale of assets	663	301	-54.6%
Dividends received	91	83	-8.9%
<b>FCF bef. dividends paid</b>	<b>681</b>	<b>187</b>	<b>-</b>

In terms of operational cash flow, Sonae's portfolio generated €101m during 2022, implying a decrease when compared to last year, mainly due to higher levels of investment, that were back to pre-pandemic levels. Sonae's portfolio management activity had a positive

impact on cash flow as the cash proceeds from asset sales more than offset the M&A capex.

During the last quarter of the year: (i) Universo, our financial services business, completed the sale of MDS for €104m and reached a preliminary agreement with Bankinter Consumer Finance for the creation of a leading consumer credit operator in Portugal, through a 50/50 equity partnership; (ii) Bright Pixel completed the sale of Maxive, sold its stake in StyleSage, and received some capital distributions from Armilar Venture Partners funds, totalling €124m of cash proceeds; (iii) Sonaecom terminated the Zopt partnership, previously announced, and received a 26.07% stake in NOS and an amount in cash (€38m); and (iv) we increased our direct stake in NOS by 0.52% to 11.3% (37.4% in total, including Sonaecom's shareholding).

During the 9M22, our main portfolio moves were the acquisition of an additional 10% stake in Sierra and 3.4% directly in NOS. Bright Pixel also maintained an active portfolio management activity during the balance of the year, having concluded the sale of its stakes in Cellwize and CiValue, and the acquisition of several minority stakes in technology companies, aside from the regular follow-on investments in some of its portfolio companies

All in all, our businesses' operational performance coupled with our portfolio activity and dividends received led to a FCF before dividends payment of €187m at the end of the year. Therefore, and after dividends paid, consolidated net debt slightly decreased yoy to €540m, the lowest level in many years.

In terms of capital structure, Sonae ended the year with a very solid financial position, characterized by comfortable leverage ratios and liquidity levels (c.€1.3bn of available liquidity – cash and unused credit facilities), and an average maturity profile above 4 years. On top of this, 68% of our total long-term facilities are already linked to sustainable, green or ESG performance targets.



## Our Portfolio Performance

### MC – food retail<sup>7</sup>

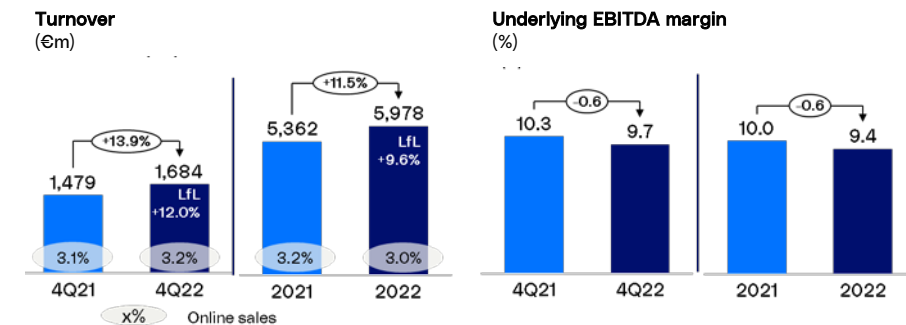
The year was challenging for the Portuguese food retail market, with an increase of the families' standard cost of living, fuelled by record-high inflationary trends and rising mortgage interest expenses. In fact, food inflation reached 19.5% in the last quarter of the year and 13% in 2022.

In this demanding and challenging context, MC kept focused in ensuring the recognition of its value proposition and meeting its customers' needs. Turnover grew on top of a strong base to c.€6.0bn, up by 11.5% yoy and 9.6% in LfL terms (+13.9% yoy and +12.0% LfL in 4Q22), mainly fuelled by the food formats, which delivered a positive top line growth associated with high inflation that more than compensated slightly lower LfL volumes and mix effects, namely from trading down movements towards private label products. All the other MC formats continued to benefit from the post pandemic normalization of consumption behaviours.

The company continues to enhance its omnichannel proposition, with online sales more than doubling versus pre-pandemic levels, posting a resilient growth on top of two extraordinary years and maintaining a 3% share of total turnover in 2022.

In terms of market dynamics, MC recorded once again market share gains during another challenging year and reinforced its leadership position in Portugal.

The mix and trading down movements, combined with MC's partial absorption of the inflationary pressure to protect customers and higher energy prices, contributed to a profitability margin erosion during the year of 59bps to 9.4% (9.7% in the 4Q) and underlying EBITDA stood at €563m in the year (vs €537m in 2021). Consequently, net income in 2022 decreased by €39m yoy to €179m.



<sup>7</sup> For more information, please see MC 2022 results in [www.sonae.pt](http://www.sonae.pt)

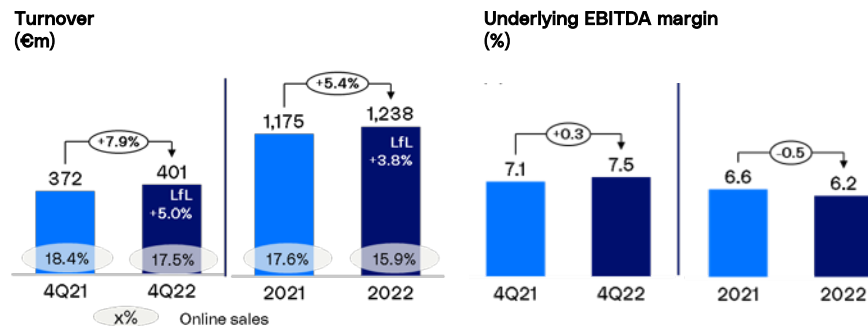
In terms of expansion, MC accelerated its pace in 4Q22, opening a total of 65 new company-operated stores during the year (representing +25k square meters of sales area), of which 15 additional Continente Bom Dia stores, and refurbished 33 stores. Additionally, MC also invested in powering its digital and logistics infrastructures. Overall, in 2022 total capex stood at €218m, including €43m related with store openings.

The positive operational performance, coupled with a disciplined capex execution, led to a solid FCF generation of €214m in the year, which compares with €243m generated in 2021, that included €68m of cash proceeds from the sale of the 50% stake in Maxmat. Consequently, and after the dividend payment of €243m, MC's net financial debt reached €408m, at the end of 2022, and the ratio of total net debt to underlying EBITDA remained stable yoy at 2.7x, with an average maturity profile of 4 years.

## Worten – electronics retail

In 2022, Worten proved again the resilience of its omnichannel proposition, growing in electronics and appliances as well as in new categories, successfully leveraging its marketplace and services offering, and reinforcing its leading market position. Performance in the fourth quarter was also positive, with the company's turnover increasing by 7.9% yoy (+5.0%LfL), pushing the full year total turnover to €1.2bn (+5.4% yoy and +3.8% LfL).

The online channel grew in 4Q22 but did not fully offset the contraction observed in 1Q22, resulting from the pandemic and confinement context in 2021. Therefore, in 2022 total online sales contracted, and now account for 16% of turnover. Notwithstanding the deceleration observed in 2022 in comparison with 2021, online sales are more than 2.7x those of the pre-pandemic period.

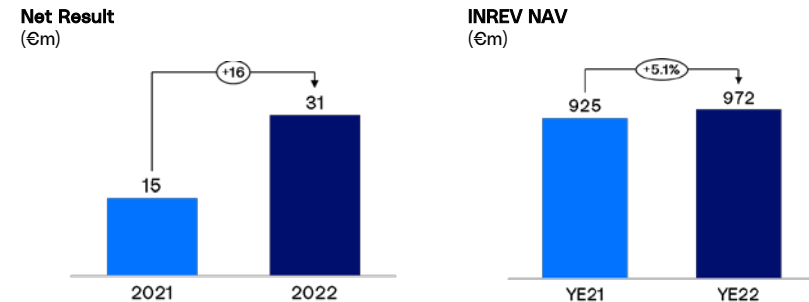


In terms of profitability, in the last quarter of the year Worten increased the underlying EBITDA by €3.5m yoy, with a margin of 7.5% (+34bps yoy). However, in the full year, Worten's investment in its ongoing digital transformation and significant cost inflation (especially energy costs), led to an underlying EBITDA of €76.2m, slightly below last year (€77.8m), with a margin of 6.2%.

## Sierra – real estate

Sierra had a very positive 2022, achieving impressive operational performance through the successful recovery of its shopping centre portfolio activity and a renewed strategy to expand into new businesses, sectors and geographies.

The recovery of the European shopping centre portfolio is evident, with a significant 35% yoy increase in tenant sales, surpassing pre-pandemic levels by 10%, and occupancy rates rising to 98% in Europe and reaching a staggering 99% in Portugal. Moreover, Sierra's services business witnessed a strong growth, with a noteworthy 18% yoy increase in top line across its different business lines. To further develop its services business, Sierra took important steps in 2022, expanding to new geographies and increasing the non-shopping centre assets under management by €700m to €1.3bn by the end of 2022.



Despite the challenging macroeconomic context, Sierra's Net Result rose by €16m yoy in 2022, reaching €31m. On a proportional accounting basis, the Direct Result was approximately €45m (vs. €30m in 2021), while the Indirect Result stood at -€14m, mainly due to investment properties valuation which was negatively impacted by the macroeconomic environment that drove yield expansion, partially offset by improved operational performance. According to INREV methodology, Sierra's NAV at the end of 2022 increased by 5% compared to YE21, mainly driven by the positive net result in the year and the favourable exchange rate impact. Sierra's gross loan-to-value ratio also reduced to 43% in 2022 from c.46% in YE21.



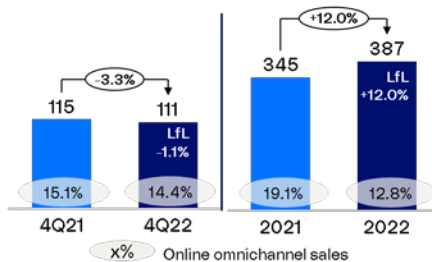
## Zeitreel – fashion retail

After two challenging years for the fashion industry, in a pandemic context, 2022 brought additional headwinds, namely with a negative macroeconomic context that impacted consumers' confidence and disposable income, and also aggravated the industry's cost structure. However, and despite still below 2019 figures due to this context, Zeitreel was able to reach double-digit yoy sales growth.

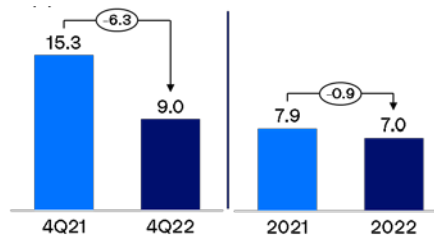
Therefore, top line increased by 12.0% yoy, with a LfL of +12.0%, to €387m in 2022, with positive contributions from all Zeitreel brands. Online sales continued to represent an important sales channel, maintaining a strong evolution compared to the pre-pandemic periods (13% of total omnichannel sales in 2022 vs 10% in 2019), although naturally below the extraordinary figures registered during the pandemic periods.

The underlying EBITDA stood practically in line with last year's figure of €27m, leveraging a more efficient cost base that allowed Zeitreel to minimize the impact of rising operational costs in an inflationary context.

### Turnover (€m)



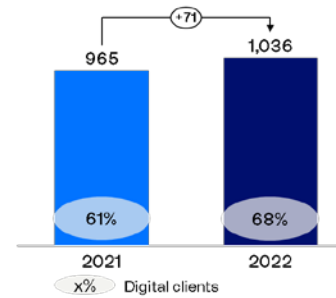
### Underlying EBITDA margin (%)



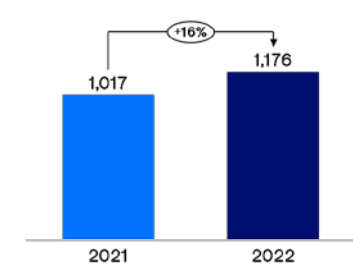
## Universo – financial services

During 2022, Universo's clients continued to recognize its value proposition, surpassing the 1 million clients threshold. Total production registered a strong evolution across all business lines during 2022, increasing 16% yoy to €1.2bn. In the 4Q22, total production grew by 15% yoy, mainly fuelled by personal loans and "Cartão Dá" business lines.

### # of Universo Clients (000)



### Total Production (%)



The client base rose by 71k at the end of 2022 vs. the end of last year and by 15k vs. the end of September 2022. The company also continued to expand its digital footprint, surpassing 700 thousand digital users (68% of total).

Finally, Universo's operational performance benefited from a more mature credit portfolio and stronger cross-selling initiatives in line with the defined strategy. Consequently, in 2022, both Turnover and underlying EBITDA increased yoy by €15m and €13m, respectively.

At the end of the year, Sonae took another important step towards the implementation of its strategy for financial services. After the successful partnership with Banco CTT that will continue until the end of 2023, Sonae and Bankinter Consumer Finance reached a preliminary agreement for the creation of a leading consumer credit operator in Portugal, through a 50/50 partnership, resulting from the combination of Universo and Bankinter Consumer Finance in Portugal.

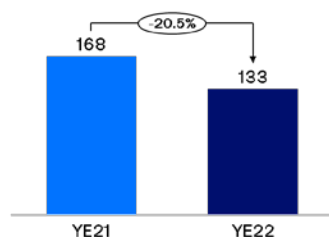
Universo also completed the sale of MDS, which was announced to the market in the end of 2021, but due to the required regulatory authorizations was only completed in 4Q22. The sale of MDS resulted in a cash in of €104m and a capital gain of €81m.

## Bright Pixel – investment in technology

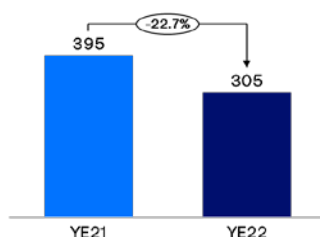
During 2022, Bright Pixel continued very active in its portfolio management activity, with investments in new companies, follow-ons in some of its portfolio companies and exits that resulted in important capital gains and cash proceeds.

In the last quarter of the year, several financing rounds of its portfolio companies were announced, in which Bright Pixel reinforced its investment, namely a €5.2m financing round at Habit, a \$28.7m series B financing round at Iriusrisk, a \$7.1m series A financing round at Didimo and a €7.7m series A financing round at Probe.ly. Overall, during 2022, Bright Pixel invested a total of €48.7m in its portfolio companies, and in new ones across the different segments. Regarding exits and during 4Q22, Bright Pixel (i) generated a capital gain of €64.7m with the sale of Maxive, and its subsidiaries S21sec and Excellium, to Thales Europe; (ii) sold its stake in StyleSage, an AI-Powered competitive benchmarking solution for fashion and home retailers, which was in its portfolio since 2016, to Centric Software; and (iii) received some capital distributions from Armilar Venture Partners funds. All in all, Bright Pixel reached a total €124m of cash proceeds during the quarter and €188m during the year.

Cash invested in the active portfolio (€m)



NAV of the active portfolio (€m)



Notwithstanding, the significant level of investment and the positive evolution in total portfolio value, the 4Q exits coupled with other asset sales during the year (Cellwize, ciValue, Beamy and Safetypay), led to a decrease in NAV and Cash Invested in the active portfolio to €305m and €133m, respectively. Bright Pixel maintained its excellent value creation track record with a cash-on-cash of 2.3x in its active portfolio.

## NOS – telecommunications<sup>8</sup>

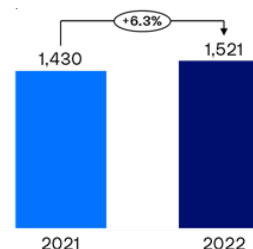
This year was marked by the successful 5G deployment and a notable performance from both the Telco business and the Media & Entertainment segment, with this last quarter of the year also delivering a solid set of results.

Turnover increased yoy 3.1% to €398m in 4Q22 and by 6.3% in the year to €1.5bn. Telco revenues grew 2.1% yoy in the quarter and 4.8% yoy in the year. Movie theatre sales recovered quarter after quarter, in a year without pandemic restrictions, with Media & Entertainment revenues increasing by 33.7% in the year, and by 8.9% yoy in the quarter, benefiting also from successful movies exhibited and distributed.

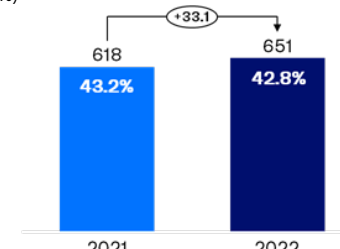
Regarding profitability, 4Q22 EBITDA grew 7.6% yoy to €151m, fuelled by the 8.7% yoy improvement in the telco business and totalling €651m in 2022, +€33m yoy, with a 42.8% margin.

All in all, Net result excluding gains from tower sales reached €10m in 4Q (-58% yoy) and €139m in FY22 (-4% yoy). During the year, NOS sold a portfolio of towers to Cellnex with capital gains totalling €101m (€26m in the 4Q22), leading to a total net result of €225m (€33m in the 4Q22).

Turnover (€m)



EBITDA margin (%)



Total capex stood at €496m in 2022, impacted by the 5G deployment programme, with already 87% of the population covered at the end of the year. The cash proceeds from the sale of the towers of €45m in 4Q22, in addition to €118m already received in 3Q22, contributed to a positive performance in terms of FCF (ex-dividend, financial investments and own shares), that reached €193m in 2022. Net financial debt/EBITDA after lease payments stood at 1.81x.

Regarding shareholder remuneration, and maintaining a solid capital structure, the company's Board of Directors approved a proposal to the next AGM of an ordinary dividend payment of 27.8 euro cents per share, in line with the last 3 years, and an extraordinary dividend payment of 15.2 euro cents per share, linked to the completion of the tower disposals to Cellnex during the year.

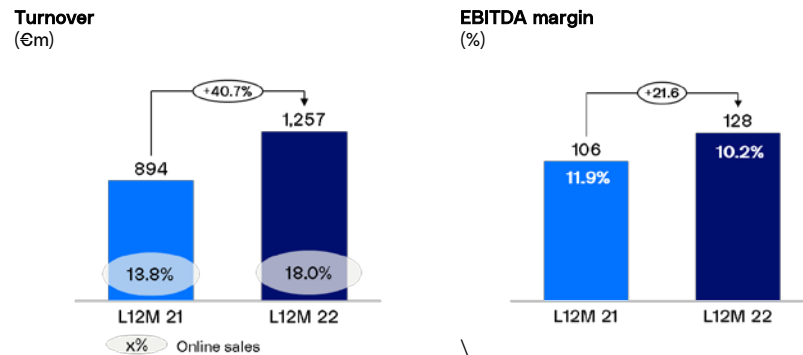
<sup>8</sup> For more information, please see NOS 2022 results in [www.nos.pt](http://www.nos.pt)

## ISRG – sports retail<sup>9</sup>

In the L3M 22 (Aug-Oct), ISRG's sales evolution was again remarkable (+8.6% yoy). The macroeconomic context was still challenging, but in this last quarter the supply chain constraints were considerably less visible when compared to the rest of the year (Feb-Jul).

Overall, in the L12M 22 total sales increased 41% yoy, surpassing €1.2bn, with positive contributions from both the organic operations and the new businesses.

Deporvillage, which was acquired in 2021, continued to be a key driver of the company's online performance, with online sales reaching 18% of ISRG turnover in the L12M 22 (vs. 14% in the L12M 21). This strong top line evolution fuelled EBITDA, leading to a yoy increase of €22m to €128m in 2022, although the margin was affected by a different channel mix and some pressures in operational costs.



All in all, ISRG's performance resulted in an equity method contribution to Sonae's results of €11m in the 4Q22 and of €22m in 2022 (+€5m yoy).

Despite the high macroeconomic uncertainty level, the company maintained a solid operational performance in the last quarter of its fiscal year (Nov-Jan).

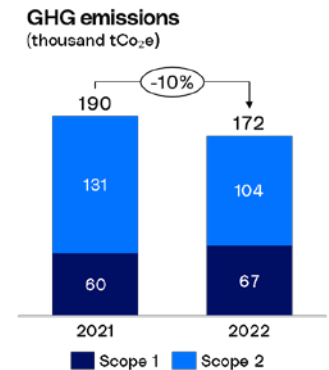
## Our Environmental and Social performance

After two years of fighting a pandemic that brought the globe to a standstill, world peace was suddenly shattered by the invasion of Ukraine. Sonae strives to proactively find effective solutions, never straying from our long-term ambitious goals, carefully assessing potential risks related to the environment, while also embracing opportunities to generate positive impacts for nature, society and the economy. This section provides a brief overview of Sonae's environmental and social performance, regarding the commitments adopted for the five strategic axes.

### CO<sub>2</sub> and Climate Change

#### GHG emissions

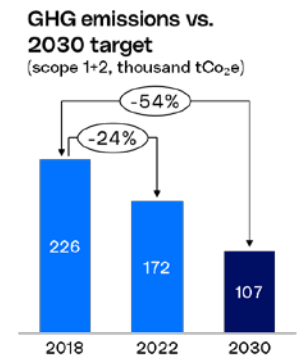
Over the past few years, our portfolio has been very active in pursuing our ambitious goals – to reduce our GHG emissions (Scope 1+2) by 54% by 2030 compared to 2018 and to achieve carbon-neutral operations in 2040 (Scope 1+2) – continuously designing new initiatives and investments to further improve our decarbonisation efforts. In 2022, the GHG emissions (scope 1+2) decreased by 10% yoy, to 172k tCO<sub>2e</sub>. In more detail, Scope 1 emissions increased by 12% yoy to 67k tCO<sub>2e</sub>, mostly impacted by the normalisation of economic activity and the phasing out of remote work as the norm, following the end of the pandemic, and improvement in the emissions calculation methodology (inclusion of ozone-depleting gases).



Despite all the headwinds, Scope 2 emissions remarkably decreased by 20% yoy to 104k tCO<sub>2e</sub>. Moreover, we have strengthened the efficiency in energy-dependent processes, accelerated our investments in the production of renewable energy and prioritised the acquisition of energy from renewable sources via Power Purchasing Agreements and Guarantees of Origin, with a significant impact on GHG emissions.

Overall, we are well on track to our target reduction for 2030, with a decrease of 24% of the GHG emissions (scope 1+2), when compared to 2018.

During 2022, Sonae portfolio companies focused on extending the mapping of their scope 3 emissions, to include more categories and more entities, namely at MC, Zeitreel and Sierra. A demanding process considering the

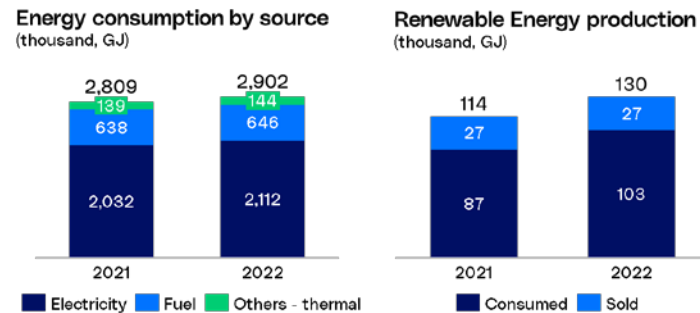


<sup>9</sup> Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures for the L12M 22 ended last October 29th.

diversity and complexity of our operations and the nature of these emissions which involves our value chain. Therefore, Sonae companies are now developing their mitigation roadmaps and defining their targets for scope 3 emissions. Having completed this step, our companies intend to submit their targets (for scope 1, 2 and 3) to the Science Based Target Initiative (SBTi), following Sierra that submitted its targets for approval in 2022. Furthermore, to ensure a better understanding and comparability, Sonae reassessed the scope 3 emissions for 2021. In 2022, scope 3 emissions amounted to 5.2m tCO<sub>2e</sub>, an increase of 23% yoy (4.3m tCO<sub>2e</sub>).

### Energy consumption

In consolidated terms, energy consumption reached 2.9m GJ, +3.3% yoy, with more colleagues coming to the office, and stores back to normal business hours and normal levels of activity after the pandemic, with an impact on all the logistic operations, and also the contribution of Plug&Charge network expansion. Electricity consumption accounts for 73% of total energy consumption followed by fossil fuel energy (22%) and thermal energy (5%). Strategically, fossil fuel energy was the type of energy with the smallest increase in 2022 (+1.3% yoy).



Based on our action roadmaps, Sonae companies address every effort to reduce energy consumption in our facilities and assets, namely by working on optimising teams and equipments operational processes, reviewing preventive maintenance plans, developing energy audits, and replacing lighting and equipment for more efficient solutions.

Moreover, we were able to move forward in our search for more sustainable sources of energy. The electrification of Sonae's energy matrix is a key step towards the decarbonisation of our activities, as it gives us the opportunity to benefit from the investments in renewable energy production and to select the source of the energy we purchase.

In 2022, we reached an installed capacity of 37 MWp, which resulted in a renewable energy production increase of 13.7% yoy (130k GJ in 2022 vs 114k GJ in 2021), most of which was consumed (79%). The renewable electricity produced represents now 4.5% (vs 4.1% in 2021) of the total energy consumed. At the same time, Sonae companies purchased renewable electricity via a Power Purchasing Agreement with Shell and Guarantees of Origin with

energy traders, reaching 676k GJ of energy from renewable sources. That amount, coupled with the renewable energy produced and consumed, represents 37% of the total electricity consumed.

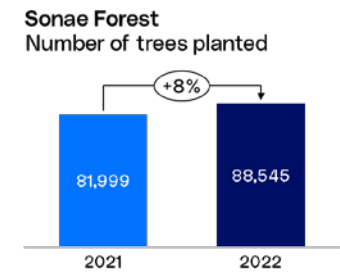
The invasion of Ukraine highlighted the EU's dependency on Russian energy, particularly natural gas. Looking ahead, it is likely that the incentives for the installation of renewable energy sources (e.g., photovoltaic panels) will be reinforced and Sonae will take the opportunity to keep improving its energy independence while contributing to a better Planet.

### Nature and Biodiversity

Scientific evidence is very clear on the impact of human activities on the ecosystems that support us and on the dangers of not reversing the current trend. Climate change cannot be dissociated from nature and biodiversity loss, as both create a spiral effect of severe consequences. And 2022 is a landmark year for Sonae which took the public pledge of reaching Zero Deforestation by 2030 and endorsed the UN Global Compact Sustainable Ocean Principles.

Furthermore, every year, we keep monitoring the implementation of our sustainable fishing policy, adopted in 2010. We communicate to our customers the source and risk associated with each fish species via our Traffic Light System. This tool makes it possible to assess purchases according to the level of sustainability of fisheries. Between 2022 and 2021, we increased the species in the green category by 3pp. The species in the red category (endangered species) represent only 1%.

Sonae continues to be committed to Sonae Forest. A flagship project that brings together several dimensions of nature protection and fosters the restoration of Biodiversity, helping to reverse the impact on our ecosystem, while compensating GHG emissions. In 2022, Sonae recovered an additional 60 hectares by planting around 89k trees, an increase of 8% yoy (82k trees in 2021).



As part of our efforts to protect Nature and Biodiversity, we also promoted changes in combating food waste by adopting more efficient techniques to optimise the positive impact of our operations. MC continued to develop an analytical tool that aims at optimising the destination of products near the expiration date. The tool analyses each product in a specific store and assesses the probability of sale based on different discounts and allows the store manager to act and decide on the destination of the product in a timely manner. This approach allowed MC to reduce food waste by approximately €54m (vs €37m in 2021) either by product flow mechanisms (€23m) or by donating to partners (€31m).

The Continente Producers Club has launched the Zero Waste programme in partnership with Zerya. The program aims to certify producers developing customized agricultural production systems with a focus on good agricultural practices and pesticide-free



products. Principles of efficient resource use, lower energy consumption, lower emissions, and greater control over microbiological aspects are also safeguarded. The program has 45 producers working towards certification.

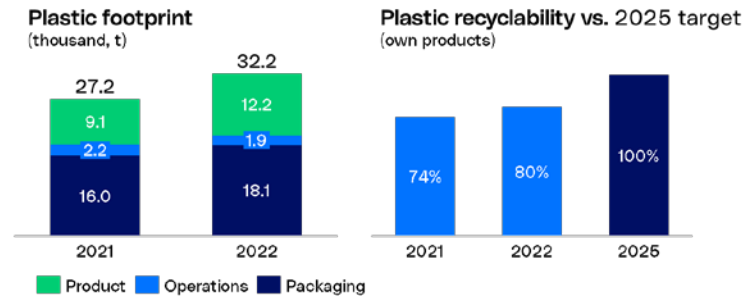
Furthermore, and with our eyes set on the future, Sonae actively participates in forums and public initiatives focused on Nature and Biodiversity, where its voice resonates and amplifies the reach of our actions, namely on the Science Based Targets Network (SBTN) Corporate Engagement Program, giving proactive feedback about the methodology under development, aiming to define the guidelines to set targets on nature for our companies.

## Plastic

The consumer culture that prevails today coupled with inadequate recycling or reutilisation habits exacerbates a problem that needs to be addressed urgently, plastic pollution. Sonae is addressing this issue by adopting focused approach where we have a more significant impact, like the plastic packaging of our own brand products.

In 2022, we continued to transform our packaging in a very significant way, based on the principles of eco design and the objective of ensuring that, by 2025, all our plastic packaging is recyclable, reusable or compostable. Furthermore, to be part of the solution, we invite our stakeholders across the supply chain to work towards reducing plastic usage upstream, adapting our operations to minimise plastic usage, and promoting responsible plastic use and disposal to our customers. Sonae's plastic usage in 2022 increased by 18% yoy, to 32k tonnes. A more granular analysis shows that packaging accounted for 56%, products for 38%, and operations for 6% of total plastic usage.

The use of plastic in packaging (own brand) and in product (textile, electric and electronic equipment, and non-food) increased by 12.9% and 34.4% yoy, in our retail companies, respectively, which cannot be disassociated from the increased volume of sales (in some cases, products with a greater weight of plastic in their packaging), the impact of greater detail in the number of product units mapped and, finally, from the methodology criteria change from sales to purchases. However, reflecting Sonae's efforts across the supply chain, the use of plastic in our businesses' operations reduced by 10% yoy to 1.9k tonnes (vs 2.2k tonnes in 2021), through several initiatives as for example the replacement of disposable logistic plastic bags with reusable straps in the Salsa denim supply chain.



Although there was an increase in the use of plastic, the levels of recycled material and recyclability, aligned with our commitments, have risen considerably. In terms of the incorporation of recycled plastic in packaging, it reached 14.4% in 2022 (vs. 12.3% in 2021). It is worth mentioning the substantial progress 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 74% to 80% in 2022, according to the *Sociedade Ponto Verde* matrix. This increase is due to improvements in the recyclability criteria, and also, for instance, by structuring specific processes to ensure plastic packaging and waste generated from the sale of household appliances and electronics are duly collected and recycled.

Additionally, our companies are working towards reducing the volume of plastic in the market, promoting reuse solutions, such as food takeaway boxes, the Refill spot by Continente, and EEE and clothes repair services.

Looking to the future, on the one hand, it is important to change consumer habits both by working towards less plastic-intensive solutions and raising awareness of the need for change. On the other hand, it is paramount to invest in innovation to find alternative materials that can perform as well as plastic without the environmental impact. Sonae is continuously working on both fronts, and will reinforce its efforts to uphold its commitment.

## Inequalities and Inclusive Development

Sonae is truly committed to a more inclusive society, understanding the value of diversity and how it can further extend the richness of its portfolio.

In 2022, Sonae's workforce increased by 2.7%, and we now employ more than 48k people, with 65.7% of the total workforce made up of women, most of our team is based in Portugal (95.1%) and the vast majority (74%) have a permanent contract.

In 2022, we also achieved our target of 39% of leadership positions held by women. It is worth noting that we reached this ambitious target one year ahead of our commitment.

Under our "People with Difference" project, launched in 2021, Sonae has been working with key partners and associations that have been supporting us in the recruitment and integration of people with a disability. By the end of 2022, Sonae had 323 employees with disability. Our progress thus far gives us confidence to accelerate and reinforce Sonae's commitment towards a more diverse and inclusive organisation.

Sonae continuously offers opportunities for personal and professional development and recognizes merit. In 2022, Sonae offered 1,038k hours of training. The training programmes were revised to reach a larger number of colleagues, using a more tailor-made approach, increasing by 30% yoy to 74k participants attending training sessions (vs 57k in 2021). We will keep investing in the skills' development of our employees, to continuously improve their performance and find new professional opportunities.

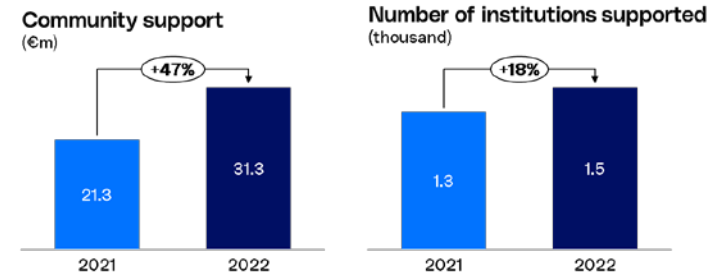
Sonae's merit-based system recognised the potential of four thousand (8%) colleagues with promotions. Moreover and as part of Sonae's commitment to offering opportunities to each person in our team and leveraging in our portfolio's synergies, during 2022, 10% (4.7k vs 4.4k in 2021) of our team were involved in internal mobility programmes across the portfolio companies.

Sonae's dedication to creating a more inclusive society is exemplified by its efforts to provide equal opportunities to all, foster diversity and inclusion, invest in team growth, track progress in gender equality, and spearhead projects that enhance social value.



## Community Support

Sonae supports its communities. This is part of our identity, part of who we are and what we stand for.



In 2022, the invasion of Ukraine created a socioeconomic catastrophe. Across the world, communities united in welcoming and supporting Ukrainian refugees. Sonae quickly responded with the Sonae for Ukraine programme. Our team and our portfolio engaged in a multitude of organised initiatives ranging from preparing essential goods kits, providing support in reception centres or assisting with educational opportunities for the younger generations. Our team proudly contributed with 1,308 hours (233 volunteers) of volunteering actions, Sonae also benefitted from its institutional presence to promote initiatives dedicated to the professional integration of refugees by creating bilingual job application platforms while coordinating with other organisations regarding the allocation of each applicant. Overall, Sonae for Ukraine reached more than 7.3k refugees, supported 18 institutions with volunteering work and benefited from €250k of financial support.

The Ukraine war did not deter us from helping our communities on other fronts. It only reinforced the need to help, given the strongest inflationary trend in recent decades and increased pressure on household income. In 2022, Sonae strengthened its investment in its communities with €31m, a remarkable increase of 47% from €21.3m in 2021, with the offer of in-kind support (€29.6m) and financial support (€1.6m). The in-kind support also reflects our circular economy approach to food waste, particularly the donation of surplus food aiming at the reduction of food waste generated in our activity and, at the same time, providing relevant support to Portuguese families in vulnerable situations, reaching €26m.

Sonae carefully selects the institutions that help us reach those in need, a critical avenue to maximise our impact. In 2022, Sonae supported 1,498 organisations (vs 1,271 in 2021) an increase of 17.9% that widens the effect of our actions by reaching more people in need.

Finally, it is also worth noting the commitment of our team. Sonae nurtures a community environment and encourages its people to be involved in volunteering actions, which in 2022, benefitted from the dedication of 387 volunteers (including, 233 volunteers from the Sonae for Ukraine programme).

Sonae is proud of its active community support and will continue to devote all efforts to promoting the sustainability of its communities.

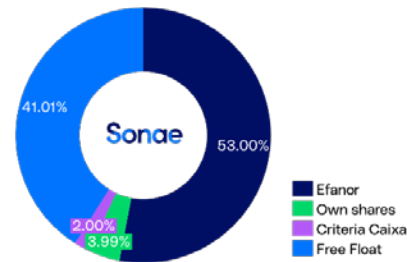
## The Sonae share

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 PTSONOAM0001, and included in the PSI index and several ESG indexes.

### Shareholder Structure<sup>10</sup>

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

At the end of 2022, the Company held 79,734,758 own shares, representing 3.99%, and the free float represented 41% of the share capital.<sup>11</sup>



### A close dialogue with investors and analysts

Sonae kept a regular and transparent communication with the capital markets, recording more than three hundred interactions with investors and analysts during the year. The format of the meetings continued to be highly impacted by the post-pandemic trend of more virtual interactions.



At the end of 2022, there were eight analysts with active coverage of Sonae, six with a “Buy” recommendation and two with a “Hold” recommendation. The implicit average target price was €1.34, which represented an upside potential of 43% vs. Sonae's closing price as at December 31<sup>st</sup>, 2022 (€0.935).

During the year the investor relations team participated in 6 conferences and roadshows, 2 presentational and 4 virtual.

The Investor relations team also kicked off, a “Sonae's Market Perception Survey”, constituting of a questionnaire phase for the sell side and buy side and Interviews with some investors and analysts, which has been led by an independent external consultant and the conclusion of which will be important to adapt Sonae's approach to the capital market.

Sonae's IR programme was recognised by the AERI (Asociación Española de Relaciones con Inversores) as the “Most improved IR Program – Portugal” in the Mid cap category at the “2022 Iberian Equity Awards”.

### Share price performance

Sonae	2021	2022
<b>Share Price (€)</b>		
Close	1.003	0.935
Maximum	1.069	1.177
Minimum	0.648	0.824
Average	0.834	1.008
<b>Average daily volume</b>	<b>3.37m</b>	<b>3.31m</b>
<b>Market Capitalisation</b>	<b>€2,006m</b>	<b>€1,870m</b>

During 2022, Sonae's share price was impacted by the volatility and uncertainty in capital markets due to the global macroeconomic evolution. However, the share price reached a 4-year maximum at €1.177 on 29<sup>th</sup> June 2022 and the average daily turnover remained stable at 3.3 million shares.

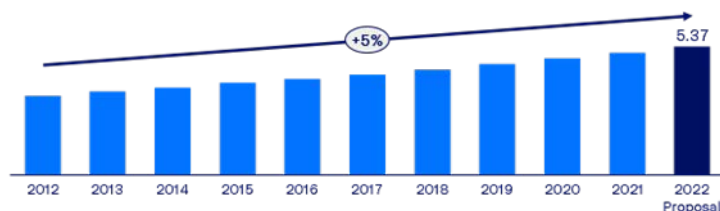


<sup>10</sup> The shareholder structure's information refers to the dates of the latest qualified shareholding notifications received from the respective shareholders.

<sup>11</sup> For more information about Sonae's shareholder structure, please see Chapter A. of the Corporate Governance Report.

## Stable and growing dividend policy

Sonae's dividend distribution policy is 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 as distributed in the previous year.



Taking into consideration this 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 proposes to the 2023 Shareholders' General Meeting that pursuant to the terms of the law and the Articles of Association, the individual net income<sup>12</sup> of Sonae, SGPS, SA of 132,216,137.44 euros in 2022, is allocated as follow:

- Legal Reserves: 6,610,806.87 euros,
- Dividends: 107,400,000.00 euros,
- Free Reserves: 18,205,330.57 euros.

The Board of Directors accordingly proposes that a gross dividend of €0.0537 per share is paid to the shareholders, excluding from the total dividends of €107.4m, the amount of dividends that would be attributable to the shares that, at the dividends distribution date, are held by the Company or by any of its subsidiaries, which should be added to the Free Reserves. The proposed dividend corresponds to a dividend yield of 5.7% based on the closing price as at December 31<sup>st</sup>, 2022 (which stood at €0.935).

## Total Shareholder Return performance

Sonae's Total Shareholder Return (TSR) at the end of 2022 was -2%, penalised by the share price performance volatility and its contraction of 7%. Instability of the financial markets also affected the benchmark market indexes: PSI, IBEX 35, Euronext 100 and Nasdaq 100.

The PSI index, which reflects the performance of the most actively traded shares listed on Euronext Lisbon, Portugal, including Sonae, registered a TSR of +7% at the end of 2022. Notwithstanding, PSI's TSR reached a negative level several times during the year, reflecting the aforementioned volatility. In 2022, other benchmark stock market indexes such as IBEX35, Euronext 100 and Nasdaq 100, registered negative TSR most of the year, closing the year at -3%, -8% and -32%, respectively.

## ESG indexes and ratings

### ESG indexes

Sonae's shares are included in several ESG indexes as a result of its transparent reporting and a positive path in the creation of economic, social and natural value.

### MSCI ESG Indexes

MSCI Index Code	Index Name
703834	EUROPE SMALL ex CONTROV WEAPONS
707357	ACWI IMI LOW CARBON TARGET
712155	ACWI IMI LOW CARBON LEADERS
718759	ACWI ex USA IMI LOW CARBON LEADERS
718760	ACWI ex USA IMI LOW CARBON TARGET
720965	WORLD ex USA IMI LOW CARBON TARGET
723015	WORLD SMALL CAP ex COAL
724667	EUROPE ESG UNIVERSAL SMALL CAP
731290	ACWI IMI ex CONTROVERSIAL WEAPONS
734327	ACWI IMI CLIMATE CHANGE

As of February 10, 2023

Sonae shares are included in 10 MSCI ESG Indexes

### Bloomberg Gender Equality Index



Sonae was included for the second consecutive year in the Bloomberg Gender Equality Index, an index that recognises the listed companies that are most committed to the promotion of gender equality worldwide.

Sonae's global score improved 7.7pp to 85.6%, ranking above the global average score of the companies included in the index. This is the result of Sonae's commitment to a more gender balanced organisation and society.

<sup>12</sup> The Sonae's individual net income for the year, already includes the variable remuneration of the company's executive directors and employees, paid as distribution of net profit, pursuant to paragraph 2 of article 31 of the Articles of Association.



## ESG ratings

The companies' ESG strategy and related performance are gaining importance in the financial markets and influencing investment decisions.

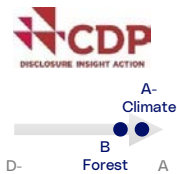
The ESG ratings ensure that our performance is visible in the market by benchmarking our company's evolution, with market best practices. Sonae maintained a good, pro active and collaborative approach with prestigious ESG rating agencies, namely:



### Corporate Sustainability Assessment (CSA)

2022 S&P Global - annual assessment of the sustainability practices of companies (score date: March 2023)

- Sonae achieved a score of 59/100, +16 points vs. CSA 2021 (July 2022);
- Ranked above the industry's average;
- In percentile 93 of its benchmark group.



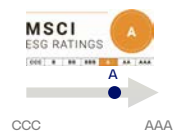
**CDP Climate Change 2022:** Maintained the "Leadership A-" category, being recognised as one of the World Leaders in the fight against climate change.

**CDP Forest 2022:** Sonae's coordinated actions for preserving the forests were recognised by CDP, reaching a management level (B for all commodities) higher than the industry average (C).



### ISS Quality Score (as of December 2022)

- Recognized for the second consecutive year with the highest score (1) in the Environmental pillar;
- Classification of 2 in the Social and Governance pillars.



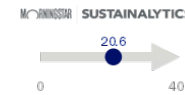
### MSCI ESG Ratings assessment (2022)

- Received a rating of A (on a scale of AAA-CCC);
- Included in several MSCI ESG Indexes.



### Refinitiv ESG Score (at the end of 2022, based on 2021 data)

- Ranked as an ESG Leader by Refinitiv;
- ESG performance and transparency in reporting material ESG information recognised;



### Sustainalytics Core Framework (May 2022)

- Sonae received an ESG Risk Rating of 20.6;
- Assessed to be at medium risk of experiencing material financial impacts from ESG factors;
- Industry ranking of 54/191.



### EthiFinance 2022 campaign (based on 2021 data)

- Sonae obtained a score of 62/100;
- Outperformed the industry benchmark.

## Outlook

Looking forward, complexity and uncertainty remain high. The global economy is forecast to grow, albeit at a slower pace. The degradation of the geopolitical context, the high inflation and the sharp rise in interest rates will continue to impose significant constraints on the economy, namely to households' disposable income, with a negative impact on private consumption. Technology and related sectors are poised for growth driven by the dissemination of significant developments in artificial intelligence, 5G and the Internet of Things. Climate change and the invasion of Ukraine are boosting the renewable energy sector, with governments around the world committing to reducing carbon emissions and transitioning to more sustainable and independent energy sources. The uncertainty related to energy and food commodity prices will shape the economic evolution for 2023.

As a holding company, and given the current volatile environment, we will remain committed to continuously support our portfolio companies in understanding the implications of the new challenges, and together will develop adequate solutions to future-proof their business models, improve their performance and continue to create economic, natural and social value, and a better tomorrow for all.

## Closing remarks and acknowledgements

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 April 3<sup>rd</sup>, 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

Margaret Lorraine Trainer, Non-Executive Director

Marcelo Faria de Lima, Non-Executive Director

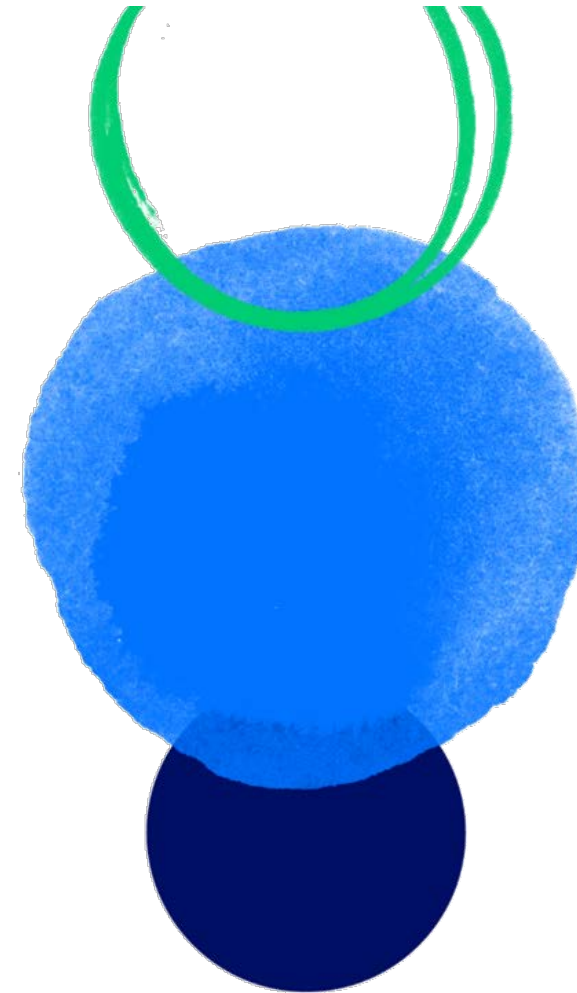
Carlos António Rocha Moreira da Silva, Non-Executive Director

Fuencisla Clemares, Non-Executive Director

Philippe Cyriel Elodie Haspeslagh, Non-Executive Director

Maria Cláudia Teixeira de Azevedo, Executive Director (CEO)

João Pedro Magalhães da Silva Torres Dolores, Executive Director (CFO)



# Glossary

<p><b>Capex</b></p> <p><b>Cash on cash ratio</b></p> <p><b>Direct result</b></p> <p><b>(Direct) EBIT</b></p> <p><b>EBITDA</b></p> <p><b>EBITDA margin</b></p> <p><b>Indirect results</b></p> <p><b>Investment properties</b></p> <p><b>Like for Like sales (LFL)</b></p> <p><b>Loan to Value (LTV) - Holding</b></p> <p><b>Loan to Value (LTV) - Sierra</b></p> <p><b>INREV NAV Sierra</b></p> <p><b>Net debt</b></p>	<p>Investments in tangible and intangible assets and investments in acquisitions. For NOS it includes right of use.</p> <p>Exit value of the investment divided by the initial investment</p> <p>Results before non-controlling interests excluding contributions to indirect results.</p> <p>Direct EBT - financial results.</p> <p>Underlying EBITDA + equity method results + non-recurrent items.</p> <p>EBITDA / turnover.</p> <p>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.</p> <p>Shopping centres in operation owned and co-owned by Sierra.</p> <p>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.</p> <p>Holding net debt (average) / NAV of the investment portfolio plus Holding net debt (average).</p> <p>Total debt / (Investment properties + properties under development), on a proportional basis.</p> <p>Open market value attributable to Sierra - net debt -minorities + deferred tax liabilities.</p> <p>Bonds + bank loans + other loans + shareholder loans - cash - bank deposits - current investments - other long-term financial applications.</p>	<p><b>Net financial debt</b></p> <p><b>Net invested capital</b></p> <p><b>Right of use (RoU)</b></p> <p><b>RoIC</b></p> <p><b>Total Net Debt</b></p> <p><b>Total Shareholder Return (TSR)</b></p> <p><b>Underlying EBITDA</b></p> <p><b>Underlying EBITDA margin</b></p>	<p>Net debt excluding shareholders' loans.</p> <p>Total net debt + total shareholders' funds.</p> <p>Lease liability at the beginning of the lease adjusted for, initial direct costs, advance rent payments and possible lease discounts.</p> <p>Return on invested capital.</p> <p>Net Debt + lease liabilities</p> <p>Profit or loss from net share price change, plus any dividends received over a given period.</p> <p>Recurrent EBITDA from the businesses consolidated using the full consolidation method.</p> <p>Underlying EBITDA / turnover.</p>
--	---	---	--

The image features a dark blue background on the left and a green, textured foreground on the right, resembling a globe. The text is positioned on the green side.

2. Corporate  
Governance Report

**Acting with  
true  
Leadership**





Index

Part I: Shareholders' Structure, Organisation and Corporate Governance.....61

A. Shareholders' Structure .....61

    I. Share Capital Structure.....61

    II. Qualified shareholdings and securities held by members of the statutory governing bodies.....62

B. Governing Bodies and Committees .....63

    I. Shareholders' General Meeting.....63

    II. Management and Supervision.....65

    III. Audit .....80

    IV. Statutory External Auditor .....83

    V. External Auditor ..... 84

C. Internal Organisation.....85

    I. Articles of Association.....85

    II. Reporting of irregularities (whistleblowing).....85

    III. Internal Control and Risk Management.....86

    IV. Investor Relations.....93

    V. Website ..... 94

D. Remuneration.....95

    I. Power to establish.....95

    II. Remuneration committee.....95

    III. Remuneration Structure.....96

    IV. Disclosure of Remuneration .....101

    V. Agreements with remuneration implication.....103

    VI. Share Attribution Plans or Stock Options.....103

E. Relevant Transactions with Related Parties .....104

    I. Mechanism of control procedures.....104

    II. Elements related to Transactions.....105

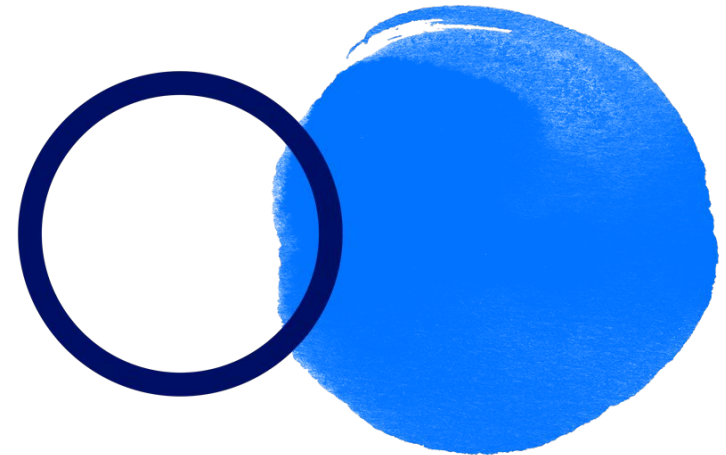
Part II: Statement of Compliance.....106

Appendixes.....118

Appendix I.....119

    Board of Directors.....120

    Statutory Audit Board.....126



## 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

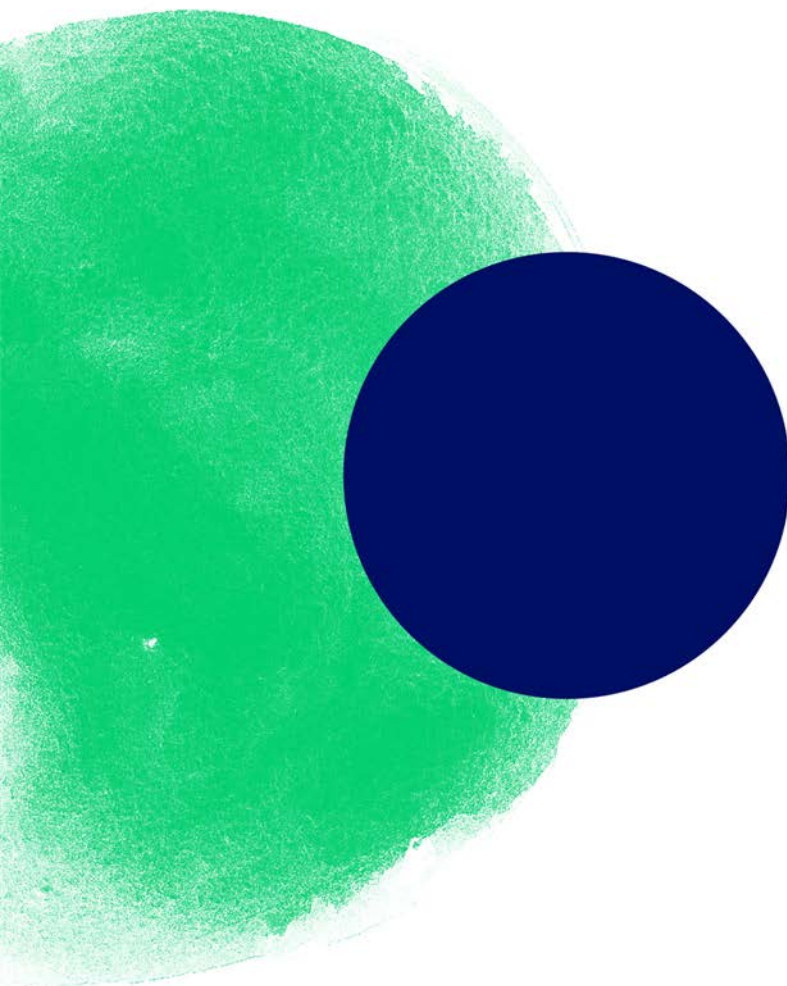
On 31<sup>st</sup> December 2022, the Company held 79,734,758 own shares, representing 3.987% of the Company's share capital, which would correspond to the same percentage of voting rights.

##### 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.

The shareholders' agreement executed between Sonae and Grosvenor Group Limited ("Grosvenor"), relating to Sonae Sierra, SGPS, SA (hereinafter "Sierra"), and which was in force on 31<sup>st</sup> December 2022, granted Grosvenor an exit right in the case of a change of



control of Sierra, but only in the particular and exclusive situation of Sierra being directly or indirectly controlled by a third-party other than its present reference shareholder or any of its current shareholders or their relatives.

Sonae had, as well, contractual protection mechanisms, including a call-option right on Grosvenor shareholding in case the latter ceased to be controlled by its current reference shareholder. This is a standard clause in this type of agreements, having been disclosed to the market for several years in this Report, and it is not considered as suitable to harm the economic interest in the transferability of shares.

Notwithstanding the aforementioned, since 15<sup>th</sup> March 2023 Sonae holds 100% of the share capital and voting rights of Sierra.

## 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 joint venture 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 31<sup>st</sup> December 2022, 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, as required by article 8 paragraph 1, subparagraph c), of the Portuguese Securities Market Commission (CMVM) Regulation no. 05/2008 (Republished by CMVM Regulation no. 7/2018):

Shareholder	Nr. of shares	% Share capital and voting rights*	% of exercisable voting rights**
<b>Efanor Investimentos, SGPS, S.E. (I)</b>			
Directly	200,100,000	10.0050%	10.4204%
By Pareuro, BV (controlled by Efanor Investimentos, SGPS, S.E.)	849,533,095	42.4767%	44.2404%
By Maria Margarida CarvalhaisTeixeira de Azevedo (Director of Efanor Investimentos, SGPS, S.E.)	14,901	0.0007%	0.0008%
By Maria Cláudia Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, S.E.)	1,017,900	0.0509%	0.0530%
By Duarte Paulo Teixeira de Azevedo (Director of Sonae, SGPS, S.A. and Efanor Investimentos, SGPS, S.E.)	1,123,052	0.0562%	0.0585%
By Ângelo Gabriel Ribeirinho dos Santos Paupério (Director of Sonae, SGPS, S.A. and Efanor Investimentos, SGPS, S.E.)	1,007,523	0.0504%	0.0525%
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%	0.2198%
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%	0.0099%
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%	0.1053%
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%	0.0345%
By Carlos António Rocha Moreira da Silva (Director of Efanor Investimentos, SGPS, S.E.)	50,000	0.0025%	0.0026%
<b>Total attributable to Efanor Investimentos, SGPS, S.E.</b>		<b>52.9971%</b>	<b>55.1977%</b>

Source: communications received by the Company regarding qualified shareholdings up to 31<sup>st</sup> December 2022.

(I) As from 29<sup>th</sup> 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

**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 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 31.12.2022	
	Number of shares	Aver. Price (€)	Number of shares	Aver. Price (€)	Position on 31.12.2023	Number of shares
<b>Duarte Paulo Teixeira de Azevedo (*) (**) (***)</b>						
					Minority	
					Dominant	
						1,123,052
	Acquisition	01/04/2022	345,768	1.042		
	Acquisition	04/10/2022	747,284	0.864		
<b>Ángelo Gabriel Ribeiro dos Santos Paupério (*) (**)</b>						
					Dominant	
					Dominant	
						1,007,523
	Acquisition	01/04/2022	562,898	1.042		
<b>Maria Margarida Carvalhais Teixeira de Azevedo (**)</b>						
					Minority	
						14,901
<b>Maria Cláudia Teixeira de Azevedo (*) (**)</b>						
					Minority	
						1,017,900
	Acquisition	01/04/2022	293,193	1.042		
					Dominant	
<b>Carlos António Rocha Moreira da Silva (*) (**)</b>						
						50,000
<b>Philippe Cyriel Elodie Haspeslagh (*)</b>						
						112,300
<b>João Pedro Magalhães da Silva Torres Dolores (*)</b>						
						66,175
	Acquisition	01/04/2022	55,869	1.042		

Date	Acquisitions		Sale		Balance on 31.12.2022	
	Number of shares	Aver. Price €	Number of shares	Aver. Price €	Position on 31.12.2023	Number of shares
<b>(1) Efanor Investimentos, SGPS, SE</b>						
						200,100,000
					Dominant	
<b>(2) Pareuro, BV</b>						
						849,533,095
<b>(3) Migracom, SA</b>						
						4,221,599
					Minority	
<b>(4) Imparfin - Investimentos e Participações</b>						
						5,398,465
<b>(5) Linhacom, SGPS, SA</b>						
						189,314
					Minority	
<b>(6) Enxomil - Consultoria e Gestão, SA</b>						
						2,021,855
<b>(7) Enxomil - Sociedade Imobiliária, SA</b>						
						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 statutory provision allowing the Board of Directors to increase the Company's share capital expired in April 2011. As from that date, these powers are held exclusively by 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 notified to the Company.

## 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 2019, the following members of the Board of the Shareholders General Meeting were appointed for the 2019-2022 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, 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 5<sup>th</sup> February, with the wording introduced by Law no. 32/2017 of 1st July 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 28<sup>th</sup> April 2022 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, on one hand the pandemic context that still recommended a conservative approach concerning gatherings of a high number of persons in the same place and, on the other hand, the significant proportion of attendance in the shareholders' general meetings held by telematic resources in the previous couple of years.

The Chair of the Board of the Shareholders' General Meeting encouraged the shareholders to use of 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 Company has approved at the Shareholders' General Meeting held on 30<sup>th</sup> April 2021 an Internal Policy for the Selection and Suitability Assessment for Membership of

the Management and Audit Bodies in light of which the members of the Board of Directors and of the Statutory Audit Board appointed for the 2019-2022 mandate were evaluated.

The Policy is available at the Company's website, [https://www.sonae.pt/fotos/ag/04.ag2021sonae\\_item4\\_efanor\\_selection\\_policy\\_vf1\\_2040611076064c92373f33.pdf](https://www.sonae.pt/fotos/ag/04.ag2021sonae_item4_efanor_selection_policy_vf1_2040611076064c92373f33.pdf) <https://sonae.pt/en/investors/shareholder-s-general-meeting/> referred to as Proposal number four, presented and approved at the Shareholders' General Meeting held on 30<sup>th</sup> April 2021.

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 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 constraints, 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 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 1<sup>st</sup> 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://www.sonae.pt/en/media/publications/>.

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 eleven, elected by the shareholders at a Shareholders' General Meeting, and the Chair of the Board of Directors holds a casting vote.

At the Shareholders' Annual General Meeting held on the 30<sup>th</sup> April 2019, the following members were elected for the Board of Directors for the 2019-2022 mandate:

Board of Directors	First appointment	End of current mandate
Duarte Paulo Teixeira de Azevedo	2000	2022
Ángelo Gabriel Ribeiro dos Santos Paupério	2000	2022
José Manuel Neves Adelino	2007	2022
Margaret Lorraine Trainer	2015	2022
Marcelo Faria de Lima	2015	2022
Carlos António Rocha Moreira da Silva	2019	2022
Fuencisla Clemares	2019	2022
Philippe Cyriel Elodie Haspeslagh	2019	2022
Maria Cláudia Teixeira de Azevedo	2019	2022
João Pedro Magalhães da Silva Torres Dolores	2019	2022

## 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
Ángelo Gabriel Ribeiro dos Santos Paupério	Non-Executive Director
José Manuel Neves Adelino	Lead Non-Executive Director ("Lead Director")
Margaret Lorraine Trainer	Senior Independent Non-Executive Director ("SID 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	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

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 (IPCG), 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 14th May 2019, has appointed the director Margaret Lorraine Trainer as Senior Independent Non-Executive Director ("SID Director") and the director José Manuel Neves Adelino as Lead Non-Executive Director ("Lead 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 "SID Director" and "Lead 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 Appendix I of this Report.

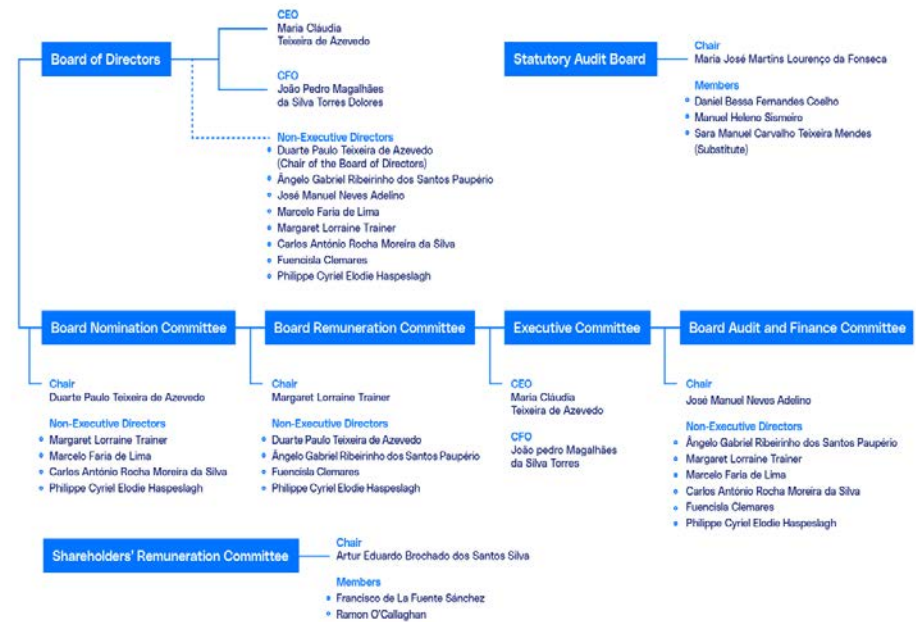
**20. Usual and significant family, business and commercial relationships between members of the Board of Directors and shareholders with attributed qualified shareholdings**

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.

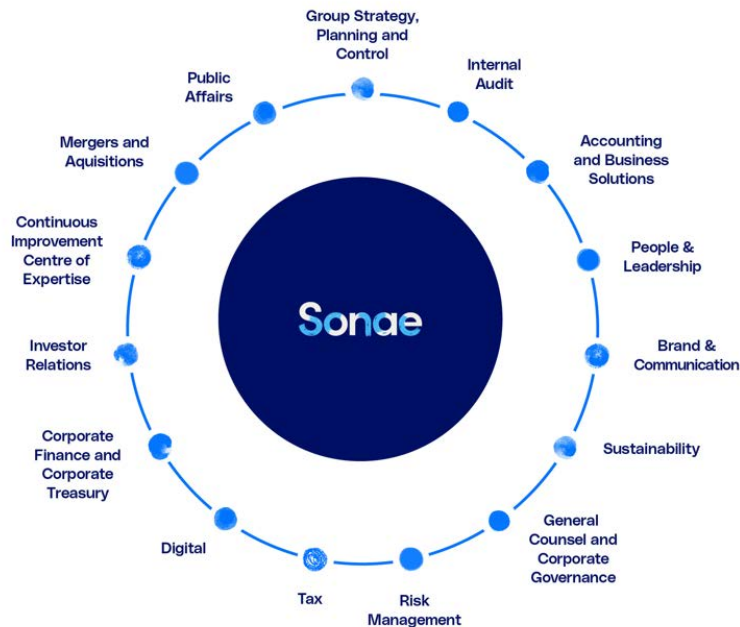
In addition to the abovementioned, and in accordance with the individual statements provided, there are no other significant or usual family, business and commercial relationships between shareholders with attributed qualified shareholdings higher than 5% of the voting rights, and the remaining members 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 main 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 skills;
- Take part in defining tax strategy and objectives, 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:
  - o Controlling and monitoring tax procedures;
  - o Ensuring compliance with all tax requirements;
  - o 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;
- Provide tax consultancy by analysing several tax matters.

## 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), Investment Management (Bright Pixel) and Financial Services (Universo);
- 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 Corporate Treasury

Main responsibilities:

- Optimise the Company's financial function and retail business through the proposal, implementation and control of appropriate 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 means of payment and receipt of the Company and its retail businesses;
- Manage the various financial risks of the Company and of its retail businesses;
- Develop credit risk policies suitable to the characteristics of Sonae's various 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 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;
- Co-ordinate 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, challenge, 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;
- Challenge 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;
- Ensure compliance with the Sustainability Principles and Commitments assumed externally;

- Coordinate the Sustainability Advisory Group's activity, aiming to pursue the sustainability purpose of Efanor's companies;
- Challenge, advise and monitor each of Sonae's companies in the construction of their sustainability path, through the:
  - Monitoring and sharing of internal and external knowledge, trends, solutions and best practices;
  - Fostering of internal and external networking;
  - Capturing synergies between the different companies of the Group,
- Coordinate the consolidation of Sonae companies' sustainability management information for reporting;
- Contribute to the information's consolidation to be reported within the scope of financial markets ESG ratings;
- Promote sustainability culture and knowledge, and Sonae companies' practices, 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.

The Company has also 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.

### Sonae's 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 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 along Sonae's dimensions for Planet and People;
- 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 2022, 11 (eleven) Board of Directors' meetings were held, with an attendance rate of 95%, 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 a 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 in business, economic and financial KPIs (Key Performance Indicators) and are divided into company, department and individual KPIs.

The business KPIs include economic and financial indicators based on the budget, on the performance of each business unit, as well as on the consolidated performance of Sonae.

In turn, the department business KPIs are similar in nature to the previous ones, assessing the performance of the Executive Director in the business areas.

The personal KPIs, which may include both subjective and objective indicators, are determined by the attainment of individual goals and commitments assumed by the respective Executive Director.

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 28<sup>th</sup> April 2022 was approved a revision of the Remuneration Policy, 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 2022, is disclosed in Appendix I 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 these Committees are available for consultation at the Company's website - <https://www.sonae.pt/en/investors/government-of-society/>.

Additionally, the Board of Directors has, during a previous mandate, appointed an Ethics Committee with specific competencies in promoting Sonae's Code of Ethics and Conduct, which 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.

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.

### 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	CEO
João Pedro Magalhães da Silva Torres Dolores	CFO

#### 28.1. Operating Rules of the Executive Committee

The Executive Committee meets at least once every month and additionally whenever any of its members convenes a meeting by writing, with the minimum antecedence of three days prior to the date of the meeting. The quorum for any Executive Committee meeting requires that all its members are present or represented by proxy. The Executive Committee receives information about items on the agenda for the meeting at least 7 (seven) days in advance of the meeting and receives supporting documents for any given meeting at least 2 (two) days in advance.

The Executive Committee consistently reports to the Board of Directors the content of its main decisions and submits its activities to that body and the supervisory bodies' assessment, making available, in a timely manner, all information, required clarifications, including, if deemed adequate, with the participation of employees from the Group, in order to ensure the thorough clarifications required to the fulfillment of those bodies' competencies.

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

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

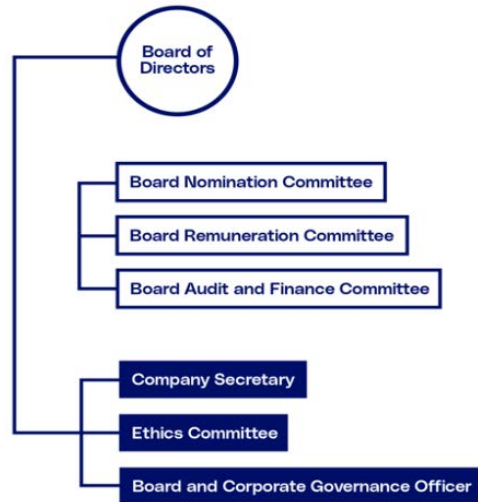
Whilst carrying out its general duty of ensuring access to fully adequate information regarding the correct assessment of its own overall performance, the Executive Committee must deliver periodic reports on its activity to the remaining members of the statutory governing bodies. The Executive Committee must provide answers to their inquiries, in a timely and thoroughly manner, as well as implementing procedures aimed at facilitating the exercise of legal and statutory competencies attributed to such statutory governing bodies.

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 2022, 21 (twenty-one) 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, and its terms of reference are set out in the Board of Directors’ 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) Supervise and analyse the Company’s annual and interim financial statements and earnings announcements released to the market, and report its findings to the Board of

Directors, giving the necessary support to the Board of Directors’s financial statements approval process;

b) Advise the Board of Directors on the preparation of its reports to shareholders and financial markets to be included in the Company’s annual and half-year financial statements and in the quarterly earnings announcements;

c) Advise the Board of Directors, including the evaluation and recommendations of suggestions made by the Statutory Audit Board, on the adequacy and quality of information provided by the Executive Committee, and the systems and standards of internal business controls applied by the Company;

d) Monitor internal audit activity, in conjunction with plans validated by the Statutory Audit Board, reach conclusions and submit these for consideration by the Board of Directors;

e) Assess operational procedures in order to ensure that internal control, effective management of risks, prevention of irregularities, the timely distribution of information and the reliability of the process of preparing and disclosing financial information are monitored, as well as reaching conclusions and submitting these for consideration by the Board of Directors;

f) Ensure the regular flow of information between the members of the Board of Directors and of the Statutory Audit Board and Company’s officers for the purpose of the assessment of performance, status quo and perspectives of the Company’s development, including, namely, minutes of the meetings, support documentation for taken resolutions, notices for convening meetings and archive of the Executive Committee meetings, as well as any other documents and access to human resources from whom additional information can be provided;

g) Ensure the interaction between the Statutory Audit Board, including the timely exchange of information and documentation between the two bodies, namely regarding strategic objectives and risk policy approved by the Board of Directors;

h) Ensure that the corporate governance policies and recommendations adopted by the Company are followed;

i) Ensure that financial reporting standards and practices are adhered to by the Company;

j) Monitor formal and informal key financial indicators reported about the Company, including reports published by rating agencies;

k) Receive and report to the Board of Directors notice made by any director regarding a potential conflict of interest or a limitation on his or her independence as required by the approved policy on conflicts of interest;

l) Give an opinion on significant relevant transactions made by the Company with related parties, pursuant to the rules set forth in this Regulation and on the regulation of the Statutory Audit Board;

m) Review and approve the half-year report on related parties’ transactions, in light of the legal framework and the Internal Policy on Related Party Transactions.

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 seven 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*
Ángelo Gabriel Ribeirinho dos Santos Paupério	Non-Executive
Margaret Lorraine Trainer	Independent Non-Executive
Marcelo Faria de Lima	Independent Non-Executive
Carlos António Rocha Moreira da Silva	Non-Executive
Fuencisla Clemares	Independent Non-Executive
Philippe Cyriel Elodie Haspeslagh	Independent Non-Executive

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

**Operating Rules**

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

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

During 2022, 6 (six) meetings of the BAFC were held with an overall attendance rate of 93%.

**Board Nomination Committee ("BNC")**

**Role**

The BNC operates according to the Internal Regulation of the Board of Directors, and 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 five Non-Executive Directors, 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
Margaret Lorraine Trainer	Independent Non-Executive
Marcelo Faria de Lima	Independent Non-Executive
Carlos António Rocha Moreira da Silva	Non-Executive
Philippe Cyriel Elodie Haspeslagh	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. In addition to the formal meetings, BNC 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 2022, 1 (one) meeting of the BNC was held, with an attendance rate of 100%.

**Board Remuneration Committee ("BRC")**

**Role**

The BRC operates according to the Internal Regulation of the Board of Directors, and 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, the majority of which is independent, and its composition is as follows:

Board Remuneration Committee	
Margaret Lorraine Trainer	Chair – Independent Non-Executive
Duarte Paulo Teixeira de Azevedo	Non-Executive
Ángelo Gabriel Ribeiro dos Santos Paupério	Non-Executive
Fuencisla Clemares	Independent Non-Executive
Philippe Cyriel Elodie Haspelslagh	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 2022, 2 (two) 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 2022, 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 must be sent to the email address of the Ethics Committee: [comissaoetica@sonae.pt](mailto: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](mailto:provedoria@sonae.pt).

## Composition

Ethics Committee	
José Manuel Neves Adelino (Chair)	Lead Non-Executive Director ("Lead Director")
João Günther Amaral	Head of Human Resources
Marta Cordeiro Cunha	Ombudsperson
Luzia Gomes Ferreira	Head of General Counsel and Corporate Governance
David Graham Shenton Bain (Secretary)	Board and Corporate Governance Officer

\*Notwithstanding, Célia Sá Miranda took office at the Ethics Committee as Head of General Counsel and Corporate Governance on 24th January 2023

## 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 2022, 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 CMVM 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 30<sup>th</sup> April 2019 the members of the Statutory Governing Bodies were elected for the 2019-2022 mandate.

Following its election, the Board of Directors appointed, in May 2019, 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 2022, 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 Statutory Audit Board (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 courts 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 3<sup>rd</sup> May 2007, at the time as Chair of the Statutory Audit Board and was later re-elected for a second mandates at the Company's Shareholders' Annual General Meetings, held on 27<sup>th</sup> April 2011 and for a third mandate (2015-2018) at the Shareholders' Annual General Meeting held on 30<sup>th</sup> April 2015 for a third mandate for the 2015-2018.

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

At the Shareholders' Annual General Meeting held on 30<sup>th</sup> April 2019 all the members of the Statutory Audit Board were elected for the four-year mandate 2019-2022.

### 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 2022, 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 Appendix I 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 through long distance communications.

During 2022, 24 (twenty-four) 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 Appendix I to 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 VII.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 1<sup>st</sup> 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 7<sup>th</sup> September, with its current wording.

## IV. Statutory External Auditor<sup>13</sup>

### 39. Identification

The Company's Statutory External Auditor is PricewaterhouseCoopers & Associados, SROC, S. A., represented on 31<sup>st</sup> December 2022 by the statutory auditor António Joaquim Brochado Correia.

<sup>13</sup> Referred to as "Statutory Auditor" pursuant to Regulation (EU) no. 537/2014, of the EU

#### 40. Permanence in functions

The Statutory External Auditor was initially elected at the Shareholders' General Annual Meeting held on 3<sup>rd</sup> 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.

The proposal presented by the Statutory Audit Board at the Shareholders' Annual General Meeting, held on 3<sup>rd</sup> May 2018, is available for consultation at the Company's website <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/>.

At the Shareholders' Annual General Meeting held on 30<sup>th</sup> 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.

#### 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 31<sup>st</sup> December 2022 by António Joaquim Brochado Correia (ROC no. 1076).

#### 43. Permanence in functions

The External Auditor, PricewaterhouseCoopers & Associados, SROC, SA, was initially elected at the Shareholders' Annual General Meeting held on 3<sup>rd</sup> May 2018, following a proposal of the Statutory Audit Board. The representing partner was also appointed 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 30<sup>th</sup> April 2019.

#### 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 1<sup>st</sup> 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 criteria, 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 7<sup>th</sup> September, as amended by Law no. 99-A/2021 of 31<sup>st</sup> 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 euro)	2021		2022	
	Amount	%	Amount	%
Statutory Audit and Accounts Certification	58,800	46.2%	86,249	99.4%
Other Compliance and Assurance Services	500	0.4%	500	0.6%
Other Services	68,000	53.4%	-	0.0%
<b>Total</b>	<b>127,300</b>	<b>100.0%</b>	<b>86,749</b>	<b>100.0%</b>

Remuneration paid by the Group's Companies* (amounts in euro)	2021		2022	
	Amount	%	Amount	%
Statutory Audit and Accounts Certification	655,513	81.8%	591,505	80.0%
Other Compliance and Assurance Services	67,810	8.5%	87,332	11.8%
Tax consultancy Services	56,896	7.1%	15,625	2.1%
Other Services	20,891	2.6%	44,850	6.1%
<b>Total</b>	<b>801,110</b>	<b>100.0%</b>	<b>739,312</b>	<b>100.0%</b>

\*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 20<sup>th</sup> December, which establishes the General Regime for the Protection of Whistleblowers as well as those made under Decree-Law no. 109-E/2021 of 9<sup>th</sup> 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](mailto: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, 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 highly exposed to the dynamics of the Portuguese economy and to global economic context. In a macroeconomic scenario in which there is a recession in major economic blocks, a sharp increase in unemployment figures, and persistently high inflation rate levels, Sonae would be significantly impacted.

In 2022, with Russia's invasion of Ukraine disrupting food and energy commodity markets, intensifying inflationary pressures, and forcing Central Banks to swiftly raise interest rates, this risk became more relevant.

Notwithstanding, Sonae has several ongoing initiatives to mitigate these risks, namely the internationalisation of its businesses, an active portfolio management, the constant improvement of value propositions across businesses, a conservative approach to financial leverage and the diversification of funding sources. The past years demonstrated how these initiatives can be effective in minimising these risks as shown by Sonae's resiliency during this period.

##### 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.

In this topic, Sonae also shown great agility throughout 2022, by adapting stores, ranges, schedules, services and channels to meet the changes in Sonae's companies relation with their clients caused by the pandemic and the social distancing measures adopted.

**Brand:**

Sonae and its affiliated companies own several high value brands, and they are one of its main assets.

The risks associated with brands come from the negative impacts arising from extraordinary events affecting image and reputation. Sonae periodically monitors brands' image value, their attributes and their reputation through customer opinion surveys, research by specialist entities and market studies. Sonae also performs continuous follow-up of brand reputation, namely through press analysis, opinion articles issued by the media and social media. Sonae's brands are regularly granted national and international awards, which recognise excellence in specific products/services, business processes and innovation achievements.

**Tangible asset risks:**

In 2022, preventive and safety audits were conducted in different locations. In the main business units, tests and simulations were made to emergency and preventive systems and plans, usually in the presence of civil protection services, security forces and fire brigades.

Considering the pandemic context and the restrictions in force, safety and prevention audits, within the scope of risk engineering (Loss Prevention), were performed in a hybrid mode – documentation consultation and technical analysis were carried out remotely and the inspection to sites was in person. The monitoring and risk assessment processes continued, following the best market practices.

**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 92,000 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).

The year of 2022, continued to be focused on the management of COVID-19 Pandemic' Crisis whose objectives were to ensure Corporate alignment, settle a common risk language and the share and learning of best practices through the Crisis Management Committee led by the Human Resources and Risk Management Consulting Groups.

**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 recognises its dependence and influence, directly and indirectly, upon natural ecosystems, through its activities, products and services, from origin to end-use and disposal by the customer. Sonae understands that, considering its business context, environmental impacts may arise, such as the depletion of natural resources and biodiversity due to the extraction of raw materials for products, the use of resources in our operations, the potential pollution in ecosystems generated by emissions from our operations and associated with the inappropriate final destination of waste from the post-consumption of our products.

Aware of its ability to act, Sonae is determined to reconcile economic and social development with environmental protection, contributing to sustainable global development, operating in an environmentally responsible manner, in balance with the growth of its business. In this sense, it seeks to manage the environmental risks that arise from it in an active approach that covers the various environmental variables, through policies, objectives and targets, management practices and monitoring of performance metrics, in line with the best market practices, methodologies and regulatory context.

Consequently, Sonae invests significantly in the continuous improvement of the environmental management of its companies, while ensuring the quality of workplaces for employees, investing in the implementation of initiatives aimed for the environmental promotion of its activities, products and services, reducing the carbon and water footprint, promoting the circularity of materials and products, and the effective management of critical waste, and the restoration and protection of biodiversity.

These measures include actions to optimise water and energy consumption through the installation of more efficient equipment, local production and renewable energy supply, electrification of the fleet, reduction of waste generated and increase recycling, the exclusion, whenever possible, of plastics from single use, the elimination of plastics in private label products and packaging and in operations, the review of packaging material

for private label products, among other measures. Complementarily, in our most significant assets, we continued the environmental certification program, according to the international standard NP EN ISO 14001:2015, accompanied by an accredited independent certifier, which promotes the continuous improvement of the environmental performance of infrastructures and operations and strengthens 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:**

In 2022, the consulting Insurance Risk Program Review was completed, which culminated in the identification of some gaps/improvements, of which we highlight:

- Design a risk transfer policy;
- Optimise the current property insurance structure through the internalisation of the primary layer.

In an insurance hard market context, largely as a result of reduced capacities and high costs as a consequence of major catastrophic events, it was possible to guarantee the best coverage for each business and placement of 100% of the risk. The conflict in Europe forced underwriters to exclude the territories of Russia, Ukraine and Belarus.

The Insurance Risk Program loss ratio remains stable and at historically low levels, even considering the impacts of climate change.

Still in 2022, the objective of ensuring the best coverage for each business, considering the legal requirements and responding to the different appetites and levels of retention, was achieved.

**Information, personal data protection and cybersecurity risks:**

Sonae businesses Information Systems are characterised as being broad ranging, distributed and heterogeneous. From the information security point of view, several risk reduction actions have been developed to ensure confidentiality, availability and integrity of information, including: implementing high availability systems and network infrastructure redundancy; controlling the quality of flows between applications; managing accesses and profiles; and strengthening mechanisms for data network perimeter protection, performance of intrusion tests to the website and protection of mobile devices and computers.

2022 was marked by a series of incidents that shook up Portugal’s cyberspace, including an incident in March that affected MC Retail’s information systems and, consequently, several of Sonae’s businesses. The existing measures, including measures adopted after

learning from other companies’ incidents, enabled the mitigation of the impacts and the agile and surefooted recovery of services.

Throughout 2022, we focused on developing several actions improving the maturity of our security controls in order to further mitigate the risk of incidents pertaining to the confidentiality, availability and integrity of our business data, including the adoption of more resilient solutions for our critical value chain systems; the increase of redundancy of our communications network, namely, data and voice; review of identities and accesses, management of privileged accounts, cyber intelligence capabilities, the expansion of intrusion testing, and the adoption of detection and response technology for our endpoints and servers.

Furthermore in 2022, Sonae joined a group of national companies to establish the National Alliance for Cybersecurity with the goals of contributing to the achievement of the objectives of the National Security Strategy for cyberspace, of promoting literacy and information about threats and security procedures, of promoting the training of executives and technical resources in cybersecurity; of identifying, aggregating, defining and promoting the sharing of information and best practices; and of incubating cooperative projects.

The mitigation of risks associated with human behaviour is increasingly important, reason why several awareness actions were carried out as well as several ethical phishing campaigns.

Throughout the year, the results of the campaigns improved significantly. Continuing our posture of systematically addressing and resolving vulnerabilities, in 2022, Sonae’s main cybersecurity external indicators improved (Bitsight’s) reflecting the organisations’ efforts in asset management, structure review and finding solutions.

**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. Price and Market Risks;
6. 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 various businesses of the Group there isn’t an individual 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 performed by the hiring of derivative financial instruments, with Sonae's reporting banks and the objective of permitting stable sourcing negotiations and decision making, by fixing exchange rates. Although with a smaller incidence, in the management of interest rate risk, whenever coverages 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 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 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.

Coverage of the clients' risks is an area that has been gaining expression over the past years, considering the growth of the sales channels 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 particular 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 applications 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 prestigious and nationally and internationally recognised counterparties, 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 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 Corporate Finance and Treasury 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.

The Group is also exposed, considering the particular nature of its activity, to the risk of price fluctuation of some commodities, such as energy and some food and non-food raw materials (incorporated, among others, in the products sold) and, therefore, we have closely monitored the evolution of the respective prices, and future perspectives consistently resorting, for their management, in the cases they exist, to derivative contracts or forward purchases, in the same patterns as followed for interest rate and exchange rate risks.

#### **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:

The year 2022 was marked by the end of the lockdown due to the pandemic, and the return to a new normal with the adoption of new ways of working: hybrid work – within the physical and virtual space – and asynchronous work – in time. These new models facilitated the consolidation of an agile and collaborative attitude among teams, consequently followed by the digitalisation of HR processes and the consolidation of flexible working policies.

In this transition to the new normal, the priority for Sonae continued to be the wellbeing of our colleagues, ensuring a smooth return for all.

The year was also marked by the return of inflation levels we haven't seen in over 20 years. This was fuelled by monetary policy during COVID-19 pandemic, and the abrupt raise in demand for goods and services after lockdown, without a proper response from global supply chains. All this was further exacerbated by the energy crisis triggered by the armed conflict in European territory.

In this context, Sonae made important decisions, always guaranteeing the wellbeing of our colleagues as a priority. Group Companies provided a one-off extraordinary support in the year end to mitigate the effect of souring prices in the lives of all our employees. These measures follow those deployed in the summer also to alleviate the effects of the increase in costs of living, such as transversally raising lunch allowance and other benefits. Lastly, the Group reinforced its budget for salary increases when compared to previous years.

Simultaneously, Sonae allocated resources in 2022 to support the Ukrainian refugees' community in Portugal, with the launch of Sonae for Ukraine programme, which had a work stream specifically dedicated to foster the employability of these people.

Challenges in attracting, developing, and retaining high potential talent persisted. The scarcity of critical competencies got worst during 2022. This is being driven by 3 major factors: 1) most recent census in Portugal, in 2021, reveal a decrease of 2.1% in population vs 2011; 2) Portuguese population is getting older, with the rejuvenation index for working population in 2021 scoring 76 according to INE (National Institute for Statistics). This means that for each 100 people leaving the workforce, only 76 join each year. Lastly 3), there are circa 60.000 people each year leaving the country. This indicator gets worst if we consider the fact that these days people don't need to leave the country to work for other geographies.

In this context, Sonae continued to invest in programmes aimed to capture a bigger slice of young talent community (eg Contacto, Future Leaders@Retail, Play your future), in reviewing remuneration policies, in improving the performance and potential of our colleagues (Improving our People), the design of upskilling and requalification programs (Qualifica), as well as the development of career accelerators for employees with high potential (Accelerated Development Program). In 2022, we invested in training on the subject of Advanced Analytics and launched a new competency model based on our new Group's Values, that will guide our colleagues behaviours.

This year was also marked by the continued bet in our Diversity, Equity and Inclusion agenda, where we can highlight the launching of the unconscious bias training. This has now been transversally adopted across the Group.

Lastly, Sonae Academy (Sonae's Corporate Academy) made a complete return to its classroom-based activity, with courses such as General Management Program (PGG) or Strategic Management and Value Creation (GECV) that yielded extraordinarily eNPS results (above 75), pinpointing the Academy as a relevant platform for the Group's EVP.

## 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

1. 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 2022, there were 68 certifications, of which we highlight the following:



2. Considering the importance of continuous training for internal auditors, we continued developing the Internal Audit Academy training program, complementing with a program to improve teams digital skills (Digital Auditor) and self-learning programs. In 2022, a total of 2,089 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 2023, 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 undertaken in 2022

Throughout 2022 we continued the implementation and operationalisation of an Enterprise Wide Risk Management exercise, coordinated by Sonae corporate risk management department, which ensured the alignment of risk management methodologies, practices and calendar throughout all Sonae companies.

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 led 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 first 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 20<sup>th</sup> December) and with the General Scheme for the Prevention of Corruption (Decree-Law no. 109-E/2021 of 9 December);
- The publication 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, of which we would highlight:

Cyberattack crisis management:

On March 30<sup>th</sup>, 2022, MC Retail was the target of a cyberattack. After detecting the incident, a crisis management team was activated, focusing on the analysis and characterisation of the incident, as well as the implementation of containment, mitigation and recovery actions.

COVID-19 Crisis Management:

In addition to the ransomware attack crisis, Sonae SGPS continued the management of Covid-19, maintaining the priority of guaranteeing the safety of our people following closely the recommendations issued by international authorities, namely the World Health Organisation and European Centre for Disease Prevention and Control and the Directorate-General of Health (DGS).

## 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 (2020), 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, in the last years, virtually due to the pandemic. A large number of investors and analysts also have the opportunity to talk to senior management in one-on-one meetings or conference calls.

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.

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 24

Email: [investor.relations@sonae.pt](mailto:investor.relations@sonae.pt) / [rjfrocha@sonae.pt](mailto: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 2022 Luzia Leonor Borges e Gomes Ferreira was the legal representative for Capital Market Relations.

However, and as announces to the market, on 24<sup>th</sup> January 2023, Célia Sá Miranda became the new Representative for Market Relations, with the following contacts:

Tel: (+351) 22 010 47 06

Email: [investor.relations@sonae.pt](mailto:investor.relations@sonae.pt)

Address: Lugar do Espido, Via Norte, 4471-909 Maia Portugal

## 58. Information requests

During 2022, Investor Relations received 312 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: <http://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 <http://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 this chapter 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 31<sup>st</sup> December 2021 was submitted to the Shareholders' General Meeting held on 28<sup>th</sup> April 2022 and was approved by the shareholders as presented.

The Company drawn up the remuneration report by reference to the year ended in 31<sup>st</sup> December 2022 in light of the same thoroughness and consistency principles, having decided this year that said report shall be embodied in this chapter of the Corporate Governance Report, pursuant to the terms set forth in subparagraph 8 of article 26-G of the Portuguese Securities Code.

**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 2019-2022 four-year mandate. The Shareholders' Remuneration Committee has the following composition:

Shareholders' Remuneration Committee	
Artur Eduardo Brochado dos Santos Silva	Chair
Francisco de La Fuente Sánchez	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 did not contract any third-party consultants during 2022.

**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 2019-2022 mandate is as follows:

Shareholders' Remuneration Committee   members (amounts in euro)	
Artur Eduardo Brochado dos Santos Silva, Presidente	10,000
Francisco de La Fuente Sánchez	7,000
Ramon O'Callaghan	7,000
<b>Total</b>	<b>24,000</b>

During 2022, 1 (one) meeting of the Shareholders' Remuneration Committee was 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 30<sup>th</sup> April 2021 it was approved the Remuneration Policy for the remainder years of the current mandate 2021-2022, which was reviewed at the Shareholders' Annual General Meeting held on 28<sup>th</sup> April 2022, 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 in 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.

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.

Accordingly, and in compliance with subparagraph c) of paragraph 2 of article 26-G of the Portuguese Securities Code, the variation between the annual 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 Rem. (amounts in euros)	Role	2018 vs 2017	2019 vs 2018 (3)	2020 vs 2019	2021 vs 2020	2022 vs 2021	Five Year Average Variation (2018-2022)
Duarte Paulo Teixeira de Azevedo <sup>(1)</sup>	Chair	1%	-	-	-	-	1%
Ángelo Gabriel Ribeiro dos Santos Paupério <sup>(1)</sup>	Non-Executive Director	1%	-	-	-	-	1%
Maria Cláudia Teixeira de Azevedo <sup>(2)</sup>	CEO	-	-	9%	26%	0%	12%
João Pedro Magalhães da Silva Torres Dolores <sup>(2)</sup>	CFO	-	-	11%	34%	12%	19%
<b>Total</b>		<b>1%</b>	<b>(6)%</b>	<b>10%</b>	<b>29%</b>	<b>4%</b>	<b>7%</b>

(1) Ceased the performance of an executive role following the Shareholders' General Meeting held on 30th April 2019.

(2) Executive Directors appointed at the Shareholders' General Meeting held on 30th April 2019

(3) At the Shareholders' Annual General Meeting held on 30th April 2019, the Board of Directors was appointed for a new mandate 2019-2022. In this table it is reported, by reference to the year 2019, the variation of the total remuneration of the members of the Executive Committee that held office in the mandate 2015-2018 compared with the remuneration of the members of the Executive Committee appointed for the mandate 2019-2022.

To analyse the remuneration evolution of the members of the Executive Committee who are in office in the current mandate, it is relevant to compare the remuneration since 2019, their appointment year, with the remuneration of the members of the Executive Committee who held office in the 2015-2018 mandate, which allows us to conclude for a 6% reduction. The remuneration plan of the Executive Directors currently in office was subject to an incremental evolution in terms of positioning, between 2019 and 2021, in line with the responsibilities assumed, the individual role performed by each of them in the Company, and the benchmark against the national and international market. Thereby, the average variation of the Executive Directors' remuneration during the five-year period in analysis is 7%, in line with the consolidated turnover, for the same period.

**Variation of the Remuneration of the Non-Executive Members of the Board of Directors, during the last 5 years:**

(amounts in euros)	Role	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	Five Year Average Variation (2018-2022)
Duarte Paulo Teixeira de Azevedo*	Non-Exec Director	-	-	0%	0%	0%	0%
Ángelo Gabriel Ribeiro dos Santos Paupério*	Non-Exec Director	-	-	(1)%	0%	0%	0%
José Manuel Neves Adelino	Non-Exec Director	0%	4%	2%	0%	0%	1%
Margaret Lorraine Trainer	Non-Exec Director	0%	9%	4%	0%	0%	3%
Marcelo Faria de Lima	Non-Exec Director	0%	2%	1%	0%	0%	1%
Carlos António Rocha Moreira da Silva*	Non-Exec Director	-	-	0%	1%	(1)%	1%
Fuencisla Clemares*	Non-Exec Director	-	-	0%	0%	0%	0%
Philippe Cyriel Elodie Haspeslagh*	Non-Exec Director	-	-	0%	0%	0%	0%

\* 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)	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	Five Year Average Variation (2018-2022)
Maria José Martins Lourenço Fonseca*	0%	37%	13%	0%	0%	10%
Daniel Bessa Fernandes Coelho (vogal)	0%	0%	0%	0%	0%	0%
Manuel Heleño Sismeiro (vogal)	0%	18%	8%	0%	0%	5%
<b>Total</b>	<b>0%</b>	<b>17%</b>	<b>7%</b>	<b>0%</b>	<b>0%</b>	<b>5%</b>

\* Appointed as Chair of the Statutory Audit Board at the Shareholders' Annual General Meeting held on 30<sup>th</sup> April 2019.

**Variation of the Remuneration of the Statutory External Auditor, during the last 5 years:**

Statutory Audit and Accounts Certification (amounts in euros)	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	Five Year Average Variation (2018-2022)
External Auditor *	(19)%	65%	28%	(12)%	47%	22%

\* Deloitte & Associados, SROC, SA until 2017 and PriceWaterHouseCoopers & Associados, SROC, SA since 2018

**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)	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021
Consolidated turnover*	7%	9%	4%	5%	10%
Average Employees' Remuneration	1%	6%	3%	4%	5%

\* Restated

**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.

**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 2022 no termination of mandate occurred.

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.

The Company established and herein informs, pursuant to the terms of subparagraph f) of paragraph 2 of article 26-G of the Portuguese Securities Code, that if, by definitive decision, with no right to appeal, it is found that the variable remuneration was based, totally or partially, on information fraudulently provided by the Director in question and on which the variable remuneration was based, the Board of Directors, at the request of

the Shareholders' Remuneration Committee, shall take the appropriate steps to recover the variable remuneration unduly awarded.

**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 behavior. 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	Fixed Remuneration	Variable remuneration		Benefits
		Short term	Medium term	
<b>Purpose</b>	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.
<b>Characteristics</b>	It consists of base salary and a responsibility allowance, paid in 14 monthly instalments.	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.  It is equivalent to a maximum of 50% of the total variable 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.
<b>Definition</b>	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 with the degree of compliance with the medium-term KPI.	Under the Company's general benefits Policy.
<b>Target</b>	Not applicable	The target value of the bonus may vary between 30% and 60% of the Total Remuneration, determined according to the job performed.		
<b>Performance conditions</b>	Not applicable	. Collective KPIs (70%), distributed as follows: Economic KPIs (80%): Turnover, Direct result and Portfolio Management Social KPIs (20%): eg. People, Planet.  . Individual KPIs (30%)	Value Creation based KPI	Not applicable
<b>Maximum</b>	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 strategic 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 140%, 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 68%.

	Overall KPI achievement rate	% of Var. Rem / Total Rem.		
		30%	50%	60%
	0%	0%	0%	0%
	50%	18%	33%	43%
	70%	23%	41%	51%
	100%	30%	50%	60%
	140%	38%	58%	68%

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.

### 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. As from the third consecutive deferred plan, there will be in each moment an overlap of three three-year plans.

### 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

The Company herein informs, in compliance with subparagraph g) of paragraph 1 of article 26-G of the Portuguese Securities Code, that during 2022 the Remuneration Policy was applied without derogation.

For the purposes of complying with subparagraph e) of paragraph 2 of article 26-G of the Portuguese Securities Code, the remuneration of the members of the Board of Directors is described below in section 77 and the remuneration of the members of the Statutory Audit Board in section 81. The remuneration of the Statutory External Auditor is determined by standard fees for similar services and is described in section 47 of this Report.

### 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 2021 and 2022, including the pro rata variation of the fixed and variable remuneration, in compliance with the set forth in subparagraph a) of paragraph 2 of article 26-G of the Portuguese Companies Act is summarised in the tables below:

	2021				2022				2022	
	Fixed Rem.	STPB	MTPB	Total	Fixed Rem.	STPB	MTPB	Total	Fixed Rem. pro-rata	Var. Rem. (STPB and MTPB) pro-rata
<b>(amounts in euros)</b>										
<b>Executive Directors</b>										
Maria Cláudia Teixeira de Azevedo	505,600	551,000	551,000	<b>1,607,600</b>	514,800	544,200	544,200	<b>1,603,200</b>	32%	68%
João Pedro Magalhães da Silva Torres Dolores	280,294	283,700	283,700	<b>847,694</b>	360,600	292,400	292,400	<b>945,400</b>	38%	62%
<b>Sub-Total</b>	<b>785,894</b>	<b>834,700</b>	<b>834,700</b>	<b>2,455,294</b>	<b>875,400</b>	<b>836,600</b>	<b>836,600</b>	<b>2,548,600</b>		
<b>Non-Executive Directors</b>										
Duarte Paulo Teixeira de Azevedo	321,100	-	-	<b>321,100</b>	320,500	-	-	<b>320,500</b>	-	-
Ángelo Gabriel Ribeirinho dos Santos Paupério	142,204	-	-	<b>142,204</b>	141,604	-	-	<b>141,604</b>	-	-
José Manuel Neves Adelino	71,200	-	-	<b>71,200</b>	71,200	-	-	<b>71,200</b>	-	-
Margaret Lorraine Trainer	61,600	-	-	<b>61,600</b>	61,600	-	-	<b>61,600</b>	-	-
Marcelo Faria de Lima	52,700	-	-	<b>52,700</b>	52,700	-	-	<b>52,700</b>	-	-
Carlos António Rocha Moreira da Silva	53,800	-	-	<b>53,800</b>	53,200	-	-	<b>53,200</b>	-	-
Fuencisla Clemares	53,200	-	-	<b>53,200</b>	53,200	-	-	<b>53,200</b>	-	-
Philippe Cyriel Elodie Haspelslagh	55,500	-	-	<b>55,500</b>	55,500	-	-	<b>55,500</b>	-	-
<b>Sub-Total</b>	<b>811,304</b>	<b>-</b>	<b>-</b>	<b>811,304</b>	<b>809,504</b>	<b>-</b>	<b>-</b>	<b>809,504</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,597,198</b>	<b>834,700</b>	<b>834,700</b>	<b>3,265,598</b>	<b>1,684,904</b>	<b>836,600</b>	<b>836,600</b>	<b>3,358,104</b>	<b>-</b>	<b>-</b>

Open MTPB plans attributed to the Executive Directors:

	Plan	Award date	Vesting date	Amount vested and paid off in 2022	Open plans	
					at award date*	at 31.12.2022*
(amounts in euros)						
Maria Cláudia Teixeira de Azevedo	2018	Mar-19	Mar-22	305,507	-	-
	2019	Mar-20	Mar-23	-	248,200	613,062
	2020	Mar-21	Mar-24	-	372,700	625,311
	2021	Mar-22	Mar-25	-	551,000	642,093
<b>Sub-Total</b>				<b>305,507</b>	<b>1,711,900</b>	<b>1,880,466</b>
João Pedro Magalhães da Silva Torres Dolores	2018	Mar-19	Mar-22	55,305	-	-
	2019	Mar-20	Mar-23	-	132,300	326,785
	2020	Mar-21	Mar-24	-	163,500	274,318
	2021	Mar-22	Mar-25	-	283,700	330,603
<b>Sub-Total</b>				<b>55,305</b>	<b>679,500</b>	<b>931,706</b>
<b>Total</b>				<b>360,812</b>	<b>1,751,400</b>	<b>2,812,172</b>

\* Calculated considering the share marketing closing price of 2022 last trading day.

Open MTPB plans, attributed by the Company, corresponding to vested rights of former Executive Directors:

	Plan	Award date	Vesting date	Amount vested and paid off in 2022	Open plans	
					at award date*	at 31.12.2022*
(amounts in euros)						
Duarte Paulo Teixeira de Azevedo	2018	Mar-19	Mar-22	342,275		
	2019	Mar-20	Mar-23		70,400	173,890
<b>Sub-Total</b>				<b>342,275</b>	<b>70,400</b>	<b>173,890</b>
Ángelo Gabriel Ribeiro dos Santos Paupério	2018	Mar-19	Mar-22	366,420		
	2019	Mar-20	Mar-23		75,300	185,994
<b>Sub-Total</b>				<b>366,420</b>	<b>75,300</b>	<b>185,994</b>
<b>Total</b>				<b>708,695</b>	<b>145,700</b>	<b>359,884</b>

\* Calculated considering the share marketing closing price of 2022 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 the terms of subparagraph g) of paragraph 1 of article 2 of the Decree-Law no. 158/2009 of 13<sup>th</sup> July, and the respective amounts, during the years 2021 and 2022, is summarised in the table below, in compliance with subparagraph d) of paragraph 2 of article 26-G of the Portuguese Securities Code:

	2021				2022			
	Fixed Rem.	STPB	MTPB	Total	Fixed Rem.	STPB	MTPB	Total
(amounts in euros)								
Director								
Ángelo Gabriel Ribeiro dos Santos Paupério <sup>(1)</sup>	183,900	113,700	113,700	<b>411,300</b>	183,900	96,900	96,900	<b>377,700</b>
<b>Total</b>	<b>183,900</b>	<b>113,700</b>	<b>113,700</b>	<b>411,300</b>	<b>183,900</b>	<b>96,900</b>	<b>96,900</b>	<b>377,700</b>

(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 held on 30<sup>th</sup> April 2021, and reviewed at the Shareholders' General Meeting held on 28<sup>th</sup> April 2022 as detailed in section 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 2022 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.

The amount of fixed annual remuneration for members of this body in 2022, including the remuneration awarded by other control or group companies, pursuant to subparagraph g) of paragraph 1 of article 2 of the Decree-Law no. 158/2009 of 13<sup>th</sup> July, is described in the following table, in compliance with subparagraph d) of paragraph 2 of article 26-G of the Portuguese Securities Code:

Statutory Audit Board   members (amounts in euros)	2021	2022	Remuneration awarded by other controlled or Group Companies (2022)
Maria José Martins Lourenço da Fonseca	16,900	16,900	15,800
Daniel Bessa Fernandes Coelho	13,900	13,900	-
Manuel Heleno Sismeiro	13,900	13,900	-
Sara Manuel Carvalho Teixeira Mendes*	-	-	-
<b>Total</b>	<b>44,700</b>	<b>44,700</b>	<b>15,800</b>

\* 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)	2021	2022
Carlos Manuel de Brito do Nascimento Lucena	8,250	8,250
Maria Daniela Farto Baptista Passos	2,750	2,750
<b>Total</b>	<b>11,000</b>	<b>11,000</b>

## V. Agreements with remuneration implication

### 83. Contractual mitigations 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 2022 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. In compliance with subparagraph e) of paragraph 2 of article 26-G of the Portuguese Securities Code, and concerning the Executive Directors – the only addressees of the variable remuneration among the members of the Board of Directors – the number of shares, price and exercise date are detailed in section 77 of this Report.

### 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 30<sup>th</sup> April 2021, and reviewed in the Shareholders' Annual General Meeting held on 28<sup>th</sup> April 2022, in both instances as per the terms of the proposal presented by the Shareholders' Remuneration Committee, 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 is 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 2022, can be summarised as follows:

	Number of aggregated plans	Number of shares	Euros
Outstanding at 31.12.2021	10	3,361,174	3,371,258
Movements in the year:	(2)	31,400	(199,199)
Awarded	2	819,941	834,700
Vested	(4)	(1,026,399)	(1,069,508)
Cancelled/Lapsed/Adjustment s <sup>(1)</sup>	-	237,858	35,609
<b>Outstanding at 31.12.2022</b>	<b>8</b>	<b>3,892,574</b>	<b>3,172,057</b>

(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.

The present chart does not include information regarding share plans that may be attributed to the directors of Sonaeacom and

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 31<sup>st</sup> December 2022:

Share Plans Outstanding during 2022	Vesting Period				at 31.12.2022	
	Share Price at Award Date	Award Date	Vesting Date	Aggregate number of participants	Number of shares	
2018-2022 Plan	0.952	Mar-19	Mar-22	-	-	
2019-2023 Plan	0.627	Mar-20	Mar-23	20	5,212,830	
2020-2024 Plan	0.782	Mar-21	Mar-24	18	4,336,092	
2021-2025 Plan	1.018	Mar-22	Mar-25	19	3,619,784	

The present chart does not include information regarding share plans that may be attributed to directors of Sonaeacom and

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 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 set forth in articles 29-S to 29-V of the Portuguese Securities Code.

The policy is embodied in the Internal Regulations of both the Board of Directors and the Statutory Audit Board and is publicly available at <https://www.sonae.pt/en/investors/government-of-society/>.

#### 90. Transactions subject to control during 2022

The transactions with related parties or qualified shareholders were executed within the Company's usual business, on 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 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 2022 Consolidated Financial Statements' Appendix.



## 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 1<sup>st</sup> 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 2020).

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 2022.

The requirements for the provision of information as per articles 447 of the Portuguese Companies Act and 29-H of the Portuguese Securities Code and of CMVM Regulation no. 5/2008 (republished by CMVM Regulation 7/2018), have also been fulfilled.

All of the rules and regulations mentioned in this Report are publicly available at [www.cmvm.pt](http://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

#### I. General Provisions

##### General Principle:

Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.

##### I.1. Company's relationship with investors and disclosure

##### Principle:

Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of information.

##### Recommendations:

**I.1.1. The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.**

**Recommendation Fully Adopted**



The Company has, in its corporate structure, departments with specific competencies for the production, treatment and, in particular, timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, to the financial analysts and the market in general: 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) ensure the symmetry of the information disclosed to the market and the correspondent equal treatment of the shareholders, investors and other stakeholders with the production and immediate disclosure to the market of inside information; ii) ensure the compliance with the mandatory periodic disclosure of financial information; iii) analyse, actively and in a timely manner, the information publicly disclosed by the financial analysts that assess the Company's performance, acting, whenever necessary, by providing clarifications regarding inaccurate or outdated information disclosed by any such analysts. 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.

## 1.2. Diversity in the composition and functioning of the company's governing bodies

### Principles:

1.2.A. Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders.

1.2.B. Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions.

1.2.C. Companies ensure that the functioning of their bodies and committees is duly recorded, namely in minutes, to allow an understanding not only of the meaning of the decisions taken, but also of their grounds and opinions expressed by their members.

### Recommendations:

**1.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.**

### Recommendation Fully Adopted

At the Shareholders' General Meeting held on 30<sup>th</sup> April 2021 the Selection and Suitability Assessment Internal Policy for Membership of the Management and Audit Bodies was approved, replacing the previous Selection and Assessment Policy for Membership of the Statutory Governing Bodies, this one approved while the Company was subject to the

legal framework of Articles 30 to 32 of the General Regime of Credit Institutions and Financial Companies ("Regime Geral das Instituições de Crédito e Sociedades Financeiras" - RGICSF) and in light of which the members of the Board of Directors and of the Statutory Audit Board appointed for the 2019-2022 mandate by the Shareholders' General Meeting held on 30<sup>th</sup> April 2019 were evaluated. The Policy in force is available at <https://sonae.pt/en/investors/shareholder-s-general-meeting/> and is described in section 15 of this Report.

Additionally, 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 is applicable to the employees and members of the Group's statutory governing bodies, available at <https://www.sonae.pt/en/media/publications/>.

**1.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations – namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members –, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.**

### Recommendation Fully Adopted

The Board of Directors and its internal committees, as well as the Statutory Audit Board have internal regulations governing the exercise of their respective competencies and the framework of the duties of its members, as well as their internal functioning. Minutes of all the meetings are recorded. The composition of these governing bodies and committees, including the chairmanship, are permanently available at the Company's website at <https://www.sonae.pt/en/investors/government-of-society/>, and is described in sections 17, 18, 29, III a) and 31 of this Report.

The Board of Directors' Internal Regulation, where it is included the regulation of its internal committees, and the Statutory Audit Board's Internal Regulation are available, both in the Portuguese and in the English versions, at the Company's website at <https://www.sonae.pt/en/investors/government-of-society/>, being also drawn up minutes of all the meetings held..

**1.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.**

### Recommendation Fully Adopted

The composition and the number of annual meetings of the Board of Directors, including the internal committees created by the Board, and the composition and number of annual meetings 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/>.

**I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality requested.**

**Recommendation Fully Adopted**

The Ethics Committee, appointed by the Board of Directors, and chaired by the Lead Non-Executive Director (“Lead Director”), has as one of its main duties, to verify the existence of internal mechanisms for the communication of irregularities, ensuring that any such mechanisms comply with the applicable law, namely regarding confidentiality, treatment of the information and the non-existence of reprisals against the whistleblower (as detailed in section 29 of this Report and at <https://www.sonae.pt/en/investors/government-of-society/>).

The Statutory Audit Board, in line with its competencies and with its Internal Regulation available at <https://www.sonae.pt/en/investors/government-of-society/>, receives the claims of irregularities presented by, among others, shareholders and employees of the Company, and keeps record of the claims of irregularities sent to it, promoting, whenever it deems convenient, the necessary proceedings with the Board of Directors, the internal and/or external audit or with any other body and prepares a report about such irregularities, adopting the measures it deems convenient in light of the Statutory Audit Board’s duties. With the same purpose, the Statutory Audit Board receives and analyses the quarterly report of the Ombudsperson, requesting from the Ombudsperson all the necessary information for its clarification, also receiving the reports made to the Company’s Ethics Committee, that constitute irregularities subject to its competency in accordance with the legal and recommendatory applicable framework.

The Ombudsperson has the duty, in accordance with the terms set forth in the Board of Directors’ Internal Regulation, available at <https://www.sonae.pt/en/investors/government-of-society/> to receive, analyse and reply to any irregularity claims involving employees, customers, suppliers and other service providers, as well as to forward any such claims to the competent bodies.

The Company has permanent contacts available for the communication of irregularities to the Statutory Audit Board (see section 49 of this Report), to the Ethics Committee and to the Ombudsperson (see section 29 of this Report). The contacts are available at <https://www.sonae.pt/en/sonae/contacts-80/>.

The Company has also available an Internal Reporting Channel for the presentation of reports concerning act or omissions carried out in a wilful or negligent manner, as described in articles 2 paragraph 1 of Law no. 93/2021 of 20<sup>th</sup> December (which approves General Regime for the Protection of Whistleblowers) and article 3 of Decree-Law no. 109-E/2021, of 9<sup>th</sup> December (which establishes the General Regime for the Prevention of Corruption).

The Company further approved 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.

**I.3 Relationship between the company bodies**

**Principle:**

Members of the company’s boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information in order to carry out their respective duties.

**Recommendations:**

**I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company’s collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.**

**Recommendation Fully Adopted**

The Chair of the Board of Directors, the Chairmen 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 necessary for the execution of the legal and statutory duties of the remaining bodies and committees, providing the necessary resources for the disclosure of all convening notices, minutes and documentation supporting the decision-making process, in accordance with the set forth in the Board of Directors’ Internal Regulation available at <https://www.sonae.pt/en/investors/government-of-society/>.

**I.3.2. Each of the company’s boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards 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.

#### I.4 Conflict of interest

##### Principle:

The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.

##### Recommendations:

**I.4.1. The members of the managing and supervisory boards and internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.**

##### 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.

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/>.

**1.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.**

##### 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 1.4.1., 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.

#### I.5. Related parties' transactions

##### Principle:

Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.

##### Recommendations:

**I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying 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 attached both to the Board of Directors' Internal Regulation and to the Statutory Audit Board's Internal Regulation, both available at <https://www.sonae.pt/en/investors/government-of-society/>, as described in sections 89 and 91 of this Report.

**I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.**

##### Recommendation Not Applicable\*

\*In accordance with the Interpretation Note of the 2018 IPCG Corporate Governance Code (revised in 2020), issued by CAEM (Comissão de Acompanhamento e Monitorização).

The internal Policy on Related Party Transactions, available at <https://www.sonae.pt/en/investors/government-of-society/> embodies the rules determined by article 249-A of the Portuguese Securities Code.

## II. Shareholders and General Meetings

### Principles:

II.A. As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance.

II.B. The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees and also of reflection about the company itself.

II.C. The company should implement adequate means for the participation and remote voting by shareholders in meetings.

### Recommendations:

**II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding 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.

**II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.**

#### Recommendation Fully Adopted

The Company's Articles of Association do not set a resolution-fixing quorum that exceeds that fixed by law.

**II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.**

#### Recommendation Adopted According to The Below Explanation

The Company historically considered that the participation means made available to its shareholders were suitable to its behaviors and preferences in light of the percentage of attendance to the General Meetings.

The exceptional circumstances related to the pandemic situation 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, led the Shareholders' General Meetings to be 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.

The implementation of the adequate means for remote participations of the shareholders at the General Meetings will be ensured whenever the Company deems it as necessary and adequate to ensure effective shareholders' attendance.

**II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.**

#### Recommendation Fully Adopted

The Company makes available to shareholders the means necessary to exercise written voting and voting by electronic means.

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 providing assistance to the Chair of the Board of the Shareholders' General Meeting as well as to the shareholders.

**II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution – without increased quorum in comparison to the legally established – and in that resolution, all votes cast will be counted without observation of the imposed limits.**

#### 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.

**II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.**



**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.

**III. Non-Executive Management, Monitoring and Supervision**

Principles:

III.A. The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivise executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance.

III.B. The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.

III.C. The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's activity and, in particular, the decisions of fundamental importance.

**Recommendations:**

**III.1. Without prejudice to question the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.**

**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, it was appointed the Director Margaret Lorraine Trainer as Senior Independent Non-Executive Director ("SID Director") who also chairs the Remuneration Committee (which is responsible for the performance assessment, as described in this recommendation) and is, as well, 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 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.

**III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.**

**Recommendation Fully Adopted**

The number of non-executive members of the Board of Directors, as well as the number of members of the Statutory Audit Board both comply with this recommendation, as detailed in sections 18 and III, a) of this Report, respectively.

**III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.**

**Recommendation Fully Adopted**

The Board of Directors is composed of ten members, eight of which are non-executive, as described in section 18 of this Report.

**III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:**

- i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;**
- ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or 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 a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;**

iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties;

v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or

vi. having been a qualified holder or representative of a shareholder of qualifying holding.

#### Recommendation Fully Adopted

The Board of Directors is composed of ten members, eight of which are Non-Executive directors, being composed of a number of independent Non-Executive directors that fulfil the independence criteria of this recommendation, 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.

**III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).**

#### Recommendation Not Applicable

By reference to the mandate ended on 31st December 2018, 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)..

**III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management 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. 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 and strategic guidelines reported by the Board of Directors including, if deemed necessary, previously to their final approval, as provided 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/>.

**III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned 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 Committees currently in existence are the Board Audit and Finance Committee, the Board Remuneration Committee and the Board Nomination Committee, that, although independently, exercise all the duties set forth in this recommendation, being their respective competencies detailed in section 29 of this Report and their terms of reference available at <https://www.sonae.pt/en/investors/government-of-society/>.

## IV. Executive Management

#### Principles:

IV.A. As way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives and aiming to contribute towards the company's sustainable development.

IV.B. In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread.

#### Recommendations:

**IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.**

#### Recommendation Fully Adopted

The Board of Directors delegated in the Executive Committee the day-to-day management of the Company, and approved its internal regulation, 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' 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. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.**

**Recommendation Fully Adopted**

The Board of Directors delegated in the Executive Committee 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 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.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.**

**Recommendation Fully Adopted**

The Board of Directors, in its Annual Report, complies with this recommendation.

**V. Evaluation of Performance, Remuneration and Appointment**

**V.1. Annual evaluation of performance**

**Principle:**

The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees.

**Recommendations:**

**V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and delegated directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.**

**Recommendation Adopted According To The Below Explanation**

The appraisal of the performance of the individual members of the Board of 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 and Compensation 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, periodically self-assesses its performance and the performance of its committees. A full formal assessment is made about half-way 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.

**V.2. Remuneration**

**Principles:**

V.2.A The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders – taking into account the wealth effectively created by the company, its financial situation and the market's – and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit and transparency within the company.

V.2.B Directors should receive compensation:

- i) that suitably remunerated the responsibility taken, the availability and the expertise placed at the disposal of the company;

- ii) that guarantees 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:**

**V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.**

**Recommendation Fully Adopted**

The remunerations are set by the Shareholders' Remuneration Committee, appointed by the Shareholders' General Meeting held on 30<sup>th</sup> April 2019. The three appointed members of the Shareholders' Remuneration Committee 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.

**V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that 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. The Remuneration Policy was approved at the Shareholders' Annual General Meeting held on 30<sup>th</sup> April 2021 being its revision approved at the Shareholders' Annual General Meeting held on 28<sup>th</sup> April 2022.

**V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of compensation payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.**

**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.

During 2022 the Company did not grant any such compensations.

**V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should**

**be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees 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.

**V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's 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).

**V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.**

**Recommendation Fully Adopted**

The principles applicable to the hiring of consulting services are described in section 24 of this Report. The Committee has the undertaking to ensure that the specialists hired have the level of independence necessary to carry out the specific scope of services, and that their independence is not jeopardised by the provision of significant other services to the Company or to any related parties.

**V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.**

**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 solid a relationship between the fixed and variable components of the remuneration, 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 2022, was applied without any derogation.

**V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.**

**Recommendation Fully Adopted**

The Remuneration Policy, proposed by the Shareholders' Remuneration Committee and approved at the Shareholders' Annual General Meeting held on 30<sup>th</sup> April 2021 and reviewed at the Shareholders' Annual General Meeting held on 28<sup>th</sup> April 2022, 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, and is available at <https://sonae.pt/en/investors/shareholder-s-general-meeting/>.

**V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.**

**Recommendation Not Applicable**

The approved remuneration policy does not include the allocations of options.

**V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.**

**Recommendation Fully Adopted**

The remuneration of the non-executive members of the Board of Directors consists solely of a fixed amount, without any connection to 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.

**V.3. Appointments**

**Principle:**

Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.

**Recommendations:**

**V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.**

**Recommendation Fully Adopted**

The members of the Company's Statutory Governing Bodies elected for the four-year mandate 2019-2022, and currently in office, were appointed under the Selection and Assessment Policy for Membership of the Statutory Governing Bodies, approved at the Shareholders' Extraordinary General Meeting held on 16<sup>th</sup> December 2015 available at <https://www.sonae.pt/en/investors/shareholder-s-general-meeting/shareholders-extraordinary-general-meeting-16th-december-2015/> having the respective proposals been presented together with the respective justification concerning profile, knowledge and background by reference to the role to be exercised by each proposed member. At the Shareholders' General Meeting held on 30<sup>th</sup> April 2021 a Selection and Suitability Assessment Internal Policy for Membership of the Management and Audit Bodies was approved, in line with the previous policy in force, and embodying the principles set forth in this recommendation, being available at <https://sonae.pt/en/investors/shareholder-s-general-meeting/>.

**V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the company's size.**

**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 the Board of Directors' Internal Regulation, 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.

**V.3.3. This nomination committee includes a majority of non-executive, independent members.**

**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.

**V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.**

**Recommendation Fully Adopted**

The internal regulation of the Board Nomination Committee is included in the Board of Directors' Internal Regulation and is further detailed, in its main features and procedure schedule in 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/>.

The Board Nomination Committee can engage the services of external specialised consultants with market recognised international experience and reliability.

**VI. Internal Control**

**Principle:**

Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's activity.

**Recommendations:**

**VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk taking.**

**Recommendation Fully Adopted**

The Board of Directors determines the strategy and risk policy of the Company, 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).

**VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing 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, 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).

**VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be 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).

**VI.4. The supervisory body should provide its view 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 to be necessary.**

**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.

**VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.**

**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/>.

**VI.6. Based on its risk policy, the company should establish a system of risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.**

**Recommendation Fully Adopted**

The Board of Directors has established internal risk control systems with appropriate components (please refer to sections 50 to 55 of this Report).

**VI.7. The company should establish procedures for the supervision, periodic evaluation and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as future perspectives for amendments of the risk structure previously defined.**

**Recommendation Fully Adopted**

The Board of Directors has established an ongoing assessment system of the risk management system performance, aiming to adapt it to new circumstances and contingencies (see sections 38.1 A and B, 50 to 52 and 54 to 55 of this Report).

## VII. Financial Information

### VII.1. Financial Information

**Principles:**

VII.A. The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit.

VII.B. The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts.

**Recommendations:**

**VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.**

**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/>.

### VII.2. Statutory audit of accounts and supervision

**Principle:**

The supervisory body should establish and monitor clear and transparent formal procedures on the relationship of the company with the statutory auditor and on the supervision of compliance, by the auditor, with rules regarding independence imposed by law and professional regulations.

**Recommendations:**

**VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring 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.

**VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.**

**Recommendation Fully Adopted**

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. The Statutory Audit Board is also primarily responsible for receiving the Statutory External Auditor and the External Auditor's reports and for the direct interaction with both of 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/>.

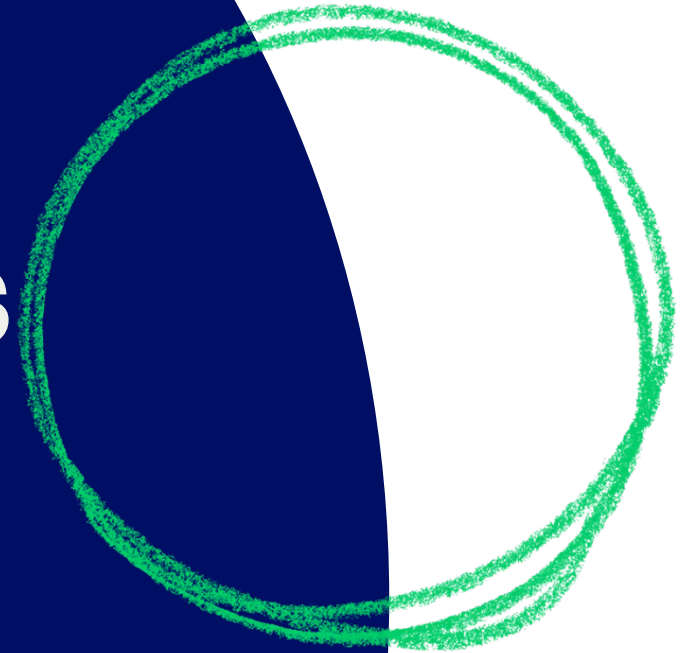
**VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.**

**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.

# Appendixes







Appendix I



## Board of Directors

### Professional qualifications and curricular references

Duarte Paulo Teixeira de Azevedo	
<b>Date of birth</b>	31 December 1965
<b>Education</b>	
1986	Graduate Degree in Chemical Engineering – Federal Polytechnic School of Lausanne
1989	Master in Business Administration - Porto Business School
<b>Executive education</b>	
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
<b>Professional Experience</b>	
<b>Efanor group</b>	
1988-1990	Project manager and analyst of new investments at Sonae Tecnologias de Informação
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
2000-2018	Member of the Board of Directors of Efanor Investimentos - SGPS, SE
2000-2007	CEO of Sonae - SGPS, SA
2000-2007	CEO of Sonaecom, SGPS, SA
2002-2007	Chair of the Supervisory Board of Publico - Comunicação Social, SA
2003-2007	Chair of the Supervisory Board of Glunz, AG
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 Sonae MC, 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
Since 2015	Chair of the Board of Directors of Sonae Capital, SGPS, SA
Since 2016	Chair of the Board of Directors of Sonae Indústria, SGPS, SA
Since 2018	Chair of the Board of Directors of Sonae Arauco, SA
Since 2019	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 Tafina Canadá, Inc
Since 2021	Chair of the Board of Directors of BA – Capital, SGPS, SA
<b>Other entities</b>	
1989-1990	Member of the Executive Committee of APGEI – Associação Portuguesa de Gestão e Engenharia Industrial
2001-2002	Chair of Aritel - Associação dos Operadores de Telecomunicações
Since 2006	Member of the Founding Board of the Casa da Música Foundation
Since 2007	Member of the Founders Council of Serralves
2008-2009	Member of the Supervisory Board of AEP - Associação Empresarial de Portugal
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
2019-2021	Chair of the Installation Committee of Project BIOPOLIS
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"
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

Ángelo Gabriel Ribeiro dos Santos Paupério	
<b>Date of Birth</b>	14 September 1959
<b>Education</b>	
1982	Licenciado em Engenharia Civil – FEUP
1988-1989	Mestrado em Gestão de Empresas - MBA – Porto Business School
<b>Professional Experience</b>	
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 (currently 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 Member of the Board of Directors, 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
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	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 ZOFT, 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, SA
Since 2007	Chair of the Board of Directors of Publico – 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
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	Member of the Board of Directors of Sonae Capital, SGPS, SA
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 Adellno**

<b>Date of Birth</b>	19 March 1954
<b>Education</b>	
1976	Graduate Degree in Finance, Universidade Técnica de Lisboa
1981	DBA, Finance, Kent State University
<b>Professional Experience</b>	
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 Committee of Sonae – SGPS, SA
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
2012-2014	Finance and Investment Director – Calouste Gulbenkian Foundation

**Margaret Lorraine Trainer**

<b>Date of Birth</b>	13 March 1952
<b>Education</b>	
1970-1971	Diplome Superieur, Sorbonne Paris
1971-1975	M.A. (2) Francés, St Andrews University
<b>Professional Experience</b>	
1975-1990	Citibank NA
1975-1986	H.R. roles of both specialist and generalist natures Cheif of Staff to Head of UK Treasury
1986-1988	A non-HR role including assignments in capital hedging, risk assessment, speech writing, and foreign exchange and funding limits management
1988-1989	Head of HR UK and N.Europe, London
1989-1990	Head of HR for EMEA based in Frankfurt
1990-1994	London Stock Exchange  Head of Human Resources and member of the Executive Board, responsible for formulating strategy and leading the Exchange from being a trade association to an organisation using current commercial practices
1994-2000	Coutts Natwest Group Head of Human Resources and Organisation Development responsible for all HR activities in International Private Banking
2001-2006	De Beers LV Ltd Member of the start-up team for this joint venture created in 2001 between LVMH and De Beers to launch a global retail diamond jewelry business, advising on organisation and people strategy
2005-2013	Aegis PLC  Non-Executive Member of the Board of Directors and Chair of the Remuneration Committee (since 2010)
2006-2008	Manchester Square Partners Working with the founding partners to support them in developing a search-based business mentoring practice at board level
2008-2015	Sonae – SGPS, SA Advisor to the Chair Providing board level succession plan services, and director development
2013-2015	Colt SA  Non-Executive Member of the Board of Directors and since 2014 Chair of the Remuneration Committee
2010-2018	Jupiter Fund Management PLC Non-Executive Member of the Board of Directors and Member of the Audit Committee and the Nomination Committee. Chair of the Remuneration Committee
2018 - March 2020	TP ICAP Non-Executive Member of the Board of Directors, Chair of the Nomination and Remuneration Committee and Member of the Audit Committee
2013 - May 2020	Essentra PLC Non-Executive Member of the Board of Directors and, since 2014, Chair of the Nomination and Remuneration Committee and Member of the Audit Committee
Since July 2021	Director at The Caledonian Club Trust Limited – London – UK

Marcelo Farla de Lima	
<b>Date of birth</b>	1 December 1961
<b>Education</b>	
1981-1985	Graduate Degree in Economics, Pontifical Catholic University of Rio de Janeiro, Rio de Janeiro, Brazil
<b>Professional Experience</b>	
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
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 Metafrio Solutions SA, São Paulo, Brazil  Public company, with shares admitted to trading at BM&FBovespa under the ticker FRI03, 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 Confeccões 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 LLI3, 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 Metafrio Solutions SA, Klimasan operates in the commercial refrigeration sector, Plug-In type

Fuencileia Ciemaree	
<b>Date of birth</b>	7 January 1974
<b>Education</b>	
1992-1996	Bachelor in Business Administration, European Business Program
1999	Exchange Program at the MBA of Kellogg Graduate School of Management, Chicago, USA
2000	MBA – IESE Business School, Universidad de Navarra, Barcelona
<b>Professional Experience</b>	
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
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
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 Teacher of Digital Marketing of ISDI (Instituto Superior para el Desarrollo de Internet) with participation at MB.DIBEX and In-Company Programs
2013-2020	Interim Country Manager for Italy of Google LLC
Since 2015	Member of the Junta Territorial de Madrid (Alumni Council) at IESE
Since 2015	Visiting Teacher at IESE
Since 2016	Country Manager for Spain and Portugal of Google LLC
Since 2018	Advisor to the Board of Directors Consentino, SA

Carlos António Rocha Moreira da Silva	
<b>Date of birth</b>	12 September 1952
<b>Education</b>	
1975	Graduate Degree in Mechanical Engineering, University of Oporto
1978	MSc in Management Sci. and Operation Research (University of Warwick – UK)
1982	Ph in Management Sciences (University of Warwick – UK)
<b>Professional Experience</b>	
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
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



Phillippe Cyril Elodie Haspeelagh	
<b>Date of birth</b>	11 May 1950
<b>Education</b>	
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 (MBA) (1983), Highest Distinction - Harvard Business School
2008-2009	Consulting and Coaching for Change - INSEAD
<b>Professional Experience</b>	
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
2010-2013	Independent Director of Kinopolis 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
Since 2005	Co-Founder and Non-Executive Chair of the Board of Directors of Capricorn Partners
Since 2008	Member of the Board of Directors of Awacs3 Enterprises NV and Deltronic NV
Since 2019	Non-Executive Director of Strongroots Limited, Ireland
<b>Other Non-Profit Activities</b>	
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

Maria Cláudia Teixeira de Azevedo	
<b>Date of birth</b>	13 January 1970
<b>Education</b>	
	Licenciatura em Gestão, Universidade Católica do Porto
	MBA, INSEAD, Fontainebleau, França
<b>Professional Experience</b>	
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
Since 2011	Sole Director of Sekiwi, 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 da 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	
<b>Date of birth</b>	21 December 1980
<b>Education</b>	
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)
<b>Professional Experience</b>	
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-julho 2022	Non-Executive Chair of the Board of Directors of MKTPlace – Comércio Eletrónico, SA
2021-2022	Member of the Board of Directors of Sonae RE, SA
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 Sonaeacom, SGPS, SA
Since April 2019	Member of the Board of Directors and Member of 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)
Since 2020	Member of the Board of Directors of Iberian Sports Retail Group, S.L.
Since August 2020	Membro do Conselho de Administração da Sonae Investment Management - Software and Technology, SA
Since July 2021	Member of the Board of Directors of Sonae Food4Future, SA (currently named Sparkfood, SA)

## Positions held in other entities

Duarte Paulo Teixeira de Azevedo	
<b>Positions held in other Sonae's companies</b>	
None	
<b>Positions held in other companies outside Sonae</b>	
Chair of the Board of Directors of Efanor Investimentos, SGPS, SE	
Chair of the Executive Committee of Fundação Belmiro de Azevedo	
Member 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 Sonae Capital, SGPS, SA	
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 Virídia – Conservation in action	

Ângelo Gabriel Ribelinho dos Santos Paupério	
<b>Positions held in other Sonae's companies</b>	
Chair of the Board of Directors of Sonaeacom, SGPS, SA	
Chair of the Board of Directors of Sonae Investment Management – Software and Technology, 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	
Chair of the Board of Directors of Sonae FS, SA (currently named Universo Sonae, SA)	
<b>Positions held in other companies outside Sonae</b>	
Member of the Board of Directors of Sonae Capital, SGPS, SA	
Member of the Board of Directors of Sonae Indústria, 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	
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 Adellino	
<b>Positions held in other Sonae's companies</b>	
None	
<b>Positions held in other companies outside Sonae</b>	
Member of the Board of Directors of Fundação Calouste Gulbenkian	

Margaret Lorraine Tralner	
<b>Positions held in other Sonae's companies</b>	
None	
<b>Positions held in other companies outside Sonae</b>	
Director at The Caledonian Club Trust Limited – London – UK	

Marcelo Faria de Lima	
<b>Positions held in other Sonae's companies</b>	
None	
<b>Positions held in other companies outside Sonae</b>	
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 (Canada)	
Chair of Colfax Participações, SA	
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 Metafrío Servicios SA de CV	
Chair of the Board of Directors of Metafrío Solutions SA	
Chair of the Board of Directors of Metafrío 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 S.A. 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	

**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, 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  
 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

**Fuencila Clemens**

**Positions held in other Sonae's companies**

None

**Positions held in other companies outside Sonae**

Teacher of Digital Marketing at ISDI (Instituto Superior para el Desarrollo de Internet)  
 Visiting Teacher at IESE  
 Country Manager for Spain and Portugal of Google LLC  
 Advisor to the Board of Directors Cosentino, SA  
 Interim Country Manager for Italy of Google LLC

**Phillippe Cyriel Elodie Haepeslagh**

**Positions held in other Sonae's companies**

None

**Positions held in other companies outside Sonae**

Co-Founder and Non-Executive Chair of the Board of Directors of Capricorn Partners  
 Professor e and honorary Dean of Vlerick Business School  
 Non-Executive Chair of the Board of Directors of Ardo NV  
 Non-Executive Chair of the Board of Directors of FBN Belgium - The Family Business Network  
 Member of the Board of Directors of Guberna, the Belgian Institute of Directors  
 Member of the Board of Directors of Strongroots Limited, Ireland  
 Member of the Board of Directors of Awacs3 Enterprises NV  
 Member of the Board of Directors of Deltronic NV

**Maria Cláudia Teixeira de Azevedo**

**Positions held in other Sonae's companies**

Member of the Board of Directors of Sonaeacom - SGPS, SA  
 Member of the Board of Directors of Público - Comunicação Social, SA  
 Non-Executive 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)

**Positions held in other companies outside Sonae**

Member of the Board of Directors of Sonae Capital, SGPS, SA  
 Member of the Board of Directors of Sonae Indústria, 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  
 Sole Director of Sekiwi, SGPS, 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.

**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  
 Executive Member of the Board of Directors of Sonaeacom, 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 Iberian Sports Retail Group, S.L.  
 Membro do Conselho de Administração da Sonae Investment Management - Software and Technology, SA  
 Member of the Board of Directors of Sonae Food4Future, SA (currently named Sparkfood, SA)

**Positions held in other companies outside Sonae**

None

## Statutory Audit Board

### Professional qualifications and curricular references

Maria José Martins Lourenço da Fonseca	
<b>Date of birth</b>	4 September 1957
<b>Education</b>	
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
<b>Professional Experience</b>	
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)
2015-2022	Cooperation with the Portuguese Institute of Statutory Auditors (OROC), as trainer for the External Auditor Preparatory Course
Since 1996	Lecturer at Católica Porto Business School (Universidade Católica Portuguesa), 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 (Universidade Católica Portuguesa)
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	
<b>Date of birth</b>	6 May 1948
<b>Education</b>	
1970	Graduate Degree in Economics – University of Oporto
1986	PhD in Economics – Universidade Técnica de Lisboa
<b>Professional Experience</b>	
1970-2009	Lecturer at the University of Oporto:
1970-1999	Faculty of Economics
1988-2000	ISEE (Institute for Entrepreneurship 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
1996-2000	Executive Director of AJURN – 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
2003-2022	Member of the Board of Directors and Member of the Executive Committee of Fundação Bial
2006-2009	Chair of the Statutory Audit Board of Galp Energia, SGPS, S.A.
2007-abril 2019	Chair of the Statutory Audit Board of Sonae – SGPS, SA
2008-2022	Chair of the Statutory Audit Board of Bial - Portela e Companhia, SA
2008-2022	Member of the Investment Committee of PVCI – Portuguese Venture Capital Initiative, entity created by FEI – European Fund for Investment
2010-2022	Chair of the Board of the Shareholders' General Meeting of Amkor Technology Portugal, S.A. (ex-Nanium, S.A.)
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
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
2017-2022	Presidente do Conselho de Curadores da Fundação Belmiro de Azevedo
2019-2020	Member of the Statutory Audit Board of Banco L. J. Carregosa, SA
2019-2022	Member of the Statutory Audit Board of da Sonae – SGPS, SA
2019-2022	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 Engineering, SA
2021-2022	Chair of the Statutory Audit Board of Cerealis – SGPS, SA



**Manuel Heleno Sismeiro**

<b>Date of birth</b>	5 de janeiro de 1945
<b>Education</b>	
1964	Accountant, ICL – Lisboa
1971	Graduate Degree in Finance, ISCEF – Lisboa
<b>Professional Experience</b>	
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	Instituto 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
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
1980-2008	Partner of Coopers & Lybrand and of Bernardes, Sismeiro & Associados, since 1998, PricewaterhouseCoopers - auditors and statutory auditors  Responsible for the audit and statutory audit in several industries. Most important 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
Since 2018	Chair of the Statutory Audit Board of Sonae Arauco Portugal, SA

**Positions held in other entities**

**Maria José Martins Lourenço da Fonseca**

<b>Positions held in other Sonae's companies</b>
Chair of the Statutory Audit Board of SDRS – 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 Sonacom, SGPS, SA
<b>Positions held in other companies outside Sonae</b>
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**

<b>Positions held in other Sonae's companies</b>
None
<b>Positions held in other companies outside Sonae</b>
Chair of the Statutory Audit Board of GGND – Galp Gás Natural Distribuição, SA Chairman of the Statutory Audit Board of Bial – Portela e Companhia, SA Chairman of the Statutory Audit Board of Cerealis, SGPS, SA Member of the Board of Directors of SPI – Sociedade Portuguesa de Inovação, SA Chairman of the Board of the Shareholders' General Meeting of Amkor Technology Portugal, SA Member of the Investment Committee of PVCI – Portuguese Venture Capital Initiative Chairman of the Board of Trustees of Fundação Belmiro de Azevedo Member of the Board of Directors and the Executive Committee of Fundação Bial

**Manuel Heleno Sismeiro**

<b>Positions held in other Sonae's companies</b>
None
<b>Positions held in other companies outside Sonae</b>
Member of the Statutory Audit Board of Sonae Capital, SGPS, SA Chairman of the Statutory Audit Board of Sonae Arauco Portugal, SA Chairman of the Statutory Audit Board of OCP Portugal – Produtos Farmacêuticos, SA

3. Financial Statements

**Driving  
value creation**



# Consolidated Financial Statements

## CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER OF 2022 AND 2021

(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 2022	31 Dec 2021 Restated Note 1.4
Sales	2.2.1	7,387,762	6,680,234
Services rendered	2.2.1	338,251	284,553
Value created on investment properties	3.11	(3,534)	(2,468)
Gains and losses on investments	3.6	88,999	(966)
Gains and losses on investments recorded at fair value through results	3.4	35,238	85,163
Other income	2.6	197,090	144,748
Cost of goods sold and materials consumed	4.1	(5,305,588)	(4,780,598)
Changes in inventories of finished goods and work in progress	4.1	1,127	637
External supplies and services	2.4	(864,674)	(784,513)
Employee benefits expense	2.3.2	(992,893)	(874,863)
Other expenses	2.5	(140,940)	(88,152)
Depreciation and amortisation expenses	3.8	(353,743)	(333,136)
Impairment losses	3.12	(65,900)	(22,982)
Provisions	7	(3,148)	(5,191)
<b>Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax</b>		<b>318,047</b>	<b>302,466</b>
Dividends received during the year	3.4	11,989	10,764
Share of profit or loss of joint ventures and associates	3.2	120,758	100,572
Financial income	6.7	112,412	40,340
Financial expense	6.7	(207,465)	(145,125)
<b>Profit from continuing operations before tax</b>		<b>355,741</b>	<b>309,017</b>
Income tax expense	4.11	(10,408)	(26,998)
<b>Profit from continuing operations for the period</b>		<b>345,333</b>	<b>282,019</b>
Profit/(Loss) from discontinued operations after taxation	1.3.2	61,322	48,411
<b>Consolidated profit/(Loss) for the period</b>		<b>406,655</b>	<b>330,430</b>
<b>Attributable to owners of the Company:</b>			
Continuing operations		285,537	233,268
Discontinued operations		56,017	34,209
		<b>341,554</b>	<b>267,477</b>
<b>Attributable to non-controlling interests:</b>			
Continuing operations		59,796	48,750
Discontinued operations		5,305	14,203
	<b>6.2</b>	<b>65,101</b>	<b>62,953</b>
<b>Profit/(Loss) per share</b>			
<b>From continuing operations</b>			
Basic	6.3	0.14883	0.12223
Diluted	6.3	0.14762	0.12154
<b>From discontinued operations</b>			
Basic	6.3	0.02920	0.01792
Diluted	6.3	0.02896	0.01782

The accompanying notes are part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER OF 2022 AND 2021

(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 2022	31 Dec 2021 Restated Note 1.4
<b>Net Profit / (Loss) for the period</b>		<b>406,655</b>	<b>330,430</b>
Items from other comprehensive income that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(10,060)	1,286
Participation in other comprehensive income, net of tax, related to associates and joint ventures accounted for under the equity method	3.2	18,796	4,417
Changes in cash flow hedging reserve	5.2	9,920	21,801
Income tax relating to items that may be reclassified subsequently to profit or loss		(2,756)	(5,496)
Others		-	(12)
<b>Items from other comprehensive income that may be reclassified subsequently to profit or loss</b>		<b>15,900</b>	<b>21,996</b>
Items from other comprehensive income that were reclassified to the income statement:			
Exchange differences arising on translation of foreign operations related to discontinued operations		-	-
<b>Items from other comprehensive income that were reclassified to the income statement:</b>		<b>-</b>	<b>-</b>
Items from other comprehensive income that won't be reclassified subsequently to profit or loss:			
Changes value of financial assets at fair value	3.4	(2,856)	23,214
<b>Items from other comprehensive income that won't be reclassified subsequently to profit or loss</b>		<b>(2,856)</b>	<b>23,214</b>
<b>Total other comprehensive income for the period</b>		<b>13,044</b>	<b>45,209</b>
<b>Total comprehensive income for the period</b>		<b>419,699</b>	<b>375,639</b>
<b>Attributable to:</b>			
Equity holders of parent company		349,745	305,933
Non controlling interests		69,954	69,706

The accompanying notes are part of these consolidated financial statements.



### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER OF 2022 AND 2021

(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 2022	31 Dec 2021 Restated Note 1.4
<b>Assets</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3.8	1,705,681	1,681,657
Intangible assets	3.9	491,845	479,751
Right of use assets	3.10	1,027,820	1,019,953
Investment properties	3.11	342,621	319,873
Goodwill	3.1	663,531	703,524
Investments in joint ventures and associates	3.2	1,757,479	1,514,650
Assets at fair value through profit and loss	3.4	216,889	164,269
Assets to fair value through other comprehensive income	3.4	41,263	137,579
Other investments	3.5	16,578	14,984
Deferred tax assets	4.12	395,820	358,580
Other non-current assets	4.5	49,395	33,695
<b>Total non-current assets</b>		<b>6,708,922</b>	<b>6,428,515</b>
<b>Current assets:</b>			
Inventories	4.1	727,232	633,567
Trade receivables	4.2	128,727	131,078
Other receivables	4.3	129,790	112,240
Income tax assets	4.12	48,600	35,194
Other tax assets	4.11	22,224	39,177
Other current assets	4.4	86,463	90,585
Investments	3.5	597	7,107
Cash and bank balances	6.6	793,812	825,063
<b>Total current assets</b>		<b>1,937,443</b>	<b>1,874,011</b>
Assets classified as held for sale	3.7	726	22,814
<b>Total Assets</b>		<b>8,647,091</b>	<b>8,325,340</b>

The accompanying notes are part of these consolidated financial statements.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER OF 2022 AND 2021

(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 2022	31 Dec 2021 Restated Note 1.4
<b>Equity and Liabilities</b>			
<b>Equity:</b>			
Share capital	6.1	2,000,000	2,000,000
Own shares	6.1	(83,880)	(88,539)
Legal reserve		299,348	281,216
Reserves and retained earnings		239,530	80,889
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		341,554	267,477
<b>Equity attributable to the equity holders of the Parent Company</b>		<b>2,796,552</b>	<b>2,541,043</b>
<b>Equity attributable to non-controlling interests</b>	<b>6.2</b>	<b>523,848</b>	<b>605,549</b>
<b>Total Equity</b>		<b>3,320,400</b>	<b>3,146,592</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans	6.4	776,384	780,727
Bonds	6.4	331,372	315,416
Other loans	6.4	-	1,218
Lease liabilities	3.10	1,109,668	1,074,783
Other non-current liabilities	4.6	90,936	96,921
Deferred tax liabilities	4.12	531,793	502,316
Provisions	7	21,621	21,475
<b>Total Non-Current Liabilities</b>		<b>2,861,774</b>	<b>2,792,856</b>
<b>Current liabilities:</b>			
Loans	6.4	226,744	226,101
Bonds	6.4	28,846	90,255
Other loans	6.4	-	814
Lease liabilities	3.10	96,897	106,410
Trade payables	4.7	1,434,829	1,346,555
Other payables	4.9	207,732	162,666
Income tax liabilities	4.12	20,832	20,904
Other tax liabilities	4.11	114,276	100,847
Other current liabilities	4.9	330,253	327,170
Provisions	7	4,508	4,170
<b>Total Current Liabilities</b>		<b>2,464,917</b>	<b>2,385,892</b>
<b>Total Liabilities</b>		<b>5,326,691</b>	<b>5,178,748</b>
<b>Total Equity and Liabilities</b>		<b>8,647,091</b>	<b>8,325,340</b>

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER OF 2022 AND 2021

(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				Total 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 *					
Attributable to Equity Holders of Parent Company												
<b>Balance as at 1 January 2021</b>	2,000,000	(93,341)	277,452	873	(25,570)	644	(238,214)	(262,267)	70,945	1,992,789	447,063	2,439,852
Total comprehensive income for the period	-	-	-	(1,057)	23,197	12,469	3,849	38,457	267,477	305,934	69,706	375,639
<b>Appropriation of consolidated net profit of 2020:</b>	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to legal reserves and retained earnings	-	-	3,763	-	-	-	67,181	67,181	(70,945)	-	-	-
Dividends distributed	6.1 and 6.2	-	-	-	-	-	(92,923)	(92,923)	-	(92,923)	(3,403)	(96,326)
Income distribution from investment funds	-	-	-	-	-	-	-	-	-	-	(120)	(120)
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	1,454	1,454	-	1,454	229	1,684
Partial cancellation of Cash Settled Equity Swap	-	4,801	-	-	-	-	(1,185)	(1,185)	-	3,616	-	3,616
Variation in percentage of subsidiaries	-	-	-	-	-	-	330,111	330,111	-	330,111	117,495	447,606
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	-	621	621
Lose of control of subsidiaries	-	-	-	-	-	-	221	221	-	221	(27,523)	(27,301)
Restatement of financial assets at fair value	-	-	-	-	-	-	-	-	-	-	1,373	1,373
Others	-	-	-	-	-	-	(161)	(161)	-	(160)	108	(52)
<b>Balance as at 31 December 2021 Restated</b>	2,000,000	(88,539)	281,216	(184)	(2,373)	13,113	70,334	80,889	267,477	2,541,043	605,549	3,146,592
Total comprehensive income for the period	-	-	-	(9,359)	(3,140)	5,154	15,537	8,191	341,554	349,745	69,954	419,699
<b>Appropriation of consolidated net profit of 2021:</b>	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to legal reserves and retained earnings	-	-	18,132	-	-	-	249,345	249,345	(267,477)	-	-	-
Dividends distributed	6.1 and 6.2	-	-	-	-	-	(98,124)	(98,124)	-	(98,124)	(71,468)	(169,592)
Obligation fulfilled by share attribution to employees	-	4,871	-	-	-	-	1,802	1,802	-	6,674	12	6,686
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	-	443	686	1,129
<b>Balance as at 31 December 2022</b>	2,000,000	(83,880)	299,348	(9,543)	(5,513)	18,266	236,321	239,530	341,554	2,796,552	523,848	3,320,400

\* "Other reserves and retained earnings" includes an unavailable reserve relating to treasury shares in the amount of 71,402 thousand euros (Note 6.1).

The accompanying notes are part of these consolidated financial statements.

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER OF 2022 AND 2021

(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 2022	31 Dec 2021
<b>Operating Activities</b>			
Receipts from customers		7,820,479	7,173,013
Payments to suppliers		(6,151,690)	(5,615,725)
Payments to employees		(997,271)	(904,690)
<b>Cash generated from operations</b>		<b>671,518</b>	<b>652,598</b>
Income taxes (paid) / received		(33,119)	(12,242)
Other cash receipts and (payments) relating to operating activities		(14,832)	(17,538)
<b>Net cash generated from operating activities (1)</b>		<b>623,567</b>	<b>622,818</b>
<b>Investment Activities</b>			
Receipts arising from:			
Investments	3.3	299,837	637,367
Property, plant and equipment and intangible assets		3,103	22,870
Interests and similar income		5,922	2,329
Loans granted		1,588	5,921
Dividends	3	45,766	85,313
Others	3.2.1	38,616	24,288
		<b>394,832</b>	<b>778,088</b>
Payments arising from:			
Investments	3.3	(307,830)	(215,532)
Property, plant and equipment and intangible assets		(297,538)	(240,976)
Loans granted		(9,039)	(2,977)
Others		(456)	(3,776)
		<b>(614,863)</b>	<b>(463,261)</b>
<b>Net cash used in/ generated by investment activities (2)</b>		<b>(220,031)</b>	<b>314,827</b>
<b>Financing Activities</b>			
Receipts arising from:			
Loans, bonds and finance leases	6.5	4,063,679	4,102,605
Capital increases, additional paid in capital and share premiums		712	244
		<b>4,064,391</b>	<b>4,102,849</b>
Payments arising from:			
Lease liabilities	6.5	(194,046)	(188,319)
Loans, bonds and finance leases	6.5	(4,102,187)	(4,577,410)
Interests and similar charges		(24,054)	(31,989)
Reimbursement of capital and paid in capital		(6,587)	(427)
Dividends		(169,592)	(96,098)
Purchase of own shares	6.1	-	(76,249)
Others		(3,237)	-
		<b>(4,499,703)</b>	<b>(4,970,492)</b>
<b>Net cash used in financing activities (3)</b>		<b>(435,312)</b>	<b>(867,643)</b>
<b>Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)</b>		<b>(31,776)</b>	<b>70,002</b>
Effect of exchange rate changes on the balance of cash held in foreign currencies		76	(514)
Cash and cash equivalents at the beginning of the period	6.6	822,690	752,173
Cash and cash equivalents at the end of the period	6.6	790,838	822,690

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 2022

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts stated in thousand euros)

## 1. Introduction

### 1.1 Group presentation

SONAE, SGPS, S.A. has its head office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, Apartado 1011, and is the parent company of a group of companies, as detailed in Attachment 11 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 2022, 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 euros, rounded to the nearest unit, unless otherwise stated.

Sonae has in its portfolio 8 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);
- Universo is a fast-growing digital financial services operator in Portugal;
- Bright Pixel is an active and specialized investor with a focus on retail technology, digital infrastructure and cybersecurity;
- NOS is the leading convergent operator in the Portuguese telecommunications market; and
- Iberian Sports Retail Group (ISRG) is one of the largest and fastest growing Iberian sports retailers (Sprinter, SportZone, JD, Size?, Deporvillage e SUR);

Sonae SGPS, S.A. operates in Portugal, but the Group's business areas also operate internationally.

## 1.2 Keys events during the year

### War in Ukraine

The year 2022 was marked by the invasion of Ukraine by Russia and the consequent deterioration of the international economic and geopolitical context.

This conflict caused increases in prices on international markets mainly due to sharp increases in energy costs and disruptions in supply chains that affected the entire economy. The high level of inflation together with rising interest rates have put households' disposable income under pressure and consequently changed their consumption patterns. At Sonae, we quickly realise the potential impacts on our communities and act accordingly to mitigate them. To avoid a further burden on household budgets, our retail businesses have borne some of the inflationary pressure, at the expense of their own profitability.

### Resolution of the partnership at ZOPT and participation in NOS (Note 3.2)

In the third quarter of 2022, Sonaecom terminated the Shareholders' Agreement that governed the relations between the shareholders of ZOPT, SGPS, S.A. - Sonaecom itself, Unitel International Holdings, BV and Kento Holding Limited. At the General Meeting of ZOPT held on 28 September, it was decided to proceed with the amortization of Sonaecom's shareholding in that company, and the restitution of the additional payments made by it, in return for the delivery of the proportion held in the net assets of the company, corresponding to shares representing 26.07% of the share capital of NOS that are not encumbered, and other liquid monetary means. As a result of this resolution, Sonaecom is no longer a shareholder of ZOPT.

After the legal formalities, associated to the protection of ZOPT's creditors and the assessment of the operation by the Competition Authority - ZOPT handed over to Sonaecom (in December 2022) the shares representing 26.07% of the share capital of NOS, which became directly held by Sonaecom. Consequently, at 31 December 2022, a holding of 37.37% of the share capital and voting rights in NOS was attributed to Sonae, as a result of the direct holding of capital and voting rights in NOS held by Sonae and the indirect attribution of the votes relating to the aforementioned percentage of 26.07% that are directly held by its subsidiary Sonaecom.

Considering the ownership percentage, directly and indirectly attributable to Sonae, it was analysed in light of IFRS 10, if Sonae could exercise control over NOS. From this analysis, it was concluded that Sonae does not control the company, since 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 by itself and ii) that it is unlikely that there is a majority against its intentions. Given the above, and with Sonae having the possibility to participate in the decision making processes of NOS, we are faced with a situation of significant influence, and the respective investment is classified as "Investments in associated companies", and recorded in the consolidated accounts of Sonae by the equity method."

## Disposal of Maxive - Cybersecurity, SGPS, S.A. (Note 1.3.2)

On 11 October 2022, Sonae's subsidiary, Sonae Investment Management - Software and Technology, SGPS, S.A. (Bright Pixel Capital) and other shareholders, completed the disposal of all the share capital and voting rights of Maxive - Cybersecurity, SGPS, S.A., to Thales Europe, S.A.S., following the agreement signed with the latter on 17 May 2022.

## Disposal of the 50% shareholding in MDS SGPS, S.A.

Sonae SGPS, S.A. concluded, in the last quarter of 2022, the transaction of disposal of the 50% shareholding 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").

## Preliminary agreement for the creation of a joint venture with Bankinter

Sonae SGPS, S.A. has reached a preliminary agreement with Bankinter Consumer Finance. E.F.C., S.A. ("Bankinter Consumer Finance") for the creation of a joint venture resulting in the combination of the businesses of Universo, IME, S.A. ("Universo"), and Bankinter Consumer Finance. This agreement establishes the main terms for the creation of a leading consumer finance operator in Portugal which will have Sonae and Bankinter as shareholders, both with 50% of the share capital. On 31 March 2023 Sonae finish the agreement with Bankinter Consumer Finance (Note 1.5).

## Public Tender Offer for the acquisition of shares of Sonae - SGPS, S.A.

At 21 December 2022, Sonae SGPS, S.A. launched a general and voluntary public tender offer for shares representing the share capital of Sonae - SGPS, S.A.. The consideration offered, to be paid in cash, is 2.50 euro per share, net of any amount (gross) that may be attributed to each share, as dividends, advance on the profit of the fiscal year, distribution of reserves or any other.

## 1.3 Consolidation perimeter

The companies included in the Sonae Group's consolidation perimeter at 31 December 2022 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 2022		31 Dec 2021	
	End of exercise	Average of exercise	End of exercise	Average of exercise
US Dollar	0.93756	0.95148	0.88292	0.84602
Swiss Franc	1.01554	0.99612	0.96796	0.92506
Pound Sterling	1.12748	1.17317	1.19008	1.16366
Brazilian Real	0.17735	0.18458	0.15848	0.15694
Australian Dollar	0.63723	0.65998	0.64041	0.63516
Mexican Peso	0.04795	0.04735	0.04321	0.04171
Turkish Lira	0.05009	0.05784	0.06564	0.09753
Mozambican Metical	0.01465	0.01490	0.01377	0.01302
Angolan Kwanza	0.00184	0.00208	0.00159	0.00135
Polish Zloty	0.21364	0.21349	0.21754	0.21906

### 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 2022:

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
<b>Worten</b>			
Marketplace - Comércio Eletrónico, S.A.	Porto/Portugal	100.00%	100.00%
<b>Sierra</b>			
North Tower, B.V.	Amsterdam/Netherlands	100.00%	90.00%

#### Worten

In January 2022, Worten acquired 50% of Marketplace (the remaining 50% are held by Sonae SGPS, S.A.). The entity ceased to be a jointly controlled entity and is now incorporated by the full consolidation method.

#### Sierra

In May 2022, the subsidiary Sierra Investments Holdings B.V. acquired the remaining capital of the jointly controlled entity North Tower B.V. (which holds 100% of the share

capital of Torre Norte, S.A.) by 5,750 thousand euros. Since 1 May 2022, these companies are no longer considered as jointly controlled entities and started being incorporated by the full consolidation method.

The effects of these acquisitions on the consolidated financial statements can be analysed as follows:

	Worten		Sierra	
	At the acquisition date	Fair Value	Total	Total
<b>Net assets acquired</b>				
Property, plant and equipment and intangible assets (Notes 3.8 e 3.9)	2,299	(2,025)	274	-
Other investments	32	-	32	-
Investments properties (3.11)	-	-	-	12,497
Deferred tax assets (Note 4.11)	2,183	(2,183)	-	-
Trade receivables and other assets	501	(281)	221	-
Other assets	390	-	390	453
Cash and cash equivalents	1,467	(7)	1,460	1,171
Loans	-	-	-	(1,019)
Provisions	(126)	-	(126)	-
Trade payables and other current liabilities	(415)	-	(415)	(1,592)
Other liabilities	(1,786)	(235)	(2,021)	-
<b>Total net assets acquired</b>	<b>4,544</b>	<b>(4,731)</b>	<b>(186)</b>	<b>11,510</b>
Book value of the investment before the date of acquisition	-	-	-	(5,755)
Goodwill (Note 3.1)	-	-	186	(5)
<b>Acquisition cost</b>	<b>4,544</b>	<b>(4,731)</b>	<b>-</b>	<b>5,750</b>
Cash payment			-	(4,579)
			-	(4,579)
Cash payment			-	(4,579)
Cash and bank balances acquired			-	1,171
			-	(5,750)

As established in IFRS 3, in the acquisition of Marketplace, the re-measurement of the acquired assets was performed, and these were adjusted retrospectively to the acquisition date. In the case of Sierra acquisitions, the assets acquired were already valued at their fair value.

## Sierra

Additionally, in March 2022, Sonae acquired an additional 10% of Sierra's share capital represented by shares held by Grosvenor Investments (Portugal) S.Àr.L, for a price of 83.5 million euros. Following the completion of this transaction, Sonae now owns 90% of the share capital and voting rights in Sierra. The main impact of this operation on the Group's consolidated financial statements was the transfer of Reserves from "Non-controlling Interests" to "Group Equity", since Sonae already owns a controlling stake of 80% in Sierra (impact of 5.9 M€ on the overall equity).

## 1.3.2 Main disposals of subsidiaries occurred in the period ended 31 December 2022

The detail of disposals of subsidiaries can be analysed as follows:

COMPANY	Head Office	At the disposal date	
		Direct	Total
<b>Sierra</b>			
ARP Alverca Retail Park, S.A.	Portugal	100.00%	90.00%
Parque de Famalicão - Empreendimentos Imobiliários, S.A.	Portugal	100.00%	90.00%
<b>Bright Pixel</b>			
Excellium Group, S.A. ('Excellium')	Luxembourg	100.00%	61.27%
Excellium Services, S.A. ('Excellium Services')	Luxembourg	100.00%	61.27%
Excellium Services Belgium, S.A. ('Excellium Services Belgium')	Belgium	100.00%	61.27%
S21Sec Portugal Cybersecurity Services, S.A. ('S21 Sec Portugal')	Portugal	100.00%	61.27%
Grupo S21Sec Gestión, S.A.U. ('S21 Sec Gestion')	Spain	100.00%	61.27%
S21Sec Information Security Labs, S.L.U. ('S21 Sec Labs')	Spain	100.00%	61.27%
Maxive - Cybersecurity , SGPS, S.A. ('Maxive')	Portugal	68.10%	61.27%
Maxive CyberSecurity - Sucursal no Reino Unido ('Maxive Uk')	United Kingdom	100.00%	61.27%

## Sierra

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 totality of the share capital (100%) of the subsidiary ARP Alverca Retail Park, S.A. ("Alverca") by 7,848 thousand euros. This transaction generated a gain of 5,154 thousand euros (Note 3.6).

In November 2022, the Group, through its subsidiaries Sierra Developments Holding B.V. and Sierra Developments, SGPS, S.A., sold the totality of the share capital (100%) of the subsidiary Parque de Famalicão - Empreendimentos Imobiliários, S.A. ("Famalicão") by 1,200 thousand euros. This transaction generated a gain of 846 thousand euros (Note 3.6).

## Bright Pixel

On October 11, the Sonae subsidiary, Sonae Investment Management - Software and Technology, SGPS, S.A. (Bright Pixel Capital), and other shareholders, completed the sale of the entire share capital and voting rights of Maxive - Cybersecurity, SGPS, S.A. to Thales Europe, S.A.S following the agreement entered into with them on May 17, 2022. This transaction resulted in a capital gain of 64,648 thousand euros (net of transaction expenses).

The effects of these disposals on the consolidated financial statements as at 31 December 2022 can be analysed as follows:

	At the disposal date	
	Sierra	Bright Pixel
<b>Net assets</b>		
Property, plant and equipment, intangible assets and rights of use	-	10,129
Goodwill (Note 3.1)	-	13,355
Deferred tax assets	-	3,304
Investment properties in progress	11,133	-
Other non current assets	-	73
Trade receivables	6	9,058
Other current assets	35	15,053
Cash and bank balances	30	5,897
Loans	-	(5,059)
Lease liabilities	-	(3,340)
Provisions	-	(123)
Deferred tax liabilities	(322)	-
Other non current liabilities	(15)	-
Trade payables	-	(9,287)
Other current liabilities	(44)	(17,276)
<b>Total net assets disposed</b>	<b>10,824</b>	<b>21,783</b>
<b>Non Controlling Interests</b>		
Impairment reversals	(7,776)	-
<b>Total of net assets disposed after non-controlling interests</b>	<b>3,048</b>	<b>31,941</b>
<b>Amounts received</b>	<b>9,048</b>	<b>96,633</b>
<b>Gain/(Loss) on disposal</b>	<b>6,000</b>	<b>64,693</b>

	31 Dec 2022	
	BrightPixel	Total discontinued operations
Turnover	47,655	47,655
Other income	3,452	3,452
Cost of goods sold and materials consumed	(10,979)	(10,979)
External supplies and services	(13,798)	(13,798)
Employee benefits expense	(25,002)	(25,002)
Depreciation and amortisation expenses	(3,180)	(3,180)
Impairment losses	(60)	(60)
Other expenses	(234)	(234)
Financial Income and Expenses	(1,323)	(1,323)
<b>Profit/(Loss) before tax</b>	<b>(3,469)</b>	<b>(3,469)</b>
Income tax expense	98	98
<b>Profit/(Loss) after tax</b>	<b>(3,371)</b>	<b>(3,371)</b>
Income or expenses related to loss control	64,693	64,693
<b>Profit/(Loss) for period from discontinuing operations</b>	<b>61,322</b>	<b>61,322</b>

## 1.4 Restated consolidated financial statements

### 1.4.1 Allocation of the fair value of Claybell's assets and liabilities

Sonae in 2021, completed the acquisition of 95.4% of the share capital and voting rights of Claybell Limited, which owns 100% of Gosh Food Limited, which it markets under the brand "Gosh!".

Based in the UK, Gosh is a leading producer and marketer of plant-based food products, an attractive, high growth sector. The Company offers a range of clean label and allergen-free products - distributed either under the Gosh! brand or under its own brand name, through the UK's leading retailers and foodservice operators.

Following this acquisition, a valuation was made, during the year 2022, of the fair value of the assets acquired and liabilities assumed. The fair value was determined through several valuation methodologies for each type of asset or liability, based on the best information available. The main adjustments to fair value made within this process were:

- 18.1-million-euros (15.6 million pounds) customer portfolio valued on the basis of the discounted cash-flows methodology, using discount rates based on the weighted average cost of capital of 10.1%. This portfolio will be amortised on a straight-line basis over the estimated average retention period of customers (20 years);
- Gosh brand amounting to 18.2 million euros (15.7 million pounds) valued on the basis of the released royalty methodology, using for this purpose discount rates based on the weighted average cost of capital of 10.6% and a royalty rate of 5.5%, and for which no defined life was identified;

For the remaining assets and liabilities no significant differences were identified between the fair value and the respective book value. As it usually happens in business combinations, also in this operation it was not possible to attribute, in accounting terms, to the fair value of the identified assets and liabilities assumed, a part of the acquisition cost, being this component recognised as Goodwill and recorded under Intangible Assets.

The above-mentioned valuations correspond to Level 3 Fair Value, according to IFRS 13.

As this acquisition took place at the end of 2021, it was only during 2022 that it was possible to conclude the fair value allocation and Goodwill calculation exercise, which can be analysed as follows:

	At the acquisition date	Fair Value	Total
<b>Net assets acquired:</b>			
Property, plant and equipment and intangible assets	9,768	37,174	46,942
Rights-of-use	2,861		2,861
Deferred tax assets (Note 4.11)	644		644
Inventories	754		754
Trade receivables and other assets	3,833		3,833
Other assets	278		278
Cash and cash equivalents	2,607		2,607
Loans	(3,225)		(3,225)
Deferred tax liabilities (Note 4.11)	(1,588)	(7,030)	(8,617)
Trade payables and other current liabilities	(1,764)		(1,764)
Other liabilities	(658)		(658)
<b>Total net assets acquired</b>	<b>13,508</b>	<b>30,144</b>	<b>43,652</b>
Non- controlling interests (Note 6.2)	(621)	(1,373)	(1,994)
Goodwill (Note 3.1)	61,694	(28,771)	32,923
<b>Acquisition cost</b>	<b>74,582</b>	<b>-</b>	<b>74,582</b>

The impact of the restatement of the consolidated financial position as at 31 December 2021 was as follows:

31 Dec 2021	Before the restatement	Gosh!	After the restatement
<b>Assets</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	1,681,657	-	1,681,657
Intangible assets	442,753	36,998	479,751
Right of use assets	1,019,953	-	1,019,953
Investment properties	319,873	-	319,873
Goodwill	732,295	(28,771)	703,524
Investments in joint ventures and associates	1,514,650	-	1,514,650
Assets at fair value through profit and loss	164,269	-	164,269
Assets to fair value through other comprehensive income	137,579	-	137,579
Other investments	14,984	-	14,984
Deferred tax assets	358,580	-	358,580
Other non-current assets	33,695	-	33,695
<b>Total Non-Current Assets</b>	<b>6,420,288</b>	<b>8,227</b>	<b>6,428,515</b>
<b>Current assets:</b>			
Inventories	633,567	-	633,567
Trade receivables	131,078	-	131,078
Other receivables	112,240	-	112,240
Income tax assets	35,194	-	35,194
Other tax assets	39,177	-	39,177
Other current assets	90,586	-	90,586
Investments	7,107	-	7,107
Cash and bank balances	825,063	-	825,063
<b>Total Current Assets</b>	<b>1,874,011</b>	<b>-</b>	<b>1,874,011</b>
Assets classified as held for sale	22,814	-	22,814
<b>Total Assets</b>	<b>8,317,113</b>	<b>8,227</b>	<b>8,325,340</b>

31 Dec 2021	Before the restatement	Gosh!	After the restatement
<b>Equity and Liabilities</b>			
<b>Equity:</b>			
Share capital	2,000,000	-	2,000,000
Own shares	(88,539)	-	(88,539)
Legal reserve	281,216	-	281,216
Reserves and retained earnings	80,890	-	80,890
Profit/(Loss) for the period attributable to the equity holders of the Parent Company	267,652	(176)	267,477
<b>Equity attributable to the equity holders of the Parent Company</b>	<b>2,541,219</b>	<b>(176)</b>	<b>2,541,043</b>
<b>Equity attributable to non-controlling interests</b>	<b>604,176</b>	<b>1,373</b>	<b>605,549</b>
<b>Total Equity</b>	<b>3,145,395</b>	<b>1,197</b>	<b>3,146,592</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans	780,727	-	780,727
Bonds	315,416	-	315,416
Other loans	1,218	-	1,218
Lease liabilities	1,074,783	-	1,074,783
Other non-current liabilities	96,921	-	96,921
Deferred tax liabilities	495,287	7,030	502,316
Provisions	21,477	-	21,477
<b>Total Non-Current Liabilities</b>	<b>2,785,827</b>	<b>7,030</b>	<b>2,792,857</b>
<b>Current liabilities:</b>			
Loans	226,101	-	226,101
Bonds	90,255	-	90,255
Other loans	814	-	814
Lease liabilities	106,410	-	106,410
Trade payables	1,346,555	-	1,346,555
Other payables	162,666	-	162,666
Income tax liabilities	20,904	-	20,904
Other tax liabilities	100,847	-	100,847
Other current liabilities	327,170	-	327,170
Provisions	4,170	-	4,170
<b>Total Current Liabilities</b>	<b>2,385,892</b>	<b>-</b>	<b>2,385,892</b>
Liabilities directly associated with assets classified as held for sale	-	-	-
<b>Total Liabilities</b>	<b>5,171,719</b>	<b>7,030</b>	<b>5,178,748</b>
<b>Total Equity and Liabilities</b>	<b>8,317,113</b>	<b>8,227</b>	<b>8,325,340</b>

The impact on the consolidated income statement 2021 of the allocation of fair value to Gosh!'s assets is identified in Note 1.4.2.

#### 1.4.2 Impact of the restatement of the consolidated income statement

As required by IFRS 5, changes have been made to the consolidated income statements by nature for the year ended 31 December 2021 to reflect in a single line item (Consolidated net profit for the period from discontinued operations), on the face of the

income statement, the profit or loss after tax of the discontinued operations of Maxive and its subsidiaries. Additionally, the imputation of fair value to the assets of Gosh! led to changes in the value of depreciation and related taxes in the year 2021.

The impacts on the consolidated financial statements as at 31 December 2021 are as follows:

31 Dec 2021	Before the restatement	Gosh!	Bright Pixel	After the restatement
Sales	6,697,614	-	17,380	6,680,234
Services rendered	325,668	-	41,115	284,553
Changes in value of investment properties	(2,468)	-	-	(2,468)
Income or expense relating to investments	(925)	-	41	(966)
Gains and losses on investments recorded at fair value through results	85,171	-	8	85,163
Other income	146,208	-	1,460	144,748
Cost of goods sold and materials consumed	(4,795,518)	-	(14,920)	(4,780,598)
(Increase) /Decrease in production	637	-	-	637
External supplies and services	(796,938)	-	(12,425)	(784,513)
Employee benefits expense	(905,209)	-	(30,345)	(874,863)
Other expenses	(88,754)	-	(602)	(88,151)
Depreciation and amortisation expenses	(338,157)	227	(5,248)	(333,136)
Impairment losses	(23,168)	-	(186)	(22,982)
Provisions	(5,285)	-	(94)	(5,191)
<b>Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax</b>	<b>298,877</b>	<b>227</b>	<b>(3,817)</b>	<b>302,466</b>
Dividends received	10,765	-	-	10,765
Share of profit or loss of joint venture and associates	100,587	-	14	100,572
Financial income	41,466	-	1,126	40,340
Financial expense	(147,699)	-	(2,572)	(145,127)
<b>Profit/(Loss) before taxation from continuing operations</b>	<b>303,995</b>	<b>227</b>	<b>(5,249)</b>	<b>309,017</b>
Income tax expense	(26,592)	(43)	449	(26,998)
<b>Profit/(Loss) after taxation from continuing operations</b>	<b>277,403</b>	<b>184</b>	<b>(4,799)</b>	<b>282,018</b>
Profit / (Loss) from discontinued operations after taxation	53,211	-	4,799	48,411
<b>Consolidated profit/(Loss) for the period</b>	<b>330,614</b>	<b>184</b>	<b>-</b>	<b>330,430</b>

## 1.5 Subsequent events

### Acquisition of BR Malls

On 6 January 2023, the business combination between Aliansce Sonae Shopping Centers, S.A. presented under Investments in Associates and Br Malls Participações, S.A. classified as Financial Assets at Fair Value through Other Comprehensive Income was concluded.

### Sonaecom

On 14 March 2023, the Board of Directors of the Comissão do Mercado de Valores Mobiliários (CMVM) resolved to register the general and voluntary public tender offer for

35,228,749 shares of Sonaecom SGPS, S.A., announced to the market on 21 December 2022, and to approve the respective prospectus.

The CMVM also informed that:

- a. Given Sonae's intention to use the potestative acquisition mechanism provided for in Article 194 of the Securities Code ("Cód. VM") if the requirements are met, the following interpretation applies:
  - i. If Sonae reaches 90% of the voting rights corresponding to the share capital of Sonaecom, Sonae may, after the offer, use the potestative acquisition mechanism at the offer price (2.50 euros), provided that it does not acquire Sonaecom shares at a higher price until the date of this acquisition;
  - ii. The calculation of the 90% threshold of voting rights representing the share capital should consider all of Sonaecom's shares, including the 5,571,014 treasury shares. The threshold will be reached if Sonae acquires at least 4,094,746 shares corresponding to 1.315% of the share capital.

Sonae has waived the effectiveness condition of the offer, which means that it will acquire all the shares for which their holders give sale orders, even if it does not reach the 90% of voting rights corresponding to the share capital.

### Sierra

On 15 March 2023, Sonae purchase 10% of the share capital of Sierra held by Grosvenor Investments (Portugal) S.Ár.L, for the price of €88.6 million, which represents an implicit discount of c.10% over Sierra's NAV at the end of 2022, after the exercise by Grosvenor of its put option right. Following completion of this transaction, Sonae now holds 100% of the share capital and voting rights in Sierra. The main impact of this transaction on the Group's consolidated financial statements will be the transfer of Reserves from "Non-Controlling Interests" to "Equity Holders of the Parent Company", since Sonae already holds a controlling shareholding in Sierra

### Joint-venture Universo e Bankinter

On 31 March 2023, following the announcement issued on 20 December 2022, Sonae agreed with Bankinter Consumer Finance ("Bankinter") the entrance of the latter in the equity of Universo, IME, SA ("Universo") – entity managing the portfolio of financial products and services under the Universo brand, resulting in the creation of a joint venture in the Portuguese consumer credit sector.

This transaction will allow Sonae to establish a 50/50 partnership with a reference banking operator such as Bankinter, which will contribute its vast experience in the financial sector, to the creation of a leading consumer credit operator in Portugal.

This partnership fulfils Sonae's active portfolio management strategy, aiming to optimize the shareholder structures of the companies in its portfolio and find the best partners to complement its skills and support the growth plans of its subsidiaries.



The transaction has an underlying equity value of the Universo around 45 million euros and involves the sale of 50% of its share capital for an estimated amount of 19 million euros on the date of completion of the transaction. Further to this amount, the agreement also includes an additional payment of up to 5 million euros, contingent and deferred by 5 years after the completion of the transaction. The transaction terms aim for the deconsolidation of Sonae's current 100% stake in Universo, with the new 50% stake being registered by the equity method.

## 1.6 Basis of preparation

### Approval of financial statements

The accompanying consolidated financial statements were approved by the Board of Directors on 3 April 2023. 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 2022, 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 2022:

Standards (new and amendments) effective as at 1 January 2022		Effective date (for financial years beginning on or after)
IAS 16 - Proceeds before intended use	Prohibition of deducting the proceeds obtained from the sale of items produced during the testing phase, to the acquisition cost of property, plant and equipment.	01 Jan 2022
IAS 37 - Onerous contract - cost of fulfilling a contract	Clarification about the nature of the expenses to be considered in determining whether a particular contract has become onerous.	01 Jan 2022
IFRS 3 - Reference to the Conceptual framework	Update to references to the Conceptual Framework and clarification on the registration of provisions and contingent liabilities within the scope of a business combination.	01 Jan 2022
Annual Improvements 2018-2020	Specific amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	01 Jan 2022

These standards were first applied by the Group in 2022. 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 2023, already endorsed by the EU		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.	01 Jan 2023
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.	01 Jan 2023
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.	01 Jan 2023
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.	01 Jan 2023
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 initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, because of not being relevant for tax purposes.	01 Jan 2023

The Group did not proceed with the early implementation of any of these standards in the financial statements for the year ended 31 December 2022 due to the fact that their application is not mandatory. No significant impacts are expected on the financial statements resulting from their adoption, namely regarding the application of IFRS17 in Highdome subsidiaries.

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 2023, not yet endorsed by the EU		Effective date (for financial years beginning on or after)
IAS 1 – 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.	01 Jan 2024
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.	01 Jan 2024

## 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 statements include:

- Terms of right of use assets (Note 3.10)
- Recording of provisions and analysis of contingent liabilities (Note 7);
- Classification of investments of the venture capital portfolio (Note 3.4);
- Entities included in the consolidation perimeter (Attachment I);
- Presentation of financing granted to subsidiaries as loans granted or part of the investment (Note 4.3 and 4.5);
- Evaluation of the application of the criteria for aggregation of operational segments;

### 1.8.2 The most significant estimates reflected in the consolidated financial statements include:

- 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)

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.

- Determination of the fair value of derivative financial instruments (Notes 5.1 and 5.2);
- Recoverability of deferred tax assets (Note 4.12.2);
- Impairment of financial assets (Note 7.1);

- e) Income tax of the Group's various geographies (Note 4.11);
- f) Financial assets at fair value through other comprehensive income or profit and loss (Note 1.6 a) and 3.4);
- g) Fair value of the investment properties (Note 3.11);

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on best knowledge of past and present events. Although future events are neither controlled by Sonae nor foreseeable, some could occur and have impact on the estimates. Changes to estimates that occur after the date of these consolidated financial statements, will be recognized in net income, in accordance with IAS 8 – “Accounting policies, changes in accounting estimates and errors”, using a prospective methodology.

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; (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 2022 and 2021 can be summarized as follows:

	31 Dec 2022				31 Dec 2021 Restated			
	Consolidated	Indirect Income (d)	Non recurrent	Direct Income (e)	Consolidated	Indirect income (d)	Non recurrent	Direct income (e)
Turnover	7,726,013	-	-	7,726,013	6,964,787	-	-	6,964,787
Value created on investment properties	(3,534)	(3,534)	-	-	(2,468)	(2,468)	-	-
Investment income								
Dividends and others adjustments	11,989	11,988	-	-	10,729	10,564	-	165
Others	88,999	-	88,999	-	(966)	(49,704)	-	48,738
Others income								
Others	197,090	(3,194)	-	200,284	144,748	-	-	144,748
<b>Total income</b>	<b>8,020,557</b>	<b>5,260</b>	<b>88,999</b>	<b>7,926,297</b>	<b>7,116,830</b>	<b>(41,608)</b>	<b>-</b>	<b>7,158,438</b>
<b>Total expenses</b>	<b>(7,300,623)</b>	<b>-</b>	<b>8,715</b>	<b>(7,309,338)</b>	<b>(6,520,021)</b>	<b>-</b>	<b>52,310</b>	<b>(6,572,330)</b>
Depreciation and amortisation	(353,743)	-	-	(353,743)	(333,122)	-	-	(333,122)
Adjustments for inventories	(2,345)	-	-	(2,345)	(4,753)	-	-	(4,753)
Gains and Losses on property, plant and equipment and intangible assets	-	-	-	-	(2,662)	-	-	(2,662)
Provisions for warranty extensions	(1,258)	-	-	(1,258)	(1,108)	-	-	(1,108)
Asset impairments	(71,687)	(57,214)	-	(14,473)	-	-	-	-
Impairment losses and provisions	6,672	-	-	6,672	12,705	-	-	12,705
Reversal of provisions for warranty extensions	1,271	-	-	1,271	536	-	-	536
Others	(4,046)	-	-	(4,046)	(40,337)	(4,041)	-	(36,296)
<b>Profit before financial results and results of joint ventures and associates and non-recurrent items</b>	<b>294,798</b>	<b>(51,954)</b>	<b>97,713</b>	<b>249,037</b>	<b>228,068</b>	<b>(45,649)</b>	<b>52,310</b>	<b>221,407</b>
Non-recurring items of continued operations	-	-	(162,361)	162,361	-	-	(52,310)	52,310
Gains and losses on investments recorded at fair value through results	35,238	17,192	-	18,046	85,163	69,631	-	15,532
Financial profit/(loss)	(95,052)	-	-	(95,052)	(104,787)	-	-	(104,787)
Share of results of joint ventures and associated undertakings								
Associates and joint ventures of Sonae Sierra	32,891	(15,226)	-	48,117	24,220	(4,744)	-	28,965
Armar Venture Funds	(8,704)	(8,704)	-	-	30,250	30,250	-	-
NOS/ZOPT	72,850	9,390	-	63,460	32,062	-	-	32,062
Others	23,721	2,505	-	21,216	14,040	(2,877)	-	16,917
<b>Profit before income tax</b>	<b>355,741</b>	<b>(46,797)</b>	<b>(64,648)</b>	<b>467,185</b>	<b>309,017</b>	<b>46,611</b>	<b>-</b>	<b>262,406</b>
Income Tax	(10,408)	4,122	-	(14,529)	(26,998)	(21,079)	-	(5,920)
<b>Profit/(Loss) from continued operations</b>	<b>345,333</b>	<b>(42,675)</b>	<b>(64,648)</b>	<b>452,656</b>	<b>282,018</b>	<b>25,532</b>	<b>-</b>	<b>256,487</b>
<b>Profit/(Loss) from discontinued operations</b>	<b>61,322</b>	<b>-</b>	<b>64,648</b>	<b>(3,326)</b>	<b>48,411</b>	<b>47,546</b>	<b>-</b>	<b>865</b>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>406,655</b>	<b>(42,675)</b>	<b>-</b>	<b>449,329</b>	<b>330,430</b>	<b>73,078</b>	<b>-</b>	<b>257,351</b>
<b>Attributable to equity holders of Sonae</b>	<b>341,554</b>	<b>(44,043)</b>	<b>-</b>	<b>385,597</b>	<b>267,477</b>	<b>67,159</b>	<b>-</b>	<b>200,317</b>
<b>Non-controlling interests</b>	<b>65,101</b>	<b>1,367</b>	<b>-</b>	<b>63,734</b>	<b>62,953</b>	<b>5,919</b>	<b>-</b>	<b>57,034</b>
"Underlying" EBITDA (b)				635,018				600,903
EBITDA (a)				926,846				732,021
EBIT (c)				558,912				367,892



(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; 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 Result	31 Dec 2022	31 Dec 2021 Restated
Indirect net income of Sierra	(24,096)	(12,290)
Dividends received from NOS	11,988	10,564
Tax net impairment from Zeitreel	(48,357)	-
Indirect result of funds and Bright Pixel	8,812	77,682
Others	8,977	(2,877)
<b>TOTAL</b>	<b>(42,675)</b>	<b>73,078</b>

Direct Underlying EBITDA and the unusual results can be analysed as follows:

	31 Dec 2022	31 Dec 2021 Restated
<b>Direct EBITDA</b>	<b>926,846</b>	<b>732,021</b>
Share of results of joint ventures and associated companies accounted by Equity Method	(132,793)	(77,944)
Discontinued operations	3,326	(865)
<b>Unusual results</b>		
Gain on the sale of companies (Note 1.3.2 and Note 3.6)	(153,647)	(62,398)
Other expenses considered non-recurring	(8,715)	10,088
	<b>(162,361)</b>	<b>(52,310)</b>
<b>TOTAL</b>	<b>635,018</b>	<b>600,903</b>

## 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 2 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 4.6 and 4.8)

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 which they 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 8 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).

Sonae in 2022 concluded an ambitious project started in 2021 to prepare the Sonae brand for the future, as described in the Management Report. Having identified 3 main objectives: diversification and expansion, autonomy and connection, and a focus on the next generation of talent driving the success of the brand and the business. The challenge was to define how the brand strategy could contribute to these objectives. This project resulted in the rebranding of the group's various businesses.

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 2022 and 2021 can be detailed as follows:

31 Dec 2022	Turnover	Depreciation and amortisation <sup>(3)</sup>	Provisions and impairment losses <sup>(3)</sup>	EBIT <sup>(3)</sup>	Financial results <sup>(2)</sup>	Income tax <sup>(2)</sup>
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)	-	-
Universo	35,820	(2,143)	-	72,540	-	-
Bright Pixel	2,025	(2,248)	117	72,361	3,923	(3,496)
NOS	-	-	-	63,460	-	-
ISRG	-	-	-	22,052	-	-
Other, eliminations and adjustments <sup>(1)</sup>	(32,219)	(4,450)	(1,083)	(26,080)	(14,226)	19,322
<b>Total consolidated - Direct</b>	<b>7,726,013</b>	<b>(353,743)</b>	<b>(10,576)</b>	<b>558,912</b>	<b>(95,052)</b>	<b>(14,529)</b>

31 Dec 2021 Restated	Turnover	Depreciation and amortisation <sup>(3)</sup>	Provisions and impairment losses <sup>(3)</sup>	EBIT <sup>(3)</sup>	Financial results <sup>(2)</sup>	Income tax <sup>(2)</sup>
MC	5,361,632	(252,586)	(17,852)	306,635	(76,867)	(21,256)
Worten	1,174,933	(33,802)	(3,096)	26,021	-	-
Sierra	98,047	(3,042)	682	42,475	(7,502)	(922)
Zeitreel	345,381	(34,147)	(1,903)	(24,228)	-	-
Universo	20,925	(1,565)	(1,217)	(21,442)	-	-
Bright Pixel	1,549	(1,021)	(22)	13,008	2,256	(3,861)
NOS	-	-	-	32,062	-	-
ISRG	-	-	-	17,107	-	-
Other, eliminations and adjustments <sup>(1)</sup>	(37,679)	(6,958)	352	(23,744)	(22,673)	20,120
<b>Total consolidated - Direct</b>	<b>6,964,787</b>	<b>(333,122)</b>	<b>(23,055)</b>	<b>367,892</b>	<b>(104,787)</b>	<b>(5,920)</b>

	31 Dec 2022			31 Dec 2021 Restated		
	Investment (CAPEX)	Invested capital	Financial net debt <sup>(2) (4)</sup>	Investment (CAPEX)	Invested capital	Financial net debt <sup>(2) (4)</sup>
MC	217,598	2,437,124	1,517,953	200,131	2,434,003	1,461,905
Worten	60,845	(56,614)	-	50,528	(74,638)	-
Sierra	106,296	1,035,106	99,810	5,018	921,496	21,315
Zeitreel	12,646	247,318	-	13,932	276,013	-
Universo	1,711	(5,045)	-	2,962	1,123	-
Bright Pixel	46,939	274,840	(51,988)	29,729	298,898	2,659
NOS	-	854,211	-	-	752,588	-
ISRG	-	114,971	-	-	101,012	-
Other, eliminations and adjustments <sup>(1)</sup>	188,315	164,907	180,714	172,192	180,209	258,232
<b>Total consolidated</b>	<b>634,350</b>	<b>5,066,816</b>	<b>1,746,489</b>	<b>474,491</b>	<b>4,890,702</b>	<b>1,744,111</b>

- 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;

The intercompany of the turnover can be analysed by following:

Turnover	31 Dec 2022	
	Inter-segment	Inter-segment Restated
MC	(39,073)	(38,468)
Worten	(3,742)	(3,731)
Zeitreef	(21,803)	(18,851)
Bright Pixel	(1,910)	(799)
Universo	(6,745)	(5,308)
Other, eliminations and adjustments	(10,474)	(6,013)
<b>Total consolidated</b>	<b>(83,748)</b>	<b>(73,171)</b>

The caption "Others, eliminations and adjustments" can be analysed as follows:

	Turnover		EBIT	
	31 Dec 2022	31 Dec 2021 Restated	31 Dec 2022	31 Dec 2021 Restated
Inter-segment intra-groups	(83,748)	(73,171)	(9,823)	(5,943)
Contributions of entities not included in the segments	51,529	35,491	(16,257)	(17,802)
<b>Other, eliminations and adjustments</b>	<b>(32,219)</b>	<b>(37,679)</b>	<b>(26,080)</b>	<b>(23,744)</b>

	Investment		Invested capital	
	31 Dec 2022	31 Dec 2021 Restated	31 Dec 2022	31 Dec 2021 Restated
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	31,625	18,058	164,907	180,209
Acquisition of 10% shares of Sierra	83,471	82,159	-	-
Acquisition of 95,40% shares of Claybell Ltd	-	71,975	-	-
Acquisition of NOS shares	73,220	-	-	-
	<b>188,315</b>	<b>172,192</b>	<b>164,907</b>	<b>180,209</b>

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 2022		31 Dec 2021 Restated	
	Non-current assets	Sales and services rendered by destination market	Non-current assets	Sales and services rendered by destination market
Portugal	5,136,247	7,149,167	4,812,731	6,417,707
Netherlands	552,699	2,741	607,949	3,019
Spain	259,768	389,773	277,299	385,515
Romania	272,061	24,054	270,637	19,990
Italy	91,020	26,990	89,477	23,027
United Kingdom	18,559	23,368	76,009	11,634
Brazil	7,657	-	9,707	72
Germany	383	15,075	336	14,284
Mexico	47	4,329	145	3,947
France	-	21,224	-	27,718
Rest of the world	370,481	69,293	284,225	57,873
	<b>6,708,922</b>	<b>7,726,013</b>	<b>6,428,515</b>	<b>6,964,787</b>

### 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 the 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 2022 and 2021, can be summarized as follows:

	31 Dec 2022	31 Dec 2021
<b>Assets</b>		
Property, plant and equipment	1,107,052	1,041,100
Intangible assets	1,209,558	1,205,031
Rights of use	160,594	236,063
Deferred tax assets	89,554	81,390
Other non-current assets	358,822	189,328
<b>Non-current assets</b>	<b>2,925,580</b>	<b>2,752,912</b>
Trade receivables	319,441	323,934
Cash and bank balances	15,215	10,902
Other current assets	203,088	171,647
<b>Current assets</b>	<b>537,744</b>	<b>506,483</b>
<b>Total assets</b>	<b>3,463,324</b>	<b>3,259,395</b>
<b>Liabilities</b>		
Loans	1,210,181	1,275,541
Provisions	81,267	82,516
Other non-current liabilities	95,077	90,555
<b>Non-current liabilities</b>	<b>1,386,525</b>	<b>1,448,612</b>
Loans	427,453	301,068
Trade creditors	253,388	279,993
Other current liabilities	343,615	266,722
<b>Total current liabilities</b>	<b>1,024,456</b>	<b>847,783</b>
<b>Total liabilities</b>	<b>2,410,981</b>	<b>2,296,395</b>
Shareholders' funds excluding non-controlling interests	1,046,092	956,621
Non-controlling interests	6,251	6,379
<b>Total Equity</b>	<b>1,052,343</b>	<b>963,000</b>
<b>Total equity and liabilities</b>	<b>3,463,324</b>	<b>3,259,395</b>

	31 Dec 2022	31 Dec 2021
Total revenue	1,521,007	1,430,299
Costs and losses	-	-
Direct costs and External supplies and services	(500,257)	(476,399)
Depreciation and amortisation	(480,887)	(419,467)
Other operating costs	(269,655)	(345,776)
<b>Net income before financial results, dividends, income related to subsidiaries and taxes</b>	<b>270,208</b>	<b>188,657</b>
Share of results of joint ventures and associates	22,123	3,601
Financial results	(35,224)	(36,622)
Income tax expense	(32,663)	(11,783)
<b>Consolidated net income/(loss) for the year</b>	<b>224,444</b>	<b>143,853</b>
Attributed to non-controlling interests	224,574	144,159
Attributed to shareholders of parent company	(130)	(306)

## 2.2.3 Income from leasing

### 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 2022 and 2021 amounted to 24.899 thousand euros and 23.417 thousand euros, respectively.

Additionally, at 31 December 2022 and 2021, Sonae had operational lease contracts, as a lessee, whose minimum lease payments had the following payment schedule:

	31 Dec 2022	31 Dec 2021 Restated
<b>Due in:</b>		
N+1 automatically renewal	1,949	880
N+1	31,260	33,553
N+2	23,900	26,566
N+3	19,365	20,238
N+4	15,404	16,010
N+5	11,036	12,661
After N+5	37,783	36,173
	<b>140 697</b>	<b>146 080</b>

## 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 of shares or options granted and the corresponding fair value at the closing date. These obligations are stated as "Staff costs" and "Other 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 2022 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 at 31 December 2022, 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 2022, 2021 and 31 December 2020 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 at 31 December 2022 and 2021, 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:

Appointment year	Vesting year	Sonae SGPS		Number of shares	
		Number of participants	Share price on date of assignment	31 Dec 2022	31 Dec 2021 Restated
2019	2022	-	0,952	-	4,069
2020	2023	67	0,662	9,128	6,453
2021	2024	62	1,003	6,562	5,472
2022	2025	72	0,935	5,925	-
				<b>21,615</b>	<b>15,994</b>

During the period ending 31 December 2022 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 2021	201	15 994
Grant	75	4 451
Vesting	(56)	(3 724)
Canceled / extinct / corrected / transferred (1)	(19)	4 893
<b>Closing balance as at 31 December 2022</b>	<b>201</b>	<b>21 615</b>

(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 2022 and 2021, the total fair value of shares attributed arising from these outstanding deferred performance plans can be summarized as follows:

Appointment year	Vesting year	Fair value *	
		31 Dec 2022	31 Dec 2021 Restated
2019	2022	-	4,082
2020	2023	8,534	4,315
2021	2024	4,090	1,830
2022	2025	1,847	-
<b>Total</b>		<b>14,471</b>	<b>10,226</b>

\* Share market value as of 31 December 2022 and 2021.

As at 31 December 2022 and 2021 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 2022	31 Dec 2021 Restated
Recorded in employee benefits expense in the current period	4,910	3,809
Recorded in previous years	7,603	5,510
	<b>12,513</b>	<b>9,319</b>
Recorded value in Other reserves	12,513	9,319
	<b>12,513</b>	<b>9,319</b>

### 2.3.2 Employee benefits expenses

As at 31 December 2022 and 2021, Employee benefits expense are as follows:

	31 Dec 2022	31 Dec 2021 Restated
Salaries	786,072	693,303
Social security contributions	155,448	141,543
Insurance	14,904	13,724
Social action expenses	5,629	5,855
Other staff costs	30,840	20,438
	<b>992,893</b>	<b>874,863</b>

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 2022 and 2021, External supplies and services are as follows:

	31 Dec 2022	31 Dec 2021 Restated
Services	156,669	146,089
Electricity	129,398	96,882
Publicity	109,947	101,593
Travel expenses and transports	90,714	79,368
Rents	47,899	41,954
Cleaning up services	38,978	45,586
Maintenance	38,205	34,005
Security	24,919	25,798
Costs with automatic payment terminals	21,419	20,069
Commissions	20,159	21,263
Consumables	18,022	17,292
Subcontracts	15,416	12,819
Home delivery	15,370	14,799
Travel stay and transport	12,760	6,280
Communications	11,653	11,443
Insurances	10,126	8,752
Others	103,020	100,520
	<b>864,674</b>	<b>784,513</b>

The amount included in rents and leases relates to variable rents from lease contracts.

## 2.5 Other expenses

As at 31 December 2022 and 2021, other Expenses are as follows:

	31 Dec 2022	31 Dec 2021 Restated
Unfavourable exchange differences	55,020	17,858
Donations	30,199	20,924
Indirect taxes and fees	19,134	17,714
Galp/Continente loyalty program	12,754	12,076
Losses on the sale and write-off of assets	6,332	6,715
Municipal property tax	4,416	4,388
Other expenses	13,085	8,478
	<b>140,940</b>	<b>88,152</b>

## 2.6 Other income

. As at 31 December 2022 and 2021, the caption "Other Incomes" is made up as follow:

	31 Dec 2022	31 Dec 2021 Restated
Foreign currency exchange gains	54,108	18,460
Supplementary income	52,525	49,384
Own work capitalised (Note 3.9)	28,404	19,675
Prompt payment discounts obtained	27,860	26,745
Gains on operacional derivatives (Note 5.2)	11,880	12,096
Subsidies	4,874	3,244
Gains on sales of assets (Note 3.8 and 3.10)	4,452	4,875
Rent discounts relating to pandemic impact	-	3,830
Others	12,987	6,438
	<b>197,090</b>	<b>144,748</b>

The amount related to rent discounts related to the impact of the pandemic, is mainly related to a discount on rents of up to 50% in the first semester of 2021, calculated based on the decrease intenant's sales when compared to 2019, in accordance with Portuguese law.

### 3. Investments

This chapter aims to disclose information on non-current investments.

#### Relevant accounting judgments and estimates

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 reorganization.

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 insignias 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 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% to 3,7%
Worten	Value in use	11%	<=1%	2,8% to 5,9%
Zeitreel	Value in use	9.5%	<=1%	3,3% to 8,7%
Gosh!	Value in use	10.0%	<=2%	12,2% a 33,2%

	31 Dec 2021 Restated			
	Basis of recoverable amount	Average capital cost	Growth rate in perpetuity	Compound growth rate sales
MC	Value in use	10%	<=2%	-0.6% to 2.2%
Worten	Value in use	11%	<=1%	3,3% to 11%
Zeitreel	Value in use	11%	<=2%	8,8% to 17%

From the sensitivity analysis carried out, required by IAS 36 – Impairment of Assets, varying the compound sales growth rate by 1 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 14 million euros and 7 million euros, respectively. If the EBITDA margin varies by 0.5 p.p. negatively, it would lead to an impairment of 11 million euros.

### 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 3.1.

### Bright Pixel

For this purpose, the Bright Pixel segment uses business plans prepared using projected cash flows for periods of 2 to 5 years (Retail and Media.)

On 31 December 2022 and 2021, 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 2022			
	Basis of recoverable amount	Discount rates	Growth rate in perpetuity	Average sales growth rate
<b>Technology</b>				
Retail	Value in use	7.25%	3%	27.10%
<b>Media</b>	Value in use	7.50%	0.01%	3.00%

31 Dec 2021 Restated				
	Basis of recoverable amount	Discount rates	Growth rate in perpetuity	Average sales growth rate
Technology				
Retail	Value in use	6.25%	3%	11.70%
Cybersecurity	Value in use	6% - 6,25%	3%	12.80%
Media	Value in use	7.25%	0.01%	4.20%

From the sensitivity analysis carried out, required by IAS 36 – Asset Impairment, varying the discount rate by 0.5 p.p in the Media sector and, varying the discount rate by 0.5 p.p. and 0.5 p.p in the perpetuity growth rate in the Technologies sector, did not lead to significant variations in recovery values.

### Goodwill Detail

On 31 December 2022 and 2021, the item “Goodwill” had the following breakdown by segment and country:

31 Dec 2022					
Insignia	Portugal	Spain	United Kingdom	Other countries	Total
MC	486,369	19,440	-	-	505,809
Worten	78,185	-	-	-	78,185
Sierra	18,160	-	-	-	18,160
Zeitreeel	28,226	-	-	-	28,226
BrightPixel	1,318	-	-	-	1,318
Others	-	-	31,833	-	31,833
	<b>612,258</b>	<b>19,440</b>	<b>31,833</b>	<b>-</b>	<b>663,531</b>

31 Dec 2021 Restated					
Insignia	Portugal	Spain	United Kingdom	Other countries	Total
MC	486,369	19,440	-	-	505,809
Worten	78,185	-	-	-	78,185
Sierra	18,160	-	-	-	18,160
Zeitreeel	53,097	-	-	-	53,097
BrightPixel	2,060	1,642	-	10,971	14,673
Others	-	-	33,599	-	33,599
	<b>637,872</b>	<b>21,082</b>	<b>33,599</b>	<b>10,971</b>	<b>703,524</b>

In 2021, Sonae completed the acquisition of 95.4% of the share capital and voting rights of Claybell Limited, which owns 100% of Gosh Food Limited, which it sells under the brand "Gosh!", having registered a provisional goodwill of 62,370 thousand euros.

Following this acquisition, an assessment was made during the 2022 financial year of the fair value of the assets acquired and the liabilities assumed. The fair value was

determined using different valuation methodologies for each type of asset or liability, based on the best information available. The main fair value adjustments made within the scope of this process were in terms of the customer portfolio in the amount of 18.1 million euros (15.6 million pounds) and the Gosh brand in the amount of 18.2 million euros (15.7 million pounds).

Given that this acquisition took place at the end of 2021, only during 2022 was it possible to complete the exercise of attributing fair value and calculating goodwill, the Statement of Financial Position was restated and a goodwill of 33,599 thousand euros was recognized on 31 December 2021.

During the year ended 31 December 2022 and 2021, the movement in Goodwill, as well as in the respective impairment losses, was as follows:

	31 Dec 2022	31 Dec 2021 Restated
<b>Gross value:</b>		
Opening balance	730,211	690,068
Acquisition of subsidiaries (Nota 1.3.1)	186	68,238
Recalculation of goodwill as a result of changes in the fair value of assets acquired	-	(28,771)
Disposal of subsidiaries (Nota 1.3.2)	(13,355)	-
Effect of foreign currency exchange difference	(1,766)	676
<b>Closing balance</b>	<b>715,276</b>	<b>730,211</b>
<b>Accumulated impairment</b>		
Opening balance	26,687	19,252
Increases	25,058	7,435
<b>Closing balance</b>	<b>51,745</b>	<b>26,687</b>
<b>Carrying amount</b>	<b>663,531</b>	<b>703,524</b>

Despite the positive trend, during this last year, caused by the pandemic context, this had different impacts on the activity of each business of the group, with different levels of intensity depending on the sector in which they operate, and which naturally required an adaptation of the respective operations. However, the analysis of signs of impairment, the review of projections and the impairment tests led to the determination of losses, in the year ended 31 December 2022, in the amount of 25.1 million euros (7.4 million euros in 31 December, 2021).



## 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 correspond to a joint enterprise, but to a joint operation. As of 31 December, 2022 and 2021, 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 organization 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 organizations, 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:

Fair value hierarchy	31 Dec 2022			31 Dec 2021 Restated		
	Armlar II	Armlar III	Armlar I+I	Armlar II	Armlar III	Armlar I+I
Level 3	185	38	43	265	80	62

## 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 2022	31 Dec 2021 Restated
Investments in joint ventures (Note 3.2.2.1)	113,626	744,566
Investments in associates (Note 3.2.2.2)	1,643,852	770,084
<b>Total</b>	<b>1,757,479</b>	<b>1,514,650</b>

The details of Investments in Joint Ventures are as follows:

COMPANY	31 Dec 2022	31 Dec 2021 Restated
<b>MC</b>		
Maremor Beauty & Fragances, S.L.	180	170
Sohi Meat Solutions - Distribuição de Carnes, SA	3,404	3,639
	<b>3,584</b>	<b>3,810</b>
<b>Sierra</b>		
Arrábidasshopping, SICAFI, S.A.	16,149	27,556
Gaiashopping, SICAFI, S.A.	28,530	28,855
LMSI - Engineering S.A.	3,611	2,098
Madeirashopping - Centro Comercial, S.A.	19,734	19,170
1) Quinta da Foz - Empreendimentos Imobiliários, S.A.	8,093	-
Parque Atlântico Shopping - Centro Comercial, S.A.	18,078	17,844
Proyecto Cúcuta S.A.S.	1,357	2,431
SC Aegean B.V.	2,643	3,433
Via Catarina - Centro Comercial, S.A.	10,721	9,704
Others	606	6,165
	<b>109,521</b>	<b>117,255</b>
<b>BrightPixel</b>		
Unipress - Centro Gráfico, Lda.	498	492
Others	23	-
	<b>521</b>	<b>492</b>
<b>Others</b>		
2) ZOPT, SGPS, SA (consolidated)	-	623,008
	-	623,008
<b>Investments in joint ventures</b>	<b>113,626</b>	<b>744,566</b>

1) 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.);

2) On 28 September, 2022, Sonaeacom amortized the shares held in ZOPT with the receipt in kind of a stake in NOS, the said investment qualifies as an associate.

The details of Investments in Associates are as follows:

COMPANY	31 Dec 2022	31 Dec 2021 Restated
<b>MC</b>		
1) INSCO - Inscó Insular de Hipermercados, S.A.	4,489	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	1,294	910
1) SPORTESENCE - Sportessence - Sport Retail, S.A.	301	-
	<b>6,084</b>	<b>910</b>
<b>Sierra</b>		
3shoppings - Holding, SGPS, S.A.	11,687	12,912
2) Alliance Sonae Shopping Centers, S.A.	128,062	82,144
Area Sur Shopping, S.L.	8,803	7,609
3) Atrium Bire, SIGI, S.A.	4,335	-
3) Douro Riverside Hotel, S.A.	1,830	-
Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center ("FIIPDPSH")	10,781	10,045
Fundo Investimento Imobiliário Shop. Parque Dom Pedro ("FIISHPDP")	102,526	96,257
Iberia Shop.C. Venture Coöperatief U.A. ("Iberia Coop")	15,159	14,409
Le Terrazze - Shopping Centre 1 Srl	6,830	6,444
Mercado Urbano - Gestão Imobiliária, S.A.	1,293	1,225
Olimpo Real Estate Portugal, SIGI, S.A.	7,476	2,748
Olimpo Real Estate SOCIMI, S.A.	2,860	7,808
Serra Shopping - Centro Comercial, S.A.	1,151	1,063
Sierra European Retail Real Estate Assets Holdings, B.V. ("Sierra BV")	234,029	229,957
Sierra Portugal Feeder 1	1,711	2,167
Sierra Portugal Real Estate ("SPF")	17,278	20,950
Signal Alpha Republica I, S.A.	339	325
Signal Alpha Republica II, Lda.	58	62
Trivium Real Estate Socimi, S.A.	26,119	25,936
Zenata Commercial Project	2,096	2,117
	<b>584,427</b>	<b>524,179</b>
<b>Bright Pixel</b>		
Fundo de Capital de Risco Armilar Venture Partners II (Armlar II)	57,991	76,854
Fundo de Capital de Risco Armilar Venture Partners III (Armlar III)	12,800	51,584
Fundo de Capital de Risco Espírito Santo Ventures Inovação e Internacionalização (AVP I+I)	10,562	15,363
Others	-	182
	<b>81,353</b>	<b>143,983</b>
<b>Others</b>		
Iberian Sports Retail Group (ISRG)	114,971	101,012
3) Mondarella GmbH	2,807	-
4) NOS SGPS, S.A.	854,211	-
	<b>971,989</b>	<b>101,012</b>
<b>Investment in associates companies</b>	<b>1,643,852</b>	<b>770,084</b>

- 1) Investments transferred from financial assets at fair value through profit or loss
- 2) In 2022, the group increased its stake in the associate Aliansce Sonae Shopping Center, S.A. from 6.3% to 8.84%
- 3) Company acquired in 2022 ; and
- 4) 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 euros of the value of the investment accounted in joint ventures and 186 thousand euros of the investment in NOS that was accounted for in investment in financial assets at fair value through other comprehensive income were transferred. In the 4th quarter NOS' earnings were accounted for via application of the equity method.

### 3.2 Summarized financial information on financial position

#### 3.2.1 Joint Ventures

As of 31 December 2022 and 2021, the summarized financial information of the Group's joint ventures can be analyzed as follows:

Joint ventures	31 Dec 2022		
	Joint ventures of Sierra (Attachement I)	Sohimeat, SA	Others
<b>Assets</b>			
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	-
<b>Non-current assets</b>	<b>463,499</b>	<b>23,331</b>	<b>421</b>
Trade account receivables	-	-	177
Cash and bank balances	38,957	361	632
Other current assets	44,688	50,551	738
<b>Current assets</b>	<b>83,645</b>	<b>50,911</b>	<b>1,547</b>
<b>TOTAL ASSETS</b>	<b>547,144</b>	<b>74,242</b>	<b>1,487</b>

Joint ventures	31 Dec 2022		
	Joint ventures of Sierra (Attachement I)	Sohimeat, SA	Others
<b>Liabilities</b>			
Loans	74,136	-	-
Provisions	-	-	11
Other non-current liabilities	92,588	6,747	67
<b>Non-current liabilities</b>	<b>166,724</b>	<b>6,747</b>	<b>78</b>
Loans	110,574	-	-
Trade creditors	-	-	150
Other current liabilities	54,999	61,432	611
<b>Total current liabilities</b>	<b>165,573</b>	<b>61,432</b>	<b>761</b>
<b>Total liabilities</b>	<b>332,297</b>	<b>68,179</b>	<b>838</b>
Equity attributable to the equity holders of the Parent Company	214,847	6,063	1,130
<b>Total equity</b>	<b>214,847</b>	<b>6,063</b>	<b>1,130</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>547,144</b>	<b>74,242</b>	<b>1,487</b>

Joint ventures	31 Dec 2021 Restated				
	Joint ventures of Sierra (Attachement I)	ZOPT, SGPS, SA (consolidated)	MDS,SGPS,SA (consolidated)	Sohimeat, S.A.	Others
<b>Assets</b>					
Investment properties	463,313	621	315	-	33
Property, plant and equipment	-	1,070,660	3,557	15,272	255
Intangible assets	-	2,332,010	16,979	5	2,270
Right of use assets	-	236,063	3,921	7,379	-
Goodwill	-	-	49,955	-	-
Investments in joint ventures and associates	-	51,367	1,232	-	22
Other non-current assets	14,755	258,160	4,606	1,834	3,489
<b>Non-current assets</b>	<b>478,068</b>	<b>3,948,881</b>	<b>80,565</b>	<b>24,490</b>	<b>6,068</b>
Cash and cash equivalents	42,035	86,299	30,816	359	2,030
Other current assets	16,109	495,585	24,741	42,003	1,512
<b>Current assets</b>	<b>58,144</b>	<b>581,884</b>	<b>55,558</b>	<b>42,362</b>	<b>3,542</b>
<b>TOTAL ASSETS</b>	<b>536,212</b>	<b>4,530,765</b>	<b>136,123</b>	<b>66,853</b>	<b>9,611</b>

Joint ventures	31 Dec 2021 Restated				
	Joint ventures of Sierra (Attachement I)	ZOPT, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Sohimeat, S.A.	Others
<b>Liabilities</b>					
Loans	167,980	1,275,541	29,475	-	-
Other non-current liabilities	80,179	164,720	17,459	9,408	23
<b>Non-current liabilities</b>	<b>248,158</b>	<b>1,440,261</b>	<b>46,934</b>	<b>9,408</b>	<b>23</b>
Loans	22,702	301,068	10,734	-	-
Other current liabilities	35,036	663,664	48,139	50,912	2,765
<b>Total current liabilities</b>	<b>57,738</b>	<b>964,732</b>	<b>58,873</b>	<b>50,912</b>	<b>2,765</b>
<b>Total liabilities</b>	<b>305,896</b>	<b>2,404,993</b>	<b>105,807</b>	<b>60,319</b>	<b>2,788</b>
Equity attributable to the equity holders of the Parent Company	230,316	1,103,571	28,115	6,533	6,823
Non-controlling interests	-	1,022,201	2,201	-	-
<b>Total equity</b>	<b>230,316</b>	<b>2,125,772</b>	<b>30,316</b>	<b>6,533</b>	<b>6,823</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>536,212</b>	<b>4,530,765</b>	<b>136,123</b>	<b>66,853</b>	<b>9,611</b>

Joint ventures	31 Dec 2022		
	Joint ventures of Sierra (Attachement I)	Sohimeat, SA	Others
Turnover	71,356	359,535	3,555
Changes in value of investment properties	(11,703)	-	-
Other operating income	1,148	1,001	42
<b>Total revenue</b>	<b>60,800</b>	<b>360,536</b>	<b>3,597</b>
Cost of sales	-	(329,244)	(500)
External supplies and services	(30,661)	(14,164)	(1,414)
Amortisation	(191)	(5,094)	(81)
Costs with staff	-	-	(379)
Other operating costs	(16,520)	(9,898)	(1,200)
<b>Expenses and losses</b>	<b>(47,372)</b>	<b>(358,401)</b>	<b>(3,575)</b>
Financial income	28	-	-
Financial expense	(6,664)	(962)	(3)
<b>Financial results</b>	<b>(6,636)</b>	<b>(962)</b>	<b>(3)</b>
Results of joint ventures and associated companies	(325)	-	-
Income tax expense	(1,596)	(66)	(9)
<b>Consolidated net income/(loss) for the year</b>	<b>4,873</b>	<b>1,108</b>	<b>11</b>
Profit/(Loss) from discontinued operations	-	-	-
<b>Consolidated net income/(loss) for the year</b>	<b>4,873</b>	<b>1,108</b>	<b>11</b>
Attributable to:			
Equity holders of the Parent Company	4,873	1,108	11
Non-controlling interests	-	-	-
	<b>4,873</b>	<b>1,108</b>	<b>11</b>

Joint ventures	31 Dec 2021 Restated				
	Joint ventures of Sierra (Attachement I)	ZOPT, SGPS, SA (consolidated)	MDS, SGPS, SA (consolidated)	Sohimeat, SA	Outros
Turnover	58,495	1,404,434	77,767	299,889	3,916
Changes in value of investment properties	13,302	-	-	-	-
Other operating income	1,210	25,865	1,123	6,692	132
<b>Total revenue</b>	<b>73,006</b>	<b>1,430,299</b>	<b>78,890</b>	<b>306,581</b>	<b>4,047</b>
Cost of sales	-	-	-	(271,291)	(447)
External supplies and services	(28,394)	(101,067)	(30,688)	(13,080)	(4,869)
Amortisation	(135)	(428,523)	(6,268)	(4,675)	(521)
Other operating costs	(11,304)	(721,238)	(29,563)	(14,868)	(3,667)
<b>Expenses and losses</b>	<b>(39,833)</b>	<b>(1,250,828)</b>	<b>(66,520)</b>	<b>(303,915)</b>	<b>(9,504)</b>
Financial income	38	-	1,310	-	-
Financial expense	(5,882)	(36,623)	(2,180)	(899)	(2)
<b>Financial results</b>	<b>(5,843)</b>	<b>(36,623)</b>	<b>(870)</b>	<b>(899)</b>	<b>(2)</b>
Results of joint ventures and associated companies	(1,089)	(14,191)	(645)	-	-
Income tax expense	(5,227)	(8,522)	(3,298)	(106)	1,352
<b>Consolidated net income/(loss) for the year</b>	<b>21,014</b>	<b>120,135</b>	<b>7,558</b>	<b>1,661</b>	<b>(4,107)</b>
Profit/(Loss) from discontinued operations	-	-	-	-	-
<b>Consolidated net income/(loss) for the year</b>	<b>21,014</b>	<b>120,135</b>	<b>7,558</b>	<b>1,661</b>	<b>(4,107)</b>
Attributable to:					
Equity holders of the Parent Company	21,014	62,747	6,883	1,661	(4,107)
Non-controlling interests	-	57,388	675	-	-
	<b>21,014</b>	<b>120,135</b>	<b>7,558</b>	<b>1,661</b>	<b>(4,107)</b>

As of 31 December 2022, the summarized financial information of Sierra's joint ventures can be analyzed as follows:

Joint Ventures	31 Dec 2022				
	Joint Ventures of Sierra (Attachement I)				
	Investment		Developments	Services	Total
Companies owned by Sierra BV	Others				
<b>Assets</b>					
Investment properties	435,493	9,766	5,654	-	450,913
Other non-current assets	146	3	11,715	722	12,586
<b>Non-current assets</b>	<b>435,639</b>	<b>9,769</b>	<b>17,369</b>	<b>722</b>	<b>463,499</b>
Cash and cash equivalents	35,561	1,262	227	1,907	38,957
Other current assets	8,320	30,958	686	4,724	44,688
<b>Current assets</b>	<b>43,880</b>	<b>32,220</b>	<b>913</b>	<b>6,631</b>	<b>83,645</b>
<b>TOTAL ASSETS</b>	<b>479,519</b>	<b>41,989</b>	<b>18,281</b>	<b>7,353</b>	<b>547,144</b>
<b>Liabilities</b>					
Loans	73,557	-	579	-	74,136
Other non-current liabilities	74,058	16,749	1,101	680	92,588
<b>Non-current liabilities</b>	<b>147,615</b>	<b>16,749</b>	<b>1,680</b>	<b>680</b>	<b>166,724</b>
Loans	105,774	4,800	-	-	110,574
Other current liabilities	39,709	2,197	9,386	3,707	54,999
<b>Total current liabilities</b>	<b>145,483</b>	<b>6,997</b>	<b>9,386</b>	<b>3,707</b>	<b>165,573</b>
<b>Total liabilities</b>	<b>293,098</b>	<b>23,746</b>	<b>11,066</b>	<b>4,386</b>	<b>332,297</b>
Equity attributable to the equity holders of the Parent Company	186,422	18,243	7,217	2,966	214,847
<b>Total equity</b>	<b>186,422</b>	<b>18,243</b>	<b>7,217</b>	<b>2,966</b>	<b>214,847</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>479,520</b>	<b>41,988</b>	<b>18,283</b>	<b>7,353</b>	<b>547,144</b>



Joint ventures	31 Dec 2021 Restated				
	Joint Ventures of Sierra (Attachment I)				
	Investment		Developments	Services	Total
	Companies owned by Sierra BV	Others			
<b>Assets</b>					
Investment properties	443,724	12,439	7,150	-	463,313
Other non-current assets	106	3	13,888	757	14,755
<b>Non-current assets</b>	<b>443,830</b>	<b>12,442</b>	<b>21,038</b>	<b>757</b>	<b>478,068</b>
Cash and cash equivalents	37,027	1,012	1,317	2,679	42,035
Other current assets	11,028	942	577	3,562	16,109
<b>Current assets</b>	<b>48,055</b>	<b>1,954</b>	<b>1,895</b>	<b>6,241</b>	<b>58,144</b>
<b>TOTAL ASSETS</b>	<b>491,885</b>	<b>14,395</b>	<b>22,933</b>	<b>6,998</b>	<b>536,212</b>
<b>Liabilities</b>					
Loans	160,378	6,634	888	80	167,980
Other non-current liabilities	78,224	165	1,095	694	80,179
<b>Non-current liabilities</b>	<b>238,602</b>	<b>6,799</b>	<b>1,983</b>	<b>774</b>	<b>248,158</b>
Loans	22,330	389	-	(18)	22,702
Other current liabilities	19,375	1,516	10,007	4,138	35,036
<b>Total current liabilities</b>	<b>41,705</b>	<b>1,905</b>	<b>10,007</b>	<b>4,120</b>	<b>57,738</b>
<b>Total liabilities</b>	<b>280,307</b>	<b>8,705</b>	<b>11,990</b>	<b>4,894</b>	<b>305,896</b>
Equity attributable to the equity holders of the Parent Company	211,578	5,691	10,943	2,104	230,316
<b>Total equity</b>	<b>211,578</b>	<b>5,691</b>	<b>10,943</b>	<b>2,104</b>	<b>230,316</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>491,885</b>	<b>14,395</b>	<b>22,933</b>	<b>6,998</b>	<b>536,212</b>

Joint ventures	31 Dec 2022				
	Joint Ventures of Sierra (Attachment I)				
	Investment		Developments	Services	Total
	Companies owned by Sierra BV	Others			
Turnover	53,781	3,451	76	14,048	71,356
Value created on investment properties	(9,513)	(2,190)	-	-	(11,703)
Other operating income	348	188	-	611	1,148
	<b>44,616</b>	<b>1,449</b>	<b>76</b>	<b>14,658</b>	<b>60,800</b>
External supplies and services	(22,044)	(2,748)	(390)	(5,480)	(30,661)
Amortisation	(2)	-	-	(189)	(191)
Other operating costs	-	-	-	-	-
Other operating costs	(2,319)	(4,224)	(2,365)	(7,612)	(16,520)
	<b>(24,364)</b>	<b>(6,972)</b>	<b>(2,755)</b>	<b>(13,281)</b>	<b>(47,372)</b>
Financial results	(5,186)	(361)	(1,075)	(14)	(6,636)
Results of joint ventures and associated companies	-	-	(325)	-	(325)
Income tax expense	(1,129)	38	-	(505)	(1,596)
<b>Consolidated net income/(loss) for the year</b>	<b>13,937</b>	<b>(5,846)</b>	<b>(4,079)</b>	<b>859</b>	<b>4,873</b>
Attributable to:					
Equity holders of the Parent Company	13,937	(5,846)	(4,077)	859	4,873
Non-controlling interests	-	-	-	-	-
	<b>13,937</b>	<b>(5,846)</b>	<b>(4,077)</b>	<b>859</b>	<b>4,873</b>

Joint ventures	31 Dec 2021 Restated				
	Joint Ventures of Sierra (Attachment I)				
	Investment				
	Companies owned by Sierra BV	Others	Developments	Services	Total
Turnover	41,735	2,249	43	14,468	58,495
Value created on investment properties	13,880	(551)	(27)	-	13,302
Other operating income	180	433	3	594	1,210
	<b>55,795</b>	<b>2,130</b>	<b>19</b>	<b>15,062</b>	<b>73,006</b>
External supplies and services	(19,814)	(1,866)	(310)	(6,404)	(28,394)
Amortisation	(4)	-	-	(131)	(135)
Other operating costs	-	-	-	-	-
Other operating costs	(1,166)	(328)	(2,086)	(7,724)	(11,304)
	<b>(20,984)</b>	<b>(2,194)</b>	<b>(2,395)</b>	<b>(14,259)</b>	<b>(39,833)</b>
Financial results	(4,495)	(345)	(989)	(14)	(5,843)
Results of joint ventures and associated companies	-	-	(1,089)	-	(1,089)
Income tax expense	(5,236)	(6)	452	(438)	(5,227)
<b>Consolidated net income/(loss) for the year</b>	<b>25,079</b>	<b>(415)</b>	<b>(4,002)</b>	<b>351</b>	<b>21,014</b>
Attributable to:					
Equity holders of the Parent Company	25,079	(415)	(4,002)	351	21,014
	<b>25,079</b>	<b>(415)</b>	<b>(4,002)</b>	<b>351</b>	<b>21,014</b>

The reconciliation of financial information with the joint ventures carrying amount can be analysed as follows:

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
Sierra's joint ventures (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
							<b>113,626</b>

Joint Ventures	31 Dec 2021 Restated						
	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
Sierra's joint ventures (Attachment I)	230,316	50%	115,158	3,813	-	(1,715)	117,255
ZOPT, SGPS, SA (consolidated)	1,103,571	50%	551,786	86,414	-	(15,191)	623,008
MDS, SGPS, SA (consolidated)	28,115	50%	14,058	-	(21,108)	7,050	-
Sohimeat, SA	6,533	50%	3,267	-	-	372	3,639
Others	6,823	50%	3,412	124	-	(2,872)	663
							<b>744,566</b>

### 3.2.2.2 Associates

As at 31 December 2022 and 2021, summary financial information of associated companies of the Group can be analysed as follows:

Associates	31 Dec 2022			
	Participation %	Assets	Liabilities	Equity
<b>MC</b>				
Sempre a Postos	25,00%	6,618	1,444	5,174
Inscó	10,00%	115,057	71,122	43,935
Sportessence	10,00%	5,577	2,370	3,207
<b>Sonae SGPS</b>				
ISRG	30,00%	712,487	409,841	302,647
NOS	37,37%	3,463,324	2,410,981	1,052,343
Mondarella	40,00%	2,592	3,416	(824)
<b>Associates of Sierra</b>		<b>6,740,147</b>	<b>2,997,801</b>	<b>3,742,347</b>
<b>BrightPixel</b>				
Armilar II	47,78%	185,373	63	185,310
Armilar III	45,52%	38,490	3,332	35,158
Armilar I+I	38,25%	43,154	9	43,146
Others			1	-
				1

31 Dec 2022					
Associates	Participation %	Revenue	Fair value of investment properties	Operational profit	Net profit
<b>MC</b>					
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
<b>Sonae SGPS</b>					
ISRG	30.00%	900,218	-	417,650	57,838
NOS	37.67%	1,521,007	-	261,476	245,666
Mondarella	40.00%	336	-	(1,036)	(1,036)
<b>Associates of Sierra</b>		<b>560,628</b>	<b>(157,572)</b>	<b>194,335</b>	<b>116,645</b>
<b>Bright Pixel</b>					
Armilar II	44.33%	2,469	-	2,283	2,283
Armilar III	42.80%	(13,124)	-	(13,173)	(13,182)
Armilar I+I	38.25%	-	-	(18,954)	(18,954)
Others		1	-	-	-

31 Dec 2021 Restated				
Associates	Participation %	Assets	Liabilities	Equity
<b>MC</b>				
Sempre a Postos	25.00%	7,629	3,990	3,638
<b>Sonae SGPS</b>				
ISRG	30.00%	610,282	379,268	231,014
<b>Associates of Sierra</b>		<b>6,107,195</b>	<b>2,663,957</b>	<b>3,443,238</b>
<b>BrightPixel</b>				
Armilar II	44.33%	265,030	36	264,993
Armilar III	42.80%	158,152	7,502	150,650
Armilar I+I	38.25%	62,770	10	62,760
Others		739	178	561

31 Dec 2021 Restated					
Associates	Participation %	Revenue	Fair value of investment properties	Operational profit	Net profit
<b>MC</b>					
Sempre a Postos	25.00%	71,038	-	1,820	1,382
<b>Sonae SGPS</b>					
ISRG	30.00%	897,899	-	78,033	62,311
<b>Associates of Sierra</b>		<b>394,398</b>	<b>(46,290)</b>	<b>191,995</b>	<b>120,107</b>
<b>Bright Pixel</b>					
Armilar II	44.33%	50,067	-	49,914	49,914
Armilar III	42.80%	84,614	-	77,636	77,511
Armilar I+I	38.25%	22,872	-	22,759	22,759
Others		943	-	(10)	(34)

As at 31 December 2022 and 2021, the summary financial information of the associates of Sonae Sierra can be analysed as follows:

31 Dec 2022				
Sierra's Associates	Participation %	Assets	Liabilities	Equity
3shoppings	20.00%	112,117	53,680	58,437
Aliance	8.84%	2,314,139	866,125	1,448,014
Área Sur	15.00%	130,554	71,863	58,691
Atrium Bire, SIGI, S.A.	3.75%	218,573	102,971	115,601
Douro Riverside Hotel, S.A.	37.50%	6,551	1,671	4,880
Feeder	7.45%	24,335	1,382	22,953
FIIPDPS	7.97%	135,863	533	135,330
FIIPSDP	31.52%	340,199	14,879	325,320
Iberia Coop	10.00%	205,288	57,730	147,558
Le Terrazze	10.00%	134,862	72,000	62,862
Mercado Urbano	20.00%	15,347	8,880	6,467
ORES	3.75%	378,831	179,423	199,408
Serra Shopping	5.00%	33,789	10,772	23,017
Sierra fund	25.10%	1,903,692	1,124,891	778,802
SIGI	5.13%	97,496	41,730	55,765
Signal Alpha Republica I, S.A.	5.00%	29,892	23,119	6,773
Signal Alpha Republica II, S.A.	5.00%	5,390	4,228	1,162
SPF	22.50%	61,866	143	61,723
Trivium	12.41%	541,003	330,468	210,535
Zenata	11.00%	50,361	31,312	19,049

Sierra's Associates	31 Dec 2022				
	Participation %	Revenue	Fair value of investment properties	Operational profit	Net profit
3shoppings	20.00%	13,836	(3,461)	3,149	1,879
Aliansce	8.84%	248,177	(128,983)	23,791	7,230
Área Sur	15.00%	11,905	4,732	12,208	7,814
Atrium Bire, SIGI, S.A.	3.75%	4,964	6,106	8,292	7,061
Douro Riverside Hotel, S.A.	37.50%	114	-	96	95
Feeder	7.45%	-	-	934	519
FIIPDPS	7.97%	5,459	(5,369)	(1,400)	(1,114)
FIIPSDP	31.52%	27,104	(26,656)	(3,014)	(2,243)
Iberia Coop	10.00%	20,660	545	12,006	8,448
Le Terrazze	10.00%	11,040	916	7,236	3,860
Mercado Urbano	20.00%	2,078	-	549	341
ORES	3.75%	22,363	(511)	15,824	10,507
Serra Shopping	5.00%	4,844	(26)	2,423	1,757
Sierra fund	25.10%	142,325	(2,284)	89,140	53,651
SIGI	5.13%	3,540	1,766	4,167	3,048
Signal Alpha Republica I, S.A.	5.00%	2,593	-	651	(376)
Signal Alpha Republica II, S.A.	5.00%	410	-	(37)	(232)
SPF	22.50%	-	-	(275)	2,693
Trivium	12.41%	35,085	(4,348)	16,421	10,753
Zenata	11.00%	4,129	-	2,176	954

Sierra's Associates	31 Dec 2021 Restated			
	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 2021 Restated				
	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	25.1%	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 2022					
	Equity	Percentage of share capital held	Share of the net assets	Goodwill recognized in financial investment	Other effects	Financial investment
<b>MC</b>						
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
<b>Sonae</b>						
ISRG	302,647	30.00%	90,794	36,017	(11,840)	114,971
NOS	1,052,343	37.37%	393,261	167,313	293,638	854,211
Mondarella	(824)	40.00%	(330)	2,988	149	2,807
<b>Associadas da Sierra</b>	3,742,350		545,877	43,746	(5,196)	584,427
<b>BrightPixel</b>						
Armilar II	185,310	47.78%	10,561	-	47,429	57,991
Armilar III	35,158	45.52%	77,679	-	(64,879)	12,800
Armilar I+I	43,146	38.25%	12,802	-	(2,240)	10,562
						<b>1,643,852</b>

Associates	31 Dec 2021 Restated					
	Equity	Percentage of share capital held	Share of the net assets	Goodwill recognized in financial investment	Other effects	Financial investment
<b>MC</b>						
Sempre a Postos	3,638	25.00%	910	-	1	910
<b>Sonae</b>	-					
ISRG	231,014	30.00%	69,304	36,017	(4,309)	101,012
Associadas da Sierra	3,443,238		485,629	43,746	(5,196)	524,179
<b>BrightPixel</b>						
Armillar II	264,993	44.33%	76,854	-	-	76,854
Armillar III	150,650	42.80%	51,584	-	-	51,584
Armillar I+I	62,760	38.25%	15,363	-	-	15,363
Others	561		(148)	297	33	182
						<b>770,084</b>

The Armillar II fund includes an Information Technology holding classified as level 3 with a book value of approximately 184 million euros. At the end of the financial year, the company was valued based on the price underlying a very significant financing round closed during the second half of 2022. Within the scope of that round, which included an important component of transactions in the secondary market, Armillar II sold part of its assets for an approximate amount of 82.0 million euros, which were distributed among its participants, generating a cash-in of approximately 17.7 million euros at Sonaeacom (net of tax).

The Armillar III and Armillar I+I funds include a shareholding classified as level 3 with a book value of approximately 32 million euros and 42 million euros, respectively (46 million euros and 61 million euros in 2021). In this case, the valuation was based on market multiples of comparable listed companies, with a reduction in value of more than 30% in relation to the previous year. In the year ended 31 December 2022, Armillar III proceeded with the sale of the entirety of one of its subsidiaries, whose book value at the end of the year 31 December 2021 amounted to around 103 million euros. The operation generated a cash in for Sonaeacom of around 32 million euros (net of tax).

### 3.2.3 Movement occurred during the exercise

#### 3.2.3.1 Joint Ventures

During the years ended December 31, 2022 and 2021, movements in investments in joint ventures was as follows:

Investments in joint ventures	31 Dec 2022			31 Dec 2021 Restated		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Balance as at 1 January	654,216	90,350	744,566	711,852	91,225	803,077
Transfer to Associates (Note 1.3.1)	(5,755)	-	(5,755)	-	-	-
Transfer to available for sale	-	-	-	(21,108)	-	(21,108)
Amortization of shares held with receipt in specie (Note 3.2.4)	(549,264)	(87,528)	(636,791)	-	-	-
Increases during the period	4,183	-	4,183	2,634	-	2,634
Acquisitions during the period	8,874	-	8,874	-	-	-
Period disposals	-	-	-	(4,869)	(875)	(5,743)
Invested capital return	(11,074)	-	(11,074)	(5,765)	-	(5,765)
Equity method:						
Effect in gains or losses in joint controlled	54,181	-	54,181	41,784	-	41,784
Distributed dividends	(6,752)	-	(6,752)	(69,474)	-	(69,474)
Effect in equity capital and non-controlling interests	(180)	-	(180)	2,038	-	2,038
Impairment	-	-	-	(2,877)	-	(2,877)
Other effects in net income	(37,625)	-	(37,625)	-	-	-
	<b>110,804</b>	<b>2,822</b>	<b>113,626</b>	<b>654,216</b>	<b>90,350</b>	<b>744,566</b>

Following the resolution of the Shareholders' Agreement governing the relations between the shareholders of ZOPT, SGPS, S.A. – Sonaeacom 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 were transferred to Investments in associates.

The item "Transfer to held for sale" in 2021 results from the agreement to sell 50% of MDS, SGPS, SA to Ardonagh Services Limited, an entity wholly owned by The Ardonagh Group Limited.

The item "Dividends distributed" in 2021 includes the amount of 68.9 million euros related to the distribution of ZOPT profits.

In the year ended 31 December 2021, the item 'Invested capital return', in the amount of 5.7 million euros, refers to the return of part of the share premium of ZOPT.

The effect on shareholders' equity and non-controlling interests is fundamentally the result of the currency conversion effect of Sonae Sierra associates with a functional currency other than the euro.



## Sierra

In January 2022, the subsidiary Sierra Developments Holding B.V. acquired 50% of the capital of the jointly controlled entity Visionarea, Promoção Imobiliária, S.A. for 869 thousand euros.

In February 2022, subsidiary Project Sierra 14 B.V. acquired 50% of the capital of the jointly controlled entity Nova Centralidade - Sociedade de Desenvolvimento Imobiliário, S.A. ("Nova Centralidade") (which holds 100% of the capital of Quinta da Foz - Empreendimentos Imobiliários, S.A. ("Quinta da Foz")) for 8,006 thousand euros.

In May 2022, the subsidiary Sierra Investments Holdings B.V. acquired the remaining capital of the jointly controlled entity North Tower B.V. (which holds 100% of the capital of Torre Norte, S.A.) for 5,750 thousand euros.

In the year ended 31 December 2022, the caption 'Others' includes 37,625 thousand euros relating to the payment by ZOPT following the share amortization operation.

### 3.2.3.2 Investments in associates

During the years ended 31 December 2022 and 2021, movements in investments in associates was as follows:

Investments in associates companies	31 Dec 2022			31 Dec 2021 Restated		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Initial balance as at 1 January	689,793	80,292	770,084	660,608	84,698	745,307
Increases during the period	16,778	-	16,778	1,192	-	1,192
Acquisitions during the period	29,463	-	29,463	390	13	403
Amortization of shares held with receipt in specie (Note 3.2.4)	549,264	87,528	636,792	-	-	-
Transfer of other financial assets at fair value and change method	185,674	-	185,674	-	-	-
Transfer of other financial assets at fair value through profit or loss	5,345	-	5,345	-	-	-
Capital reduction in associated companies	(4,236)	-	(4,236)	(3,701)	-	(3,701)
Period disposals	(40)	-	(40)	2,308	(4,420)	(2,112)
Invested capital return	(15,436)	-	(15,436)	(581)	-	(581)
Equity method:						
Effect in gains or losses in associated companies	66,577	-	66,577	61,680	-	61,680
Distributed dividends	(27,026)	-	(27,026)	(5,075)	-	(5,075)
Effect in equity capital and non-controlling interests	19,316	(340)	18,976	2,379	-	2,379
Others	(39,099)	-	(39,099)	(29,406)	-	(29,406)
	<b>1,476,373</b>	<b>167,479</b>	<b>1,643,852</b>	<b>689,793</b>	<b>80,292</b>	<b>770,084</b>

The item "Dividends distributed" includes the amount of 26.3 million euros related to the distribution of profits in the associated operating segment Sierra.

As mentioned above, following the resolution of the Shareholders' Agreement governing the 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 up to the 3<sup>rd</sup> quarter of 2022 as financial assets at fair value through other comprehensive income, representing 10.78% of shares at 30 September 2022, were transferred to Investments in associates (186 million euros). The reclassification of the investment, as it constitutes a phased acquisition of an associate, generated provisional Goodwill of approximately 79 million euros, which will be reviewed within one year at the conclusion of the "purchase price allocation" exercise, in accordance with the principles of IFRS 3.

In the year ended 31 December 2022, the heading 'Return of invested capital' includes 15,234 thousand euros relating to the return of capital invested by Armilar III and 202 thousand euros relating to the return of capital invested by Armilar I+I.

In the year ended 31 December 2022, the caption 'Others' includes 18,666 thousand euros relating to the distribution of capital carried out following the sale of a stake held by the Fund Armilar III, 19,643 thousand euros relating to the capital distribution of Armilar II.

In the year ended December 31, 2021, the Regulation of Armilar Funds began to incorporate the contractual incentive (Incentive Scheme), payable to the Management Company. In this sense, the company started to recognize a net asset of the contractual incentive in the appropriation of Armilar's results. The accumulated value of this incentive previously recorded under 'Provisions', in the amount of 28,781 thousand euros, was reclassified under the heading 'Others'.

### 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 28<sup>th</sup> 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 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 euros. 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 Sonae'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.

As at 31 December 2022, Sonae was attributed a stake in NOS of 37.37% of the share capital and voting rights in that company, as a result of the direct stake in the capital and voting rights in NOS held by Sonae and the indirect attribution of votes relating to the referred percentage of 26.07% which are directly held by its subsidiary Sonaeacom.

Taking into account the percentage of ownership, directly and indirectly attributable to Sonae (37.37% as at 31 December 2022), it was analyzed in the 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, insofar as 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 make decisions for itself only and ii) that the existence of a majority contrary to its intentions is unlikely. In view of the above, 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 patrimonial.

The consolidated financial information of NOS, used to apply the equity method, includes adjustments arising from the allocation of prices to assets and liabilities identified in the 2013 merger operation.

NOS' consolidated financial statements present exposure to the African market, namely through the group's financial holdings in entities operating in the Angolan and Mozambican markets, and which are essentially dedicated to the provision of satellite and fiber television services. The accounting net amount of the African subsidiaries in the company's financial statements as at 31 December 2022, recognized using the equity method, amounts to approximately 100 million euros (44 million euros in 2021).

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 3.24% in Angola and 4.83% in Mozambique (2.7% and 4.7% in 2021, respectively). The business plans also consider a perpetuity growth rate of 6% in Angola and 6% in Mozambique (7% and 6% in 2021, respectively) and a discount rate ("WACC") in perpetuity of 17.1% in Angola and 19.2% in Mozambique (14.4% and 14.3% in 2021, respectively).

The impairment tests carried out, based on the assumptions identified above, led to an impairment reversal (in the adjusted financial statements of NOS) of 29.7 million euros (around 14.9 million euros of impairment reinforcement in 2021).

With regard to the financial holdings of NOS in Finstar and ZAP Media (Finstar consolidated), the Board of Directors of NOS believes that the attachment of assets to Mrs. Eng<sup>a</sup> Isabel dos Santos, in the specific case of the stakes held by her in Finstar and ZAP Media (where she holds 70% of the capital) does not change the control profile, in this case joint control as defined in IFRS 11.

As for the stake held in NOS (ZOPT in 2021), the Board of Directors considers that the market price of the shares representing the share capital of NOS, S.A., on 31 December 2022, 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 amounts 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 NOS for 5 years, whose average implicit growth rate of the operating margin amounts to 2.4% (2.8% in 2021).

### Relevant accounting judgments and estimates

Assumptions	NOS SGPS	
	31 Dec 2022	31 Dec 2021 Restated
Basis of recoverable amount	Value in use	Value in use
Discount rates	6.5% - 9.4%	5.3% - 8.0%
Growth rate in perpetuity	2.00%	1.40%

The analysis of projections and impairment tests resulted in the determination of a recoverable amount greater than the book value by approximately 0.2%. (9.8% in 2021). No impairment losses were determined for the years ended 31 December 2022 and 2021.

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 2.7% and 2.2%, respectively.

### 3.3 Receipts / payments of financial investments

Receipts and payments of financial investments occurred in the years ended 31 December 2022 and 2021 can be analyzed as follows:

#### - Investments Activities

Receipts	31 Dec 2022	31 Dec 2021 Restated
Receipt related to the disposal of Alverca shares	7,848	-
Receipt related to the disposal of Cellwise shares	23,674	-
Receipt related to the disposal of Maxive shares	90,758	-
Receipt related to the disposal of Style Sage shares	6,542	-
Receipt related to the disposal of MDS	104,111	-
Receipt related to capital return Armilar	15,436	-
Receipt related to ZOPT	37,625	-
Receipt related to the disposal of 249,900,000 shares of Sonae MC	-	528,000
Receipt related to the disposal of CB4	-	8,510
Receipt related to the disposal of Maxmat	-	39,744
Receipt related to the disposal of part of investment on Artic Wolf	-	36,418
ZOPT Shares Premium Decrease	-	5,765
Others	13,843	18,931
	<b>299,837</b>	<b>637,367</b>

Payments	31 Dec 2022	31 Dec 2021 Restated
Acquisition of Alliasce Sonae shares	24,750	-
Acquisition of BR Malls	35,659	-
Acquisition of Chord	6,045	-
Acquisition of Hackuity shares	6,000	-
Acquisition of NOS SGPS shares	73,220	-
Acquisition of Nova Centralidade Soc. de Desenv. Imobiliário, SA	8,006	-
Acquisition of SONAE SIERRA SGPS shares	83,471	82,159
Incorporation and capital raise of North Tower BV	7,787	-
Supplementary Payments of Qamine	8,000	-
Acquisition of Claybell shares	-	71,975
Acquisition of Portimativo shares	-	20,215
Acquisition of Safebreach shares	-	12,943
Others	54,893	28,240
	<b>307,830</b>	<b>215,532</b>

## 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:

Company	Statement of financial position	
	31 Dec 2022	31 dez 2021 Restated
Bright Pixel		
Afresh	4,688	-
Arctic Wolf Networks, Inc	78,758	74,168
1) CelliWise	-	8,642
Chord	5,625	-
Grupo Codacy	8,000	-
Hackuity	6,000	-
Jscrambler	3,829	3,829
Mayan	4,688	-
Ometria, Ltd.	20,858	22,016
Safebreach	14,139	13,315
Sales Layer	9,714	2,500
Sixgill Ltd	18,251	5,298
Weaveworks	4,990	4,415
Other financial assets	29,131	24,742
	<b>208,671</b>	<b>158,925</b>
Others	8,218	5,345
	<b>8,218</b>	<b>5,345</b>
<b>Financial assets at fair value through profit or loss</b>	<b>216,889</b>	<b>164,269</b>

1) Shares disposed of in 2022;

Are classified as 'Investments at fair value through profit or loss' in accordance with IFRS 9, investments in equity instruments not irrevocably designated on initial recognition as investments at fair value for other comprehensive income. Also classified under this heading are investments in associated companies, held by a venture capital organization or equivalent, in which the group opted, upon initial recognition, to measure at fair value through profit or loss in accordance with IFRS 9. for investments of less than 1 year, their acquisition cost was considered a reasonable approximation of their respective fair value. For investments longer than 1 year, subsequent changes in fair value are shown

through profit or loss. The fair value of investments is determined in the currency of the country of investment and converted into euros at the end of the reporting period.

The investments described above are valued at fair value, and classified in level 3 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value. Of the total value of financial assets at fair value through profit or loss, approximately 79 million euros correspond to subsidiaries valued based on data based on purchase and sale quotations and 31.7 million euros correspond to subsidiaries valued on the basis of the last transaction in a non-active market that took place during 2022 (109.8 million euros during 2021). Acquisitions of new subsidiaries in the year correspond to approximately 33.3 million euros (22.5 million euros in 2021). The amount of 8.6 million euros corresponds to holdings valued through multiples and the amount of 56 million euros corresponds to holdings 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 (26.6 million euros in 2021).

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 detection and response management (MDR) technology, 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 closed a Series C funding round of 45 million dollars in 2018, a 60 million dollars Series D round at the end of 2019, a 200 million dollars Series E round in October 2020 with a valuation of 1.3 billion dollars, and in 2021 a 150 million round dollars, held by existing and new investors, with an underlying valuation of 4.3 billion dollars.
- Ometria is an English company that owns a marketing platform based on Artificial Intelligence and with the ambition to centralize all communications between retailers and their customers. This investment was made by Bright Pixel in a Series A funding round, together with a number of strategic investors (including Summit Action, the Summit Series VC fund) and was further reinforced during Series B and C funding rounds.

During the year ended 31 December 2022, the most significant stake acquisitions made by Bright Pixel were:

- Afresh is a US-based company, a leader in the development of artificial intelligence-based technology for fresh food. Afresh's solutions streamline critical functions in fresh food management, including ordering, inventory, merchandising, and operations. Afresh significantly reduces food waste, improves the profitability of its partners and makes fresher, healthier food accessible to everyone. The company announced a 115 million dollars Series B funding round led by Spark Capital and with participation from Insight Partners, VMG Partners, and Bright Pixel Capital.
- Codacy, a company based in Portugal, is an automated code review and productivity analysis platform for the engineering team. It provides intelligence to software development teams to reach their maximum potential. Codacy has raised a 15 million dollars Series B funding round led by Bright Pixel Capital, with participation from existing investors Armilar Venture Partners, EQT Ventures, Join Capital, Caixa Capital, Faber Ventures and Iberis Capital.

- Hackuity is a risk-based vulnerability management solution that empowers cybersecurity teams and leaders to comprehensively capture, prioritize and remediate security weaknesses before they can be exploited by their adversaries. Hackuity has raised a 12 million euros funding round, led by Bright Pixel with participation from previous investor Caisse des Dépôts.
- Didimo is one of the leading creators of high fidelity avatars with 3D technology. Didimo allows anyone to easily and quickly create realistic digital replicas that businesses and individuals can use to interact, offer or enjoy services online. In 2020, Didimo announced a €1m funding round led by Armilar Venture Partners together with Bright Pixel and PME Investimentos in cooperation with the 200M Co-Investment Fund. In August 2022, Didimo raised a 7.1 million dollars Series A funding round led by Armilar Venture Partners, with participation from Bright Pixel, Portugal Ventures and Techstars.

### 3.4.2 Through other comprehensive income

The value of financial assets at fair value through other comprehensive income can be analyzed as follows:

Company	Statement of financial position	
	31 Dec 2022	31 Dec 2021 Restated
<b>Bright Pixel</b>		
Deepfence	2,344	2,207
IriusRisk	7,125	1,417
Nextail Labs, S.L.	1,629	1,629
StyleSage, Inc.	-	1,869
Other financial assets	607	877
	<b>11,704</b>	<b>7,999</b>
<b>Sierra</b>		
1) BR Malls	29,559	-
	<b>29,559</b>	<b>-</b>
<b>Sonae</b>		
2) NOS SGPS, S.A.	-	129,580
	-	<b>129,580</b>
<b>Financial assets at fair value through other comprehensive income</b>		
	<b>41,263</b>	<b>137,579</b>

- Acquisition of 2022
- Financial assets transferred to Investments in Associates following the resolution of the partnership in ZOPT and participation in NOS (Note 3.2)

As at 31 December 2022, 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 euros at the end of the reporting period.

As mentioned above, following the resolution of the Shareholders' Agreement governing the 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, the percentage stake held directly by Sonae SGPS was transferred to Investments in associated.

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 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.

The investments related to the Sierra segment are valued at fair value classified in 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 2022 and 2021, the movement in the value of financial assets at fair value was as follows:

	31 Dec 2022	31 Dec 2021 Restated
<b>Investments recorded at fair value through other comprehensive income and through profit or loss</b>		
Fair value (net of impairment losses) as at 1 January	301,848	213,573
Acquisitions in the period	150,547	28,922
Disposals in the period	(13,873)	(29,795)
Increase/(decrease) in fair value through profit and loss	17,515	67,473
Increase/(decrease) in fair value through other comprehensive income	(7,258)	21,675
Transferrals to subsidiaries	(191,019)	-
Others	392	-
	<b>258,153</b>	<b>301,848</b>

As at 31 December 2022, the caption 'Disposals' includes the sale of Bright Pixel's stake in CiValue for the amount of 5.3 million euros, which generated a capital gain of 3.3 million euros and the sale of the stake of Bright Pixel at Cellwize for the amount of 22.3 million euros, which generated a capital gain of 13.8 million euros. Total capital gains amounting 17.7 million euros were recorded under "Gains and losses on investments recorded at fair value through profit or loss" in the consolidated income statement.

As at 31 December 2021, the caption 'Disposals' refers to the partial sale of Bright Pixel's stake in Arctic Wolf for the amount of 36.4 million euros, which generated a capital gain of 12.3 million euros, the disposal of Bright Pixel's entire stake in CB4 for the amount of 8.5 million euros, which generated a capital gain of 5.1 million euros, and the sale of Bright Pixel's entire stake in Case on It for amount of 2.6 million euros which generated a capital gain of 312 thousand euros.

In the 2022 financial year, the Group received 12 million euros related to investments in assets at fair value.

## 3.5 Other investments

As at 31 December 2022, the caption "Other investments" in the amount of 16,579 thousand euros (14,984 thousand euros as at 31 December 2021) includes 7,231 thousand euros (7,239 thousand euros as at 31 December 2021), relating to amounts deposited in an Escrow Account and which are invested in Participating Units in a monetary investment fund with a higher rating, which arise as guarantees of the contractual responsibilities assumed in the sale of the MC segment in Brazil and for which provisions were constituted in the applicable situations (Note 7).

During the years ended December 31, 2022 and 2021, the movement in the value of other current and non-current investments was as follows:

	31 Dec 2022		31 Dec 2021 Restated	
	Non current	Current	Non current	Current
<b>Other investments:</b>				
Other investments as at 1 January	14,984	-	14,266	-
Acquisitions in the period	3,940	-	2,347	-
Disposals in the period	(1,751)	-	(951)	-
Transfer to held for sale	-	-	(129)	-
Others	(595)	-	(550)	-
<b>Other investments as at 31 December</b>	<b>16,579</b>	<b>-</b>	<b>14,984</b>	<b>-</b>
<b>Derivative financial instruments (Note 5.2)</b>				
Fair value as at 1 January	-	7,107	-	3,303
Increase/(decrease) in fair value	-	(6,514)	-	3,803
<b>Fair value as at 31 December</b>	<b>-</b>	<b>593</b>	<b>-</b>	<b>7,107</b>
<b>Other financial instruments</b>				
Fair value as at 1 January	-	-	-	43
Increase/(decrease) in fair value	-	4	-	(42)
<b>Fair value as at 31 December</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>
	<b>16,579</b>	<b>596</b>	<b>14,984</b>	<b>7,107</b>

As at 31 December 2022, 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 2022 and 2021 can be detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
50% MDS Disposal	83,003	-
Loss generated on sales of the financial contribution regarding Sierra segment (Note 1.3.2)	6,000	-
Others	11	(919)
<b>Gains / (losses) on the sale of investments in subsidiaries, joint ventures and associates</b>	<b>89,014</b>	<b>(919)</b>
<b>Others</b>	<b>(40)</b>	<b>(47)</b>
Impairment reversal on financial investments	25	-
<b>Impairment reversal/(losses) on investments</b>	<b>25</b>	<b>-</b>
<b>Total income and (expenses) related to investments</b>	<b>88,999</b>	<b>(966)</b>

Sonae SGPS, S.A. concludes in the last quarter of 2022 the 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 euros.

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 the amount of 7,848 thousand euros. This transaction generated a gain of 5,154 thousand euros.

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 the amount of 1,200 thousand euros. This transaction generated a gain of 846 thousand euros.

### 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 at 31 December 2022, the item “Non-current assets held for sale” refers to a Zeitreel property located in Spain.

On December 31, 2021, the item “Non-current assets held for sale” is detailed as follows:

- 21,108 thousand euros resulting from the reclassification of the financial investment in MDS SGPS, SA, based on the agreement for the sale of 50% to Ardonagh Services Limited, an entity wholly owned by The Ardonagh Group Limited (Note 13.1);
- 980 thousand euros relating to an MC property located in Portugal, which was sold in January 2022; and
- 726 thousand euros for a Zeitreel property located in Spain.

### 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 20
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 2022 and 2021, 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 6,75% and 9,00% (6,75% and 9,00% in 2021), 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 2022.

As at 31 December 2022, 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 2022 and 2021, the movements in Property, plant and equipment as well accumulated depreciation and impairment losses are made up as follows:

	Land and Buildings	Plants and Machinery	Vehicles	Fixtures and Fittings	Others tangibles assets	Tangible assets in progress	Total tangible assets
<b>Gross Assets</b>							
<b>Opening balance as at 1 January 2021</b>	1,369,508	1,732,911	31,230	179,193	56,525	42,256	3,411,624
Investment	20,739	5,675	55	2,627	1,042	151,217	181,355
Acquisitions of subsidiaries	29,362	7,157	224	195	14	-	36,952
Disposals	(2,506)	(71,213)	(1,477)	(5,592)	(1,614)	(6,234)	(88,636)
Disposals of subsidiaries	(34,250)	(23,863)	(1,840)	(1,501)	(1,211)	(26)	(62,691)
Exchange rate effect	504	499	-	20	-	-	1,023
Assets available for sale	(1,952)	(3)	-	-	-	-	(1,955)
Transfers	6,530	126,629	2,972	13,094	1,859	(153,829)	(2,745)
<b>Opening balance as at 1 January 2022</b>	<b>1,387,935</b>	<b>1,777,792</b>	<b>31,166</b>	<b>188,036</b>	<b>56,615</b>	<b>33,384</b>	<b>3,474,927</b>
Investment	23,272	8,653	52	4,375	1,196	189,486	227,034
Acquisitions of subsidiaries (Note 1.3.1)	11	97	-	-	-	-	108
Disposals	(8,076)	(69,913)	(1,770)	(29,819)	(1,940)	(883)	(112,401)
Disposals of subsidiaries (Note 1.3.2)	(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)
<b>Closing balance as at 31 December 2022</b>	<b>1,410,825</b>	<b>1,872,661</b>	<b>32,399</b>	<b>167,626</b>	<b>56,274</b>	<b>38,535</b>	<b>3,578,319</b>
<b>Accumulated Depreciation and Impairment Losses</b>							
<b>Opening balance as at 1 January 2021</b>	456,389	1,063,891	22,247	129,115	44,695	209	1,716,546
Depreciation of the period	22,985	119,122	2,126	16,277	4,251	-	164,761
Impairment losses of the period (Note 3.12)	5,841	6,551	-	66	407	22	12,887
Reversals of impairment losses (Note 3.12)	(584)	(164)	-	-	(11)	-	(758)
Acquisitions of subsidiaries	2,446	3,197	101	144	14	-	5,902
Disposals	(1,343)	(62,776)	(1,345)	(5,420)	(2,270)	(1)	(73,155)
Disposals of subsidiaries	(9,967)	(16,280)	(1,313)	(1,164)	(979)	-	(29,702)
Exchange rate effect	106	227	-	15	-	-	347
Depreciation of assets available for sale	(974)	(1)	-	-	-	-	(975)
Transfers	(99)	(1,478)	114	(1,364)	251	(8)	(2,584)
<b>Opening balance as at 1 January 2022</b>	<b>474,800</b>	<b>1,112,289</b>	<b>21,931</b>	<b>137,670</b>	<b>46,358</b>	<b>222</b>	<b>1,793,269</b>
Depreciation of the period	24,151	124,219	1,934	16,211	3,625	-	170,140
Impairment losses of the period (Note 3.12)	7,517	19,065	118	1,053	112	-	27,864
Reversals of impairment losses (Note 3.12)	(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)
<b>Closing balance as at 31 December 2022</b>	<b>494,069</b>	<b>1,190,818</b>	<b>22,190</b>	<b>118,534</b>	<b>46,806</b>	<b>222</b>	<b>1,872,638</b>
<b>Carrying amount</b>							
<b>As at 31 December 2021</b>	<b>913,135</b>	<b>665,503</b>	<b>9,235</b>	<b>50,366</b>	<b>10,257</b>	<b>33,162</b>	<b>1,681,657</b>
<b>As at 31 December 2022</b>	<b>916,756</b>	<b>681,843</b>	<b>10,209</b>	<b>49,093</b>	<b>9,468</b>	<b>38,313</b>	<b>1,705,681</b>

The investment includes the acquisition of assets of approximately 182 million euros (151 million euros in 2021), 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 450 thousand euros (1,3 million euros as at 31 December 2021) transferred to discontinued operations.

Divestment, net of depreciation, in 2022 totaled around 8.2 million euros and mainly includes the sale and write-off of basic equipment of approximately 5.1 million euros.

The most significant amounts included in the caption "Property, plant and equipment in progress" include about 24.4 million euros (24.6 million euros as at 31 December 2021) 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 2021	100,028	21,494	1,134	122,656
Impairment losses of the period	5,841	6,551	495	12,887
Decrease	(1,212)	(12,866)	(267)	(14,344)
Disposals of subsidiaries	(562)	(3)	-	(566)
Others	(115)	-	-	(115)
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
Decrease	(5,561)	(2,005)	(520)	(8,086)
Disposals of subsidiaries	(4,187)	(587)	(52)	(4,826)
Transferrals	-	154	-	154
Closing balance as at 31 December 2022	101,752	31,937	2,031	135,719

The reinforcement of impairments in the year ended 31 December 2022, mainly included 13.2 million euros related to impairments on store equipment in the Zeitreel segment. As at 31 December 2021, it mainly included the impairment of buildings and other constructions of 5.3 million euros and impairment of store equipment in the MC segment.

The decreases in the period ended 31 December 2021 include approximately 11.7 million euros resulting from the reorganisation of Worten Spain.

## 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 2022 and 2021, 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
<b>Gross Assets</b>					
<b>Opening balance as at 1 January 2021</b>	233,725	492,244	101,175	42,403	869,547
Investment	967	988	453	75,277	77,685
Acquisitions of subsidiaries	-	5	15	-	20
Disposals	(5)	(32,979)	(7)	(520)	(33,510)
Disposals of subsidiaries	(1,518)	(2,159)	-	(4)	(3,682)
Restatement os Gosh! Assets	18,384	-	18,318	-	36,701
Transfers	22,597	51,619	-	(73,379)	837
<b>Opening balance as at 1 January 2022 Restated</b>	<b>274,151</b>	<b>509,718</b>	<b>119,954</b>	<b>43,777</b>	<b>947,599</b>
Investment	1,854	2,593	391	81,712	86,550
Acquisitions of subsidiaries (Note 1.3.1)	-	56	2,855	-	2,911
Disposals	(205)	(27,201)	(825)	(397)	(28,629)
Disposals of subsidiaries (Note 1.3.2)	(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
<b>Closing balance as at 31 December 2022</b>	<b>268,831</b>	<b>551,874</b>	<b>104,960</b>	<b>53,020</b>	<b>978,685</b>
<b>Accumulated Depreciation and Impairment Losses</b>					
<b>Opening balance as at 1 January 2021</b>	48,229	354,979	52,963	-	456,172
Depreciations and amortizations of the period	3,724	38,673	4,653	-	47,051
Impairment losses of the period (Note 7.1)	-	436	1,323	-	1,759
Acquisitions of subsidiaries	-	-	15	-	15
Disposals	(5)	(32,705)	-	-	(32,710)
Disposals of subsidiaries	(1,517)	(2,047)	-	-	(3,564)
Restatement os Gosh! Assets	-	-	176	-	176
Transfers	16,783	(17,832)	-	-	(1,049)
<b>Opening balance as at 1 January 2022</b>	<b>67,215</b>	<b>341,503</b>	<b>59,131</b>	<b>-</b>	<b>467,848</b>
Depreciations and amortizations of the period	1,882	45,349	6,277	-	53,507
Impairment losses of the period (Note 7.1)	14,348	1,408	2,164	-	17,920
Reversals of impairment losses (Note 7.1)	(56)	(4,620)	-	-	(4,676)
Acquisitions of subsidiaries (Note 1.3.1)	-	28	613	-	641
Disposals	(202)	(23,593)	237	-	(23,558)
Disposals of subsidiaries (Note 1.3.2)	(21,032)	(5,518)	-	-	(26,551)
Exchange rate effect	-	(1)	(45)	-	(46)
Transfers	70	1,297	387	-	1,754
<b>Closing balance as at 31 December 2022</b>	<b>62,224</b>	<b>355,852</b>	<b>68,764</b>	<b>-</b>	<b>486,840</b>
<b>CARRYING AMOUNT</b>					
<b>As at 31 December de 2021 Restated</b>	<b>206,936</b>	<b>168,215</b>	<b>60,823</b>	<b>43,777</b>	<b>479,751</b>
<b>As at 31 December de 2022</b>	<b>206,607</b>	<b>196,022</b>	<b>36,195</b>	<b>53,020</b>	<b>491,845</b>

As at 31 December 2022 the Investment related to intangible assets in progress includes 71.7 million euros related to IT projects and development software (52 million euros at 31 December 2021). Within that amount it is included 28.4 million euros of capitalizations of personnel costs related to own work (about 19.7 million euros in 31 December 2021) (Note 2.6).

Additionally, the caption "Patents and other similar rights" include the acquisition cost of a group of brands with indefinite useful lives among which the "Continente" brand, acquired in previous years, amounting to 75 million euros, the Salsa brand amounting to 36.7 million euros, the Arenal brand amounting to 58.4 million euros and Gosh brand amounting to 18.2 million euros (15.7 million pound), previously mentioned valued in the acquisition process.

### 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 with the exception of Salsa. As at 31 December 2022 sensitivity analyses were performed to the annual impairment tests, varying the discount rate and perpetuity rate (see Note 3.1).

At 31 December 2022, the register of impairment losses can be analysed as follows:

Impairment Losses	Intangible Assets
<b>Opening balance as at 1 January 2021</b>	34,342
Increases	1,759
Decreases	(1,135)
<b>Opening balance as at 1 January 2022</b>	<b>34,966</b>
Increases	17,920
Decreases	(4,676)
Others	70
<b>Closing balance as at 31 December 2022</b>	<b>48,280</b>

## 3.10 Right of use assets and lease liabilities

### 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 assets includes 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 loan 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 2022 and 2021, 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
<b>Gross Assets</b>				
Opening balance as at 1 January 2021	1,546,044	97,033	2,787	1,645,864
Increase	106,344	11,508	1,581	119,433
Acquisition of subsidiaries	2,547	-	314	2,861
Effect of foreign currency exchange differences	204	24	2	230
Disposals of subsidiaries	(6,847)	(793)	-	(7,640)
Write-offs and decreases	(98,077)	(6,568)	(1,193)	(105,839)
<b>Opening balance as at 1 January 2022</b>	<b>1,550,214</b>	<b>101,204</b>	<b>3,491</b>	<b>1,654,910</b>
Increase	141,186	10,809	6,806	158,800
Acquisition of subsidiaries	-	-	-	-
Effect of foreign currency exchange differences	(102)	(18)	-	(119)
Disposals of subsidiaries (Note 1.3.2)	(3,027)	(3,728)	(1,629)	(8,384)
Write-offs and decreases	(77,774)	(7,210)	(94)	(85,078)
<b>Closing balance as at 31 December 2022</b>	<b>1,610,497</b>	<b>101,058</b>	<b>8,574</b>	<b>1,720,129</b>
<b>Accumulated Depreciation and Impairment Losses</b>				
Opening balance as at 1 January 2021	543,548	47,081	1,406	592,035
Depreciation of the period	102,792	24,016	648	127,456
Effect of foreign currency exchange differences	26	1	1	28
Disposals of subsidiaries (Note 1.3.2)	(4,241)	(472)	-	(4,713)
Write-offs and transfers	(47,862)	(2,791)	(517)	(51,169)
Impairment losses of the period	(28,680)	-	-	(28,680)
<b>Opening balance as at 1 January 2022</b>	<b>565,583</b>	<b>67,835</b>	<b>1,540</b>	<b>634,957</b>
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)
Write-offs and transfers	(66,203)	(5,443)	(94)	(71,740)
Transferrals	(1,318)	(132)	-	(1,450)
Impairment losses of the period	2,118	-	-	2,118
<b>Closing balance as at 31 December 2022</b>	<b>607,090</b>	<b>84,428</b>	<b>792</b>	<b>692,309</b>
<b>Carrying Amount</b>				
As at 31 December 2021 Restated	984,632	33,370	1,951	1,019,953
As at 31 December 2022	1,003,407	16,630	7,782	1,027,820

In the consolidated income statement, 133 million euros were recognised for depreciation of the period (127.5 million euros in 2021) and 74.3 million of euros of interest relating to the adjusted debt (73.9 million euros in 2021).

The responsibilities related to right of use assets were recorded under the caption non-current and current Lease Liabilities, in the amount respectively of 1,110 million euros and 97 million euros (1,075 million euros and 106 million euros in 31 December 2021).

The repayment plan for lease liabilities, as at 31 December 2022 and 2021, can be analysed as follows:

	31 Dec 2022			31 Dec 2021 Restated		
	Capital	Interest	Updated Liabilities	Capital	Interest	Updated Liabilities
N+1	170,089	73,192	96,897	176,489	70,079	106,410
N+2	157,924	67,324	90,600	147,718	65,392	82,326
N+3	148,955	62,131	86,825	139,643	60,919	78,724
N+4	142,037	56,898	85,139	131,795	56,416	75,379
N+5	133,558	51,665	81,893	126,100	51,834	74,267
After N+5	1,022,797	257,587	765,211	1,036,778	272,690	764,088
	<b>1,775,360</b>	<b>568,795</b>	<b>1,206,565</b>	<b>1,758,523</b>	<b>577,330</b>	<b>1,181,192</b>

### 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 identical 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).

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 2022 and 2021 the main assumptions used in the valuation of investment properties, except for exploration properties, are detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
	Other European Countries	Other European Countries
<b>10 yr discount rate</b>		
<i>Floor</i>	9.05%	8.90%
<i>Weighted average</i>	9.21%	9.04%
<i>Cap</i>	9.65%	9.40%
<b>10 yr cap rate</b>		
<i>Floor</i>	7.00%	6.90%
<i>Weighted average</i>	7.16%	7.02%
<i>Cap</i>	7.60%	7.35%
<b>Average monthly rent per sqm (€)</b>		
<i>Floor</i>	18	15
<i>Weighted average</i>	20	17
<i>Cap</i>	21	19
<b>Fair value (Level 3)</b>	306,279	303,899

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 euros; and
  - a decrease of 25 basis points contributes to an increase in fair value in the amount of 11 million euros

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 2022 and 2021, movements in the value of investment properties as well as in the respective accumulated depreciation and impairment losses were as follows:

	Investment properties				
	In Operation	under development			Total
		"Fit Out"	at cost	Advances	
<b>Balance as at 1 January 2021</b>	304,678	-	13,015	1,725	319,418
Increases	1,689	-	84	-	1,773
Impairments and write-off	-	-	(2,300)	-	(2,300)
Variation in fair value of the investment properties					
- Gains	1,882	-	-	-	1,882
- Losses	(4,350)	-	-	-	(4,350)
Increases trough business combination	-	-	3,451	-	3,451
<b>Closing balance as at 31 December 2022</b>	<b>303,899</b>	<b>-</b>	<b>14,249</b>	<b>1,725</b>	<b>319,873</b>
Increases	5,929	-	9,444	4,983	20,356
Impairment reversals	-	-	7,776	-	7,776
Impairments and write-off	-	-	(2,614)	-	(2,614)
Disposals	-	-	(11,133)	-	(11,133)
Variation in fair value of the investment properties					
- Losses	(3,544)	-	-	-	(3,544)
Change of method (Note 1.3.1)	-	-	12,497	-	12,497
Currency translation differences	-	-	(22)	(567)	(589)
<b>Closing balance as at 31 December 2022</b>	<b>306,284</b>	<b>-</b>	<b>30,196</b>	<b>6,141</b>	<b>342,621</b>

During the years ended 31 December 2022 and 2021, 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 2022		31 Dec 2021 Restated	
	Rents	Direct operating expenses	Rents	Direct operating expenses
Other European Countries	21,128	1,985	17,699	2,255
	<b>21,128</b>	<b>1,985</b>	<b>17,699</b>	<b>2,255</b>

At 31 December 2022 and 2021, the investment properties of Gli Orsi and Parklake had been presented as collateral for bank loans taken out.

At 31 December 2022 and 2021 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 2022 and 2021 are made up as follows:

	31 Dec 2022	31 Dec 2021 Restated
<b>Investment properties at cost:</b>		
Portugal / Spain	21,003	12,858
Other European Countries	79,896	72,840
	<b>100,900</b>	<b>85,698</b>
Impairment for assets at risk	(64,562)	(69,724)
	<b>36,337</b>	<b>15,974</b>

The amounts of 64.6 million euros and 69.7 million euros at 31 December 2022 and 2021, 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 2022 and 2021 impairment losses recognised in the Income Statement can be detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
Impairment losses - trade receivables	730	(203)
Impairment losses - investment properties	(2,614)	(2,300)
Impairment losses - property, plant and equipment	(21,908)	(12,107)
Impairment losses - intangible assets	(15,244)	(1,702)
Impairment losses - goodwill	(25,058)	(7,435)
Others	(1,806)	564
	<b>(65,900)</b>	<b>(23,183)</b>



## 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 2022 and 2021, "Inventories" are detailed as follow:

	31 Dec 2022	31 Dec 2021 Restated
Raw materials and consumables	7,718	5,636
Goods	727,426	640,846
Finished and intermediate products	13,454	9,614
Work in progress	865	840
	<b>749,463</b>	<b>656,936</b>
Accumulated adjustments in inventories	(22,231)	(23,369)
<b>Inventories</b>	<b>727,232</b>	<b>633,567</b>

Cost of goods sold as at 31 December 2022 and 2021 amounted to 5.306 million euros and 4.781 million euros, respectively, and may be detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
Opening balance	646,482	667,510
Acquisitions of subsidiaries	-	926
Exchange rate effect	(37)	15
Changes in consolidation perimeter	-	(38,379)
Purchases	5,427,060	4,842,420
Adjustments	(32,525)	(25,981)
Closing balance	735,144	646,482
	<b>5,305,836</b>	<b>4,800,028</b>
Adjustments in inventories	(248)	(19,430)
<b>Cost of sales</b>	<b>5,305,588</b>	<b>4,780,598</b>

As at 31 December 2022 and 2021, 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 2022 and 2021 amounted to 1.127 thousand euros and 637 thousand euros, respectively, and may be detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
Opening balance	10,454	10,146
Adjustments	1,673	(479)
Closing balance	14,319	10,454
	<b>2,193</b>	<b>788</b>
Adjustments in inventories	(1,065)	(151)
<b>Change in inventories of finished good and work in progress</b>	<b>1,127</b>	<b>637</b>

## 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 2022, 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 2022 and 2021, "Trade Receivables" are detailed as follow:

	31 Dec 2022			31 Dec 2021 Restated		
	Gross Value	Impairment losses (Note 7)	Carrying Amount	Gross Value	Impairment losses (Note 7)	Carrying Amount
MC	55,409	(2,531)	52,878	51,690	(3,141)	48,550
Worten	11,023	(516)	10,507	14,811	(490)	14,321
Sierra	21,208	(6,592)	14,616	20,909	(8,736)	12,172
Zeitreeel	29,428	(2,736)	26,692	28,220	(3,558)	24,663
BrightPixel	218	(29)	189	12,197	(236)	11,960
Universo	20,701	(1,731)	18,970	14,339	(89)	14,250
Others	6,132	(1,256)	4,875	6,702	(1,540)	5,162
<b>Total</b>	<b>144,118</b>	<b>(15,391)</b>	<b>128,727</b>	<b>152,062</b>	<b>(17,833)</b>	<b>134,229</b>

31 Dec 2022	Customers						Total
	Not due	0 - 30 days	30 - 90 days	90 - 180 days	180 - 360 days	+ 360 days	
	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
Zeitreeel	18,015	2,523	3,987	654	1,616	2,634	29,428
Bright Pixel	48	61	74	3	-	31	217
Universo	57	94	7,520	3,052	2,184	7,794	20,701
Others	2,315	1,228	861	754	90	884	6,132
<b>Total</b>	<b>45,294</b>	<b>42,837</b>	<b>22,589</b>	<b>9,405</b>	<b>5,152</b>	<b>18,841</b>	<b>144,118</b>
<b>Impairment Losses</b>							
MC	-	(2,383)	(2)	(11)	(5)	(131)	(2,531)
Worten	-	(204)	(14)	-	(1)	(297)	(516)
Sierra	-	-	(248)	(294)	(532)	(5,518)	(6,592)
Zeitreeel	-	(2,181)	-	-	-	(554)	(2,736)
Bright Pixel	-	-	-	-	-	(29)	(29)
Universo	-	(935)	(565)	-	(142)	(89)	(1,731)
Others	-	-	-	-	-	(1,256)	(1,256)
<b>Total</b>	<b>-</b>	<b>(5,702)</b>	<b>(830)</b>	<b>(305)</b>	<b>(679)</b>	<b>(7,875)</b>	<b>(15,391)</b>
	<b>45,294</b>	<b>37,134</b>	<b>21,759</b>	<b>9,100</b>	<b>4,473</b>	<b>10,966</b>	<b>128,727</b>

31 Dec 2021 Restated	Customers						Total
	Not due	0 - 30 days	30 - 60 days	90 - 180 days	180 - 360 days	+ 360 days	
	0% - 1,02%	0% - 1,46%	0% - 12,62%	0% - 18,12%	0% - 83,43%	0% - 100%	
MC	15,375	27,575	4,596	1,518	202	2,425	51,690
Worten	6,249	2,682	960	4,657	10	253	14,811
Sierra	-	9,965	-	3,075	928	6,940	20,909
Zeitreeel	16,345	5,042	2,660	1,084	418	2,671	28,220
Bright Pixel	9,467	351	1,702	235	200	242	12,197
Universo	166	13,565	352	-	1	255	14,339
Others	3,704	1,358	121	238	29	1,252	6,702
<b>Total</b>	<b>51,306</b>	<b>60,537</b>	<b>10,392</b>	<b>10,807</b>	<b>1,789</b>	<b>14,037</b>	<b>148,867</b>
<b>Impairment Losses</b>							
MC	-	(2,767)	(5)	-	(2)	(367)	(3,141)
Worten	-	(37)	-	(5)	(1)	(448)	(490)
Sierra	-	(310)	(194)	(364)	(928)	(6,940)	(8,736)
Zeitreeel	-	(1,236)	-	(164)	(81)	(2,077)	(3,558)
Bright Pixel	-	(7)	(6)	-	(29)	(194)	(236)
Universo	-	(89)	-	-	-	-	(89)
Others	-	(1)	-	-	-	(1,538)	(1,540)
<b>Total</b>	<b>-</b>	<b>(4,447)</b>	<b>(204)</b>	<b>(533)</b>	<b>(1,042)</b>	<b>(11,564)</b>	<b>(18,322)</b>
	<b>51,306</b>	<b>56,090</b>	<b>10,187</b>	<b>10,274</b>	<b>747</b>	<b>2,474</b>	<b>131,078</b>

On April 1<sup>st</sup> 2021, Universo, IME, S.A. - which manages the Universo branded portfolio of financial products and services - and Banco CTT, S.A. ("Banco CTT") signed a Partnership Agreement in the financial services area.

Banco CTT became responsible for financing the credit associated with the Universo Card and the respective inherent credit risk (initially through a securitisation programme of which Banco CTT will be the sole subscriber), with Universo continuing to pursue its mission of providing a set of innovative and competitive financial solutions, while remaining the sole interlocutor in the management and follow-up of all its clients throughout their life cycle and the operation's value chain

As a result of agreement celebrated with Bankinter Consumer Finance (Nota 1.5), the Partnership Agreement with Banco CTT will only apply until 31 December 2023.

## 4.3 Other Receivables

### Relevant accounting judgments and estimates

At 31 December 2022, 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 2022 and 2021, Other debtors are detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
Granted loans to related companies (Note 8)	19,350	8,764
<b>Other debtors</b>		
Trade creditors - debtor balances	32,240	32,389
Derivative contracts associated to commercial activity (Note 5.2)	19,396	24,706
Advances to suppliers	16,601	13,780
Accounts receivable resulting from promotional campaigns developed with partnerships	7,423	6,681
VAT recoverable on real estate assets and vouchers discounts	698	1,606
Advances to suppliers of tangible assets	1,850	1,870
Escrow account	2,224	2,224
Disposal of financial investments	-	400
Vouchers and gift cards	1,588	1,745
Subsidies	-	1,759
Other current assets	38,044	26,508
	<b>120,065</b>	<b>113,669</b>
Accumulated impairment losses in receivables (Note 7.1)	(9,626)	(10,193)
	<b>110,438</b>	<b>103,476</b>
<b>Total of financial instruments</b>	<b>129,788</b>	<b>112,240</b>

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 assets".

As at 31 December 2022 and 2021, "other current assets" is made up as follows:

	31 Dec 2022	31 Dec 2021 Restated
Commercial discounts	37,188	40,740
Deferred costs - supplies and services	24,145	26,721
Invoices to be issued	7,231	6,620
Operating subsidies	2,205	1,741
Deferred costs - rents	1,210	1,302
Other current assets	14,483	13,461
<b>Other current assets</b>	<b>86,463</b>	<b>90,585</b>

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 2022 and 2021, "non-current assets" is detailed as follows:

	31 Dec 2022			31 Dec 2021 Restated		
	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)	17,667	-	17,667	11,392	-	11,392
<b>Trade accounts receivable and other debtors</b>						
Receivables from disposal of financial investments	4,000	-	4,000	4,000	-	4,000
Amounts receivable related to sublease	1,852	-	1,852	2,395	-	2,395
Cautions	2,413	-	2,413	4,253	-	4,253
Special regime for payment of tax and social security debts	2,712	-	2,712	4,480	-	4,480
Legal deposits	-	-	-	2,461	-	2,461
Debt to receive related to Armilar Funds	-	-	-	2,553	-	2,553
Rent deposits from tenants	527	-	527	411	-	411
Others	1,877	-	1,877	824	-	824
	<b>31,048</b>	<b>-</b>	<b>31,048</b>	<b>32,769</b>	<b>-</b>	<b>32,769</b>
Derivative contracts associated to commercial activity (Note 5.2)	18,265	-	18,265	236	-	236
<b>Total financial instruments (Note 5.3)</b>	<b>49,313</b>	<b>-</b>	<b>49,313</b>	<b>33,004</b>	<b>-</b>	<b>33,004</b>
<b>Other non-current assets</b>	<b>81</b>	<b>-</b>	<b>81</b>	<b>690</b>	<b>-</b>	<b>690</b>
	<b>49,395</b>	<b>-</b>	<b>49,395</b>	<b>33,695</b>	<b>-</b>	<b>33,695</b>

The amount included in "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 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 2022 and 2021 was as follows:

	Customers	Other debtors	Non-current Assets
<b>Opening balance as at 1 January 2021</b>	20,659	13,897	9,411
Increases	5,952	430	-
Decreases	(8,463)	(4,130)	(9,411)
Transfers to Assets Held for Sale	(359)	(4)	-
<b>Opening balance as at 1 January 2022</b>	<b>17,790</b>	<b>10,193</b>	<b>-</b>
Increases	3,748	250	-
Decreases	(5,917)	(679)	-
Others	(229)	(71)	-
<b>Closing balance as at 31 December 2022</b>	<b>15,391</b>	<b>9,692</b>	<b>-</b>

## 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 2022 and 2021 "other non-current liabilities" are made up as follows:

	31 Dec 2022	31 Dec 2021 Restated
Shareholders loans	1,103	660
Creditors for acquisition of financial investments	1,944	5,491
Transaction tax	448	2,239
Rents deposits from tenants	2,594	2,297
Other non-current liabilities	722	1,402
<b>Financial instruments (Note 5.3)</b>	<b>6,810</b>	<b>12,090</b>
Deferral of the disposal of the extended warranties in the Worten segment	53,923	51,460
Commissions to be received	14,580	14,580
Charges made on the sale of real estate	15,221	18,539
Other accruals and deferrals	403	252
<b>Other non-current liabilities</b>	<b>90,936</b>	<b>96,921</b>

In 2021, the caption "creditors for the acquisition of financial investments" includes 2.5 million euros relating to the debt value of the acquisition of Iservices.

The amount payable related to Transaction Tax 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 2022 and 2021 trade payables are as follows:

	31 Dec 2022	31 Dec 2021 Restated
Trade payables - current account		
MC	811,011	730,562
Worten	458,874	441,166
Sierra	9,766	6,083
Zeitree	45,645	45,770
BrightPixel	342	9,248
Universo	4,054	5,013
Others	4,473	3,900
	<b>1,334,165</b>	<b>1,241,742</b>
Trade payables - Invoice Pendings	100,663	104,813
<b>Trade payables</b>	<b>1,434,829</b>	<b>1,346,555</b>

As at 31 December 2022 and 2021 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 2022 and 2021, the caption “other current liabilities” is detailed as follow:

	31 Dec 2022	31 Dec 2021 Restated
Payroll Expenses	179,071	166,892
Other external supplies and services	62,578	59,035
Marketing expenses	19,012	19,904
Deferred Revenue of warranty extension	20,910	22,097
Advance receipts from Trade Receivables	1,149	13,294
Expenses on purchases	3,467	7,701
Fixed rents charged in advance	3,665	3,190
Financial charges payable	6,488	2,642
Rentals	3,950	4,682
Leasings	4,224	1,433
Municipal property tax	1,826	1,910
Others	24,363	24,389
<b>Other current liabilities</b>	<b>330,703</b>	<b>327,170</b>

## 4.10 Other payables

As at 31 December 2022 and 2021, “other payables” are made up as follow:

	31 Dec 2022	31 Dec 2021 Restated
Fixed assets suppliers	92,298	82,261
Other payables	115,235	80,405
	<b>207,533</b>	<b>162,666</b>
Subsidiaries and parent companies	199	-
<b>Other receivables</b>	<b>207,732</b>	<b>162,666</b>

The caption “other payables” includes:

- 54.861 thousand euros (33.826 thousands euros as at 31 December 2021) relating to vouchers, gift cards and discount tickets not yet redeemed;
- 13.927 thousand euros (9.473 thousand euros at 31 December 2021) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente";

As at 31 December 2022 and 2021, 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 2022 and 2021, “Other tax assets” and “Other tax liabilities” are made up as follows:

	31 Dec 2022	31 Dec 2021 Restated
<b>Debtors values</b>		
VAT	18,480	33,806
Other taxes	3,744	5,371
<b>Other tax assets</b>	<b>22,224</b>	<b>39,177</b>
<b>Creditors values</b>		
VAT	84,779	72,552
Withholding tax - Personal income tax	7,533	6,575
Social security contributions	18,841	18,475
Other taxes	3,123	3,244
<b>Other tax liabilities</b>	<b>114,276</b>	<b>100,847</b>

## 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 2022 and 2021, 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.

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 2022 and 2021, income tax is made up as follows:

	31 Dec 2022	31 Dec 2021 Restated
<b>Debtors values</b>		
Income taxation	43,302	30,841
Income taxes recoverable from parent company	1,555	612
Special regime for payment of tax and social security debts	3,743	3,741
<b>Income taxation</b>	<b>48,600</b>	<b>35,194</b>
<b>Creditors values</b>		
Income taxation	18,603	18,692
Income tax with participated entities	2,230	2,212
<b>Income taxation</b>	<b>20,832</b>	<b>20,904</b>

Income tax expense recognized for the periods ended 31 December 2022 and 2021 are detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
Current tax	23,583	16,251
Deferred tax	(13,176)	10,748
	<b>10,408</b>	<b>26,998</b>

The reconciliation between profit before Income tax and "Income tax expense" for the periods ended 31 December 2022 and 2021 is as follows:

	31 Dec 2022	31 Dec 2021 Restated
Profit before income tax	355,741	309,017
<b>Income tax (21%)</b>	<b>74,706</b>	<b>64,894</b>
Effect of different income tax rates in other countries	(8,527)	(9,676)
Difference between capital (losses)/gains for accounting and tax purposes	(21,968)	(19,952)
Gains or losses in jointly controlled and associates companies (Note 13)	(27,187)	(14,756)
Provisions and impairment losses not accepted for tax purposes	5,772	1,522
Use of tax losses that have not originated deferred tax assets	(4,670)	-
Recognition of tax losses that have not originated deferred tax assets	(2,447)	3,254
Amortization of goodwill for tax purposes in Spain	5,817	5,817
Effect of constitution or reversal of deferred taxes	(7,044)	1,703
Use of tax benefits	(15,248)	(14,823)
Under/(over) Income tax estimates	(926)	(2,447)
Autonomous taxes and tax benefits	2,267	3,400
Municipality surcharge	7,500	7,957
Others	2,364	104
<b>Income tax</b>	<b>10,408</b>	<b>26,998</b>

### 4.12.2 Deferred taxes

The Group presents at 31 December 2022, in the Retail segment, an amount of 16.6 million euros (8.4 million euros at 31 December 2021) 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 2022 and 2021, 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 3.8% (2.7% in 2021).

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.

Considering the accounting impacts resulting from the application of IFRS 16 - Leases, for a lessee, with the recognition of an asset under a right of use not typified in the tax

law and the recording of a lease liability that only has tax acceptance by the payment of rents, the management proceeded to the recognition of the respective deferred tax asset (on the lease liability) and deferred tax liability (on the asset under right of use), on the initial and subsequent recognition date of the lease contracts. If the Tax Administration will change the tax law, the recognised deferred taxes may have to be reviewed / amended.

Deferred tax assets and liabilities as at 31 December 2022 and 2021 may be described as follows considering the different natures of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2022	31 Dec 2021 Restated	31 Dec 2022	31 Dec 2021 Restated
Difference between fair value and acquisition cost	4,929	4,495	93,156	86,687
Temporary differences on property, plant and equipment and intangible assets	277	499	97,392	87,102
Temporary difference of negative goodwill and equity method	-	-	35,262	44,707
Provisions and impairment losses not accepted for tax purposes	23,855	16,928	-	-
Impairment of assets	-	-	639	639
Valuation of hedging derivatives	1,614	741	9,137	5,508
Amortisation of Goodwill for tax purposes in Spain	-	-	45,370	39,553
Tax losses carried forward	31,892	23,526	-	-
Reinvested capital gains/losses	-	-	68	114
Tax Benefits	51,093	39,762	15,911	-
Rights of use	270,982	263,770	234,144	230,278
Others	11,179	8,859	714	7,728
	<b>395,820</b>	<b>358,580</b>	<b>531,793</b>	<b>502,316</b>

As at 31 December 2021 in deferred tax assets, under the caption "Others" are included 1,683 thousand euros related to deferred taxes related to the fair value of financial assets (NOS) recorded in other comprehensive income (1,539 thousand euros in 2021).

The caption "Valuation of hedging derivatives" includes 7,183 thousand euros in deferred tax liabilities in 2021 related to the energy derivative mentioned in Note 5.2 (4,611 thousand euros in 2021).

During the periods ended 31 December 2022 and 2021, movements in deferred tax assets and liabilities are as follows:

	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2022	31 Dec 2021 Restated	31 Dec 2022	31 Dec 2021 Restated
Opening balance	358,580	358,073	502,316	479,103
Effects in net income:	-	-	-	-
Difference between fair value and acquisition cost	435	414	(561)	(275)
Temporary differences on property, plant and equipment and intangible assets	(222)	(156)	10,290	4,353
Temporary difference of negative goodwill and equity method	-	-	(9,445)	16,925
Provisions and impairment losses not accepted for tax purposes	6,927	(2,949)	-	-
Write-off of deferred accrued costs	-	-	-	21
Revaluation of tangible assets	-	-	-	(62)
Constitution / reversal of deferred tax assets over tax losses	8,365	1,518	-	-
Amortization of goodwill for fiscal purposes in Spain	-	-	5,817	5,817
Reinvested capital gains/(losses)	-	-	(46)	(23)
Tax Benefits	21,856	14,193	15,911	-
Rights of use	7,212	(13,625)	3,866	(15,345)
Others	(4,884)	142	680	(1,127)
	<b>39,688</b>	<b>(463)</b>	<b>26,512</b>	<b>10,285</b>
Effects in equity:				
Valuation of hedging derivatives	873	(101)	3,629	5,395
Exchange rate effect	(17)	54	(342)	111
Financial assets fair value variation	-	1,539	-	7,030
Others	-	218	-	263
	<b>856</b>	<b>1,710</b>	<b>3,287</b>	<b>12,799</b>
Acquisitions of subsidiaries (Note 4.1)	-	658	-	1,588
Loss control in subsidiaries (Note 4.2)	(3,304)	(1,398)	(322)	(1,458)
Closing balance	<b>395,820</b>	<b>358,580</b>	<b>531,794</b>	<b>502,316</b>

During the year of 2020, the group subscribed units of participation in the private investment fund Bright Tech Innovation I. This Fund aims to invest in companies dedicated to research and development, which, in particular, have a technological or underlying basis for their activity an innovative business concept. In compliance with the Investment Tax Code (CFI) and, as usual in the scope of obtaining SIFIDE, the group will present, by the end of May 2021, an application to SIFIDE under the terms of paragraph f), paragraph 1 of article 37 of CFI.

In the year ended 31 December 2020, the Group recorded deferred tax assets in the amount of 12,318 thousand euros related to this benefit. Expenses that, due to insufficient collection, cannot be deducted in 2022, may be deducted until 2030.

As at 31 December 2022, 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.

In 2016 and in a new decision occurred in 2018, the Spanish Supreme Court decided in favour of Sonae considering that goodwill amortisation for tax purposes in 2008 was applicable. During 2017, the Group recognized 17.5 million euros in deferred tax liabilities related to the tax deduction of the amortisation of the years 2008, 2016, 2017 and 2018 the recognition of 5.8 million euros relating to this exercise.

Taking into account the tax proceedings pending before the court in Spain for the financial years 2008 to 2011, as well as for the fact that the Group was prevented from recognizing the tax depreciation of goodwill for the financial years 2012 to 2015, the right of the entity to deduct tax depreciation of goodwill amounting to 69.8 million euros might be given in the future. As at 31 December 2021 and 2020, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	Country	31 Dec 2022			31 Dec 2021		
		Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
<b>With limited time use</b>							
Generated in 2014	Portugal	-	-	2028	1,194	251	2028
Generated in 2015	Portugal	-	-	2029	175	37	2029
Generated in 2016	Portugal	-	-	2030	25,239	5,300	2030
Generated in 2017	Portugal	-	-	2024	-	-	2024
Generated in 2018	Portugal	-	-	2025	1,268	266	2025
Generated in 2019	Portugal	-	-	2026	1,148	241	2026
Generated in 2020	Portugal	-	-	2032	8,506	1,786	2032
Generated in 2021	Portugal	-	-	2033	7,453	1,565	2033
		-	-		<b>44,983</b>	<b>9,446</b>	
<b>With a time limit different from the above mentioned</b>							
	Spain	-	-	2021 a 2031	3,681	927	2021 a 2031
	Netherlands	-	-	2021 a 2026	897	214	2021 a 2026
	Luxemburg	-	-	2021 a 2038	297	67	2021 a 2038
		-	-		<b>4,875</b>	<b>1,208</b>	
<b>Without limited time use</b>							
	Spain	72,152	18,038		51,337	12,834	
	Italy	41	-		41	10	
	Luxemburg	-	-		125	28	
	Portugal	65,997	13,853		-	-	
		<b>138,191</b>	<b>31,892</b>		<b>51,503</b>	<b>12,872</b>	
		<b>138,191</b>	<b>31,892</b>		<b>101,361</b>	<b>23,526</b>	

As at 31 December 2022, there are reportable tax losses in the amount of 569,4 million euros (617,3 million euros as at 31 December 2021), whose deferred tax assets are not recorded for prudence purposes.

	Country	31 Dec 2022			31 Dec 2021		
		Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
<b>With limited time use</b>							
Generated in 2014	Portugal	-	-	2028	8,321	1,747	2028
Generated in 2015	Portugal	-	-	2029	1,288	271	2029
Generated in 2016	Portugal	-	-	2030	1,365	287	2030
Generated in 2017	Portugal	-	-	2024	2,176	457	2024
Generated in 2018	Portugal	-	-	2025	1,779	374	2025
Generated in 2019	Portugal	-	-	2026	3,347	703	2026
Generated in 2020	Portugal	-	-	2032	9,195	1,931	2032
Generated in 2021	Portugal	-	-	2033	5,923	1,244	2033
		-	-		<b>33,395</b>	<b>7,013</b>	
<b>With a time limit different from the above mentioned</b>							
	Colombia	403	-		-	-	
	Spain	-	-		5,611	1,449	
	Greece	2,063	-	2022 a 2027	1,883	414	2021 a 2026
	Netherlands	29,670	-	2022 a 2028	35,423	7,350	2021 a 2027
	Luxemburg	12,719	58,150	2022 a 2039	4,164	1,053	2021 a 2038
	Marocco	267	-		-	-	2020 a 2024
	Romania	47,937	-	2022 a 2029	44,897	7,183	2021 a 2028
		<b>93,059</b>	<b>58,150</b>		<b>91,977</b>	<b>17,450</b>	
<b>Without limited time use</b>							
	Germany	14,156	-		13,380	4,177	
	Brazil	28,569	9,713		25,178	8,560	
	Belgium	-	-		3,339	835	
	Spain	378,698	89,033		412,696	103,174	
	France	-	-		716	239	
	Italy	6,063	-		5,581	1,340	
	Luxemburg	2,987	-		3,805	1,011	
	United Kingdom	-	-		3,998	760	
	Romania	3,232	-		23,220	3,715	
	Portugal	42,609	5,359		-	-	
		<b>476,315</b>	<b>104,105</b>		<b>491,914</b>	<b>123,810</b>	
		<b>569,374</b>	<b>162,255</b>		<b>617,286</b>	<b>148,274</b>	

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 until 2022.

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, which is in the admission phase, before the Supreme Court of the partial decision favorable to the Branch.



## 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

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 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) 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 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.

Also classified under this heading are investments in associates, held by a venture capital organization 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 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.

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.

### Accounting policies

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. 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) and Assets of customer contracts (Note 4.4), 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 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 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 amortised cost using the effective interest method, deducted from any impairment losses and are recorded under IFRS 9 - Financial assets at amortised 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.

### Accounting policies

Impairment losses on loans and accounts receivable are recorded in accordance with the principles described in Note 1.

## (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 amortised 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, which 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.

## (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 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 payable". These liabilities are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost at the effective interest rate.

As at 31 December 2022, Sonae has only recognised liabilities classified as "Financial liabilities at amortised 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 added 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 amortised 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 amortised 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 interest risks on loans obtained and 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 derivatives 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 and derivatives in the form of or including interest rate options), 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.

Sonae may agree to become part of a derivative transaction to fair value hedge some interest rate exposure. In these cases, derivatives are recorded at fair value through profit or loss when the hedge instrument is not measured at fair value (namely loans recorded at amortised cost) the effective portion of the hedging relationship is adjusted in the carrying amount of the hedged instrument, through profit or loss.

## (I) 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 through 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 19.4 million euros as at 31 December 2022 (8.8 million euros as at 31 December 2021).

### 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.

#### - Universo

Since the end of March 2021, the Universo loan portfolio has been sold to Banco CTT through a daily securitization operation. In this way, the credit operations originated by the Universo are subsequently sold and derecognised from the statement of financial position, the respective Credit Risk being fully assumed by Banco CTT, from the securitization date.

In this way, on 31 December 2022, the credit operations recorded in the statement of financial position originated during the year and not yet sold, but which, due to the structure of the securitization operation, were sold in the following 3 business days or it is expected that become so during the year 2023.

Even so, and to better reflect the quantification of Credit Risk, the amounts of impairment were recorded in accordance with IFRS9.

#### - NOS – Associates

NOS is subject to credit risk in its operating and treasury activities.

The credit risk associated with operations is essentially related to services provided to customer credits. This risk is monitored on a regular basis business, with the goal of management is: i) limit the credit granted to customers, considering the average collection period of each client; ii) monitor the evolution of the level of credit granted; and iii) perform impairment tests to receivables on a regular basis.

The impact of the impairment of financial assets at NOS is only reflected in the appropriation of the share of profit for the year by applying the equity method.

#### - 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 2022, total consolidated gross debt (excluding shareholders' equity) is 1,363 million euros (as at 31 December 2021 it was 1,415 million euros) 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 2022, Sonae average debt maturity was approximately 4.4 years (2021: 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 reliability 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 2022, as described in Note 6.4, the amount of consolidated loans maturing in 2023 is 253 million euros (318 million euros maturing in 2022) and on 31 December 2022 Sonae had credit lines consolidated loans available in the amount of 355 million euros (226 million euros in 2021) with a commitment of less than or equal to one year and 400 million euros (350 million euros in 2021) 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 2022, cash and cash equivalents and current investments amounting to 794 million euros (825 million euros as at 31 December 2021) (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;
- Since the beginning of the transaction, the maximum cost of the hedging operation is known and limited, even in scenarios of extreme change in market interest rates, so that the resulting interest rates are within the cost of the funds considered in

Sonae business plans ( or in extreme scenarios are not worse than the underlying cost of the floating 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, whilst 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.

## - NOS Associates

The borrowings of NOS, except bonds, have variable interest rates, which exposes the group to the risk of cash flows interest rates. NOS has adopted a hedging policy by hiring "swap" interest rate to cover future payments of interest bonds and other loans.

The impact of the impairment of financial assets at NOS is only reflected in the appropriation of the share of profit for the year by applying the equity method.

## - 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) and the fair value of interest rate derivatives (swaps and options). 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 amortised 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 2022 would decrease by approximately 11 million euros (12.9 million euros decrease as at 31 December 2021).

## 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 euros. 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 subsidiaries operating in countries with currencies other than the euro, namely, in the United Kingdom and Mexico, 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.

## - NOS – Associates

The risk of exchange rate is mainly related to exposure resulting from payments made to terminal equipment suppliers and producers of audio-visual content for the TV business by subscription and audio-visual, respectively. Commercial transactions between NOS and these suppliers are denominated mostly in US Dollars.

Considering the balance of accounts payable resulting from transactions denominated in currencies other than the functional currency of the group, NOS hires or can hire financial instruments such as short-term currency forwards to hedge the risk associated with these balances.

## - 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 2022 and 2021 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 2022	31 Dec 2021 Restated	31 Dec 2022	31 Dec 2021 Restated
British Pound	20,859	22,287	16	454
US Dollar	145,247	124,897	26,788	20,565
Other Currencies	842	1,735	-	7
	<b>166,948</b>	<b>148,919</b>	<b>26,804</b>	<b>21,026</b>

The amounts presented above, only include assets and liabilities expressed in different currency than the functional currency used by the subsidiary 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 2022	31 Dec 2021 Restated
British Pound	1,042	1,092
US Dollar	5,923	5,217
Other Currencies	42	86
	<b>7,007</b>	<b>6,395</b>

## 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 4.4 and 6.6). 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 2022 an average gearing (countable) of 0.4x (0.4x in 2021).

## 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 is nil in liabilities, and in assets of 2.238 thousand euros (11.318 thousand euros in assets, on 31 December 2021).

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 "Operating Exchange Differences" 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 (4,257 thousand euros and 236 thousand euros at 31 December 2022 and 2021, respectively).

### 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 592 thousand euros (7,107 thousand euros in 2021).

## 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 (31,762 thousand euros and 20,495 thousand euros at 31 December 2022 and 2021, respectively).

## Fair value of derivative financial instruments

The fair value of derivative instruments is recorded as follows:

	Assets				Liabilities	
	31 Dec 2022		31 Dec 2021 Restated		31 Dec 2022	31 Dec 2021 Restated
	Current	Non-Current	Current	Non-Current	Current	Current
Hedging derivatives						
Exchange rate	1,645	-	4,211	-	3,807	-
Electricity	17,751	14,012	20,495	-	1,743	-
	19,396	14,012	24,706	-	5,550	-

	Assets				Liabilities	
	31 Dec 2022		31 Dec 2021 Restated		31 Dec 2022	31 Dec 2021 Restated
	Current	Non-Current	Current	Non-Current	Current	Current
Hedging financial derivatives						
Exchange rate	592	-	7,107	-	-	-
Interest rate	4	4,254	-	236	-	-
	595	4,254	7,107	236	-	-

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 2022 and 2021, 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
<b>As at 31 December 2022</b>							
<b>Non-current assets</b>							
Financial Assets at fair value	3.4	-	41,263	216,889	-	-	258,153
Other investments	3.5	9,347	-	7,232	-	-	16,579
Other non-current assets	4.5	31,048	-	-	18,265	81	49,395
		40,395	41,263	224,121	18,265	81	324,126
<b>Current assets</b>							
Trade receivables	4.2	128,727	-	-	-	-	128,727
Other debtors	4.3	110,394	-	-	19,396	-	129,790
Other Investments	3.5	1	-	-	595	-	596
Other current assets	4.4	44,419	-	-	-	42,044	86,463
Cash and bank balances	6.6	793,812	-	-	-	-	793,812
		1,077,353	-	-	19,991	42,044	1,139,388
		1,117,748	41,263	224,121	38,256	42,125	1,463,514

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
<b>As at 31 December 2021 Restated</b>							
<b>Non-current assets</b>							
Financial Assets at fair value	3.4	-	137,579	164,269	-	-	301,848
Other investments	3.5	7,745	-	7,239	-	-	14,984
Other non-current assets	4.5	32,769	-	-	236	690	33,695
		40,514	137,579	171,508	236	690	350,527
<b>Current assets</b>							
Trade receivables	4.2	131,078	-	-	-	-	131,078
Other debtors	4.3	87,534	-	-	24,706	-	112,240
Other investments	3.5	-	-	-	7,107	-	7,107
Other current liabilities	4.4	47,360	-	-	-	43,225	90,586
Cash and bank balances	6.6	825,063	-	-	-	-	825,063
		1,091,036	-	-	31,813	43,225	1,166,073
		1,131,550	137,579	171,508	32,048	43,915	1,516,600

Financial liabilities	Notes	Liabilities at amortized cost	Liabilities recorded at fair value through other comprehensive income	Liabilities recorded at fair value through profit or loss	Derivatives	Other non-financial liabilities	Total
<b>As at 31 December 2022</b>							
<b>Non-current liabilities</b>							
Loans	6.4	776,384	-	-	-	-	776,384
Bonds	6.4	331,372	-	-	-	-	331,372
Other non-current liabilities	4.6	6,810	-	-	-	84,126	90,936
		<b>1,114,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,126</b>	<b>1,198,693</b>
<b>Current liabilities</b>							
Loans	6.4	226,744	-	-	-	-	226,744
Bonds	6.4	28,846	-	-	-	-	28,846
Trade payables	4.7	1,434,829	-	-	-	-	1,434,829
Other payables	4.9	202,182	-	-	5,550	-	207,732
Other current liabilities	4.8	-	-	-	-	330,253	330,253
		<b>1,892,600</b>	<b>-</b>	<b>-</b>	<b>5,550</b>	<b>330,253</b>	<b>2,228,404</b>
		<b>3,007,167</b>	<b>-</b>	<b>-</b>	<b>5,550</b>	<b>414,379</b>	<b>3,427,096</b>

Financial liabilities	Notes	Liabilities at amortized cost	Liabilities recorded at fair value through other comprehensive income	Liabilities recorded at fair value through profit or loss	Derivatives	Other non-financial liabilities	Total
<b>As at 31 December 2021 Restated</b>							
<b>Non-current liabilities</b>							
Loans	6.4	780,727	-	-	-	-	780,727
Bonds	6.4	315,416	-	-	-	-	315,416
Other loans	6.4	1,218	-	-	-	-	1,218
Other non-current liabilities	4.6	12,090	-	-	-	84,830	96,921
		<b>1,109,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,830</b>	<b>1,194,281</b>
<b>Current liabilities</b>							
Loans	6.4	226,101	-	-	-	-	226,101
Bonds	6.4	90,255	-	-	-	-	90,255
Other loans	6.4	814	-	-	-	-	814
Trade payables	4.7	1,346,555	-	-	-	-	1,346,555
Other payables	4.9	162,666	-	-	-	-	162,666
Other current liabilities	4.8	-	-	-	-	327,170	327,170
		<b>1,826,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>327,170</b>	<b>2,153,561</b>
		<b>2,935,842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>412,001</b>	<b>3,347,842</b>

## 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 2022			31 Dec 2021 Restated		
	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)	29,559	-	228,594	129,580	-	172,268
Derivatives (Note 5.2)	-	38,256	-	-	32,048	-
	<b>29,559</b>	<b>38,256</b>	<b>228,594</b>	<b>129,580</b>	<b>32,048</b>	<b>172,268</b>

## 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 2022 and 2021, 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 2022, Sonae held 79,734,758 own shares (85,146,422 shares as at 31 December 2021) representing 3.99% (4.26% as at 31 December 2021) 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 71,402 thousand euros (76,249 thousand euros as at 31 December 2021) relating to its own shares for as long as it holds them.

###### Main changes in the period

On 16 March 2022 Sonae acquired 10% of the Sierra share capital from Grosvenor, for the price of 83.5 million euros, which represents an implicit discount of about 10% on the NAV of Sierra at the end of 2021, following the Grosvenor exercised the put option right. Following the completion of this transaction, Sonae now owns 90% of the share capital and voting rights of Sierra (impact of 5.9M€ on global equity).

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", given that Sonae already owned a controlling interest of 80% in Sierra (impact of 5.9 million euros on global equity).

## Capital Structure

As at 31 December 2022 and 31 December 2021, the following entities held more than 20% of the subscribed share capital:

Entity	%
Efanor Investimentos, SGPS, S.E. and its subsidiaries	54,66

## 6.2 Non-controlling interest

As at 31 December 2022 and 2021, "Non - controlling interests" are detailed as follows:

	31 Dec 2022				
	Equity <sup>(1)</sup>	Profit/(Loss) for the period <sup>(1)</sup>	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)
Zeitree	20,364	(16,948)	(574)	(49)	-
BrightPixel	1,311,666	146,632	129,998	14,190	(5,952)
Others	13,817	(2,658)	2,035	(73)	-
<b>Total</b>	<b>3,190,749</b>	<b>326,881</b>	<b>523,848</b>	<b>65,101</b>	<b>(71,468)</b>

1) Contribution to the consolidated financial statements of the Group;

	31 Dec 2021 Restated				
	Equity <sup>(1)</sup>	Profit/(Loss) for the period <sup>(1)</sup>	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
MC	1,040,430	216,175	265,712	42,796	-
Worten	2,305	1,009	922	403	-
Sierra	839,753	20,664	220,767	9,173	(427)
Zeitree	35,350	(9,160)	(1,816)	(1,135)	-
BrightPixel	1,207,697	120,168	118,529	11,869	(2,976)
Others	15,684	160	1,434	(153)	-
<b>Total</b>	<b>3,141,219</b>	<b>349,015</b>	<b>605,549</b>	<b>62,953</b>	<b>(3,403)</b>

1) Contribution to the consolidated financial statements of the Group;

During the years ended 31 December 2022 and 2021, the movement in Non-controlling Interests was as follows:

	31 Dec 2022						
	MC	Worten	Sierra	Zeitree	Bright Pixel	Others	Total
Opening balance at 1 January 2022 Restated	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 the extinction of the 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	(215)	-	2,705	-	188	-	2,679
Capital increase	-	-	(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
<b>Closing balance as at 31 December</b>	<b>250,899</b>	<b>1,055</b>	<b>140,434</b>	<b>(574)</b>	<b>129,998</b>	<b>2,035</b>	<b>523,848</b>

	31 Dec 2021 Restated						
	MC	Worten	Sierra	Zeitreef	Bright Pixel	Others	Total
Opening balance at 1 January	50,117	518	286,811	(774)	111,101	(709)	447,063
Distributed dividends	-	-	(427)	-	(2,976)	-	(3,403)
Distributed income of Investment Funds	(120)	-	-	-	-	-	(120)
Delivery and attribution of shares to employees due to the extinction of the	228	-	1	-	-	-	229
Change in percentage of subsidiaries	193,137	-	(75,389)	-	(253)	-	117,495
Change in currency translation reserve	2,212	-	(94)	-	(39)	32	2,110
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity	-	-	421	-	266	(107)	579
Capital increase	-	-	-	-	-	621	621
Capital decrease	(26,327)	-	-	-	(1,196)	-	(27,523)
Changes in hedging reserves	3,502	-	249	-	-	-	3,751
Others	167	-	23	93	(241)	378	419
Profit for the period attributable to non-controlling interests	42,796	403	9,173	(1,135)	11,869	(153)	62,953
<b>Closing balance as at 31 December</b>	<b>265,712</b>	<b>922</b>	<b>220,767</b>	<b>(1,816)</b>	<b>118,529</b>	<b>61</b>	<b>604,176</b>
Restatement effect	-	-	-	-	-	1,373	1,373
<b>Closing balance as at 31 December (Restated)</b>	<b>265,712</b>	<b>922</b>	<b>220,767</b>	<b>(1,816)</b>	<b>118,529</b>	<b>1,434</b>	<b>605,549</b>

As at 31 December 2022 and 2021, the aggregate financial information of subsidiaries with noncontrolling interests is as follows:

	31 Dec 2022						
	MC	Worten	Sierra	Zeitreef	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
<b>Equity</b>	<b>973,222</b>	<b>2,639</b>	<b>869,042</b>	<b>20,364</b>	<b>1,311,666</b>	<b>13,817</b>	<b>3,190,749</b>

	31 Dec 2021 Restated						
	MC	Worten	Sierra	Zeitreef	Bright Pixel	Others	Total
Total Non-Current Assets	3,399,888	18,323	954,630	138,173	988,781	14,644	5,514,439
Total Current Assets	765,188	12,833	274,634	45,556	318,898	10,198	1,427,307
Total Non-Current Liabilities	1,849,740	16,892	287,578	49,475	54,526	4,984	2,263,196
Total Current Liabilities	1,275,886	11,960	101,932	98,904	45,456	4,173	1,538,311
Assets classified as held for sale	980	-	-	-	-	-	980
<b>Equity</b>	<b>1,040,430</b>	<b>2,305</b>	<b>839,753</b>	<b>35,350</b>	<b>1,207,697</b>	<b>15,684</b>	<b>3,141,219</b>

	31 Dec 2022						
	MC	Worten	Sierra	Zeitreef	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 JP	-	-	(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)
<b>Consolidated profit/(Loss) for the period</b>	<b>168,154</b>	<b>334</b>	<b>31,367</b>	<b>(16,948)</b>	<b>85,311</b>	<b>(2,658)</b>	<b>265,560</b>
<b>Profit/(Loss) from discontinuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,322</b>	<b>-</b>	<b>61,322</b>



	31 Dec 2021 Restated						
	MC	Worten	Sierra	Zeitreef	Bright Pixel	Others	Total
Turnover	5,310,441	60,730	97,245	113,735	74,532	7,003	5,663,685
Change in fair value in IP	-	-	(2,468)	-	-	-	(2,468)
Other operating income	101,463	468	3,946	3,280	4,806	870	114,833
Operating expenses	(5,169,749)	(59,524)	(92,918)	(123,536)	(90,220)	(7,541)	(5,543,488)
Financial results	(76,867)	(757)	(7,502)	(1,890)	778	(51)	(86,290)
Gains or losses on joint ventures and associates	1,208	-	24,220	-	62,349	-	87,777
Investment results	(890)	-	99	-	85,238	-	84,447
Income tax expense	627	92	(1,958)	(749)	(22,744)	(121)	(24,853)
<b>Consolidated profit/(Loss) for the period</b>	<b>166,233</b>	<b>1,009</b>	<b>20,664</b>	<b>(9,160)</b>	<b>114,738</b>	<b>160</b>	<b>293,643</b>
<b>Profit/(Loss) from discontinued operations</b>	<b>49,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,430</b>	<b>-</b>	<b>55,372</b>

## 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 2022 and 2021 were calculated taking into consideration the following amounts:

	31 Dec 2022		31 Dec 2021 Restated	
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
<b>Net profit</b>				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	285,537	56,017	233,268	34,209
<b>Net profit taken into consideration to calculate diluted earnings per share</b>	<b>285,537</b>	<b>56,017</b>	<b>233,268</b>	<b>34,209</b>
<b>Number of shares</b>				
Weighted average number of shares used to calculate basic earnings per share	1,918,582,232	1,918,582,232	1,908,434,638	1,908,434,638
Outstanding shares related with share based payments	21,614,929	21,614,929	15,994,340	15,994,340
Shares related to performance bonus that can be bought at market price	(5,877,648)	(5,877,648)	(5,176,121)	(5,176,121)
<b>Weighted average number of shares used to calculate diluted earnings per share</b>	<b>1,934,319,513</b>	<b>1,934,319,513</b>	<b>1,919,252,857</b>	<b>1,919,252,857</b>
<b>EARNINGS PER SHARE</b>				
<b>Basic</b>	<b>0.148827</b>	<b>0.029197</b>	<b>0.122230</b>	<b>0.017925</b>
<b>Diluted</b>	<b>0.147616</b>	<b>0.028959</b>	<b>0.121541</b>	<b>0.017824</b>

The average number of shares for the year ended 31 December 2022 considers 79,734,758 shares as own shares (85,146,422 shares in 31 December 2021) (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 2022 and 2021, the Loans had the following details:

	31 Dec 2022		31 Dec 2021 Restated	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans	224,142	777,352	224,136	781,547
Bank overdrafts (Note 6.6)	2,974	-	2,373	-
Up-front fees beard with the issuance of borrowings	(372)	(968)	(408)	(820)
<b>Bank loans</b>	<b>226,744</b>	<b>776,384</b>	<b>226,101</b>	<b>780,727</b>

## Bank Loans

	31 Dec 2022		31 Dec 2021 Restated	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
<b>Bank loans</b>				
Sonae, SGPS, SA - commercial paper	45,000	-	147,600	270,000
Sonae, SGPS, SA - commercial paper ESG-Linked	-	300,000	-	-
Sonae SGPS, SA 2016/2029	-	30,000	30,000	-
Sonae SGPS, SA 2020/2025	-	25,000	-	25,000
MCRETAIL, SGPS,SA - commercial paper	-	103,132	-	105,950
MCRETAIL, SGPS,SA - commercial paper ESG-Linked	-	100,000	-	-
MC Green Loan affiliated /2014/2023	50,000	-	-	50,000
MC Green Loan/ 2018/2031	6,111	48,889	-	55,000
MC Green Loan affiliated / 2020/2025	-	55,000	-	55,000
MC affiliated / 2021/2028	3,333	16,667	-	20,000
Sonae Holding affiliated /2019/2026	-	50,000	-	50,000
Sonae Sierra SGPS, SA - commercial paper	-	-	25,000	-
Sonae Sierra / 2018/2022	-	-	10,000	-
Sonae Sierra affiliated / 2021/2024	-	11,000	-	-
Sonae Sierra affiliated /2016/2026	-	36,300	-	36,300
Sonae Sierra affiliated /2015/2023	107,900	-	5,200	107,900
Others	11,797	1,365	6,336	6,397
	<b>224,142</b>	<b>777,352</b>	<b>224,136</b>	<b>781,547</b>

## Bonds and other loans

	31 Dec 2022		31 Dec 2021 Restated	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
<b>Bonds</b>				
Bonds Sonae SGPS/2022/2027	-	25,000	-	-
Bonds ESG Sonae SGPS/2020/2025	4,000	8,000	8,000	12,000
Bonds MC/ December 2019/2024	-	30,000	-	30,000
Bonds MC/ April 2020/2027	-	95,000	-	95,000
Bonds MC/ July 2020/2025	-	-	50,000	-
Bonds MC/ July 2020/2025	-	-	22,500	-
Bonds MC ESG / December 2021/2024	-	40,000	-	40,000
Bonds MC ESG / November 2021/2026	-	60,000	-	60,000
Bonds Sonae Sierra 2022/2029	-	50,000	10,000	30,000
Bonds Sonae Sierra 2022/2027	-	25,000	-	25,000
Bonds Sonae Sierra 2018/2023	25,000	-	-	25,000
Up-front fees beard with the issuance of borrowings	(154)	(1,628)	(245)	(1,584)
<b>Bonds</b>	<b>28,846</b>	<b>331,372</b>	<b>90,255</b>	<b>315,416</b>
Other loans			601	1,218
Derivative instruments			-	-
Creditors for finance leases			213	-
<b>Other loans</b>	<b>-</b>	<b>-</b>	<b>814</b>	<b>1,218</b>

The interest rate at 31 December 2022 on bond loans and bank loans averaged approximately 2.24% (1.01% at 31 December 2021). 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 2022 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 2022		31 Dec 2021 Restated	
	Capital	Interests	Capital	Interests
N+1 <sup>a)</sup>	256,116	33,461	317,823	15,617
N+2	180,854	26,007	332,023	11,212
N+3	100,365	24,477	268,244	6,789
N+4	344,887	21,773	125,365	4,906
N+5	338,135	13,478	279,887	2,935
After N+5	146,111	8,803	94,246	1,509
	<b>1,366,468</b>	<b>127,998</b>	<b>1,417,588</b>	<b>42,968</b>

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 2022 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 2022, Sonae has, as detailed below, cash and bank balances equivalents in the amount of 793 million euros (825 million euros in 2021) and available credit lines as follows:

	31 Dec 2022		31 Dec 2021 Restated	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
<b>Unused credit facilities</b>				
MC	161,000	275,000	96,000	190,000
Sierra	54,969	-	54,969	-
Sonae & Others	149,000	195,000	75,150	160,240
	<b>364,969</b>	<b>470,000</b>	<b>226,119</b>	<b>350,240</b>
<b>Agreed credit facilities</b>				
MC	161,000	375,000	96,000	290,000
Sierra	54,969	-	54,969	-
Sonae & Others	194,000	367,500	171,400	315,900
	<b>409,969</b>	<b>742,500</b>	<b>322,369</b>	<b>605,900</b>

Considering the lines already contracted at the beginning of 2022, in addition to what is detailed in the Cash and cash equivalents note, Sonae had additional credit lines available in the amount of 50 million euros, with a commitment of more than one year, totalling 400 million euros.

## 6.5 Reconciliation of liabilities arising from financing activities

As at 31 December 2022 the reconciliation of liabilities arising from financing activities are as follows:

	Obligations under finance leases (Note 3.10)	Bank loans (Note 6.4)	Derivative financial instruments (Note 5.2)
<b>Balance as at 01 January 2022</b>	1 181 192	1 414 530	7 343
<b>Cash flows:</b>			
Receipts relating to financial debt	-	4 063 679	-
Payments relating to financial debt	(194 046)	(4 102 187)	-
Bank overdrafts	-	601	-
Financial debt update	74 270	-	-
Unpaid rents	(2 453)	-	-
Increase/(decrease) in fair value	-	-	(2 494)
Change in consolidation method	(3 115)	-	-
Lease contract increases	158 800	-	-
Up-front fees beard with the issuance of borrowings	-	1 019	-
Perimeter exits	-	(3 058)	-
Currency translation	-	(6 981)	-
Others	(8 084)	(4 256)	-
<b>Balance as at 31 December 2022</b>	<b>1 206 565</b>	<b>1 363 347</b>	<b>4 849</b>

## 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 2022 and 2021, Cash and cash equivalents are as follows:

	31 Dec 2022	31 Dec 2021 Restated
Cash at hand	15,159	12,301
Bank deposits	670,766	801,255
Bank deposits - shopkeepers deposits	2,873	2,623
Treasury applications	105,014	8,885
<b>Cash and bank balances on the statement of financial position</b>	<b>793,812</b>	<b>825,063</b>
Bank overdrafts (Note 6.4)	(2,974)	(2,373)
<b>Cash and bank balances in the statement of cash flows</b>	<b>790,838</b>	<b>822,690</b>

As at 31 December 2022 and 2021, 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 4.9).

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 2022 and 2021 can be detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
<b>Expenses</b>		
Interest payable		
related with bank loans and overdrafts	(13,533)	(13,140)
related with non convertible bonds	(5,782)	(8,039)
related with operational leases	(74,270)	(73,915)
others	(736)	(1,547)
	<b>(94,321)</b>	<b>(96,641)</b>
Foreign exchange losses	(105,183)	(36,258)
Up front fees and commissions related to loans	(5,393)	(8,708)
Others	(2,568)	(3,518)
	<b>(207,465)</b>	<b>(145,125)</b>
<b>Income</b>		
Interest receivable		
related with bank deposits	362	11
others	4,726	3,072
	<b>5,088</b>	<b>3,083</b>
Foreign exchange gains	102,804	29,499
Gains on derivative financial instrument	2,313	-
Fair value of financial derivatives	592	7,107
Other financial income	1,615	651
	<b>112,412</b>	<b>40,340</b>
<b>NET FINANCIAL EXPENSES</b>	<b>(95,052)</b>	<b>(104,785)</b>



## 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 2022 na 2021 are as follows:

	Non - current provisions	Current provisions
Balance as at 01 jan 2021	47,033	16,344
Increase	3,281	3,308
Decrease	(28,670)	(15,482)
Transfer to help for sale	(167)	-
<b>Balance as at 31 dec 2021</b>	<b>21,475</b>	<b>4,170</b>
Increase	4,118	2,715
Decrease	(3,853)	(2,504)
Transfer to help for sale	(122)	127
<b>Balance as at 31 Dez 2022</b>	<b>21,621</b>	<b>4,508</b>

As at 31 December 2022 and 2021 the net amount of "Increases" and "Decreases" in provisions can be detailed as follows:

	31 Dec 2022	31 Dec 2021 Restated
Impairment losses in the income statement	3,148	5,285
Provisions for the reorganization Worten Spain	-	(7,752)
Reclassification of the provision of Armilar funds to reduce the value of the investment	-	(28,781)
Direct uses of other current provisions - other risks and charges - non-current	(2,278)	-
Uses of provisions for restructuring	-	(9,723)
Others	(394)	3,408
	<b>476</b>	<b>(37,563)</b>

As at 31 December 2022 and 2021, the caption "Non-current provision" and "Current provisions" for other risks and charges can be analysed as follows:

	31 Dec 2022	31 Dec 2021 Restated
Technical provisions on reinsurance (a)	350	381
Future liabilities relating to retail subsidiaries operations sold in Brazil (b)	7,557	6,753
Judicial claims	3,684	3,457
Provisions for restructuring resulting from the pandemic effect	-	5,063
Indemnities	614	858
Clients guarantees	2,238	2,252
Contingency in Brazil related to withholding tax on dividends	4,708	4,708
Others responsibilities	6,976	2,175
	<b>26,128</b>	<b>25,647</b>

a) Amounts included in "Technical provisions on reinsurance" relate to a group's company that operates in the non-life reinsurance industry in which the amount of the provision is related to provisions for outstanding claims. The amount to be recovered from the reinsurance companies is recorded in the captions "Reinsurer's share of technical provision" and "Other Debtors";

b) The caption "Non-current provisions" includes 7,557 thousands of euros (6,753 thousands of euros as at 31 December 2021), relating to non-current contingencies assumed by the Company, when it sold its subsidiary Sonae Distribuição Brasil, S.A. in 2005. This provision is being used as the liabilities are materialized, being constituted based on the best estimate of the expenses to be incurred with such liabilities and that result from a significant set of processes of a civil and labour nature and of small value.

## 7.2 Commitments not reflected on the financial statements

As part of the restructuring of the Sierra BV portfolio, 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 SRV 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 16.5 million euros;
- in the case of a sale of shares of the company that directly or indirectly owns the asset, a maximum amount of 8.2 million euros;
- 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 2023, as agreed by the shareholders of the Company on 21 September 2022, to implement the exit strategy for the investments indirectly held by the Company.

In accordance with the agreements entered into between the shareholders of the SPF, when it was established in 2008, it was agreed that the SPF would exist for a period of 10 years (which ended in 2018), and from 2014, the shareholders had the option to redeem their shares, provided certain conditions were met. However, the Group is not aware of any such intention on the part of the SPF shareholders. Additionally, during the year ended 31 December 2015 it was agreed between the shareholders to extend the fund until 2020. On 18 September 2020 it was agreed between the shareholders to extend the fund until 31 December 2021.

On 6 June 2021 it was agreed between the shareholders to extend the fund until 31 December 2022.

On 29 June 2022 it was agreed between the shareholders to extend the fund until 31 December 2023.

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.

## 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 euros. 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 been 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.

- 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 euros, a decision that was contested by NOS. In January 2015, ANACOM issued the settlement notes in the amount of 18.6 million euros 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 euros, a decision, as in previous years, contested by NOS. In February 2016, ANACOM issued the settlement notes in the amount of 13 million euros, 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, 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 euros and 20 million euros, 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 euros 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 euros 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 euros, 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

## 2. 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 and 2021) 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 and 2021, 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 euros, 2010: 3,808 thousand euros, 2011: 6,049 thousand euros, 2012: 6,283 thousand euros, 2013: 7,270 thousand euros, 2014: 7,426 thousand euros, 2015: 7,253 thousand euros, 2016: 8,242 thousand euros, 2017: 9,099 thousand euros, 2018: 10,303 thousand euros, 2019: 10,169 thousand euros, 2020: 10,184 thousand euros and 2021: 9,653 thousand euro.
- NOS Açores: 2009: 29 thousand euro; 2010: 60 thousand euros, 2011: 95 thousand euros, 2012: 95 thousand euros, 2013: 104 thousand euros, 2014: 107 thousand euros, 2015: 98 thousand euros, 2016: 105 thousand euros, 2017: 104 thousand euros, 2018: 111 thousand euros, 2019: 107 thousand Euros, 2020: 120 thousand euros and 2021: 123 thousand euro.
- NOS Madeira: 2009: 40 thousand euros, 2010: 83 thousand euros, 2011: 130 thousand euros, 2012: 132 thousand euros, 2013: 149 thousand euros, 2014: 165 thousand euros, 2015: 161 thousand euros, 2016: 177 thousand euros, 2017: 187 thousand euros, 2018: 205 thousand euros, 2019: 195 thousand euros, 2020: 202 thousand euros and 2021: 223 thousand euros.
- NOS Wholesale: 2020: 36 thousand euros and 2021: 110 thousand euros.

The rate corresponds to a percentage set annually by ANACOM (in 2009 it was 0.5826%) on operators' electronic communications revenues. NOS SA, NOS Açores, NOS Madeira and NOS Whosale claim, namely: i) addition to defects of 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. Five judgments were handed down on the matter, from which ANACOM appealed to the Central Administrative Court. To date, no judgment has been delivered by the TCA in any of these cases.

The remaining proceedings are awaiting trial and/or 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, 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 severe offence. In this case, NOS is given the possibility to settle the fine by the minimum, the amount of 13 thousand euros. NOS presented a Written Defense on 29 January 2021. ANACOM is awaiting the delivery of a Final Decision. NOS was notified in November 2022 of the ANACOM decision, that condemned NOS to the payment of a fine of 5.2 million euros. NOS challenged the decision in court, pending further developments.

On 17 July 2020, NOS was notified by the AdC of an illegality note (accusation) related to digital marketing without 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 defence to AdC and appealed to the Lisbon Court of Appeal, where they challenged the nullity of the taking of evidence. In July 2022, the Lisbon Court of Appeal confirmed the understanding of NOS, pending further developments. It's the Board of Director's 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 AdC of a note of illegality (accusation) regarding practices related to the advertising service in automatic recordings, in which it accuses NOS, other operators and a consultancy, of concerted behavior in the advertising market in television recordings. It is currently not possible to estimate the amount of a possible fine. Within the legal period that is still in progress, NOS will present its written defense and, after presenting this, the AdC will decide on a conviction or acquittal. It is the conviction of the Board of Directors of NOS and ZOPT, taking into account the elements it knows, that it will be able to demonstrate the various arguments in favor of its defence.

### 3. Tax Authorities

During the course of the 2003 to 2022 financial years, some companies of the NOS Group were the subject of tax inspections for the 2001 to 2020 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 36 million euros, 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.

#### 4. 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 S.A., in the Judicial Court of Lisbon, a claim for the compensation of 10.3 million euros, as compensation for alleged unauthorized portability of NOS S.A. in the period between March 2009 and July 2011. NOS S.A. contested, and the Court ordered an expert opinion, meanwhile, deemed without effect. The discussion and trial hearing took place at the end of April and beginning of May 2016, and a judgment was 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 euros 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), which found that the facts established by the Lower Courts 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 for the extension of the facts. In November 2019, the Court of First Instance 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 considered that the expansion of the matter of fact leads to the need to obtain new evidence, which requires the analysis of the information relating to all portability's that serve as the basis for the process, determining the carrying out of expert evidence for that purpose. The expert was appointed in October 2021, and the expected date for the conclusion of the diligence is unknown.

In 2011, NOS S.A. brought an action in Lisbon Judicial Court against MEO, claiming payment of 22.4 million euros, for damages suffered by NOS S.A., 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 ordered the carrying out of expert evidence of a technical and economic-financial nature, and the expert reports were completed in February 2016 and June 2018, respectively. MEO claimed the nullity of the economic and financial expert report, which was rejected. In trial, at May 2022, the court came to give partial reason to NOS, condemning MEO to the payment of 7.9 million euro. The decision was contested by MEO and by NOS through presentation of appeals in October 2022.

It is the understanding of the Board of Director's, corroborated by the attorneys accompanying the process, that it is, in formal and substantive terms, likely that NOS

S.A. will be able to win the lawsuit, due to MEO already having been convicted for the same offences by ANACOM.

corroborated by the attorneys accompanying the process, that it is, in substantive terms, good odds that NOS could obtain winning in the action.

#### 5. Action brought by DECO

In March 2018, NOS was notified of a lawsuit brought by DECO against NOS, MEO and NOWO, in which 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, including 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 awaiting the court's decision. It is the conviction of the Board of Directors 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 the Group's financial statements.

#### 6. 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 euros 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 the Group's financial statements.

#### 7. Interconnection tariffs

As at 31 December 2022, there are outstanding balances with national operators, recorded under the headings of customers and suppliers, in the amount of 37,139 thousand euros and 43,475 thousand euros 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 has appealed against that decision. Further developments in the process are awaited, being understanding of the Board of Directors,



## 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 2022 and 2021, contingente liabilities to wich Group is exposed can be detailed as follows:

	31 Dec 2021	31 Dec 2021 Restated
<b>Guarantees given:</b>		
on tax claims	965 918	1 087 587
on judicial claims	36 464	243
on municipal claims	6 154	7 915
contractual guaranties by proper compliance	39 848	21 989
others guarantees	4 902	8 242

### 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 euros (411.7 million euros as at 31 December 2021). The tax claims 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 euros (198.8 million euros in 2021) 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 euros as a result of a tax appeal presented by the Company Sonae MC 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, 11.6 million euros (65.3 million Brazilian real), which is being judged by a tax court, for which there were granted guarantees in the amount of 18 million euros (101.4 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.

### 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, 20.4 million euros, 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 18.3 million euros (16.4 million euros at 31 December 2021) related to programs for the Brazilian State of tax recovery, amount to near 17 million euros at 31 December 2022 (15.2 million euros at 31 December 2021). Furthermore, there are other tax assessments totalling 85.3 million euros (76.2 million euros as at 31 December 2021) 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 euros on Sonae Investimentos and 6.8 million euros 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 euros 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). The companies have already submitted their written observations to the TJUE and the oral hearing and the general conclusions of the Advocate General have already been read. Awaiting the final decision (judgment) of the TJUE. The Board of Directors, based on the opinion of their legal advisors, maintains the expectation that there will be no liability for these companies in this proceeding.

In the context of the AdC's condemnatory decisions and the consequent challenges before the Competition Court, MCRetail has been providing guarantees in favor of MCH, in an amount defined by the Court. During 2022, guarantees were provided for 4 of the cases opened by the AdC and, during 2023, guarantees were provided for 3 other cases.

- 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 euros 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 euros. 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 2022 and 2021, Sierra's main contingent liabilities relate to the owing situations:

- 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 euros 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 Jardim Plaza Cucuta, for the construction of the shopping centre Jardim Plaza Cúcuta, by which the Group guarantees in the proportion of its stake of 25% the fulfilment of certain obligations arising from this financing.

-With regard to the payment of tax in the amount of 3.7 million euros as a result of the 2005 fiscal inspection, the Company under the Exceptional Debt Settlement Regime paid the referred tax in full. The amount paid is recorded under the heading "Other non-current assets" as a result of the corrections found to have been contested by the Company in court, and the Company's Board of Directors is convinced that the court's decision will be favourable.

- 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 2022 and 2021 are as follows:

	Parent Company		Jointly controlled companies	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Sales and services rendered	312	302	17,669	14,006
Other income	13	-	624	1,583
COGS and materials consumed	-	-	(355,001)	(290,114)
External supplies and services	(480)	-	(6,116)	(18,493)
Other expenses	(3)	(1)	(2)	(1)
Dividends received	-	-	-	10,564
Financial income	-	-	515	576
Financial expense	(114)	-	(113)	(131)

	Associated companies		Other related parties	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Sales and services rendered	119,417	94,193	10,241	60,002
Other income	1,958	1,344	5,048	4,940
COGS and materials consumed	(1,163)	-	(1,848)	(1,306)
External supplies and services	(19,551)	(4,676)	(9,674)	(9,532)
Other expenses	(54)	(3)	(25)	(29)
Dividends received	11,988	-	-	-
Financial income	431	419	156	44
Financial expense	(6,273)	(6,515)	(3)	(1)

	Parent Company		Jointly controlled companies	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Other non-current assets	-	-	8,900	1,628
Trade receivables	38	31	1,019	2,929
Other receivables	9	8	5,678	6,187
Trade payables	-	-	(83,542)	(69,606)
Other payables	(553)	-	(365)	(3,890)
Aquisition of tangible assets	-	-	118	2,199
Sales of of tangible assets	-	-	-	(5)
Aquisition of intangible assets	-	-	1	1,021

	Associated companies		Other related parties	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Other non-current assets	8,759	9,889	4	1,178
Trade receivables	20,559	6,595	2,818	17,264
Other receivables	16,116	4,551	2,054	1,280
Trade payables	(4,536)	(1,794)	(896)	(988)
Other payables	(8,408)	(2,870)	(871)	(2,197)
Aquisition of tangible assets	2,698	347	92	1
Sales of of tangible assets	(3)	-	(1)	(22)
Aquisition of intangible assets	812	-	61	-

The related parties include subsidiaries and jointly controlled companies or associated companies of Sierra SGPS, SA, NOS SGPS, SA, Sonae Indústria, SGPS, SA, Sonae Capital, SGPS, SA, and SC Industriais, SA, as well as other shareholders of subsidiaries or jointly controlled companies by Sonae, and other subsidiaries of the parent company Efanor Investimentos, SGPS, SE.

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 2022 and 2021, is composed as follows:

	31 Dec 2022		31 Dec 2021	
	Board of Directors	Strategic Direction	Board of Directors	Strategic Direction
Short-term benefits	2,522	8,796	2,432	9,417
Share-based benefits	837	3,487	835	3,410
	<b>3,359</b>	<b>12,283</b>	<b>3,267</b>	<b>12,827</b>

(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 2022 amounted to 739 thousand euros (801 thousand euros in 2021).

The details of the services provided during the 2022 financial year are as follows:

	31 Dec 2022		31 Dec 2021	
	Board of Directors	Strategic Direction	Board of Directors	Strategic Direction
Statutory Audit and Accounts Certification	592	80.0%	656	81.8%
Other Compliance and Assurance Services	87	11.8%	68	8.5%
Tax Consultancy Services	16	2.1%	57	7.1%
Other Services	45	6.1%	21	2.6%
	<b>739</b>	<b>100.0%</b>	<b>801</b>	<b>100.0%</b>

## 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 2022 and 31 December 2021, are as follows:

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
Sonae - SGPS, S.A.	Maia (Portugal)	HOLDING	HOLDING	HOLDING	HOLDING
<b>MC</b>					
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) Maia (Portugal)	100.00%	75.01%	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%
Closer Look Design, Lda.	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%
Elegone Energias, Lda.	a) Matosinhos (Portugal)	100.00%	75.01%	100.00%	75.01%

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
Farmácia Seleção, 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)	95.31%	71.49%	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%
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%
MCCARE - Serviços de Saúde, S.A.	a) Matosinhos (Portugal)	100.00%	75.01%	100.00%	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); 1) Lugo (Spain)	100.00%	75.01%	-	-
ODACREMSO - Retalho, S.A.	a); 1) Matosinhos (Portugal)	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%



COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
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)	Maia (Portugal)	100.00%	75.01%	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%
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%
So Fish - Atividades Aquícolas e Pesca, Unipessoal Lda.	a); 1)	Matosinhos (Portugal)	100.00%	75.01%	-	-
Soflorin, B.V.	a)	Amsterdam (Netherlands)	100.00%	75.01%	100.00%	75.01%
MC Shared Services, S.A.	a); 2)	Maia (Portugal)	100.00%	75.01%	100.00%	75.01%
MCRETAIL, SGPS, S.A.	a); 3)	Matosinhos (Portugal)	75.01%	75.01%	75.01%	75.01%
IGI Investimentos Gestão Imobiliária, S.A.	a); 4)	Oporto (Portugal)	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); 1)	Matosinhos (Portugal)	100.00%	75.01%	-	-
<b>Worten</b>						
HighDome PCC Limited (Cell Europe)	a)	La Valeta (Malta)	100.00%	100.00%	100.00%	100.00%
Iservices, Lda.	a)	Lisbon (Portugal)	100.00%	100.00%	100.00%	100.00%

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
Satfiel - Serviços de assistência técnica a eletrodomésticos, Lda.	a)	Oporto (Portugal)	100.00%	100.00%	100.00%	100.00%
WAD LAB, S.A.	a); 5)	Matosinhos (Portugal)	-	-	100.00%	100.00%
Worten Canárias, S.L.	a)	Tenerife (Spain)	60.00%	60.00%	60.00%	60.00%
Worten - Equipamento para o Lar, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
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); 1)	Matosinhos (Portugal)	100.00%	100.00%	-	-
Zaask - Plataforma Digital, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
<b>Sierra</b>						
ARP Alverca Retail Park, S.A.	a); 6)	Maia (Portugal)	-	-	100.00%	80.00%
Axnae Spain Holdings, S.L.	a)	Madrid (Spain)	100.00%	90.00%	100.00%	80.00%
BrightCity, S.A.	a)	Maia (Portugal)	100.00%	90.00%	100.00%	80.00%
CCCB Caldas da Rainha - Centro Comercial, S.A.	a)	Maia (Portugal)	100.00%	90.00%	100.00%	80.00%
Coimbrashopping- Centro Comercial, S.A.	a)	Maia (Portugal)	100.00%	45.09%	100.00%	40.08%
Gli Orsi Shopping Centre 1 Srl	a)	Milan (Italy)	100.00%	90.00%	100.00%	80.00%
Iberian Holdings Spain, S.L.	a)	Madrid (Spain)	100.00%	45.09%	100.00%	40.08%
Ioannina Development of Shopping Centres, S.A.	a)	Athens (Greece)	100.00%	90.00%	100.00%	80.00%
La Galleria Srl	a)	Milan (Italy)	80.00%	72.00%	80.00%	64.00%
Living Markets I, S.A.	a)	Oporto (Portugal)	100.00%	90.00%	100.00%	80.00%
Microcom Doi, Srl	a)	Bucharest (Romania)	100.00%	90.00%	100.00%	80.00%
North Tower B.V.	a); 7)	Amsterdam (Netherlands)	100.00%	90.00%	-	-

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
Paracentro - Gestão de Galerias Comerciais, S.A.	a)	Maia (Portugal)	100.00%	90.00%	100.00%	80.00%
Parklake Business Centre Srl	a)	Bucharest (Romania)	100.00%	90.00%	100.00%	80.00%
Parklake Shopping, S.A.	a)	Bucharest (Romania)	100.00%	90.00%	100.00%	80.00%
Parque D. Pedro 1, SARL	a)	Luxembourg	100.00%	90.00%	100.00%	80.00%
Parque de Famalicão - Empreendimentos Imobiliários, S.A.	a); 6)	Maia (Portugal)	-	-	100.00%	80.00%
Plenerg Srl	a)	Bucharest (Romania)	100.00%	90.00%	100.00%	80.00%
Project São João de Deus, S.A.	a); 1)	Oporto (Portugal)	100.00%	90.00%	-	-
Project Sierra 10 B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Project Sierra 11 B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Project Sierra 12 B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Project Sierra 13 B.V.	a); 1)	Amsterdam (Netherlands)	100.00%	90.00%	-	-
Sierra Colombia Holding, S.L.	a); 8)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Project Sierra Four, Srl	a)	Bucharest (Romania)	100.00%	90.00%	100.00%	80.00%
Project Sierra Germany 4 (four) - Shopping Centre, GmbH	a)	Dusseldorf (Germany)	100.00%	90.00%	100.00%	80.00%
River Plaza B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sierragest - Gestão de Fundos, SGOIC, S.A.	a); 9)	Maia (Portugal)	100.00%	90.00%	100.00%	80.00%
Sierra Brazil 1, Sarl	a)	Luxembourg	100.00%	90.00%	100.00%	80.00%
Sierra Colombia Investments, S.A.S.	a)	Bogota (Colombia)	100.00%	90.00%	100.00%	80.00%
Sierra Developments Holding B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sierra Developments, SGPS, S.A.	a)	Maia (Portugal)	100.00%	90.00%	100.00%	80.00%
Sierra Germany GmbH	a)	Dusseldorf (Germany)	100.00%	90.00%	100.00%	80.00%
Sierra GP Limited	a)	Guernsey (United Kingdom)	100.00%	90.00%	100.00%	80.00%

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
Sierra Iberian Assets Holding, S.A.U.	a)	Madrid (Spain)	100.00%	90.00%	100.00%	80.00%
Sierra IG, SGOIC, S.A.	a)	Maia (Portugal)	100.00%	90.00%	100.00%	80.00%
Sierra Investments (Holland) 1 B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sierra Investments (Holland) 2 B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sierra Investments Holdings B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sierra Investments SGPS, S.A.	a)	Maia (Portugal)	100.00%	90.00%	100.00%	80.00%
Sierra Italy Agency Srl	a)	Milan (Italy)	100.00%	90.00%	100.00%	80.00%
Sierra Italy Srl	a)	Milan (Italy)	100.00%	90.00%	100.00%	80.00%
Sierra Management, SGPS, S.A.	a)	Maia (Portugal)	100.00%	90.00%	100.00%	80.00%
Sierra Maroc, SARL	a)	Casablanca (Morocco)	100.00%	90.00%	100.00%	80.00%
Sierra Maroc Services, SARL	a)	Casablanca (Morocco)	100.00%	90.00%	100.00%	80.00%
Project Sierra 14 B.V.	a); 10)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sierra Portugal, S.A.	a)	Lisbon (Portugal)	100.00%	90.00%	100.00%	80.00%
Sierra Real Estate Greece B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sierra Retail Ventures B.V.	a)	Amsterdam (Netherlands)	100.00%	45.09%	100.00%	40.08%
Sierra Romania Shopping Centers Services, SRL	a)	Bucharest (Romania)	100.00%	90.00%	100.00%	80.00%
Sierra Services Holland B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sierra Serviços de Mediação Imobiliária, S.A.	a); 1)	Oporto (Portugal)	100.00%	90.00%	-	-
Sierra Solingen Holding GmbH	a)	Dusseldorf (Germany)	100.00%	90.00%	100.00%	80.00%
Sierra Spain, Shopping Centers Services, S.A.	a)	Madrid (Spain)	100.00%	90.00%	100.00%	80.00%
Sierra Zenata Project B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
Sonae Sierra Brazil Holdings, SARL	a)	Luxembourg	100.00%	90.00%	100.00%	80.00%

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
Sonae Sierra, SGPS, S.A.	a); 11)	Maia (Portugal)	90.00%	90.00%	80.00%	80.00%
SPF - Sierra Portugal, SARL	a)	Luxembourg	100.00%	90.00%	100.00%	80.00%
Torre Norte, S.A.	a); 7)	Maia (Portugal)	100.00%	90.00%	-	-
Weierstadt Shopping B.V.	a)	Amsterdam (Netherlands)	100.00%	90.00%	100.00%	80.00%
<b>Zeitree</b>						
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, S.A.	a)	Vila Nova de Famalicão (Portugal)	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%
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 Logística, S.A.	a); 12)	Maia (Portugal)	-	-	100.00%	100.00%
Losan Rusia	a)	Moscow (Russia)	100.00%	100.00%	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 Canarias	a); 13)	Tenerife (Spain)	-	-	60.00%	60.00%
Salsa DE GmbH	a); 13)	Dusseldorf (Germany)	-	-	100.00%	100.00%
Salsa Distribution USA LLC	a)	New York (EUA)	100.00%	100.00%	100.00%	100.00%
Salsa France, S.A.R.L.	a)	Paris (França)	100.00%	100.00%	100.00%	100.00%

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
Salsa Jeans Ireland Limited	a); 1)	Ireland	100.00%	100.00%	-	-
Salsa Luxembourg, Sarl	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 Difusion de Vestuario, S.A.U.	a)	Pontevedra (Spain)	100.00%	100.00%	100.00%	100.00%
Usebti Textil 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%
Zippy - Comercio Y Distribución, S.A.	a); 14)	Madrid (Spain)	-	-	100.00%	100.00%
<b>Bright Pixel</b>						
Bright Development Studio, S.A.	a)	Lisbon (Portugal)	100.00%	90.17%	100.00%	89.97%
Bright Ventures Capital SCR, S.A.	a)	Lisbon (Portugal)	100.00%	90.17%	100.00%	89.97%
Fundo Bright Tech Innovation I	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Excellium Group, S.A.	a); 6)	Contem (Luxembourg)	-	-	59.20%	53.26%
Excellium Services, S.A.	a); 6)	Contem (Luxembourg)	-	-	100.00%	53.26%
Excellium Services Belgium, S.A.	a); 6)	Wavre (Belgium)	-	-	100.00%	53.26%
Fundo Bright Vector I	a)	Lisbon (Portugal)	50.13%	45.20%	50.13%	45.10%
Inovretail, S.A.	a)	Oporto (Portugal)	100.00%	90.17%	100.00%	89.97%
Inovretail España, S.L.	a)	Madrid (Spain)	100.00%	90.17%	100.00%	89.97%
Maxive-Cyber Security, SGPS, S.A.	a); 6)	Maia (Portugal)	-	-	100.00%	89.97%
Praesidium Services Limited	a)	Berkshire (United Kingdom)	100.00%	90.17%	100.00%	89.97%
S21Sec Portugal - Cybersecurity Services, S.A.	a); 6)	Maia (Portugal)	-	-	100.00%	72.78%
Grupo S21Sec Gestion, SAU	a); 6)	Navarra (Spain)	-	-	80.90%	72.78%
S21 Sec Information Security Labs, S.L.U.	a); 6)	Navarra (Spain)	-	-	100.00%	72.78%

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
Sonaeacom - Serviços Partilhados, S.A.	a)	Maia (Portugal)	100.00%	90.17%	100.00%	89.97%
Sonaeacom, SGPS, S.A.	a); 15)	Maia (Portugal)	90.35%	90.17%	90.15%	89.97%
Sonae Investment Management -Software and Technology, SGPS, S.A.	a)	Maia (Portugal)	100.00%	90.17%	100.00%	89.97%
<b>Univero</b>						
Univero, GC, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Univero IME, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Univero Sonae, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
<b>Outros</b>						
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%	95.40%	95.40%
Fundo de Investimento Imobiliário Fechado Imosedo	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Gosh! Food Limited	a)	Norfolk (United Kingdom)	100.00%	95.40%	100.00%	95.40%
Gosh! Food Ireland Limited	a)	Irlanda	100.00%	95.40%	100.00%	95.40%
Halfdozen Real Estate, S.A.	a)	Maia (Portugal)	100.00%	100.00%	100.00%	100.00%
Libra Serviços, Lda.	a); 13)	Funchal (Portugal)	-	-	100.00%	100.00%
MKTPLACE - Comércio Eletrónico, S.A.	a); 7)	Oporto (Portugal)	100.00%	100.00%	-	-
PCJ-Público, Comunicação e Jornalismo, S.A.	a)	Maia (Portugal)	100.00%	89.97%	100.00%	89.97%
Público - Comunicação Social, S.A.	a)	Oporto (Portugal)	100.00%	89.97%	100.00%	89.97%
Sesagest - Proj.Gestão Imobiliária, S.A.	a)	Oporto (Portugal)	100.00%	100.00%	100.00%	100.00%
Sonae Corporate, S.A.	a)	Matosinhos (Portugal)	100.00%	100.00%	100.00%	100.00%
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%

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
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, S.A.	a); 16)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
WAD LAB, S.A.	a); 5)	Matosinhos (Portugal)	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(ies) incorporated during the year;
- 2) Formerly known as Sonae MC - Serviços Partilhados, S.A.;
- 3) Formerly known as Sonae MC, SGPS, S.A.;
- 4) Formerly known as Sonaerp - Retail Properties, S.A.;
- 5) Subsidiary sold by Worten - Equipamento para o Lar, S.A. to Sparkfood, S.A.;
- 6) Subsidiary(ies) sold during the year;
- 7) During 2022, the Group acquired the remaining 50% of the jointly controlled entities passing the consolidation method to the full consolidation method;
- 8) Formerly known as Project Sierra Cúcuta, B.V.;
- 9) Formerly known as SFS - Gestão e Fundos, SGOIC, S.A.;
- 10) Formerly known as Sierra Parma Project, B.V.;
- 11) In March 2022, the Group acquired an additional 10% stake in the subsidiary Sonae Sierra, SGPS, S.A.;
- 12) Subsidiary merged into Comercial Losan, S.L.U. with effects since 1 January 2022;
- 13) Subsidiary(ies) liquidated in the year;
- 14) Subsidiary merged into Zippy - Comércio e Distribuição, S.A. with effect from 1 January 2022;
- 15) In December 2022, the Group acquired shares representing approximately 0.20% of the share capital of Sonaeacom, SGPS, S.A.;
- 16) Formerly named Sonae Food4future, S.A. These entities are consolidated using the full consolidation method.

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 2022 and 31 December 2021 are as follows:

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
<b>MC</b>					
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%
<b>Sierra</b>					
Aegean Park Constructions Real Estate and Development, S.A.	Athens (Greece)	100.00%	45.00%	100.00%	40.00%
Arrábidashopping, SICAFI, S.A.	1) Maia (Portugal)	100.00%	45.09%	100.00%	20.04%
Gaiashopping, SICAFI, S.A.	2) Maia (Portugal)	100.00%	45.09%	100.00%	20.04%
Gaiashopping II - Centro Comercial, S.A.	3) Maia (Portugal)	-	-	100.00%	20.04%
Larissa Development of Shopping Centres, S.A.	Athens (Greece)	100.00%	45.00%	100.00%	40.00%
LMIT - Innovation & Technology, Lda.	Lisbon (Portugal)	100.00%	45.00%	100.00%	40.00%
LMGE - Gestão de Edifícios Lda.	Lisbon (Portugal)	100.00%	45.00%	100.00%	40.00%
LMSA - Engenharia de Edifícios, S.A.	Lisbon (Portugal)	100.00%	45.00%	100.00%	40.00%
Madeirashopping - Centro Comercial, S.A.	Funchal (Portugal)	50.00%	22.55%	50.00%	20.04%
Nova Centralidade - Sociedade de Desenvolvimento Imobiliário, S.A.	4); 5) Oporto (Portugal)	-	-	-	-
North Tower B.V.	6) Amsterdam (Netherlands)	-	-	50.00%	20.04%
Pantheon Plaza B.V.	Amsterdam (Netherlands)	50.00%	45.00%	50.00%	40.00%
Park Avenue Development of Shopping Centers, S.A.	Athens (Greece)	50.00%	45.00%	50.00%	40.00%
Parque Atlântico Shopping - Centro Comercial, S.A.	Ponta Delgada (Portugal)	50.00%	22.55%	50.00%	20.04%
Proyecto Cúcuta S.A.S.	Santiago de Cali (Colombia)	50.00%	45.00%	50.00%	40.00%
Quinta da Foz - Empreendimentos Imobiliários, S.A.	4) Oporto (Portugal)	49.76%	44.78%	-	-

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
SC Aegean, B.V.	Amsterdam (Netherlands)	50.00%	45.00%	50.00%	40.00%
Sierra Balmain Asset Management Spółka Z ograniczoną odpowiedzialności	Warsaw (Poland)	50.00%	45.00%	50.00%	40.00%
Sierra Balmain Property Management Spółka z ograniczoną odpowiedzialnością	Warsaw (Poland)	100.00%	45.00%	100.00%	40.00%
Sierra Central, S.A.S.	Santiago de Cali (Colombia)	50.00%	45.00%	50.00%	40.00%
LMSI - Engineering S.A.	7) Lisbon (Portugal)	50.00%	45.00%	50.00%	40.00%
Torre Norte, S.A.	6) Maia (Portugal)	-	-	50.00%	20.04%
Via Catarina - Centro Comercial, S.A.	Maia (Portugal)	50.00%	22.55%	50.00%	20.04%
Visionarea, Promoção Imobiliária, S.A.	4) Maia (Portugal)	50.00%	45.00%	-	-
<b>Universo</b>					
838 Soluções, Ltda	8) São Paulo (Brazil)	-	-	51.00%	25.50%
Accive Insurance – Corretor de Seguros, S.A.	8) Oporto (Portugal)	-	-	80.00%	40.00%
Bens Consultoria Ltda	8) Rio de Janeiro (Brazil)	-	-	100.00%	50.00%
Brokerslink Management AG	8) Zug (Switzerland)	-	-	20.00%	10.00%
BUZZEE Insure, Lda.	8) Oporto (Portugal)	-	-	70.00%	35.00%
Duobens – Corretora de Seguros Ltda	8) Rio de Janeiro (Brazil)	-	-	100.00%	50.00%
Filhet Allard EspañaCorreduria de Seguros S.L.	8) Madrid (Spain)	-	-	35.00%	17.50%
Gracinda e Graça – Mediação de Seguros, Lda.	8) Ourém (Portugal)	-	-	100.00%	50.00%
RCG – Risk, Consulting Group Ltda	8) Santa Catarina (Brazil)	-	-	100.00%	50.00%
RCG – Risk, Consulting Group, S.A.	8) Maia (Portugal)	-	-	100.00%	50.00%
HighDome PCC Limited	8) La Valeta (Malta)	-	-	100.00%	50.00%
Iberosegur – Sociedade Ibérica de Mediação de Seguros, Lda.	8) Oporto (Portugal)	-	-	60.00%	30.00%
MDS Insurance – Corretora de seguros e resseguros, S.A.	8) Lisbon (Portugal)	-	-	50.00%	25.00%



COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
Larim Corretora de Resseguros Ltda	8)	Rio de Janeiro (Brazil)	-	-	99.99%	50.00%
Lazam/mds Correctora Ltda	8)	São Paulo (Brazil)	-	-	100.00%	50.00%
MDS África, SGPS, S.A.	8)	Oporto (Portugal)	-	-	100.00%	50.00%
MDS - Corretor de Seguros, S.A.	8)	Oporto (Portugal)	-	-	100.00%	50.00%
MDS Auto - Mediação de Seguros, S.A.	8)	Oporto (Portugal)	-	-	50.00%	25.00%
MDS Link Solutions, Lda.	8)	Oporto (Portugal)	-	-	50.02%	25.01%
MDS Malta Holding Limited	8)	La Valeta (Malta)	-	-	100.00%	50.00%
MDS MG Corretora e Administradora de Seguros, Ltda	8)	Minas Gerais (Brazil)	-	-	100.00%	25.00%
MDS Partners Corretor de Seguros, S.A.	8)	Oporto (Portugal)	-	-	100.00%	50.00%
MDS RE - Mediador de resseguros, SGPS, S.A.	8)	Oporto (Portugal)	-	-	100.00%	25.00%
MDS, SGPS, S.A.	8)	Maiã (Portugal)	-	-	50.00%	25.00%
Media Mais - Mediação de Seguros, Lda.	8)	Marinha Grande (Portugal)	-	-	50.00%	32.50%
Moneris Correctores de Seguros Limitada	8)	Maputo (Mozambique)	-	-	50.00%	25.00%
Moneris, Seguros - Mediação de Seguros, Lda.	8)	Oeiras (Portugal)	-	-	60.00%	30.00%
Process Assessoria e Corretora Seg., Ltda	8)	São Paulo (Brazil)	-	-	100.00%	50.00%
QH - Consultoria e Corretagem de Seguros, Ltda	8)	São Paulo (Brazil)	-	-	100.00%	50.00%
Reinsurance Solutions, Soc. Corretora de Resseguros, S.A.	8)	Luanda (Angola)	-	-	66.66%	33.33%
Segurtime - Mediação de Seguros, Lda.	8)	Porto Mós (Portugal)	-	-	100.00%	50.00%
Win Broker, S.A.	8)	Oporto (Portugal)	-	-	60.00%	30.00%
<b>NOS</b>						
Big Picture 2 Films, S.A.	11)	Oeiras (Portugal)	-	-	20.00%	6.17%
Big Picture Films, S.L.	11)	Madrid (Spain)	-	-	100.00%	6.17%

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
Dreamia Holding B.V.	9)	Amsterdam (Netherlands)	-	-	50.00%	15.42%
Dreamia Serviços de Televisão, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	15.42%
Dreamia Servicios de Televisión, S.L.	11)	Madrid (Spain)	-	-	50.00%	15.42%
Dualgrid - Gestão de Redes Partilhas, S.A.	11)	Lisbon (Portugal)	-	-	50.00%	30.84%
Empracine - Empresa Promotora de Atividades Cinematográficas, Lda.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
FINSTAR - Sociedade de Investimentos e Participações, S.A.	11)	Luanda (Angola)	-	-	30.00%	9.25%
Fundo de Capital de Risco NOS 5G	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
Lusomundo - Sociedade de Investimentos Imobiliários, SGPS, S.A.	11)	Lisbon (Portugal)	-	-	99.87%	30.80%
Lusomundo Imobiliária 2, S.A.	11)	Lisbon (Portugal)	-	-	99.87%	30.80%
Lusomundo Moçambique, Lda.	11)	Maputo (Mozambique)	-	-	100.00%	30.84%
MSTAR, S.A.	11)	Maputo (Mozambique)	-	-	30.00%	9.25%
NOS Açores Comunicações, S.A.	11)	Ponta Delgada (Portugal)	-	-	83.82%	25.85%
NOS Audio - Sales & Distribution, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
NOS Audiovisuais SGPS, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
NOS Comunicações, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
NOS Corporate Center, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
NOS Inovação, S.A.	11)	Matosinhos (Portugal)	-	-	100.00%	30.84%
NOS Internacional, SGPS, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
NOS Lusomundo Audiovisuais, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
NOS Lusomundo Cinemas, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
NOS Mediação de Seguros, S.A.	11)	Lisbon (Portugal)	-	-	100.00%	30.84%
NOS Madeira Comunicações, S.A.	11)	Funchal (Portugal)	-	-	77.95%	24.04%

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
NOS Property, S.A.	11) Lisbon (Portugal)	-	-	100.00%	30.84%
NOS SGPS, S.A.	11) Lisbon (Portugal)	-	-	59.53%	30.84%
NOS Sistemas España, S.L.	11) Madrid (Spain)	-	-	100.00%	30.84%
NOS Sistemas, S.A.	11) Maia (Portugal)	-	-	100.00%	30.84%
NOS Technology – Conceção Construção e Gestão de Redes de Comunicação, S.A.	11) Matosinhos (Portugal)	-	-	100.00%	30.84%
NOS Wholesale, S.A.	11) Lisbon (Portugal)	-	-	100.00%	30.84%
Per-Mar – Sociedade de Construções, S.A.	11) Maia (Portugal)	-	-	100.00%	30.84%
Sontária – Empreendimentos Imobiliários, S.A.	11) Maia (Portugal)	-	-	100.00%	30.84%
Sport TV Portugal, S.A.	11) Lisbon (Portugal)	-	-	25.00%	7.71%
Teliz Holding, B.V.	11) Amstelveen (Netherlands)	-	-	100.00%	30.84%
Upstar Comunicações, S.A.	11) Vendas Novas (Portugal)	-	-	30.00%	9.25%
ZAP Media, S.A.	11) Luanda (Angola)	-	-	100.00%	9.25%
ZOPT, SGPS, S.A.	10) Oporto (Portugal)	-	-	50.00%	44.99%
<b>Outros</b>					
MKTPLACE – Comércio Eletrónico, S.A.	6) Oporto (Portugal)	-	-	50.00%	50.00%
Unipress – Centro Gráfico, Lda.	Vila Nova de Gaia (Portugal)	50.00%	45.09%	50.00%	44.99%
SIRS – Sociedade Independente de Radiodifusão Sonora, S.A.	Oporto (Portugal)	50.00%	45.09%	50.00%	44.99%

\*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) Formerly known as Arrábidashopping - Centro Comercial, S.A.;
- 2) Formerly known as Gaiashopping I - Centro Comercial, S.A.;
- 3) Joint Venture(s) merged into Gaiashopping - SICAFI, S.A.;
- 4) Joint Venture(s) acquired during the year;
- 5) Joint Venture(s) merged into Quinta da Foz - Empreendimentos Imobiliários, S.A. in the financial year;
- 6) During 2022, the Group acquired the remaining 50% of the jointly controlled entities passing the consolidation method to the full consolidation method;
- 7) Formerly known as Sierra LM, SGPS, S.A.;
- 8) Joint venture(s) sold during the year
- 9) Joint venture merged into Dreamia Servicios de Televisión, S.L.;
- 10) In 2022, Sonaecom terminated the partnership agreement that governed the relations between the shareholders of ZOPT, SGPS, S.A.. It was decided to redeem Sonaecom's stake in that company in exchange for shares representing 26.075% of the share capital of NOS, SGPS, S.A..
- 11) As a result of what was described in the previous point, the Group now exercises significant influence over NOS, and in accordance with IAS 28, the investments over this company were transferred from joint ventures to associated companies;

### Associated companies

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
<b>MC</b>					
Sempre a Postos – Produtos Alimentares e Utilidades, Lda.	Lisbon (Portugal)	25.00%	18.75%	25.00%	18.75%
Inско - Insular de Hipermercados, S.A.	1) Ponta Delgada (Portugal)	10.00%	7.50%	-	-
Sportessence - Sport Retail, S.A.	1) Ponta Delgada (Portugal)	10.00%	7.50%	-	-
<b>Sierra</b>					
3shoppings - Holding, SGPS, S.A.	Maia (Portugal)	20.00%	18.00%	20.00%	16.00%
Aliansce Sonae Shopping Centers, S.A.	2) Brazil	8.84%	7.96%	7.03%	5.62%
Area Sur Shopping, S.L.	Madrid (Spain)	15.00%	13.50%	15.00%	12.00%
Arrábidasshopping, SICAFI, S.A.	3) Maia (Portugal)	50.00%	11.44%	50.00%	9.00%
Atrium BIRE, SIGI, S.A.	4) Maia (Portugal)	3.75%	3.38%	-	-
Candotal Spain S.L.U.	Madrid (Spain)	100.00%	9.00%	100.00%	8.00%
Cascashopping, Centro Comercial, S.A.	Maia (Portugal)	100.00%	22.59%	100.00%	20.08%
Centro Colombo- Centro Comercial, S.A.	Maia (Portugal)	100.00%	11.30%	100.00%	10.05%
Centro Vasco da Gama - Centro Comercial, S.A.	Maia (Portugal)	100.00%	11.30%	100.00%	10.05%
Doc Malaga Holdings S.L.	Madrid (Spain)	50.00%	11.30%	50.00%	20.08%
DOC Malaga Siteco Phase 2, S.L.	Madrid (Spain)	100.00%	11.30%	100.00%	10.05%
DOC Malaga Siteco, S.L.U.	Madrid (Spain)	100.00%	11.30%	100.00%	10.05%
Douro Riverside Hotel, S.A.	4) Maia (Portugal)	37.50%	33.75%	-	-
Estação Viana - Centro Comercial, S.A.	Viana do Castelo (Portugal)	100.00%	9.00%	100.00%	8.00%
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	Rio de Janeiro (Brazil)	58.07%	11.16%	58.07%	8.90%
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Rio de Janeiro (Brazil)	100.00%	33.66%	100.00%	28.94%

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
Gaiashopping, SICAFI, S.A.	5) Maia (Portugal)	50.00%	33.98%	50.00%	9.00%
Gaiashopping II - Centro Comercial, S.A.	6) Maia (Portugal)	-	-	100.00%	9.00%
Guimarãesshopping - Centro Comercial, S.A.	Maia (Portugal)	100.00%	18.00%	100.00%	16.00%
Iberia Shopping Centre Venture Cooperatief UA	Amsterdam (Netherlands)	10.00%	9.00%	10.00%	8.00%
Iberian Assets, S.A.	Madrid (Spain)	100.00%	11.16%	100.00%	9.92%
Imosal Imobiliária do Saldanha, SICAFI, S.A.	4) Maia (Portugal)	100.00%	3.38%	-	-
Investabroad 5, S.A.	4) Maia (Portugal)	100.00%	4.62%	-	-
Land Retail B.V.	Amsterdam (Netherlands)	100.00%	22.59%	100.00%	20.08%
Le Terrazze – Shopping Centre 1, Srl	Milan (Italy)	10.00%	9.00%	10.00%	8.00%
Luz del Tajo - Centro Comercial, S.A.	Madrid (Spain)	100.00%	9.00%	100.00%	8.00%
Maiashopping - Centro Comercial, S.A.	Maia (Portugal)	100.00%	18.00%	100.00%	16.00%
Mercado Urbano – Gestão Imobiliária, S.A.	Oporto (Portugal)	20.00%	18.00%	20.00%	16.00%
Norte Shopping Retail and Leisure Centre B.V.	Amsterdam (Netherlands)	50.00%	11.30%	50.00%	10.05%
Norteshopping- Centro Comercial, S.A.	Maia (Portugal)	100.00%	11.30%	100.00%	10.05%
Olimpo Asset 1, S.A.	Maia (Portugal)	100.00%	3.38%	100.00%	3.01%
Olimpo Asset 2, S.A.	Maia (Portugal)	100.00%	3.38%	100.00%	3.01%
Olimpo Asset 3, S.A.	Maia (Portugal)	100.00%	3.38%	100.00%	3.01%
Olimpo Asset 4, S.A.	Maia (Portugal)	100.00%	3.38%	100.00%	3.01%
Olimpo Asset 5, S.A.	Maia (Portugal)	100.00%	3.38%	100.00%	3.01%
Olimpo Asset 6, S.A.	Maia (Portugal)	100.00%	3.38%	100.00%	3.01%
Olimpo Asset 7, S.A.	Maia (Portugal)	100.00%	3.38%	100.00%	3.01%
Olimpo Asset 8, S.A.	Maia (Portugal)	100.00%	3.38%	100.00%	3.01%

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
Olimpo Real Estate SIGI, S.A.	Maia (Portugal)	5.13%	4.62%	5.13%	3.01%
Olimpo Real Estate Socimi, S.A.	Madrid (Spain)	3.75%	3.38%	3.75%	3.01%
Olimpo SIGI España, S.A.	Madrid (Spain)	100.00%	4.62%	100.00%	3.01%
Plaza Mayor, B.V.	7) Amsterdam (Netherlands)	100.00%	22.59%	100.00%	20.08%
Plaza Mayor Shopping, S.A.	Madrid (Spain)	100.00%	22.59%	100.00%	20.08%
Serra Shopping – Centro Comercial, S.A.	Lisbon (Portugal)	5.00%	4.50%	5.00%	3.50%
Shopping Centre Colombo Holding B.V.	Amsterdam (Netherlands)	50.00%	11.30%	50.00%	10.05%
Shopping Centre Colombo Holding B.V.	Amsterdam (Netherlands)	25.10%	22.59%	25.10%	20.08%
Sierra Spain Malaga Holdings, S.L.	Madrid (Spain)	100.00%	22.59%	100.00%	20.08%
Signal Alpha Republica I, S.A.	Lisbon (Portugal)	5.00%	1.13%	5.00%	1.00%
Signal Alpha Republica II, Lda.	Lisbon (Portugal)	5.00%	1.13%	5.00%	1.00%
SPF - Sierra Portugal Feeder 1, S.C.A.	Luxembourg	7.45%	6.71%	7.45%	5.97%
SPF - Sierra Portugal Feeder 2, S.C.A.	Luxembourg	100.00%	6.71%	100.00%	5.97%
SPF - Sierra Portugal Real Estate, SARL	Luxembourg	61.67%	22.88%	61.67%	20.33%
Trivium Real Estate Socimi, S.A.	Madrid (Spain)	12.40%	11.16%	12.40%	9.92%
VdG Holding B.V.	Amsterdam (Netherlands)	50.00%	11.30%	50.00%	10.05%
Zenata Commercial Project, S.A.	Mohammedia (Morocco)	11.00%	9.90%	11.00%	8.30%
<b>Bright Pixel</b>					
Alfaros SARL	8) Tunisia	-	-	40.00%	21.30%
Fundo de Capital de Risco Amilar Venture Partners II	Lisbon (Portugal)	47.78%	43.08%	44.33%	39.88%
Fundo de Capital de Risco Amilar Venture Partners III	Lisbon (Portugal)	45.52%	41.05%	42.80%	38.51%
Fundo de Capital de Risco Espírito Santo Venture Partners Inovação e Internacionalização	Lisbon (Portugal)	38.25%	34.49%	38.25%	34.41%

COMPANY	Head Office	Percentage of capital held			
		31 Dec 2022		31 Dec 2021	
		Direct*	Total*	Direct*	Total*
Probe.Jy	1) Lisbon (Portugal)	-	-	17.07%	15.36%
Suricate Solutions	8) Luxembourg	-	-	20.00%	10.65%
<b>NOS</b>					
Big Picture 2 Films, S.A.	9) Oeiras (Portugal)	20.00%	6.75%	-	-
Big Picture Films, S.L.	9) Madrid (Spain)	100.00%	6.75%	-	-
Dreamia Serviços de Televisão, S.A.	9) Lisbon (Portugal)	100.00%	16.88%	-	-
Dreamia Servicios de Televisión, S.L.	9) Madrid (Spain)	50.00%	16.88%	-	-
Dualgrid - Gestão de Redes Partilhas, S.A.	9) Lisbon (Portugal)	50.00%	16.88%	-	-
Empracine – Empresa Promotora de Atividades Cinematográficas, Lda.	9) Lisbon (Portugal)	100.00%	33.76%	-	-
FINSTAR – Sociedade de Investimentos e Participações, S.A.	9) Luanda (Angola)	30.00%	10.13%	-	-
Fundo de Capital de Risco NOS 5G	9) Lisbon (Portugal)	100.00%	33.76%	-	-
Lusomundo – Sociedade de Investimentos Imobiliários, SGPS, S.A.	9) Lisbon (Portugal)	100.00%	33.76%	-	-
Lusomundo Imobiliária 2, S.A.	9) Lisbon (Portugal)	100.00%	33.76%	-	-
Lusomundo Moçambique, Lda.	9) Maputo (Mozambique)	100.00%	33.76%	-	-
MSTAR, S.A.	9) Maputo (Mozambique)	30.00%	10.13%	-	-
NOS Açores Comunicações, S.A.	9) Ponta Delgada (Portugal)	83.82%	28.30%	-	-
NOS Audio - Sales & Distribution, S.A.	9) Lisbon (Portugal)	100.00%	33.76%	-	-
NOS Audiovisuais SGPS, S.A.	9) Lisbon (Portugal)	100.00%	33.76%	-	-
NOS Comunicações, S.A.	9) Lisbon (Portugal)	100.00%	33.76%	-	-
NOS Corporate Center, S.A.	9) Lisbon (Portugal)	100.00%	33.76%	-	-
NOS Inovação, S.A.	9) Matosinhos (Portugal)	100.00%	33.76%	-	-
NOS Internacional, SGPS, S.A.	9) Lisbon (Portugal)	100.00%	33.76%	-	-

COMPANY	Head Office	Percentage of capital held				
		31 Dec 2022		31 Dec 2021		
		Direct*	Total*	Direct*	Total*	
NOS Lusomundo Audiovisuais, S.A.	9)	Lisbon (Portugal)	100.00%	33.76%	-	-
NOS Lusomundo Cinemas, S.A.	9)	Lisbon (Portugal)	100.00%	33.76%	-	-
NOS Mediação de Seguros, S.A.	9)	Lisbon (Portugal)	100.00%	33.76%	-	-
NOS Madeira Comunicações, S.A.	9)	Funchal (Portugal)	77.95%	26.32%	-	-
NOS Property, S.A.	9)	Lisbon (Portugal)	100.00%	33.76%	-	-
NOS SGPS, S.A.	9); 10)	Lisbon (Portugal)	37.45%	33.76%	-	-
NOS Sistemas España, S.L.	9)	Madrid (Spain)	100.00%	33.76%	-	-
NOS Sistemas, S.A.	9)	Maia (Portugal)	100.00%	33.76%	-	-
NOS Technology – Conceção Construção e Gestão de Redes de Comunicação, S.A.	9)	Matosinhos (Portugal)	100.00%	33.76%	-	-
NOS Wholesale, S.A.	9)	Lisbon (Portugal)	100.00%	33.76%	-	-
Per-Mar – Sociedade de Construções, S.A.	9)	Maia (Portugal)	100.00%	33.76%	-	-
Sontária – Empreendimentos Imobiliários, S.A.	9)	Maia (Portugal)	100.00%	33.76%	-	-
Sport TV Portugal, S.A.	9)	Lisbon (Portugal)	25.00%	8.44%	-	-
Teliz Holding, B.V.	9)	Amstelveen (Netherlands)	100.00%	33.76%	-	-
Upstar Comunicações, S.A.	9)	Vendas Novas (Portugal)	30.00%	10.13%	-	-
ZAP Media, S.A.	9)	Luanda (Angola)	100.00%	10.13%	-	-
ISRG - Iberian Sports Retail Group, S.L.		Alicante (Spain)	30.00%	30.00%	30.00%	30.00%
<b>Outros</b>						
Mondarella GmbH	4)	Berlin (Germany)	40.00%	40.00%	-	-

\* 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) Change in the consolidation method of the associated company(ies).
- 2) Shares representing approximately 0.5374% of the share capital of Aliansce Sonae Shopping Centers, S.A. were acquired in October 2022;
- 3) Formerly named Arrábidashopping - Centro Comercial, S.A.;
- 4) Company acquired in the year;
- 5) Formerly named Gaiashopping I - Centro Comercial, S.A.;
- 6) Company merged in the year into Gaiashopping - SICAFI, S.A.;
- 7) Formerly known as Plaza Mayor Parque de Ócio, B.V.;
- 8) Company sold during the year;
- 9) Investments transferred from joint ventures to associated companies;
- 10) During October and November 2022, the Group acquired shares representing approximately 0.59% of the share capital of NOS, SGPS, S.A..

The joint ventures and associated companies were included in the consolidation by the equity method.



# Separate Financial Statements

## SEPARATE INCOME STATEMENT FOR THE PERIODS ENDED 31 DECEMBER OF 2022 AND 2021

(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 2022	31 Dec 2021
Services rendered	6.1	6,685	6,629
Gains and losses on investments	2.4	(25,298)	314,746
Other income		1,758	1,582
External supplies and services	6.2	(9,342)	(15,976)
Employee benefits expense	6.3	(9,940)	(8,349)
Other expenses		(1,169)	(1,007)
Depreciation and amortisation expenses		(251)	(243)
Impairment losses		(24)	-
<b>Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax</b>		<b>(37,581)</b>	<b>297,382</b>
Dividends received		174,517	70,692
Financial income	5.9	5,345	2,338
Financial expense	5.9	(13,627)	(14,765)
<b>Profit/(Loss) before taxation</b>		<b>128,654</b>	<b>355,647</b>
Income tax expense	3.8	3,562	6,993
<b>Profit/(Loss) for the period</b>		<b>132,216</b>	<b>362,640</b>
<b>Earning per share</b>			
Basic	5.5	0.06891	0.18333
Diluted	5.5	0.06881	0.18314

The accompanying notes are part of these separate financial statements.

## SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER OF 2022 AND 2021

(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 2022	31 Dec 2021
Net Profit / (Loss) for the period		132,216	362,640
Changes value of financial assets at fair value net of taxes	2.2.1	(5,799)	22,515
<b>Items from other comprehensive income that were reclassified to the income statement</b>		<b>(5,799)</b>	<b>22,515</b>
<b>Total other comprehensive income for the period</b>		<b>(5,799)</b>	<b>22,515</b>
<b>Total comprehensive income for the period</b>		<b>126,417</b>	<b>385,155</b>

The accompanying notes are part of these separate financial statements.

**SEPARATE STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER OF 2022 AND 2021**

(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 2022	31 Dec 2021
<b>Assets</b>			
<b>Non-current assets:</b>			
Property, plant and equipment		307	203
Intangible assets		29	2
Right of use assets		429	547
Investments in subsidiaries, associates and joint ventures	2.1	4,748,955	4,482,354
Assets at fair value through profit or loss	4.3	11,218	3,000
Assets at fair value through other comprehensive income	2.2	-	129,580
Other investments		50	50
Deferred tax assets	3.8.2	15,670	10,058
Other non-current assets	3.4 and 4.3	23	33,712
<b>Total Non-Current Assets</b>		<b>4,776,681</b>	<b>4,659,506</b>
<b>Current assets:</b>			
Trade receivables	3.1 and 4.3	1,723	1,437
Other receivables	3.2 and 4.3	445,775	174,470
Income tax assets		15,476	8,110
Other current assets	3.3 and 4.3	4,090	2,699
Cash and bank balances	4.3 and 5.8	3,690	26,240
<b>Total Current Assets</b>		<b>470,754</b>	<b>212,956</b>
<b>Total Assets</b>		<b>5,247,435</b>	<b>4,872,462</b>

The accompanying notes are part of these separate financial statements.

**SEPARATE STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER OF 2022 AND 2021**

(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 2022	31 Dec 2021
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	5.1	2,000,000	2,000,000
Own shares	5.2	(71,402)	(76,249)
Legal reserve	5.3	299,348	281,216
Other reserve	5.4	1,563,815	1,321,694
Retained earnings		100,985	101,167
Profit/(Loss) for the period		132,216	362,640
<b>Total Equity</b>		<b>4,024,962</b>	<b>3,990,468</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bonds	4.3 and 5.6	32,830	11,930
Loans	4.3 and 5.6	354,891	294,824
Lease liabilities		277	347
Deferred tax liabilities	3.8.2	97	123
<b>Total Non-Current Liabilities</b>		<b>388,095</b>	<b>307,224</b>
<b>Current liabilities:</b>			
Bonds	4.3 and 5.6	4,000	8,000
Loans	4.3 and 5.6	45,000	177,600
Lease liabilities		154	202
Trade payables	4.3	1,446	1,466
Loans obtained from group companies	3.5 and 4.3	734,611	340,790
Other payables	3.5 and 4.3	38,755	40,514
Other tax liabilities		269	505
Other current liabilities	3.7 and 4.3	10,143	5,693
<b>Total Current Liabilities</b>		<b>834,378</b>	<b>574,770</b>
<b>Total Liabilities</b>		<b>1,222,473</b>	<b>881,994</b>
<b>Total Equity and Liabilities</b>		<b>5,247,435</b>	<b>4,872,462</b>

The accompanying notes are part of these separate financial statements.

**SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER OF 2022 AND 2021**

(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	Investments Fair Value Reserve	Share based payments reserve	Unavailable reserves related to own shares	Free Reserves	Retained Earnings	Total Reserves and Retained Earnings	Net Profit/(Loss)	Total
<b>Balance as at 1 January 2021</b>		<b>2,000,000</b>	-	<b>277,452</b>	<b>(27,816)</b>	<b>1,404</b>	-	<b>1,350,712</b>	<b>101,426</b>	<b>1,425,726</b>	<b>75,265</b>	<b>3,778,443</b>
Total comprehensive income for the period		-	-	-	22,515	-	-	-	-	22,515	362,640	385,155
Appropriation of net profit of 2020												
Transfer to legal reserves		-	-	3,764	-	-	-	-	-	-	(3,764)	-
Transfer to free reserves		-	-	-	-	-	-	(25,698)	-	(25,698)	-	(25,698)
Dividends distributed		-	-	-	-	-	-	-	-	-	(71,502)	(71,502)
Own share acquisition		-	(76,249)	-	-	-	76,249	(76,249)	-	-	-	(76,249)
Other changes:												
Medium and long-term variable remuneration policy - reclassification of equity to liabilities		-	-	-	-	-	-	-	(259)	(259)	-	(259)
Share-based payments		-	-	-	-	63	-	515	-	578	-	578
<b>Balance as at 31 December 2021</b>		<b>2,000,000</b>	<b>(76,249)</b>	<b>281,216</b>	<b>(5,301)</b>	<b>1,467</b>	<b>76,249</b>	<b>1,249,280</b>	<b>101,167</b>	<b>1,422,862</b>	<b>362,639</b>	<b>3,990,468</b>
Total comprehensive income for the period		-	-	-	(5,799)	-	-	-	-	(5,799)	132,216	126,417
Appropriation of net profit of 2021												
Transfer to free reserves		-	-	-	-	-	-	242,308	-	242,308	(242,308)	-
Transfer to legal reserves		-	-	18,132	-	-	-	-	-	-	(18,132)	-
Dividends distributed		-	-	-	-	-	-	-	-	-	(102,200)	(102,200)
Own share disposal	5.2	-	3,612	-	-	-	(4,665)	8,739	-	4,074	-	7,686
Other changes:												
Medium and long-term variable remuneration policy - reclassification of equity to liabilities	6.4	-	-	-	-	-	-	-	(182)	(182)	-	(182)
Share-based payments	6.4	-	1,235	-	-	946	(182)	773	-	1,537	-	2,772
<b>Balance as at 31 December 2022</b>		<b>2,000,000</b>	<b>(71,402)</b>	<b>299,348</b>	<b>(11,100)</b>	<b>2,413</b>	<b>71,402</b>	<b>1,501,100</b>	<b>100,985</b>	<b>1,664,800</b>	<b>132,216</b>	<b>4,024,962</b>

The accompanying notes are part of these separate financial statements.

### SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER OF 2022 AND 2021

(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 2022	31 Dec 2021
<b>Operating Activities</b>			
Receipts from customers		6,444	9,486
Payments to suppliers		(9,893)	(16,415)
Payments to employees		(8,233)	(8,063)
<b>Cash generated from operations</b>		<b>(11,682)</b>	<b>(14,992)</b>
Income taxes (paid) / received		5,509	7,820
Other cash receipts and (payments) relating to operating activities		2,256	1,081
<b>Net cash generated from operating activities (1)</b>		<b>(3,917)</b>	<b>(6,091)</b>
<b>Investment Activities</b>			
Receipts arising from:			
Loans granted		5,561,258	3,601,889
Investments	2.3	8,190	530,188
Property, plant and equipment and intangible assets		-	2
Interests and similar income		4,509	1,811
Dividends		174,517	70,692
		<b>5,748,474</b>	<b>4,204,582</b>
Payments arising from:			
Loans granted		(5,815,460)	(3,609,643)
Investments	2.3	(186,209)	(107,449)
Property, plant and equipment and intangible assets		(277)	(65)
Others		-	(6)
		<b>(6,001,946)</b>	<b>(3,717,163)</b>
<b>Net cash used in/ generated by investment activities (2)</b>		<b>(253,472)</b>	<b>487,419</b>
<b>Financing Activities</b>			
Receipts arising from:			
Loans, bonds and finance leases	5.7	6,570,202	5,290,986
Disposal of own shares	8	4,203	-
		<b>6,574,405</b>	<b>5,290,986</b>
Payments arising from:			
Loans, bonds and finance leases	5.7	(6,231,981)	(5,551,452)
Interests and similar charges		(9,274)	(11,238)
Dividends		(98,103)	(97,178)
Purchase of own shares		-	(76,249)
Lease liabilities		(208)	(236)
		<b>(6,339,566)</b>	<b>(5,736,353)</b>
<b>Net cash used in financing activities (3)</b>		<b>234,839</b>	<b>(445,367)</b>
<b>Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)</b>		<b>(22,550)</b>	<b>35,961</b>
Cash and cash equivalents at the beginning of the period	5.8	26,240	(9,721)
Cash and cash equivalents at the end of the period	5.8	3,690	26,240

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 2022

(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, 54,66% 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 16 March 2022 Sonae acquired 10% of the Sierra share capital from Grosvenor, for the price of 83.5 million euro, which represents an implicit discount of about 10% on the NAV of Sierra at the end of 2021, following the Grosvenor exercised the put option right. Following the completion of this transaction, Sonae now owns 90% of the share capital and voting rights of Sierra.

#### Resolution of the partnership at ZOPT and participation in NOS

In the third quarter of 2022, Sonaecom terminated the Shareholders' Agreement that governed the relations between the shareholders of ZOPT, SGPS, S.A. - Sonaecom itself, Unitel International Holdings, BV and Kento Holding Limited. At the General Meeting of ZOPT held on 28 September, it was decided to proceed with the amortization of Sonaecom's shareholding in that company, and the restitution of the additional payments made by it, in return for the delivery of the proportion held in the net assets of the company, corresponding to shares representing 26.07% of the share capital of NOS that are not encumbered, and other liquid monetary means. As a result of this resolution, Sonaecom is no longer a shareholder of ZOPT.

After the legal formalities, associated to the protection of ZOPT's creditors and the assessment of the operation by the Competition Authority - ZOPT handed over to Sonaecom (in December 2022) the shares representing 26.07% of the share capital of NOS, which became directly held by Sonaecom. Consequently, at 31 December 2022, a holding of 37.37% of the share capital and voting rights in NOS was attributed to Sonae, as a result of the direct holding of capital and voting rights in NOS held by Sonae and the

indirect attribution of the votes relating to the aforementioned percentage of 26.07% that are directly held by its subsidiary Sonaecom.

Considering the ownership percentage, directly and indirectly attributable to Sonae, it was analysed in light of IFRS 10, if Sonae could exercise control over NOS. From this analysis, it was concluded that Sonae does not control the company, since 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 by itself and ii) that it is unlikely that there is a majority against its intentions. Given the above, and with Sonae having the possibility to participate in the decision making processes of NOS, we are faced with a situation of significant influence, and the respective investment is classified as "Investments in associated companies".

#### Public Tender Offer for the acquisition of shares of Sonaecom - SGPS, S.A.

At 21 December 2022, Sonae SGPS, S.A. launched a general and voluntary public tender offer for shares representing the share capital of Sonaecom - SGPS, S.A..The consideration offered, to be paid in cash, is 2.50 euros per share, net of any amount (gross) that may be attributed to each share, as dividends, advance on the profit of the fiscal year, distribution of reserves or any other.

The main impacts and initiatives by business are detailed in the consolidated financial statements.

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

#### Accounting 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.



Sonaeacom

On 14 March 2023, the Board of Directors of the Comissão do Mercado de Valores Mobiliários (CMVM) resolved to register the general and voluntary public tender offer for 35,228,749 shares of Sonaeacom SGPS, SA, announced to the market on 21 December 2022, and to approve the respective prospectus.

The CMVM also informed that:

- a. a. Given Sonae's intention to use the potestative acquisition mechanism provided for in Article 194 of the Securities Code ("Cód. VM") if the requirements are met, the following interpretation applies:
  - iii. If Sonae reaches 90% of the voting rights corresponding to the share capital of Sonaeacom, Sonae may, after the offer, use the potestative acquisition mechanism at the offer price (€2.50), provided that it does not acquire Sonaeacom shares at a higher price until the date of this acquisition;
  - iv. The calculation of the 90% threshold of voting rights representing the share capital should consider all of Sonaeacom's shares, including the 5,571,014 treasury shares. The threshold will be reached if Sonae acquires at least 4,094,746 shares corresponding to 1.315% of the share capital.

Sonae has waived the effectiveness condition of the offer, which means that it will acquire all the shares for which their holders give sale orders, even if it does not reach the 90% of voting rights corresponding to the share capital.

Sierra

On 14 March 2023, Sonae has acquired 10% of the share capital of Sierra from Grosvenor, for a price of 88,6 million euro, representing an implicit discount of approximately 10% on Sierra's NAV at end 2022, following the exercise by Grosvenor of the put option right. Following this transaction, Sierra now owns 100% of the share capital and voting rights of Sierra.

Joint-venture Universo e Bankinter

On 31 March 2023 following the announcement issued on 20 December 2022, Sonae agreed with Bankinter Consumer Finance ("Bankinter") the entrance of the latter in the equity of Universo, IME, SA ("Universo") – entity managing the portfolio of financial products and services under the Universo brand, resulting in the creation of a joint venture in the Portuguese consumer credit sector.

This transaction will allow Sonae to establish a 50/50 partnership with a reference banking operator such as Bankinter, which will contribute its vast experience in the financial sector, to the creation of a leading consumer credit operator in Portugal.

This partnership fulfils Sonae's active portfolio management strategy, aiming to optimize the shareholder structures of the companies in its portfolio and find the best partners to complement its skills and support the growth plans of its subsidiaries. The transaction has an underlying equity value of the Universo around 45 million euros and involves the sale of 50% of its share capital for an estimated amount of 19 million euros on the date of completion of the transaction. Further to this amount, the agreement also includes an additional payment of up to 5 million euro, contingent and deferred by 5 years after the completion of the transaction.

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 2022.

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 2022:

Standards (new and amendments) effective as at 1 January 2022		Effective date (for financial years beginning on or after)
IAS 16 – Proceeds before intended use	Prohibition of deducting the proceeds obtained from the sale of items produced during the testing phase, to the acquisition cost of property, plant and equipment.	01 Jan 2022
IAS 37 – Onerous contract – cost of fulfilling a contract	Clarification about the nature of the expenses to be considered in determining whether a particular contract has become onerous.	01 Jan 2022
IFRS 3 – Reference to the Conceptual framework	Update to references to the Conceptual Framework and clarification on the registration of provisions and contingent liabilities within the scope of a business combination.	01 Jan 2022
Annual Improvements 2018-2020	Specific amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	01 Jan 2022

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 2023, already endorsed by the EU	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.	01 Jan 2023
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.	01 Jan 2023
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.	01 Jan 2023
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.	01 Jan 2023
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 initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, because of not being relevant for tax purposes.	01 Jan 2023

Company did not proceed with the early application of any of these standards in the financial statements for the year ended 31 December 2022. 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:

Standards (new and amendments) that will become effective, on or after 1 January 2023, not yet endorsed by the EU	Effective date (for financial years beginning on or after)	
IAS 1 – 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.	01 Jan 2024
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.	01 Jan 2024

These standards have not yet been endorsed by the European Union and, as such, have not been applied for the year ended 31 December 2022.

## 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, and considered the use of the going concern assumption as appropriate.

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 3.8.2);
- 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

### Accounting 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. Company 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, Company 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 2022 and 2021, the details of investments in subsidiaries, associates and joint ventures (net of impairments) were as follows:

Companies	% Held	31 Dec 2022					Closing balance
		Opening balance	Increase	Decrease	Reclassification	Impairment/ (reversal) of the period	
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	-	185,674	-	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
Sonaeacom, SGPS, S.A. d)	26,225%	111,099	1,566	-	-	-	112,665
Sontel, B.V. e)	35,87%	422,614	-	-	-	(10,200)	412,414
Universo Sonae, S.A. f)	100,00%	4,050	-	-	-	-	4,050
Universo, GC, S.A. g)	100,00%	52,203	-	-	-	-	52,203
Universo, IME, S.A.	100,00%	84,200	10,000	-	-	(56,000)	38,200
		<b>4,482,354</b>	<b>114,681</b>	<b>(6,063)</b>	<b>185,674</b>	<b>(27,691)</b>	<b>4,748,955</b>

a) Remaining 64.97% held through Sonae Holdings and Sonae Investments B.V.. formerly referred to as Sonae MC, SGPS, S.A.;

b) Remaining 26.07% held through Sonaeacom, SGPS, S.A.;

c) Formerly referred to as SFS - Gestão de Fundos, SGFI, S.A.;

d) Remaining 62.33% held through Sontel BV;

e) Remaining 64.13% held through Sonae Investments B.V.;

f) Formerly referred to as Sonae FS, S.A.;

g) Formerly referred to as SFS, Gestão e Consultoria, S.A..

Companies	% Held	31 Dec 2021					Closing balance
		Opening balance	Increase	Decrease	Reclassification	Impairment/ (reversal) of the period	
Mktplace Comércio Eletrónico, S.A.	50.00%	7,694	1,790	-	-	(9,484)	-
SFS - Gestão de Fundos, SGFI, S.A.	80.00%	973	-	(973)	-	-	-
SFS, Gestão e Consultoria, S.A.	100.00%	52,203	-	-	-	-	52,203
Sonae Corporate, S.A.	100.00%	6,063	-	-	-	-	6,063
Sonae FS, S.A.	100.00%	4,050	-	-	-	-	4,050
Sonae Holdings, S.A.	100.00%	1,739,055	-	-	-	161,852	1,900,907
Sonae Investments, BV	100.00%	978,869	-	-	-	-	978,869
Sonae MC, SGPS, S.A. a)	10.04%	630,474	-	(449,790)	-	-	180,684
Sonae RE, S.A.	99.920%	1,740	-	-	-	(94)	1,646
Sonae Sierra SGPS, S.A.	80.00%	619,766	82,159	-	-	38,094	740,019
Sonaecon, SGPS, S.A. c)	26.02%	111,099	-	-	-	-	111,099
Sontel, B.V. b)	35.87%	378,172	-	-	-	44,442	422,614
Universo, IME, S.A.	100.00%	60,700	23,500	-	-	-	84,200
		<b>4,590,858</b>	<b>107,449</b>	<b>(450,763)</b>	-	<b>234,810</b>	<b>4,482,354</b>

a) Remaining 64.97% held through Sonae Holdings e Sonae Investments BV;  
 b) Remaining 64.13% held through Sonae Investments BV;  
 c) Remaining 62.33% held through Sontel BV..

The increase in Sierra investment in 2022 is explained by the acquisition of an additional 10% of the share capital of this subsidiary, as mentioned in Note 1.

Following the resolution of the Shareholders' Agreement governing the relations between the shareholders of ZOPT, SGPS, S.A. – Sonaecon itself, Unitel International Holdings, BV and Kento Holding Limited, the group began to exercise significant influence over NOS, and in accordance with IAS 28, the percentage stake held directly by Sonae SGPS was transferred to Investments in associated (186 million euro).

The decrease occurred in the investment of Sonae MC, SGPS, SA in 2021 corresponds to the agreement for the sale of 24.99% of the share capital of Sonae MC, SGPS to Camoens Investments S, á r. l, an entity indirectly held by funds managed by CVC Advisers Company (Luxembourg) S, á r. l for the amount of 528 million euro.

The impairment of Mktplace in 2021 results from the agreement between a subsidiary of Sonae and CTT for the acquisition of the 50% belonging to CTT, the company was valued considering the expected sale value. The transaction took place in the financial year 2022.

The main financial indicators of subsidiaries, associates and joint ventures can be summarized as follows:

Company	31 Dec 2022			
	Assets	Liabilities	Equity	Net profit
Mktplace Comércio Eletrónico, SA	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	58,644
Sonaecon, 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
Universo, GC, 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.

Company	31 Dec 2021			
	Assets	Liabilities	Equity	Net profit
Mktplace Comércio Eletrónico, SA	8,158	2,403	5,754	(4,096)
SFS, Gestão e Consultoria, SA	90,472	52,502	37,971	1,044
Sonae Holdings, SA	2,320,702	286,686	2,034,016	293,015
Sonae Investments, BV b)	1,249,291	100,439	1,148,852	46,428
Sonae Sierra SGPS, SA a)	1,236,008	396,451	839,557	21,396
Sonae MC, SGPS, SA a)	4,161,286	3,239,475	921,811	228,013
Sontel, BV b)	1,324,668	235,977	1,088,691	29,656
Sonaecon, SGPS, SA a)	1,316,873	110,122	1,206,752	119,779
Sonae Corporate, SA	13,667	189	13,478	108
Sonae FS, SA	4,263	1	4,262	(8)
Sonae RE, SA	2,455	808	1,647	(94)
SFS - Gestão de Fundos, SGFI, SA	1,817	389	1,428	177
Universo, IME, SA	55,679	29,143	26,536	(18,961)

a) Consolidated statements;  
 b) Provisional accounts for 2021.

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 2022 and 2021 are as follows:

	31 Dec 2022	31 Dec 2021
Sonae Sierra, SGPS, S.A.	-	38,509
Sontel, B.V.	24,511	14,311
Mktplace Comércio Eletrónico, S.A.	9,483	9,483
Sonae RE, S.A.	2,426	2,426
Universo, IME, S.A.	56,000	-
	<b>92,420</b>	<b>64,729</b>

## 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.

### 2.2.1 Fair value through other comprehensive income

Following the resolution of the Shareholders' Agreement governing the relations between the shareholders of ZOPT, SGPS, S.A. – Sonaecon 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 were transferred to Investments in associates as described in Note 1.1.

As at 31 December 2021, the heading of Financial Investments at Fair Value through Other Comprehensive Income relates to the acquisition of 38,000,000 shares representing 7.38% of the share capital and voting rights of NOS for the amount of 136 million euros. As at 31 December 2021, said holding was valued based on the quotation at that date (3.41€ and 2.858€ respectively), with the difference in value being recorded under "Other comprehensive income net deferred tax" (5,799 thousand euros). This investment was valued at fair value classified in level 1 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value.

### 2.2.2 Fair value through profit or loss

As at 31 December 2022 and 2021, the item Financial Investments at Fair Value through Profit and Loss includes the investment of 3,000,000 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.

## 2.3 Cash receipts and cash payments of investments

As at 31 December 2022 and 2021, cash receipts and cash payments related to investments can be detailed as follows:

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)
	<b>180,146</b>	<b>8,190</b>

Receipts/Payments	31 Dec 2021	
	Acquisitions / (disposals) for the year	Amount received / Amount paid
Sonae MC, SGPS, S.A.	(449,790)	528,000
Sonae Sierra SGPS, S.A.	82,159	-
SFS - Sonae Financial Services, IME, S.A.	23,500	-
Others	817	2,188
	<b>(343,314)</b>	<b>530,188</b>

## 2.4 Gains and losses related to investments

As of 31 December 2022 and 2021, gains and losses relating to investments are as follows:

	31 Dec 2022	31 Dec 2021
Gains/(Losses) on sale of investments	2,127	79,935
Gains/(Losses) on investments at fair value through profit/loss	266	-
Impairment losses (Note 2.1)	(66,200)	(9,577)
Impairment reversal (Note 2.1)	38,509	244,388
	<b>(25,298)</b>	<b>314,746</b>

The item “Gains / (losses) on the sale of financial investments”, at 31 December 2021, includes 78.2 million euros related to the capital gain on the sale of 24.99% of the share capital of MCRETAIL, SGPS, S.A. (formerly Sonae MC, SGPS, S.A.).

## 3. Working capital

### 3.1 Trade receivables

Trade accounts receivable as at 31 December 2022 and 2021 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 2022 and 2021, the details of “Other receivables”, are as follows:

	31 Dec 2022	31 Dec 2021
<b>Group companies</b>		
Sonae Holdings, SA	260,929	28,272
Fashion Division, SA	138,815	97,053
Universo, IME, SA	11,989	7,810
Sparkfood, S.A. (ex - Sonae Food4Futures, SA)	9,937	194
Iservices, Lda.	340	-
Halfdozen Real Estate, SA	305	368
Wad Lab, S.A.	107	103
Worten - Equipamento para o Lar, SA	-	1,590
Sonae Corporate, SA	-	130
<b>Loans (Note 8)</b>	<b>422,422</b>	<b>135,520</b>
<b>Special regime for taxation of group companies</b>	<b>22,556</b>	<b>37,710</b>
<b>Other debtors</b>	<b>301</b>	<b>320</b>
Sierra Investments SGPS,SA	-	510
Others	497	410
	<b>445,776</b>	<b>174,470</b>

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 2022 and 2021. The fair value of loans granted is similar to its carrying amount.

### 3.3 Other current assets

As at 31 December 2022 and 2021, 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 Other non current assets

As of 31 December, 2022 and 2021, the details of “Other non-current assets” are as follows:

	31 Dec 2022	31 Dec 2021
<b>Loans granted to group companies:</b>		
Sonae Investments, B.V. (Note 8)	-	32,700
<b>Other receivables:</b>		
MDS, SGPS, S.A. (Note 8)	-	1,000
Fundo de Compensação do Trabalho	23	12
	<b>23</b>	<b>33,712</b>

As at 31 December 2022 the loans granted to group companies bear interest at market rates indexed to Euribor, have long-term maturity and its fair value is similar to its carrying amount.

There were no overdue or impaired non-current assets on 31 December, 2022 and 2021. The eventual impairment of loans granted to group companies is assessed in accordance with paragraph j) of Note 4.2.



### 3.5 Loans obtained from group companies

As at 31 December 2022 and 2021 loans obtained from group companies are as follows:

	31 Dec 2022	31 Dec 2021
Sontel, B.V.	452,790	104,487
Universo, GC, S.A. (ex - SFS, Gestão e Consultoria, S.A.)	149,407	43,073
Worten - Equipamentos para o Lar, S.A.	83,937	134,003
Sesagest - Projectos e Gestão Imobiliária, S.A.	37,128	36,285
Sonae Corporate, S.A.	5,206	13,055
Universo Sonae, S.A. (ex-Sonae FS, S.A.)	4,187	4,128
Arat Inmuebles, SAU	1,600	3,806
Sonae RE, S.A.	356	1,436
Zaask - Plataforma Digital, S.A.	-	517
	<b>734,611</b>	<b>340,790</b>

Loans obtained from group companies bear interest at rates indexed to the Euribor.

### 3.6 Other payables

As at 31 December 2022 and 2021, the details of other payables are as follows:

	31 Dec 2022	31 Dec 2021
Group companies		
Taxes - Special regime for taxation of groups	38,234	40,220
Shareholders	122	117
Others	399	177
	<b>38,755</b>	<b>40,514</b>

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.

### 3.7 Other current liabilities

As at 31 December 2022 and 2021 other current liabilities are as follows:

	31 Dec 2022	31 Dec 2021
<b>Accruals:</b>		
Interests	5,106	1,784
Salaries	2,155	2,209
External supplies and services	1,913	1,284
Others	969	416
	<b>10,143</b>	<b>5,693</b>

### 3.8 Income tax

#### Accounting policies

Since 2014, Sonae is taxed in accordance with Special Regime of Taxing Groups of Companies (Parent company). Each company included in the perimeter records income tax for the year in its financial statements by recognizing a liability to 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 2022 and 2021, 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.

### 3.8.1 Tax recognized in the year

The amount of income tax for the year recorded in the income statement for the years ended 31 December 2022 and 2021 can be detailed as follows:

	31 Dec 2022	31 Dec 2021
Current tax	3,356	7,008
Deferred tax	206	(15)
	<b>3,562</b>	<b>6,993</b>

Reconciliation between the profit before taxes and the tax charge for the years ended 31 December 2022 and 2021 are summarized as follows:

	31 Dec 2022	31 Dec 2021
Profit before income tax	128,654	355,647
<b>Income tax (21%)</b>	<b>27,017</b>	<b>74,686</b>
Untaxed results		
Dividends not subject to tax	(36,649)	(14,845)
Capital (losses)/gains untaxed	(447)	(16,786)
(Reversal)/Impairment losses	5,815	(49,310)
Effect of constituting / reversing deferred taxes	308	72
Excess tax estimate	665	(904)
Autonomous taxes and tax benefits	35	67
Others	(306)	27
<b>Income tax</b>	<b>(3,562)</b>	<b>(6,993)</b>

### 3.8.2 Deferred tax

Deferred tax assets and liabilities as at 31 December 2022 and 2021 may be described as follows considering the different natures of temporary differences:

	31 Dec 2022		31 Dec 2021	
	Assets	Liabilities	Assets	Liabilities
Tax losses carried forward	9,772	-	5,691	-
Impairment losses/provisions not accepted for tax purposes	3,225	-	1,539	-
Tax Benefits	2,095	-	2,403	-
Rights of use	97	97	124	123
Others	481	-	301	-
	<b>15,670</b>	<b>97</b>	<b>10,058</b>	<b>123</b>

The amount included in "Tax Benefits" is dependent on the maintenance of participation units in the technological fund for a period of 3 years (4 years in 2021).

During the periods ended 31 December 2022 and 2021, movements in deferred tax assets and liabilities are as follows:

	31 Dec 2022		31 Dec 2021	
	Assets	Liabilities	Assets	Liabilities
Opening balance	10,058	123	6,670	123
<b>Effects in net income:</b>				
Tax Benefits	(308)	-	(72)	-
Share-based payments	181	-	(15)	-
Lease liabilities	(27)	(26)	-	-
Provisions and impairment losses not accepted for tax purposes	2	-	-	-
	(152)	(26)	(87)	-
<b>Effects in other comprehensive income:</b>				
Temporal differences arising from assets at fair value through OCI	1,683	-	1,539	-
	1,683	-	1,539	-
<b>Other effects</b>				
Constitution / reversal of deferred tax assets over tax losses	4,081	-	1,936	-
	4,081	-	1,936	-
<b>CLOSING BALANCE</b>	<b>15,670</b>	<b>97</b>	<b>10,058</b>	<b>123</b>

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 2022		31 Dec 2021	
		Tax losses carried forward	Time limit	Tax losses carried forward	Time limit
Generated in 2016	Portugal	18,122		24,949	2030
Generated in 2018	Portugal	999		1,001	2025
Generated in 2019	Portugal	1,143		1,148	2026
Generated in 2021	Portugal	15,941		-	
Generated in 2022	Portugal	10,328		-	
		<b>46,533</b>		<b>27,098</b>	

## 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 2022, the total gross debt (excluding shareholders loans) was 437 million euros (492,6 million euros as at 31 December de 2021 (Note 5.6)).

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 60 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 2022, the average maturity of Sonae debt average life maturity, adjusted by the amount of committed long-term facilities and cash equivalents, was approximately 4.4 years (on 31 December, 2021 it was 3.3 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 461.5 million euros of credit lines contracted (352 million euros as at 31 December 2021). As at 31 December 2022, the amount of loans maturing in 2023 is 49.0 million euros (185.6 million euros maturing in 2022 on 31 December 2021). Additionally, taking into account the amounts used at 31 December 2022, 244.0 million euros are available (as at 31 December 2021, there were credit lines available in the amount of 117 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 amount of financial instruments is detailed on Note 5.6.. Additionally, Sonae had, on 31 December, 2022, a liquidity reserve made up of cash and cash equivalents and current investments, as described in note 5.8.

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 derivatives (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;
- The determination of the fair value of the hedging operations was based, for swaps, on the update to the statement of financial position date of the future cash-flows resulting from the difference between the fixed interest rate of the fixed "leg" of the instrument derivative and the variable interest rate indexing the variable leg of the derivative instrument. For options, the fair value is determined based on the "Black-Scholes" model and its variants. The estimation of future cash flows is made based on forward quotes implicit in the market curve and the respective discount for the present, is carried out using the most representative interest rate curve in the market, built based on information from credible sources published by Bloomberg, among others. Comparative quotations from financial institutions, for specific or similar instruments, are used as an evaluation reference. This analysis assumes that all other variables are held constant;
- 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 2022 would have been lower by around 6.8 million euros (as at 31 December 2021 it would be lower by around 6.1 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

The Company 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

Company 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, Company 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.

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

Company 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 2022, 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 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.

### (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 2022 and 2021, were classified as follows:

31 Dec 2022	Notes	Financial assets/ liabilities at amortised cost	Assets / liabilities recorded at fair value through other comprehensive income	Assets / liabilities recorded at fair value through profit or loss	Other non- assets/ liabilities	Total
Assets at fair value through results		-	-	11,218	-	11,218
Other non-current assets	3.4	-	-	-	23	23
<b>Non-current assets</b>		-	-	<b>11,218</b>	<b>23</b>	<b>11,241</b>
Trade accounts receivables	3.1	1,723	-	-	-	1,723
Other debtors	3.2	445,775	-	-	-	445,775
Other current assets	3.3	3,483	-	-	607	4,090
Cash and cash equivalents		3,690	-	-	-	3,690
<b>Current assets</b>		<b>454,671</b>	-	-	<b>607</b>	<b>455,278</b>
<b>FINANCIAL ASSETS</b>		<b>454,671</b>	-	<b>11,218</b>	<b>630</b>	<b>466,519</b>
Bonds	5.6	32,830	-	-	-	32,830
Bank loans	5.6	354,891	-	-	-	354,891
<b>Non-current liabilities</b>		<b>387,721</b>	-	-	-	<b>387,721</b>
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	3.5	734,611	-	-	-	734,611
Other payables accounts	3.6	38,755	-	-	-	38,755
Other current liabilities	3.7	-	-	-	10,143	10,143
<b>Current liabilities</b>		<b>823,812</b>	-	-	<b>10,143</b>	<b>833,955</b>
<b>Financial Liabilities</b>		<b>1,211,533</b>	-	-	<b>10,143</b>	<b>1,221,676</b>

31 Dec 2022	Notes	Financial assets/ liabilities at amortised cost	Assets / liabilities recorded at fair value through other comprehensive income	Assets / liabilities recorded at fair value through profit or loss	Other non- assets/ liabilities	Total
Assets at fair value through results		-	-	3,000	-	3,000
Assets at fair value through other comprehensive income	2.2.1	-	129,580	-	-	129,580
Other non-current assets	3.4	33,700	-	-	12	33,712
<b>Non-current assets</b>		<b>33,700</b>	<b>129,580</b>	<b>3,000</b>	<b>12</b>	<b>166,292</b>
Trade accounts receivables	3.1	1,437	-	-	-	1,437
Other debtors	3.2	174,470	-	-	-	174,470
Other current assets	3.3	1,963	-	-	736	2,699
Cash and cash equivalents		26,240	-	-	-	26,240
<b>Current assets</b>		<b>204,110</b>	-	-	<b>736</b>	<b>204,846</b>
<b>FINANCIAL ASSETS</b>		<b>237,810</b>	<b>129,580</b>	<b>3,000</b>	<b>748</b>	<b>371,138</b>
Bonds	5.6	11,930	-	-	-	11,930
Bank loans	5.6	294,824	-	-	-	294,824
<b>Non-current liabilities</b>		<b>306,754</b>	-	-	-	<b>306,754</b>
Bonds	5.6	8,000	-	-	-	8,000
Bank loans	5.6	177,600	-	-	-	177,600
Trade accounts payable		1,466	-	-	-	1,466
Loans obtained from group companies	3.5	340,790	-	-	-	340,790
Other payables accounts	3.6	40,514	-	-	-	40,514
Other current liabilities	3.7	-	-	-	5,693	5,693
<b>Current liabilities</b>		<b>568,370</b>	-	-	<b>5,693</b>	<b>574,063</b>
<b>Financial Liabilities</b>		<b>875,124</b>	-	-	<b>5,693</b>	<b>880,817</b>

## 5. Capital structure

### 5.1 Equity

As at 31 December 2022 and 2021, 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 2022 and 2021, Efanor Investimentos, SGPS, S.E. and its subsidiaries held 54.66% of the shares representing the Company's share capital.

### 5.2 Own shares

Sonae SGPS, SA and Banco BPI, SA have agreed on the acquisition, in an over the counter transaction, of the Sonae share portfolio held by BPI, totalling 85,146,422 shares, at a price of 0.8955 euro per share, as authorised by the Shareholders' General Meeting held on 30 April 2021.

After this operation, Sonae SGPS, S.A. now holds 85,146,422 own shares, corresponding to 4.26% of its share capital.

During 2022, 5,411,664 own shares were sold, ending 2022 with 79,734,758 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 2022 and 2021 the details of other reservations were as follows:

	31 Dec 2022	31 Dec 2021
Free reserves	1,501,099	1,249,279
Unavailable reserves related to own shares	71,402	76,249
Share-based payments reserve	2,413	1,467
Fair value of NOS shares (Note 2.2.1)	(11,099)	(5,301)
	<b>1,563,815</b>	<b>1,321,694</b>

The movements of 2022 and 2021 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.

Additionally, increments arising from fair value through other comprehensive income or results can only be distributed when the elements that gave rise to them are sold, exercised or liquidated, 11,100 thousand euros as at 31 December 2022 (27,816 thousand euros in 31 December, 2021).

During the year ended 31 December 2022, Sonae held 79,734,758 own shares (85,146,422 shares on 31 December, 2021) representing 3.99% (4.26% on 31 December, 2021) of its share capital, at a price of 0.8955 euros.

In accordance with the legislation, the company must keep a reserve in the amount of 71,402 thousand euros (76,249 thousand euros at 31 December 2021) 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 2022 and 2021 were calculated taking into consideration the following amounts

	31 Dec 2022	31 Dec 2021
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (profit for the period)	132,216	362,640
<b>Net profit taken into consideration to calculate diluted earnings per share</b>	<b>132,216</b>	<b>362,640</b>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	1,918,582,232	1,978,071,880
Outstanding shares related with share based payments	2,710,081	2,505,033
Shares related to performance bonus that can be bought at market price	84,559	(447,771)
<b>Weighted average number of shares used to calculate diluted earnings per share</b>	<b>1,921,376,873</b>	<b>1,980,129,142</b>
<b>EARNINGS PER SHARE</b>		
<b>Basic</b>	<b>0.06891</b>	<b>0.18333</b>
<b>Diluted</b>	<b>0.06881</b>	<b>0.18314</b>

## 5.6 Loans

As at 31 December 2022 and 2021, the Loans had the following details:

	31 Dec 2022		31 Dec 2021	
	Current	Non Current	Current	Non Current
<b>Bank loans</b>				
Sonae SGPS - commercial paper	45,000	-	147,600	270,000
Sonae SGPS - commercial paper ESG-Linked	-	300,000	-	-
Sonae SGPS, SA 2016/2029	-	30,000	30,000	-
Sonae SGPS, SA 2020/2025	-	25,000	-	25,000
	<b>45,000</b>	<b>355,000</b>	<b>177,600</b>	<b>295,000</b>
Up-front fees beard with the issuance of borrowings	-	(109)	-	(176)
<b>Bank loans</b>	<b>45,000</b>	<b>354,891</b>	<b>177,600</b>	<b>294,824</b>

	31 Dec 2022		31 Dec 2021	
	Current	Non Current	Current	Non Current
<b>Bonds</b>				
Bonds ESG Sonae SGPS 2020/2025	4,000	8,000	8,000	12,000
Bonds Sonae SGPS /2022/2027	-	25,000	-	-
Up-front fees beard with the issuance of borrowings	-	(170)	-	(70)
<b>Bonds</b>	<b>4,000</b>	<b>32,830</b>	<b>8,000</b>	<b>11,930</b>

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 2021 and 2020 the details of the maturity of loans excluding derivatives is as follows:

	31 Dec 2022		31 Dec 2021	
	Capital	Interests	Capital	Interests
N+1	49,000	8,462	185,600	4,304
N+2	16,500	6,999	99,000	2,274
N+3	16,500	8,757	101,500	1,826
N+4	120,000	8,335	31,500	1,085
N+5	150,000	6,953	75,000	307
After N+5	85,000	5,993	-	-
	<b>437,000</b>	<b>45,498</b>	<b>492,600</b>	<b>9,796</b>

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 2022.

As at 31 December 2022 and 2021, 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 2022 and 2021, in addition to the amounts referred to under the caption cash and cash equivalents (Note 4.3), Sonae had 244 million euros available to cover its treasury needs, as follows:

	31 Dec 2022		31 Dec 2021	
	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	194,000	267,500	157,000	195,000
Unused credit facilities	149,000	95,000	62,000	55,000
	<b>343,000</b>	<b>362,500</b>	<b>219,000</b>	<b>250,000</b>

Interest rate as at 31 December 2022 of the bonds and bank loan was, in average, 2% (0.79% as at 31 December 2021).

## 5.7 Reconciliation of liabilities arising from financing activities

The reconciliation of liabilities arising from financing activities as at 31 December 2022 and 2021 is as follows:

	Loans	Group companies
<b>Opening balance as at 1 January 2021</b>	<b>822,865</b>	<b>270,992</b>
Payments arising from bonds	(260,000)	-
Receipts arising from bank loans	2,154,948	-
Payments arising from bank loans	(2,225,213)	-
Receipts arising from group companies	-	3,136,038
Payments arising from group companies	-	(3,066,239)
<b>Opening balance as at 1 January 2022</b>	<b>492,600</b>	<b>340,791</b>
Receipts arising from bonds	25,000	-
Payments arising from bonds	(8,000)	-
Receipts arising from bank loans	2,461,440	-
Payments arising from bank loans	(2,534,040)	-
Receipts arising from group companies	-	4,083,762
Payments arising from group companies	-	(3,689,941)
<b>Closing balance as at 31 December 2022</b>	<b>437,000</b>	<b>734,612</b>

## 5.8 Cash and cash equivalents

As at 31 December 2022 and 2021, Cash and cash equivalents are as follows:

	31 Dec 2022	31 Dec 2021
Cash at hand	5	3
Bank deposits	3,685	26,237
<b>Cash and bank balances on the statement of financial position</b>	<b>3,690</b>	<b>26,240</b>
<b>Cash and bank balances in the statement of cash flows</b>	<b>3,690</b>	<b>26,240</b>

## 5.9 Net financial expenses

As at 31 December 2022 and 2021, net financial expenses are as follows:

	31 Dec 2022	31 Dec 2021
<b>Interest expenses</b>		
Related to other loans	(8,103)	(2,879)
Related with bank loans	(2,564)	(3,810)
Up front fees and commissions related to loans	(2,239)	(5,085)
Related with non convertible bonds	(327)	(2,371)
Hedge inefficiency	(151)	-
Interest of lease liabilities	(4)	(6)
Other financial expenses	(239)	(614)
<b>Financial expenses</b>	<b>(13,627)</b>	<b>(14,765)</b>
<b>Income</b>		
Interest income (Note 8)	5,344	2,338
Others	1	-
<b>Financial income</b>	<b>5,345</b>	<b>2,338</b>
<b>Net Financial Expenses</b>	<b>(8,282)</b>	<b>(12,427)</b>

## 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 2022 in the amount of 6.7 million euros (6.6 million euros at 31 December 2021) correspond to shared services and fees related to brands provided to group companies.



## 6.2 External supplies and services

As at 31 December 2022 and 2021, external supplies and services are as follows:

	31 Dec 2022	31 Dec 2021
Services	7,427	14,480
Others	1,915	1,496
	<b>9,342</b>	<b>15,976</b>

As at 31 December 2022 and 31 December 2021, the amount registered in services obtained are mainly related to shared services provided by subsidiaries and to consultancy rendered by external entities. The increase in this caption relates to financial consultancy services provided by external entities in the current financial year, in the amount of 6.5 million euros, to support the Group in taking a decision on the sale of 24.99% of MCRETAIL, SGPS, S.A. (formerly named Sonae MC, SGPS, S.A.).

The amounts recorded under other supplies and services at 31 December 2022 and 2021 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 2022 and 2021, payroll are as follows:

	31 Dec 2022	31 Dec 2021
Salaries	7,997	6,252
Social security contributions	1,058	1,063
Other staff costs	885	1,034
	<b>9,940</b>	<b>8,349</b>

## 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 2022 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 2022 and 2021, the outstanding plans were as follows:

	Vesting period		31 Dec 2022		31 Dec 2021	
	Year of grant	Vesting year	Number of participants	Number of shares	Number of participants	Number of shares
Plan 2018	2019	2022			6	745,692
Plan 2019	2020	2023	6	954,227	6	954,227
Plan 2020	2021	2024	5	805,114	5	805,114
Plan 2021	2022	2025	6	950,740		

The fair values of the attributed shares for the outstanding plans can be detailed as follows:

	Year of grant	Vesting year	Vesting date 22	Vesting date 21	31 dez 2022	31 dez 2021
Plan 2018	2019	2022	-	467,549	-	747,929
Plan 2019	2020	2023	598,300	742,866	631,221	957,090
Plan 2020	2021	2024	626,781	629,599	807,529	807,529
Plan 2021	2022	2025	969,755	-	888,942	-

During the year the movements occurred can be detailed as follows:

	31 Dec 2022	31 Dec 2021
Balance as at 31 December 2021	2,505,033	2,113,898
Changes during the year:		
Attributed	950,740	854,208
Vested	(821,598)	(654,240)
Canceled/ extinct/ corrected/ transferred	75,906	191,167
<b>Closing balance as at 31 December 2022</b>	<b>2,710,081</b>	<b>2,505,033</b>

	31 Dec 2022	31 Dec 2021
Recorded as staff cost in the year	1,786	668
Recorded as staff cost in previous year	627	799
	2,413	1,467

## 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 2022 and 2021, contingent liabilities were guarantees given are as follows:

	31 Dec 2022	31 Dec 2021
<b>Guarantees given:</b>		
on tax claims	184,288	198,778
on judicial claims	71	71
Guarantees given in the name of subsidiaries (a)	350,065	345,265

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.

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 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Sales & Services rendered (Note 6.1)	-	-	6,619	6,406	-	-
Other income	1	2	1,699	1,515	1	3
External supplies and services	(480)	(480)	(2,739)	(2,506)	(44)	-
Dividends received	-	-	162,529	60,128	11,988	-
Financial income (Note 5.9)	-	-	5,344	2,332	-	-
Financial expense (Note 5.9)	(114)	-	(7,989)	(2,879)	-	-
Acquisition of investments (Note 2.1)	-	-	112,989	105,659	9,644	-
Disposal of investments (Note 2.1)	-	-	(6,063)	(973)	-	-
Sale of treasury shares (Note 5.2)	-	-	(4,033)	-	-	-

	Jointly controlled companies		Other related parties	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Sales & Services rendered (Note 6.1)	9	82	50	100
Other income	-	6	27	43
External supplies and services	(141)	(223)	(50)	(13)
Dividends received	-	10,564	-	-
Acquisition of investments (Note 2.1)	-	1,790	-	-

	Parent company		Subsidiaries companies		Associated companies	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Accounts receivable (Notes 3.1, 3.2 and 3.3)	2	2	27,600	41,498	-	353
Accounts payable (Notes 3.6, 3.7 e 3.8)	553	461	43,035	41,724	383	727
Loans granted (Note 3.1)	-	-	422,422	168,220	-	-
Loans obtained (Note 3.4 and 3.5)	-	-	734,611	340,790	-	-

	Associated companies		Other related parties		
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	
Accounts receivable (Notes 3.1, 3.2 and 3.3)		2	1,061	96	153
Accounts payable (Notes 3.6, 3.7 e 3.8)		-	61	28	4

“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 Sonae MC, SGPS, S.A., Sonae Holdings, S.A., Sonae Sierra, SGPS, S.A. and Sonaecom, SGPS, S.A.); the companies of the Sonae Indústria group; and the companies of the Sonae Capital group. 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 2022 and 2021 is detailed as follows:

	31 Dec 2022	31 Dec 2021
Short-term benefits	2,522	1,813
Share-based benefits	837	588
	3,358	2,401

In 2022 and 2021 no loans were granted to Company Directors.

On 31 December, 2022 and 2021 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 2022 financial year, the Board of Directors will propose that a gross dividend of 0.0537 euros per share be paid, the total amount of dividends to be paid will be 107,400 thousand euros. This dividend is subject to approval by shareholders at the General Meeting.

In 2021 financial year, Board of Director decided to distribute dividends in the amount of 102,200 thousand euros. Of this amount, 98,103 thousand euros were paid to shareholders and 4,097 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 3 April 2023. Nevertheless, they are still subject to approval at the Shareholders Annual General Meeting.

## 11. Information required by law

Decree-Law n° 318/94 art.º5º n° 4

During the year ended 31 December 2022, financial operations contracts were signed with the following companies:

Arat Inmuebles, SAU

Fashion Division, S.A.

Halfdozen Real Estate, S.A.

Iservices, Lda.

Sesagest – Projectos e Gestão Imobiliária, S.A.

Universo, IME, SA

Universo, GC, S.A.

Sonae Corporate, S.A.

Sparkfood, S.A.

Universo Sonae, S.A.

Sonae Holdings, S.A.

Sonae RE, S.A.

Sontel, B.V.

Wad Lab, SA

Worten - Equipamentos para o Lar, SA

As at 31 December 2022, the accounts receivables in respect of these transactions are as follows:

	Closing Balance
Sonae Holdings, SA	260,929
Fashion Division, SA	138,815
Universo, IME, SA	11,989
Sparkfood, S.A. (ex - Sonae Food4Futures, SA)	9,937
Iservices, Lda.	340
Halfdozen Real Estate, SA	305
Wad Lab, S.A.	107
	<b>422,422</b>

As at 31 December 2022, the accounts payables in respect of these transactions are as follows:

	Closing Balance
Sontel, B.V.	452,790
Universo, GC, S.A. (ex - SFS, Gestão e Consultoria, S.A.)	149,407
Worten - Equipamentos para o Lar, S.A.	83,937
Sesagest - Projectos e Gestão Imobiliária, S.A.	37,128
Sonae Corporate, S.A.	5,206
Universo Sonae, S.A. (ex-Sonae FS, S.A.)	4,187
Arat Inmuebles, SAU	1,600
Sonae RE, S.A.	356
	<b>734,611</b>

## Article 66 of the Commercial Companies Code

As of 31 December, 2022, the Statutory Auditor's fees amounted to 86,249 euros for auditing and 500 euros for other services.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

José Manuel Neves Adelino

Margaret Lorraine Trainer

Marcelo Faria de Lima

Carlos António Rocha Moreira da Silva

Maria Fuencisla Clemares Sempere

Philippe Cyriel Elodie Haspeslagh

Maria Cláudia Teixeira de Azevedo

João Pedro Magalhães da Silva Torres Dolores

# Statutory and Audit Reports



**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 consolidated financial statements of Sonae, SGPS, S.A. (the Group), which comprise the consolidated statement of financial position as at 31 December 2022 (which shows total assets of Euro 8,647,091 thousand and total shareholders' equity of Euro 3,320,400 thousand including a profit for the period attributable to the equity holders of the parent company of Euro 341,554 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 the notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2022, 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 31 de Maio, 153 - piso 1, 4100-457 Porto, Portugal  
 Tel: +351 225 433 000, Fax: +351 225 433 499, www.pwc.pt  
 Matricuada na CRC sob o NIPC 505 628 752, 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  
 PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda, pertence à rede de entidades que são membros de PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente. Sede: PricewaterhouseCoopers, Rua Souza Mendes, 1 - 2º, 1058-010 Lisboa, Portugal

Key Audit Matter	Summary of the Audit Approach
------------------	-------------------------------

**Accounting treatment of significant and unusual transactions (NOS)**

During the year ended 31 December 2022, the Group performed the following significant and unusual transactions related to the interest held in the joint venture, ZOPT, SGPS, SA (ZOPT), as well as to the direct interest in NOS, SGPS, SA (NOS):

i) In the third quarter of 2022, the subsidiary, Sonaecom, SGPS, SA has proceeded with the resolution of the Shareholders' Agreement with Unitel International Holdings, BV and Kento Holding Limited, which established joint control over ZOPT, which, in turn, held 52.15% of the shares representing NOS equity. In September 2022, with the objective of sharing proportionally ZOPT assets, it was decided to amortize the shares and the repayment of the supplementary capital held in ZOPT, in exchange of shares representing 26.07% of NOS equity and other net monetary means. For this reason, Sonaecom, SGPS, SA ceased to indirectly hold joint control and began to exercise significant influence directly over NOS.

ii) During the year and until the date of the operation referred to in the previous paragraph, Sonae, SGPS, SA reinforced its direct equity interest at NOS, and held, at that date, a 10.78% equity share (as at 31 December 2021, 7.38%), classified as Financial Assets at fair value through Other Comprehensive Income. At that date, this direct investment was remeasured at fair value through other comprehensive income.

The Group considers that there is no effective control over NOS and that only significant influence is maintained, at the date of the operation (through the 38.85% equity share), and as at 31 December 2022 (37.37%). As a result, the global interest was classified as Investments in Joint Ventures and Associates, accounted for using the equity method.

Our audit procedures included, among others, i) obtaining and reviewing supporting documentation for the resolution of the shareholder agreement that supported the joint control of ZOPT and for the decision to amortize the shares held in ZOPT and the repayment of supplementary capital; ii) reviewing the appropriateness of the accounting treatment associated with the amortization of ZOPT shares in exchange for NOS shares previously held by that joint venture, taking into account the merely instrumental nature of the latter; iii) reviewing the adequacy of the accounting treatment of exchange differences included in Other comprehensive income related to ZOPT, arising from NOS operations in countries with a functional currency other than the Euro; iv) verifying the transaction's financial movements; and v) testing the remeasurement of the investment held directly in NOS to fair value, which was classified as a Financial Asset at Fair Value through Other Comprehensive Income until the date of the operation (30 September 2022).

Considering the global equity share of 38.85% held by the Group after the referred operation (direct and indirect interest of 10.78% and 26.07%, respectively) and 37.37% as at 31 December 2022 (direct and indirect interest of 11.30% and 26.07%, respectively), 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 made at shareholders' meetings; and iii) analyzing the level of attendance of



Key Audit Matter	Summary of the Audit Approach
<p>The accounting treatment of the operation referred to above was considered a key audit matter, considering the complexity of measuring the interest, the relevance of the impacts on the consolidated financial statements and considering the judgments applied by management in assessing the control over NOS.</p> <p>The related disclosures are presented in Notes 1.2, 3.2.1, 3.2.3, 3.2.4 and 3.4.2 of the consolidated financial statements.</p>	<p>shareholders with voting rights at shareholders' meetings since 2013.</p> <p>We also reviewed the disclosures related to these matters in the notes to the consolidated financial statements.</p>

**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 854.2 million in the associate, NOS, SGPS, SA (NOS), which in turn holds investments in the Angolan entities, Finstar and ZAP Media (consolidated Finstar) and in the Mozambican entity, MSTAR, amounting to approximately Euro 100 million. With regards to Finstar, the shareholdings representing 70% of its capital, held by the other shareholder, are seized.

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 inherent subjectivity of the valuation model and estimation uncertainty of the assumptions used in determining the recoverable amount of the associate, we consider the determination of the recoverable amount 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.

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 equity accounting; and v) obtained the related financial statements and the audit report.

Regarding the recoverable amount of the associate, NOS and the facts involving the equity interest in Finstar and ZAP Media, 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 entities included in the carrying amount of NOS and the reasonableness of the assumptions used in its measurement; and ii) obtaining and reviewing the impairment test.

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

Key Audit Matter	Summary of the Audit Approach
	<p>budgeting accuracy; iii) reperforming the calculations of the models; and iv) performing sensitivity analysis of the most significant assumptions in the model.</p> <p>We also reviewed the disclosures related to investments in associates in the notes to the consolidated financial statements.</p>

**Impairment of goodwill, tangible, intangible and right of use assets**

The consolidated statement of financial position includes a carrying amount of goodwill of Euro 663.5 million, as well as tangible and intangible assets amounting to Euro 1,705.7 million and Euro 491.8 million, respectively, including indefinite-life intangible assets of Euro 188.3 million, as well as right-of-use assets amounting to Euro 1,027.8 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 remain 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, 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 65.9 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 expert 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

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 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) assessment of the criteria used by the external consultant in the measurement of the fair value of real estate assets, namely rents and yields used and comparison with the previous year, namely involving 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.

<i>Key Audit Matter</i>	<i>Summary of the Audit Approach</i>
<p>of the value.</p> <p>The related disclosures are presented in Notes 3.1, 3.8, 3.9, 3.10 and 3.12 to the consolidated financial statements.</p>	
<p><b>Measurement of investment properties at fair value</b></p>	
<p>The group owns Investment properties amounting to Euro 342.6 million, as well as a significant portfolio of investments in joint ventures and associates held through the subsidiary, Sonae Sierra, amounting to Euro 109.5 million and Euro 584.4 million, respectively, which holds directly or indirectly investment properties.</p> <p>The 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, determined by valuations performed by specialized entities or, internally by Sonae Sierra, regarding the assets located in Brazil held by the associate Aliance Sonae Shopping Centres, SA, whose contribution to the consolidated financial statements amounts to Euro 128.1 million.</p> <p>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.</p> <p>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.</p>	<p>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 auditors 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 2022, 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.</p> <p>Additionally, for a sample of investment properties, we have performed the following audit procedures: i) obtaining the valuations made by the entities hired by the Group for this purpose and the valuations performed internally by Sierra, regarding some investment properties located in Brazil; ii) analyzing the main 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.</p> <p>We have also reviewed the disclosures presented in the notes to the consolidated financial statements.</p>
<p>Statutory Audit Report and Audit Report 31 December 2022</p>	
<p>Sonae, SGPS, S.A. PwC 5 of 12</p>	

<i>Key Audit Matter</i>	<i>Summary of the Audit Approach</i>
<p>The related disclosures are presented in Notes 3.2.1, 3.2.3 and 3.11 to the consolidated financial statements.</p>	
<p><b>Financial assets measured at fair value</b></p>	
<p>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 216.9 million, as well as Financial assets at fair value through other comprehensive income amounting to Euro 41.3 million. The change in the fair value of these instruments represented a gain in the consolidated income statement of Euro 17.5 million booked as Gains and losses on investments recorded at fair value through profit and loss.</p> <p>Furthermore, the Group holds investments in the associates, Armilar I, Armilar II and Armilar I+I, amounting to Euro 81.4 million, which are investment entities and 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.</p> <p>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.</p> <p>The 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.</p> <p>The related disclosures are presented in Notes 3.2 and 3.4 to the consolidated financial statements.</p>	<p>The 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 2022; and iv) for those equity instruments with no such transactions, management inquiry about the existence of significant changes, facts and circumstances that might occurred since the acquisition date to determine whether there is sufficient evidence that indicates 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.</p> <p>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 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.</p> <p>We have also reviewed the disclosures presented in the notes to the consolidated financial statements</p>
<p>Statutory Audit Report and Audit Report 31 December 2022</p>	
<p>Sonae, SGPS, S.A. PwC 6 of 12</p>	



<i>Key Audit Matter</i>	<i>Summary of the Audit Approach</i>
<i>Litigations and Contingencies</i>	
<p>Contingent liabilities disclosed by the Group as at 31 December 2022 include, among others, uncertain tax positions in Portugal being disputed in tax courts, for which were granted warranties in the amount of Euro 1,053.3 million, part of which related to additional Value Added Tax (Euro 342.1 million) and income tax (Euro 184.3 million). There are also several ongoing proceedings to challenge fines imposed by the Competition Authority amounting to Euro 244.6 million, as well as another administrative proceeding initiated by the same entity without a sentencing decision issued at the closing date of the accounts.</p> <p>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, 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.</p> <p>The related disclosures are presented in the Note 7.4 to the consolidated financial statements.</p>	<p>The audit procedures regarding contingency assessment and tax litigation with the support of our internal tax experts included, among others: i) obtaining the list of ongoing tax disputes and its probability outcome assessment prepared by the corporate tax department, which includes significant group subsidiaries; ii) obtaining and reviewing the confirmations of the claims received from external legal consultants, when applicable, having also met the lawyer in charge of the proceedings initiated by the 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 v) assessing the assumptions assumed by the Group in the classification of the contingency.</p> <p>We also reviewed the disclosures presented in the notes to the consolidated financial statements.</p>
<i>Commercial income from suppliers</i>	
<p>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 are recorded as a deduction to Cost of sales or to Inventories.</p>	<p>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</p>
<p>Statutory Audit Report and Audit Report 31 December 2022</p>	<p>Sonae, SGPS, S.A. PwC 7 of 12</p>

<i>Key Audit Matter</i>	<i>Summary of the Audit Approach</i>
<p>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, supported on specific information systems with defined categories of commercial income.</p> <p>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.</p> <p>The related disclosures are presented in Notes 4.1 and 4.4 to the consolidated financial statements.</p>	<p>adequacy of the accounting treatment of such agreements; iv) testing the allocation of obtained discounts and commercial income to inventories as at 31 December 2022; v) testing whether amounts were recorded in the correct period, namely through subsequent events procedures in 2023, and vi) requesting external confirmations for a sample of suppliers, and reviewing its reconciliation, when applicable.</p> <p>We also reviewed the disclosures presented in the consolidated financial statements.</p>
<i>Responsibilities of management and supervisory board for the consolidated financial statements</i>	
<p>Management is responsible for:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b) the preparation of the Directors' Report, including the Corporate governance Report, in accordance with the applicable law and regulations;</li> <li>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;</li> <li>d) the adoption of appropriate accounting policies and criteria; and</li> <li>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.</li> </ul> <p>The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.</p>	
<p>Statutory Audit Report and Audit Report 31 December 2022</p>	<p>Sonae, SGPS, S.A. PwC 8 of 12</p>

**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 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 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; 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 30 April 2019 for the period from 2019 to 2022.
- 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 4 April 2023.

- 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.

4 April 2023

PricewaterhouseCoopers & Associados  
- Sociedade de Revisores Oficiais de Contas, Lda.  
represented by:

António Joaquim Brochado Correia, ROC n° 1076  
Registered with the Portuguese Securities Market Commission under n° 20160688





**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 financial statements of Sonae, SGPS, S.A. (the Entity), which comprise the separate statement of financial position as at 31 December 2022 (which shows total assets of Euro 5,247,435 thousand and total shareholders' equity of Euro 4,024,962 thousand including a profit for the period of Euro 132,216 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 the notes to the financial statements, including a summary of significant accounting policies.

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 2022, 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

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros de PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente. Sede: Palazzo Seagram, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal

**Key Audit Matter**

**Summary of the Audit Approach**

**Accounting treatment of significant and unusual transactions (NOS)**

During the year ended 31 December 2022, the Entity performed the following significant and unusual transactions related to the interest held in the joint venture, ZOPT, SGPS, SA (ZOPT), held through the subsidiary, Sonaecom, SGPS, SA, as well as to the direct interest in NOS, SGPS, SA (NOS):

- i) In the third quarter of 2022, the subsidiary, Sonaecom, SGPS, SA has proceeded with the resolution of the Shareholders' Agreement with Unitel International Holdings, BV and Kento Holding Limited, which established joint control over ZOPT, which, in turn, held 52.15% of the shares representing NOS equity. In September 2022, with the objective of sharing proportionally ZOPT assets, it was decided to amortize the shares and the repayment of the supplementary capital held in ZOPT, in exchange of shares representing 26.07% of NOS equity and other net monetary means. For this reason, Sonaecom, SGPS, SA ceased to indirectly hold joint control and began to exercise significant influence directly over NOS.
- ii) During the year and until the date of the operation referred to in the previous paragraph, Sonae, SGPS, SA reinforced its direct equity interest at NOS, and held, at that date, a 10.78% equity share (as at 31 December 2021, 7.38%), classified as Financial Assets at fair value through Other Comprehensive Income. At that date, this direct investment was remeasured at fair value through other comprehensive income.

The Entity considers that there is no effective control over NOS and that only significant influence is maintained, at the date of the operation (through the 36.85% equity share), and as at 31 December 2022 (37.37% including the direct stake of 11.30%). As a result, the interest was classified as Investments in Subsidiaries, Associates and Joint Ventures, accounted for using the acquisition cost (deemed cost as at 30 September 2022 and

Our audit procedures included, among others: i) obtaining and reviewing supporting documentation for the resolution of the shareholder agreement that supported the joint control of ZOPT and for the decision to amortize the shares held in ZOPT and the repayment of supplementary capital; and ii) testing the remeasurement of the investment held directly in NOS to fair value, which was classified as a Financial Asset at Fair Value through Other Comprehensive Income until the date of the referred operation (30 September 2022).

Considering the global equity share of 36.85% held by the Group after the referred operation (direct and indirect interest of 10.78% and 26.07%, respectively) and 37.37% as at 31 December 2022 (direct and indirect interest of 11.30% and 26.07%, respectively), 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 made at shareholders' meetings; and iii) analyzing the level of attendance of shareholders with voting rights at shareholders' meetings since 2013.

We also reviewed the disclosures related to these matters in the notes to the separated financial statements.



<i>Key Audit Matter</i>	<i>Summary of the Audit Approach</i>
<p>further acquisitions).</p> <p>The accounting treatment of the operation referred to above was considered a key audit matter, considering the judgments applied by management in assessing the control over NOS.</p> <p>The related disclosures are presented in Notes 1.1, 2.1, 2.2.1 and 5.4 of the separated financial statements.</p>	
<p><b>Measurement of Investments in Subsidiaries, Joint Ventures and Associates</b></p>	
<p>Sonae SGPS, S.A. holds financial investments in subsidiaries, associates and joint ventures amounting to Euro 4,748.9 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.</p> <p>The determination of the recoverable value of those assets were considered a key audit matter, due to their value and their impact in the separate financial statements (impairment losses and reversal of impairment losses of Euros 66.2 million and 38.5 million, respectively) and because the assessment process 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, and on fair value adjustments on assets owned by some investees with real estate assets.</p>	<p>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 Interest in Subsidiaries, Associates and Joint Ventures, when applicable; (ii) assessing the reasonableness of the key assumptions in the calculation, namely, discount rate and growth rate; (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 performing sensitivity analysis around the key variables, and (vi) comparing the recoverable amount obtained with the carrying amount of the referred investments, when applicable, as well as assessing the reasonableness of the booked impairment losses and reversals.</p> <p>We also reviewed the disclosures in the notes to the consolidated financial statements.</p>
<p>Statutory Audit Report and Auditor's Report 31 December 2022</p>	
<p>Sonae, SGPS, S.A. PwC 3 of 7</p>	

<i>Key Audit Matter</i>	<i>Summary of the Audit Approach</i>
<p>The related disclosures are presented in notes 2.1 and 2.4 to the separate financial statements.</p>	
<p><b>Responsibilities of management and supervisory board for the financial statements</b></p>	
<p>Management is responsible for:</p>	
<p>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;</p> <p>b) the preparation of the Directors' Report, including the Corporate governance Report, in accordance with the applicable law and regulations;</p> <p>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;</p> <p>d) the adoption of appropriate accounting policies and criteria; and</p> <p>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.</p>	
<p>The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.</p>	
<p><b>Auditor's responsibilities for the audit of the financial statements</b></p>	
<p>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.</p> <p>As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:</p>	
<p>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;</p>	
<p>Statutory Audit Report and Auditor's Report 31 December 2022</p>	
<p>Sonae, SGPS, S.A. PwC 4 of 7</p>	

- 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 the relevant ethical requirements regarding independence and communicate all relationships and other matters that may be perceived as threats to our independence and, where applicable, the respective safeguards.

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.

**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 understanding 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 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 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 30 April 2020 for the period from 2020 to 2022.
- 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 4 April 2023.

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.

4 April 2023

PricewaterhouseCoopers & Associados  
- Sociedade de Revisores Oficiais de Contas, Lda.  
represented by:

António Joaquim Brochado Correia, ROC n° 1076  
Registered with the Portuguese Securities Market Commission under n° 20160688

# 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 separate 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 III.6 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 VI.2 to VI.5 and VI.7, 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, assessed the process of preparing the separate 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, separate and consolidated accounts for the year ended 31 December 2022, 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 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 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 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 separate 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 separate and consolidated balance sheets, the separate and consolidated statements of income by nature, cash flows, comprehensive income, changes in equity and the corresponding annexes, for the year 2022, having received from the 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 29°-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 I.2.2, I.2.3, I.2.4, I.3.1, I.3.2, I.4.1, I.4.2, I.5.1, III.6 (with incidence on the risk policy in accordance with and within its competence), VI.2., VI.3, VI.4, VI.5, VI.7, VII.1.1, VII.2.1., VII.2.2., VII.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 and External 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-four meetings, with an overall attendance rate of one hundred percent and with minutes drawn 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, 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 420° of Commercial Companies Code, having verified that it includes the elements referred to in article 29°-H of the Portuguese Securities Market Code.

Still, in the fulfilment of its duties, the Statutory Audit Board reviewed the Board of Directors Report, including the corporate governance report and remaining separate 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 external 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 separate 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 2022.
- c) The proposal of net profit appropriation presented by the Board of Directors.

## 3 – Responsibility Statement

In accordance with article 8°, number 1 paragraph a) of the CMVM nr. 5/2008 Regulation and with the terms defined in the article 29°-G, paragraph c) n° 1 of the Portuguese Securities Market Code, the members of the Statutory Audit Board declare that, to their knowledge, the information contained in the separate 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 Board of Directors 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 29°-H A of the Portuguese Securities Market Code.

Maia, 4 April 2023

THE STATUTORY AUDIT BOARD

Maria José Martins Lourenço da Fonseca

Daniel Bessa Fernandes Coelho

Manuel Heleno Sismeiro



4. Annexes

**Foster  
Sustainability**









**GRI**



## About our Global Reporting Initiative (GRI) report

The information published on the GRI annex focuses on the period of activity from the 1<sup>st</sup> January to the 31<sup>st</sup> December 2022 of Sonae SGPS, SA, comprises information about the **fully consolidated portfolio's companies**: MC, Worten, Zeitreel, Universo, Sonaecom and Sierra, and their activities mostly concentrated in Portugal and Spain.

This annex does not consider the **equity consolidated companies**: NOS, a company in which Sonae holds, directly and indirectly 37% and Iberian Sports Retail Group (which encompasses brands like SportZone, Sprinter, JD, Size? and Deporvillage) in which Sonae holds 30%.

This year the 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 responds to the requirements of the Portuguese Decree-Law no. 89/2017, published on 28<sup>th</sup> July and to the Spanish law no. 11/2018, published on 28<sup>th</sup> December.







This annex complements the information reported in the chapters “Our strategy”, “Our impact” and “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 annex 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 annex, 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

<b>Statement of use</b>	Sonae SGPS, SA reported in accordance with the GRI Standards for the period from January 1 <sup>st</sup> to December 31 <sup>st</sup> 2022
<b>Version used</b>	GRI 1: Foundation 2021
<b>GRI Applicable Sectorial Standards</b>	N.A. at the date of publication of this Report

### Fully consolidated companies - considered on the GRI

- 
**Food retail | 75%**  
 Continente’s different formats, Meu Super, Note!, Make Notes, Well’s, Dr. Wells, ZU, Bagga, Go Natural, Arenal (Tomenider) and Sonae RP. With operations in Portugal and Spain.
- 
**Electronics retail | 100%**  
 Worten and Worten mobile, iServices, Satfiel and Zaask. With operations in Portugal and in Spain (Canary islands, and a warehouse and a store in Madrid).
- 
**Fashion retail | 100%**  
 MO, Zippy & Losan and Salsa. With operations in several countries.
- 
**Financial services | 100%**  
 Universo, Universo Flex, Cartão Dá and MoneyGram.
- 
**Bright Pixel and Media | 100%**  
 Feedzai, Outsystems, Sensei, Inovretail, Probe.ly, Ometria, Público, among others.
- 
**Real estate | 90%**  
 Shopping centres and other assets under management. With operations in several countries.

### Equity consolidated companies – not considered on the GRI

- 
**Telecommunications | 37%**  
 Telco, Audiovisuals & Cinema
- 
**Sports retail | 30%**  
 SportZone, Sprinter, JD, Size? and Deporvillage

Note: % in each business corresponds to Sonae’s stake at December 2022.

## 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, and the correspondence of each GRI standard with the SDG, UNGC and Sustainability Accounting Standards Board (SASB) guidelines. This report complies with reporting requirements, and there have been no omissions in the content disclosure. For more information about each GRI standard see next section of this annex "GRI details".

GRI		References	SDG	UNGC	SASB
<b>General disclosures</b>					
<b>The organization and its reporting practices</b>					
2-1	Organizational details	<a href="#">Where we are in the world</a> ; <a href="#">Government of society</a> ; <a href="#">Shareholder Structure</a>	16	-	-
2-2	Entities included in the organization's sustainability reporting	"About our GRI report" of the GRI Annex	16	-	-
2-3	Reporting period, frequency and contact point	<a href="#">Contacts</a>	-	-	-
2-4	Restatements of information	"GRI details" of the GRI Annex	-	-	-
2-5	External assurance	Independent Limited Assurance Report Annex	16	10	-
<b>Activities and workers</b>					
2-6	Activities, value chain, and other business relationships	<a href="#">Where we are in the world</a> ; <a href="#">The Group and our Businesses</a> ; <a href="#">Code of Ethics and Conduct</a> ; <a href="#">Suppliers' Code of Conduct</a>	8	-	-
2-7	Information about employees	-	5, 8	6	Workforce Diversity & Inclusion- CG-MR-330a.1 (Multiline and Retail and Distribution Specialists)
2-8	Workers who are not employees	-	8	6	-
<b>Governance</b>					
2-9	Governance structure and composition	Corporate Governance Report; Chapter "Our strategy" of the Integrated Management Report	16	10	-
2-10	Nomination and selection of the highest governance body	Corporate Governance Report; <a href="#">Selection Policy</a>	16	10	-
2-11	Chair of the highest governance body	Corporate Governance Report; Chapter "Our strategy" of the Integrated Management Report	16	10	-
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report	16	-	-
2-13	Delegation of responsibility for managing impacts	Corporate Governance Report	16	-	-
2-14	Role of the highest governance body in sustainability reporting	<a href="#">Internal Regulation of the Board of Directors</a>	16	-	-
2-15	Conflicts of interest	Corporate Governance Report; <a href="#">Internal Regulation of the Board of Directors</a>	16	10	-
2-16	Communication of critical concerns	Corporate Governance Report; <a href="#">Code of Ethics and Conduct</a>	16	-	-
2-17	Collective knowledge of the highest governance body	Corporate Governance Report	16	10	-

GRI	References	SDG	UNGC	SASB	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report	16	10	-
2-19	Remuneration policies	<a href="#">Remuneration Policy</a>	5, 8, 10	6	-
2-20	Process to determine remuneration	<a href="#">Remuneration Policy</a>	5, 8, 10	6	-
2-21	Annual total compensation ratio	Corporate Governance Report	5, 8, 10	6	-
<b>Strategy, policies and practices</b>					
2-22	Statement on sustainable development strategy	“Letter from our Chair” and “CEO Letter” of the Integrated Management Report	1-17	1-10	-
2-23	Policy commitments	<a href="#">Human Rights Policy</a>	1-17	1-10	-
2-24	Embedding policy commitments	Chapter “Our strategy” of the Integrated Management Report	1-17	1-10	-
2-25	Processes to remediate negative impacts	Corporate Governance Report	-	-	-
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Report; <a href="#">Code of Ethics and Conduct</a>	-	-	-
2-27	Compliance with laws and regulations	-	16	1-5	Labour Practices - FB-FR-310a.4 (Food retailers & distributors)
2-28	Membership associations	Chapter “Engaging with our stakeholders” of the Integrated Management Report; <a href="#">Partner Organizations</a>	8	-	-
<b>Stakeholder engagement</b>					
2-29	Approach to stakeholder engagement	Chapter “Engaging with our stakeholders” of the Integrated Management Report	1-17	-	-
2-30	Collective bargaining agreements	-	8	3	Labour Practices - FB-FR-310a.2 (Food Retailers & Distributors)
<b>Material topics</b>					
<b>Disclosure on Material Topics</b>					
3-1	Process to determine material topics	Chapters “Our strategy”, “Our impact” and “Our performance” of the Integrated Management Report; <a href="#">2018 Sustainability Report</a>	1-17	-	-
3-2	List of material topics	Chapters “Our strategy”, “Our impact” and “Our performance” of the Integrated Management Report; <a href="#">2018 Sustainability Report</a>	3, 4, 5, 7, 8, 10, 12, 13, 14, 15	6	-
3-3	Management of material topics	Chapters “Our strategy”, “Our impact” and “Our performance” of the Integrated Management Report; TCFD section; <a href="#">2018 Sustainability Report</a>	3, 4, 5, 7, 8, 10, 12, 13, 14, 15	-	-



Strategic axes	Material topics	Managing material topics
1	Climate Change and CO <sub>2</sub>  ● Energy Consumption, Renewable Energy, Energy Efficiency and Eco-efficiency	<p>As mentioned in the chapters "Our strategy", "Our impact" and "Our performance", Sonae understands the agenda of transition and energy efficiency as essential in carrying out its path of reducing CO<sub>2</sub>e emissions and combating climate change, towards decarbonisation through the following commitments and targets:</p> <ul style="list-style-type: none"> <li>• Invest in reducing GHG emissions (scope 1+2) by 54% by 2030 (vs. 2018);</li> <li>• Achieve carbon neutrality of our operations (scope 1+2) by 2040, ten years before the EU target;</li> <li>• Compensate 100% of the GHG emissions of our fleet of light vehicles, until the fleet is fully electric, through the plantation of forests, and continue the conversation and electrification of the function and service fleet;</li> <li>• Optimize energy consumption, promoting energy efficiency and eco-efficiency, through the development of action roadmaps in our facilities and assets, such as replacement of LED lighting, installation of more efficient HVAC systems, optimisation of vehicle and route occupancy, implementation of energy audit plans, among others;</li> <li>• Decarbonisation of the energy matrix through investment in the production of renewable energy for self-consumption and procurement of renewable grid energy and green contracts;</li> <li>• Extend scope 3 emissions mapping to include more categories and portfolio companies;</li> <li>• Implement compensation measures in situations where emissions reduction is not possible.</li> </ul>
2	Natureza e Biodiversidade  ● Biodiversity Protection ● Sustainable Agriculture and Fishing	<p>As mentioned in the chapters "Our strategy", "Our impact" and "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:</p> <ul style="list-style-type: none"> <li>• Collaborate in the definition and application of methodologies that allow companies to define specific objectives, aligned with the best practices of science through the integration in the Corporate Engagement Program of the Science Based Targets Network (SBTN);</li> <li>• Subscription to the act4nature Portugal commitment;</li> <li>• Ensure <a href="#">Zero Deforestation</a> by 2030, a commitment made by all companies in the portfolio to ensure forest maintenance as a result of activities and operations under direct control of Sonae portfolio companies and their supply chains;</li> <li>• Work with the supply chain, partners and suppliers to ensure traceability and monitoring of materials used, ensuring sustainable sourcing of raw materials through the adoption of certification schemes;</li> <li>• Ensure "zero deforestation" in the development of new infrastructure;</li> <li>• Contribute to the conservation and restoration of forest ecosystems, namely through the Sonae Forest Project, which aims to reforest more than 1,000 hectares by 2030;</li> <li>• Support the transition to regenerative agriculture that increases biodiversity, enriches soils, improves water management and ecosystem services, for example through the <i>Clube Produtores do Continente</i> (CPC) that ensures the promotion of best productive practices among its members.</li> </ul>
3	Plastics  ● Impact of Plastic Bags and Packaging ● Waste Management	<p>As mentioned in the chapters "Our strategy", "Our impact" and "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:</p> <ul style="list-style-type: none"> <li>• Ensure that all our private label plastic packaging is 100% recyclable, reusable or compostable by 2025;</li> <li>• Ensure the incorporation, on average, of 30% recycled plastic in new packaging of our own brand by 2025;</li> <li>• Eliminate the single-use and disposable plastics;</li> <li>• Rethink and redesign processes, in particular regarding the impact of plastic bags and packaging;</li> <li>• Promote proper waste management by routing to licensed operators;</li> <li>• Subscription and commitment of the Portuguese Pact for Plastics in 2020.</li> </ul>

Strategic axes	Material topics	Managing material topics
4	Inequalities and Inclusive Development <ul style="list-style-type: none"> <li>Human Capital Development</li> <li>Diversity, Inclusion and Equality Opportunities</li> </ul>	<p>As mentioned in the chapters "Our strategy", "Our impact" and "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:</p> <ul style="list-style-type: none"> <li>Combat inequalities, build a more inclusive and fair work environment in opportunities;</li> <li>Define professional requalification plans, through projects such as PRO_MOV that aims, in partnership with different national entities, to requalify 20 thousand people by 2025;</li> <li>Ensure that 39% of leadership positions are held by women by 2023 (achieved in 2022).</li> </ul>
5	Community Support <ul style="list-style-type: none"> <li>Community Involvement;</li> <li>Combating Food Waste</li> </ul>	<p>As mentioned in the chapters "Our strategy", "Our impact" and "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:</p> <ul style="list-style-type: none"> <li>Increase the resilience and self-sufficiency of the communities in which we operate, to eliminate poverty in all its forms;</li> <li>Invest and promote our involvement in the community, through collaboration with different organizations, donations and voluntary actions;</li> <li>Implement analytical methods in the sales strategy and promote different initiatives to minimize food waste.</li> </ul>
6	Responsible Investment and Sustainable Supply Chain	<p>As mentioned in the chapter "Our 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 "Our impact", the following stand out:</p> <ul style="list-style-type: none"> <li>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.</li> </ul>

GRI	References	SDG	UNGC	SASB	
<b>Economic disclosures</b>					
<b>Economic performance</b>					
201-1	Direct economic value generated and distributed	-	2, 5, 7, 8, 9	-	
201-2	Financial implications and other risks and opportunities for the organisation due to climate change	TCFD section	13	7	Climate Change Adaptation - IF-RE-450a.2 (Real Estate)
201-3	Defined benefit plan obligations and other retirement	-	-	-	-
201-4	Financial assistance received from government	-	-	-	-
<b>Market presence</b>					
202-2	Proportion of senior management hired from the local community	-	8	6	-
<b>Indirect economic impacts</b>					
203-1	Infrastructure investments and services supported	-	2, 5, 7, 8, 9	-	-
203-2	Significant indirect economic impacts	-	1, 2, 3, 8, 10, 17	-	-

GRI		References	SDG	UNGC	SASB
<b>Procurement practices</b>					
204-1	Proportion of spending on local suppliers	-	8, 12, 16, 17	-	-
<b>Anti-corruption</b>					
205-1	Operations assessed for risk related to corruption	<a href="#">Code of Ethics and Conduct</a> ; <a href="#">Corporate Governance</a>	16	10	-
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Code of Ethics and Conduct</a> ; <a href="#">Suppliers' Code of Conduct</a> ; <a href="#">Corporate Governance</a>	4, 16	10	-
205-3	Confirmed incidents of corruption and actions taken	<a href="#">Code of Ethics and Conduct</a> ; <a href="#">Corporate Governance</a>	16	10	-
<b>Environmental disclosures</b>					
<b>Materials</b>					
301-1	Materials used by weight or volume	-	-	7-8	-
301-2	Recycled input materials used	-	12	7-8	-
301-3	Reclaimed products and their packaging materials	Chapter "Our performance" of the Integrated Management Report	-	7-8	-
<b>Energy</b>					
302-1	Energy consumption	Chapter "Our performance" of the Integrated Management Report	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 "Our performance" of the Integrated Management Report	7, 9, 12, 13	8	-
302-4	Reduction of energy consumption	Chapter "Our performance" of the Integrated Management Report	7, 9, 12, 13	8-9	-
302-5	Reductions in energy requirements of products and services	-	7, 9, 12, 13	8-9	-
<b>Water and effluents</b>					
303-1	Interactions with water as a shared resource	-	6	7-8	-
303-2	Management of water discharge-related impacts	-	6	7-8	-
303-3	Water withdrawal	-	6	8	Water Management - IF-RE-140a.2 (Real Estate)

GRI		References	SDG	UNGC	SASB
303-4	Water discharge	-	6	8	-
303-5	Water consumption	-	6	8	-
<b>Biodiversity</b>					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Chapters "Our strategy", "Our impact" and "Our performance" of the Integrated Management Report	6, 14, 15	8	-
304-2	Significant impacts of activities, products and services on biodiversity	Chapter "Our strategy" of the Integrated Management Report	6, 14, 15	8	-
304-3	Habitats protected or restored	Chapter "Our impact" of the Integrated Management Report	6, 14, 15	8	-
<b>Emissions</b>					
305-1	Direct (Scope 1) GHG Emissions	Chapters "Our strategy" and "Our performance" Integrated Management Report	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 "Our strategy" and "Our performance" of the Integrated Management Report	3, 12, 13, 14, 15	7-8	-
305-3	Indirect (Scope 3) GHG Emissions	Chapters "Our strategy" and "Our performance" of the Integrated Management Report	3, 12, 13, 14, 15	7-8	-
305-4	GHG emissions intensity	Chapters "Our strategy" and "Our performance" of the Integrated Management Report	3, 12, 13, 14, 15	8	-
305-5	Reduction of GHG emissions	Chapters "Our strategy", "Our impact" and "Our performance" of the Integrated Management Report	3, 12, 13, 14, 15	8-9	-
305-6	Emissions of ozone-depleting substances	-	3, 12, 13, 14, 15	7-8	Air Emissions from Refrigeration - FB-FR 110b.1 (Food Retailers & Distributors)
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>2</sub> ) and other significant air emissions	-	3, 12, 13, 14, 15	7-8	-
<b>Waste</b>					
306-1	Waste generation and significant waste-related impacts	Chapters "Our strategy" and "Our performance" of the Integrated Management Report	6, 12	8	-
306-2	Management of significant waste-related impacts	Chapter "Our impact" of the Integrated Management Report	6, 12	8	-
306-3	Waste Generated	-	6, 12	8	-
306-4	Waste diverted from disposal	-	6, 12	8	-

GRI	References	SDG	UNGC	SASB	
306-5	Waste directed to disposal	-	6, 12	8	-
<b>Social disclosures</b>					
<b>Employment</b>					
401-1	New employee hires and employee turnover	Chapter "Our strategy" and "Our performance" of the Integrated Management Report	5, 8	6	Labor Practices - CG-MR-310a.2 (Multiline and Retail and Distribution Specialists)
401-3	Parental leave	-	5, 8	6	-
<b>Occupational health and safety</b>					
403-1	Occupational health and safety management system	-	3, 8	-	-
403-2	Hazard identification, risk assessment, and incident investigation	-	3, 8	-	-
403-3	Occupational health services	-	3, 8	-	-
403-4	Worker participation, consultation, and communication on occupational health and safety	-	-	3, 6	-
403-5	Worker training on occupational health and safety	-	3, 4, 8	6	-
403-6	Promotion of worker health	-	3, 8	6	-
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	3, 8	6	-
403-8	Workers covered by an occupational health and safety management system	-	3, 8	6	-
403-9	Work-related injuries	-	3, 8	-	-
<b>Training and education</b>					
404-1	Average hours of training per year per participant	Chapters "Our strategy" and "Our performance" of the Integrated Management Report	4, 5, 8	6	-
404-2	Programmes for upgrading participants skills and transition assistance programmes	-	8	6	-
404-3	Percentage of employees receiving regular performance and career development reviews	-	5, 8	-	-
<b>Diversity and equal opportunities</b>					
405-1	Diversity of governance bodies and employees	Chapters "Our strategy" and "Our performance" of the Integrated Management Report	5, 8	6	-



GRI		References	SDG	UNGC	SASB
405-2	Ration of basic salary and remuneration of women to men	-	5, 8, 10	6	Labor Practices - CG-MR-310a.1 (Multiline and Retail and Distribution Specialists)
<b>Non-discrimination</b>					
406-1	Incidents of discrimination and corrective actions taken	-	5, 8, 16	6	-
<b>Freedom of association and collective bargaining</b>					
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	8, 16	3	-
<b>Child labour</b>					
408-1	Operations and suppliers at significant risk for child labour incidents	-	8, 16	5	-
<b>Forced or compulsory labour</b>					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	-	8, 16	4	-
<b>Security practices</b>					
410-1	Security personnel trained in human rights policies or procedures	-	4	-	-
<b>Local communities</b>					
413-1	Operations with local community engagement, impact assessments and development programmes	Chapters "Our strategy", "Our impact" and "Our performance" of the Integrated Management Report	11	-	-
<b>Supplier social and environmental assessment</b>					
414-1 and 308-1	New suppliers that were screened using social and environmental criteria	-	1-6, 8, 12	1-2	Labor Conditions in the Supply Chain - CG-AA-430b.1 (Apparel, Accessories & Footwear)
<b>Customer health and safety</b>					
416-1	Assessment of the health and safety impacts of products and services	-	16	-	Management of Chemicals in Products - CG-AA-250a.2 (Apparel, accessories & footwear)
<b>Marketing and labeling</b>					
417-1	Requirements for product and service information and labelling	-	12, 16	-	Product Health & Nutrition - FB-FR-260a.2 (Food Retailers & Distributors)

## GRI details

### GRI 2 - General disclosures

#### 1. The organization and its reporting practices

##### 2-1 Organizational Details

Name of the organization: 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 organization's sustainability reporting

See information in the section "About our GRI report" of this GRI Annex.

##### 2-3 Reporting period, frequency and contact point

The current GRI report focuses on the period of activity between January 1<sup>st</sup> and December 31<sup>st</sup>, 2022, and was published at the 4<sup>th</sup> of April of 2023. Its frequency of reporting is annual.

For additional clarifications on the information published in the GRI annex, 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 2022 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 organization see the chapter "Our performance" in the Integrated Management Report.

#### 2-7 Information about employees

##### Number of employees per type of contract

2022	Holding, MC, Worten, Zeitreel and Universo			Sonaecom (Bright Pixel & Media)			Sierra*			Sonae		
	M	W	T	M	W	T	M	W	T	M	W	T
Permanent	11,461	23,377	34,838	145	160	305	298	374	672	11,904	23,911	35,815
Temporary	4,593	7,761	12,354	5	10	15	15	23	38	4,613	7,794	12,407
<b>Total</b>	<b>16,054</b>	<b>31,138</b>	<b>47,192</b>	<b>150</b>	<b>170</b>	<b>320</b>	<b>313</b>	<b>397</b>	<b>710</b>	<b>16,517</b>	<b>31,705</b>	<b>48,222</b>
Full-time	12,752	22,635	35,387	150	169	319	313	376	689	13,215	23,180	36,395
Part-time	3,302	8,503	11,805	-	1	1	-	21	21	3,302	8,525	11,827
<b>Total</b>	<b>16,054</b>	<b>31,138</b>	<b>47,192</b>	<b>150</b>	<b>170</b>	<b>320</b>	<b>313</b>	<b>397</b>	<b>710</b>	<b>16,517</b>	<b>31,705</b>	<b>48,222</b>

\*In Sierra, direct employees are considered. Updated reporting criteria for Sierra with workers from Poland and Luis Malheiro excluded, as they are outside the Sierra Payroll.

Note: M - Men, W - Women, T - Total.

Number employees per type of contract and country

2022	Holding, MC, Worten, Zeitree and Universo				Sonaecom (Bright Pixel & Media)				Sierra				Sonae			
	Portugal	Spain	RoW	Total	Portugal	Spain	RoW	Total	Portugal	Spain	RoW	Total	Portugal	Spain	RoW	Total
Permanent	33,144	1,636	58	<b>34,838</b>	304	1	-	<b>305</b>	452	74	146	<b>672</b>	33,900	1,711	204	<b>36,815</b>
Temporary	11,907	443	4	<b>12,354</b>	15	-	-	<b>15</b>	26	6	6	<b>38</b>	11,948	449	10	<b>12,407</b>
<b>Total</b>	<b>45,051</b>	<b>2,079</b>	<b>62</b>	<b>47,192</b>	<b>319</b>	<b>1</b>	<b>-</b>	<b>320</b>	<b>478</b>	<b>80</b>	<b>152</b>	<b>710</b>	<b>45,848</b>	<b>2,160</b>	<b>214</b>	<b>48,222</b>
Full-time	34,506	842	39	<b>35,387</b>	318	1	-	<b>319</b>	475	70	144	<b>689</b>	35,299	913	183	<b>36,395</b>
Part-time	10,545	1,237	23	<b>11,806</b>	1	-	-	<b>1</b>	3	10	8	<b>21</b>	10,549	1,247	31	<b>11,827</b>
<b>Total</b>	<b>45,051</b>	<b>2,079</b>	<b>62</b>	<b>47,192</b>	<b>319</b>	<b>1</b>	<b>-</b>	<b>320</b>	<b>478</b>	<b>80</b>	<b>152</b>	<b>710</b>	<b>45,848</b>	<b>2,160</b>	<b>214</b>	<b>48,222</b>

Note: RoW - Rest of the World.

Number of employees including governance bodies by employee category and gender

2022	Holding, MC, Worten, Zeitree and Universo			Sonaecom (Bright Pixel & Media)			Sierra			Sonae				
	M	W	T	M	W	T	M	W	T	M	W	T		
Governance bodies		17	5	<b>22</b>		1	1	<b>2</b>	5	3	<b>8</b>	23	9	<b>32</b>
Executives		58	16	<b>74</b>		-	1	<b>1</b>	16	5	<b>21</b>	74	22	<b>96</b>
Senior & Middle Managers		655	448	<b>1,103</b>		20	10	<b>30</b>	145	96	<b>241</b>	820	554	<b>1,374</b>
Coordinators & Supervisors		1,207	2,012	<b>3,219</b>		130	159	<b>289</b>	73	71	<b>144</b>	1,410	2,242	<b>3,652</b>
Technicians & Specialists		1,314	2,458	<b>3,772</b>		-	-	<b>-</b>	79	225	<b>304</b>	1,393	2,683	<b>4,076</b>
Operational		12,821	26,203	<b>39,024</b>		-	-	<b>-</b>	-	-	<b>-</b>	12,821	26,203	<b>39,024</b>
<b>Total</b>		<b>16,072</b>	<b>31,142</b>	<b>47,214</b>		<b>161</b>	<b>171</b>	<b>322</b>	<b>318</b>	<b>400</b>	<b>718</b>	<b>16,541</b>	<b>31,713</b>	<b>48,254</b>

Note: Governance bodies are included in the indicator report.

Number of employees including governance bodies by age and gender

2022	Holding, MC, Worten, Zeitree and Universo			Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T
< 30 years old	7,379	11,587	<b>18,966</b>	28	33	<b>61</b>	7,407	11,620	<b>19,027</b>
From 30 to 50 years old	6,999	14,835	<b>21,834</b>	85	95	<b>180</b>	7,084	14,930	<b>22,014</b>
≥ 50 years old	1,694	4,720	<b>6,414</b>	38	43	<b>81</b>	1,732	4,763	<b>6,495</b>
<b>Total</b>	<b>16,072</b>	<b>31,142</b>	<b>47,214</b>	<b>151</b>	<b>171</b>	<b>322</b>	<b>16,223</b>	<b>31,313</b>	<b>47,536</b>

Note: Governance bodies are included in the indicator report.

\* Excluding Sierra, as Sierra reports this indicator with different age groups. See next table.

Number of employees including governance bodies by age and gender

2022	Sierra		
	M	W	T
< 35 years old	66	80	<b>146</b>
From 35 to 44 years old	67	122	<b>189</b>
From 45 to 54 years old	128	149	<b>277</b>
From 55 to 64 years old	54	48	<b>102</b>
> 64 years old	3	1	<b>4</b>
<b>Total</b>	<b>318</b>	<b>400</b>	<b>718</b>

Note: Governance bodies are included in the indicator report.

## Number of employees including governance bodies by employee category, age and gender

2022	Holding, MC, Worten, Zeitreel and Universo			Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T
<b>Governance bodies</b>	17	5	22	1	1	2	18	6	24
< 30 years old	-	-	-	-	-	-	-	-	-
From 30 to 50 years old	7	2	9	1	1	2	8	3	11
≥ 50 years old	10	3	13	-	-	-	10	3	13
<b>Executives</b>	58	16	74	-	1	1	58	17	75
< 30 years old	-	-	-	-	-	-	-	-	-
From 30 to 50 years old	32	9	41	-	1	1	32	10	42
≥ 50 years old	26	7	33	-	-	-	26	7	33
<b>Senior &amp; Middle Managers</b>	655	448	1,103	20	10	30	675	458	1,133
< 30 years old	11	7	18	1	-	1	12	7	19
From 30 to 50 years old	464	329	793	14	8	22	478	337	815
≥ 50 years old	180	112	292	5	2	7	185	114	299
<b>Coordinators &amp; Supervisors</b>	1,207	2,012	3,219	130	159	289	1,337	2,171	3,508
< 30 years old	128	220	348	27	33	60	155	253	408
From 30 to 50 years old	895	1,492	2,387	70	85	155	965	1,577	2,542
≥ 50 years old	184	300	484	33	41	74	217	341	558
<b>Technicians &amp; Specialists</b>	1,314	2,458	3,772	-	-	-	1,314	2,458	3,772
< 30 years old	445	807	1,252	-	-	-	445	807	1,252
From 30 to 50 years old	746	1,391	2,137	-	-	-	746	1,391	2,137
≥ 50 years old	123	260	383	-	-	-	123	260	383
<b>Operational</b>	12,821	26,203	39,024	-	-	-	12,821	26,203	39,024
< 30 years old	6,795	10,553	17,348	-	-	-	6,795	10,553	17,348
From 30 to 50 years old	4,855	11,612	16,467	-	-	-	4,855	11,612	16,467
≥ 50 years old	1,171	4,038	5,209	-	-	-	1,171	4,038	5,209

Note: Governance bodies are included in the indicator report.

\* Excluding Sierra, as Sierra reports this indicator with different age groups. See next table.

## Number of employees including governance bodies by employee category, age and gender

2022	Sierra		
	M	W	T
<b>Governance bodies</b>	5	3	8
< 35 years old	0	0	0
From 35 to 44 years old	0	0	0
From 45 to 54 years old	5	3	8
From 55 to 64 years old	0	0	0
> 64 years old	0	0	0
<b>Executives</b>	16	5	21
< 35 years old	0	0	0
From 35 to 44 years old	1	0	1
From 45 to 54 years old	9	2	11
From 55 to 64 years old	5	3	8
> 64 years old	1	0	1
<b>Senior &amp; Middle Managers</b>	145	96	241
< 35 years old	10	2	12
From 35 to 44 years old	30	34	64
From 45 to 54 years old	71	46	117
From 55 to 64 years old	33	14	47
> 64 years old	1	0	1
<b>Coordinators &amp; Supervisors</b>	73	71	144
< 35 years old	20	10	30
From 35 to 44 years old	20	32	52
From 45 to 54 years old	24	22	46
From 55 to 64 years old	8	7	15
> 64 years old	1	0	1
<b>Technicians &amp; Specialists</b>	79	225	304
< 35 years old	36	68	104
From 35 to 44 years old	16	56	72
From 45 to 54 years old	19	76	95
From 55 to 64 years old	8	24	32
> 64 years old	0	1	1
<b>Operational</b>	0	0	0
< 35 years old	0	0	0
From 35 to 44 years old	0	0	0
From 45 to 54 years old	0	0	0
From 55 to 64 years old	0	0	0
> 64 years old	0	0	0

Note: Governance bodies are included in the indicator report.

## 2-8 Workers who are not employees

In 2022, were registered a total of 1,309 workers who were not employed but whose work was managed by the organization, namely contractors, trainees, maintenance and security service providers.

## 3. Governance

### 2-9 Governance structure and composition

For the governance indicators see Sonae's 2022 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 "Effective parenting style with a proven governance model" of the chapter "Our strategy" of the 2022 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 2022 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 2022 Corporate Governance Report.

In addition, see the section "Effective parenting style with a proven governance model" of the chapter "Our strategy" 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 Chair 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 2022 Corporate Governance Report.

### 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 2022 Corporate Governance Report.

### 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 "Part I Shareholders' Structure, Organisation and Corporate Governance" of the 2022 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 Ombudsman through the following e-mail: [provedoria@sonae.pt](mailto: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](mailto:comissaodeetica@sonae.pt) and iii) the Reporting Channel under the corruption prevention policy.

In addition, the Sonae Ombudsman 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 "III. Reporting of irregularities (whistleblowing)" of the section "C. Internal Organisation") of the "Part I Shareholders' Structure, Organisation and Corporate Governance" of the 2022 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 2022, 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 organizations, experts, and stakeholders in sustainable development to share experience, knowledge, and skills. For more information about our Partner Organizations 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 Consultant 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 2022 Corporate Governance Report.

In addition, for further details on the assessments and their frequency of assessments see the recommendation V.1.1. (of the topic "V. Evaluation of Performance, Remuneration and Appointment" 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 organizational 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 2022 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 2022 Corporate Governance Report.

At the Shareholders’ General Meeting held on 28th April 2022, 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 2022, 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 45.7 at MC, 42.3 at Worten, 20.3 at Holding and 13.8 Sonaecom. 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 2.5 at MC, 0.6 at Worten, 1.9 at Holding and 1.8 Sonaecom.

For more information see the section “D. Remuneration” of the “Part I Shareholders’ Structure, Organisation and Corporate Governance” of the 2022 Corporate Governance Report.

## 4. Strategy, policies and practices

### 2-22 Statement on sustainable development strategy

See the “Letter from our Chair” and the “CEO Letter” of the 2022 Integrated Management Report.

### 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<sub>2</sub> & 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 “Our strategy” of the Integrated Management Report.

### 2-25 Processes to remediate negative impacts

See the chapter “III. Reporting of irregularities (whistleblowing)” of the section “C. Internal Organisation” of the “Part I Shareholders’ Structure, Organisation and Corporate Governance” of the 2022 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 higher than or equal 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, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
Significant fines: monetary value (€)	43,095	93,871	-	-	-	-	43,095	93,871
Non-monetary sanctions (no.)	3	2	-	-	-	-	3	2

## 2-28 Membership associations

Sonae engages with more than 45 national and international organizations 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 Organizations:

- at our website: [Partner Organizations](#); and
- the chapter “Engaging with 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 operating. 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 main 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 “Organisations and Public Entities” (Regulatory and Governmental Entities).

See the chapter “Engaging with our stakeholders” of the Integrated Management Report for more details on our approach to engaging with stakeholders.

### 2-30 Collective bargaining agreements

In MC, Worten and Zeitreel 95% of employees are covered by collective bargaining agreements.

## GRI 3 - Material Topics

### 1. Disclosure on Material Topics

#### 3-1 Process to determine material topics

The application of the materiality principle to identify and analyse the positive and negative impacts of our sectors' activity took place in a more profound way in 2018. However, we continue to invest and guide our positioning and action in these strategic axes, assessing yearly their adequacy. For more information on the initial definition of the material topics, see the [2018 Sustainability Report](#).

It was a robust auscultation process that involved the inclusion of different stakeholders' vision (employees, customers, suppliers and partners, regulatory and sectoral entities, investors, media and community) and that reflected on our performance, structure and positioning, as well as on the best practices and market trends and the regulatory framework in force and planned.

As a result of that process, the following **material themes** were identified:

- Responsible Investment;
- Sustainable Supply Chain;
- Human Capital Development;
- Diversity, Inclusion and Equality Opportunities;
- Community Involvement;
- Energy Consumption, Renewable Energy, Energy Efficiency and Eco-efficiency;
- Biodiversity Protection;
- Impact of Plastic Bags and Packaging;
- Waste Management;
- Combating Food Waste; and
- Sustainable Agriculture and Fishing.

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:



CO<sub>2</sub> and climate change



Nature and biodiversity



Plastic



Inequalities and inclusive development



Community support

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.

Although, we recognize that our axes continued to make progress in terms of results, in the second half of 2022, Sonae began a process of updating its sustainability strategy, considering Sonae as an active portfolio manager. An extensive study was conducted taking into account the context and information of the companies that make up Sonae's portfolio, as well as a benchmark and market trends and the evaluation of the current and expected regulatory agenda. This information was systematized and served as a basis for the participatory process that allowed to listen, debate, and integrate the different views of the main stakeholders, such as: employees, financial entities and investors, sector organizations, external experts, among others.

The result of these steps generated a matrix of dual materiality that was built according to the Corporate Sustainability Reporting Directive (CSRD), approved by the European Commission, which provides for companies to report on their sustainability strategy and progress in a consistent and comparable manner, in line with the European Taxonomy and standards of Task Force on Climate-related Financial Disclosure (TCFD), Sustainability Accounting Standards Board (SASB), International Integrated Reporting Council (IIRC) and GRI.

The strategy update process is being completed and it's intended to be announced in the end of 2023's first semester, will represent the strategic axes and commitments that will guide our companies for a new cycle between 2023 and 2026.

### 3-2 List of material topics

The current GRI annex focuses on the activity of:

- Holding;
- MC: which includes Continente's different formats, Meu Super, Note!, Make Notes, Well's, Dr. Wells, ZU, Bagga, Go Natural, Arenal and Sonae RP;
- Zeitreel: including MO, Zippy& Losan and Salsa;
- Worten: including its recently acquired companies iServices and Zaask and with operations in Portugal and Spain (Canary Islands, Warehouse and a store in Madrid);
- Universo;
- Sonaecom: which includes Bright Pixel and the Media area; and
- Sierra.

This Supplement does not consolidate NOS non-financial data, a company in which Sonae holds, directly and indirectly 37% and Iberian Sports Retail Group, in which Sonae holds 30%.

For more details see "About our GRI Report" of this Annex.

The annex also reflects our approach and results regarding the material topics identified in our materiality assessment: Responsible Investment, Sustainable Supply Chain, Human Capital Development, Diversity, Inclusion and Equality Opportunities, Community Involvement, Energy Consumption, Renewable Energy and Energy Efficiency, Eco-efficiency, Biodiversity Protection, Impact of Plastic Bags and Packaging, Waste Management, Combating Food Waste and Sustainable Agriculture and Fishing.

As an additional note regarding this annex, it should be mentioned that the scope of the indicator "Women in Leadership Functions" in the chapter "Our performance" has a different scope than that reported in the indicator GRI "405-1 Diversity of governance bodies and employees". It only covers Sonae and its subsidiaries that have defined gender equality targets and are governed by the segmentation of functions defined for the Group, excluding the company Arenal.

### 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: CO<sub>2</sub> and climate change; nature and biodiversity; plastic; inequalities and inclusive development; and community support.

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 strategy" 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 "Our impact". 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 "Our performance" of the Integrated Management Report. In addition to the contents presented in the Management Report, in the GRI annex 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 31<sup>st</sup> of December of 2022 and of 2021.

#### 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.

Recognizing the importance of being aligned with the global recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), a framework developed by the Financial Stability Board, after our first exercise in 2021, during 2022 we improved our processes internally developing a corporate procedure to manage our companies' climate related risks and opportunities, aiming to manage the critical risk "Failure to mitigate and adapt to climate change" by all Sonae Companies. This year, our report on TCFD includes an evolution regarding the financial impact estimation. 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 2022, the Sonae Group received a total of €95.6m. It should be noted that the Government is not part of the shareholder structure of the company.

Note: The reported value does not consolidate Sierra's information, since, at the date of the closing of the report, it has not yet been possible to establish and indicate the amount of the incentive allocated in 2022. The amount indicated refers to amounts received in the context of tax credits.

### 202: Market presence

#### 202-2 Proportion of senior management hired from the local community

96% of Sonae, MC, Worten, Zeitreel, Universo 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 programmes".

#### 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
% of spending on foreign suppliers	17	18
% of spending on local suppliers	83	82

Note: Baseline information for 2021 has been revised and the value corrected.

### 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 organization. For more information see the Document "[Plan for the Prevention of Corruption](#)" (PPR) available on the Sonae [website](#).



The project for mapping and assessing corruption risks is being implemented at Sonae's companies and is in progress to transpose 17 processes, with completion scheduled for March 2023 through the publication of the PPR.

Sonae's 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 Ombudsman through the following e-mail: [provedoria@sonae.pt](mailto: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](mailto: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 Ombudsman also provides a privileged contact channel for its Customers, Employees and Suppliers, welcoming compliments, suggestions, requests for information, complaints and denouncements about corrupt practices.

Additionally, Sierra's Code of Conduct states 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. We ensure compliance with this obligation by incorporating corruption risk into the annual Internal Audit Plan of activities. During 2022, the Internal Audit's activities covered 29% of the core business processes identified to have risk of corruption. No instances were identified that could constitute a situation of corruption and no incidents of corruption were formally reported. 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.

It should be noted that Universo, IME, SA is an entity regulated by the Bank of Portugal and has annual reporting requirements within the scope of Money Laundering and Terrorism Financing and Internal Control.

### 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 2022, 5 Governance Bodies and 14,011 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 2022, 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 of materials 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 reparability of the product. In addition, there are also consider criterias 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 our 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

2022	Holding, MC, Worten, Zeitreel and Universo			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
<b>Tonnes</b>								
Plastic <sup>(1)</sup>	30,260	6,869	2,932	-	-	30,260	6,869	2,932
Paper e card <sup>(2)</sup>	13,072	2,566	39,935	1,250	-	14,322	2,566	39,935
Recovered clothing <sup>(3)</sup>	-	-	629	-	-	-	-	629
Cotton <sup>(4)</sup>	4,501	29	-	-	-	4,501	29	-
Glass	12,588	-	-	-	-	12,588	-	-
Metal	14,407	-	-	-	-	14,407	-	-
Wood	252	-	645	-	-	252	-	645
<b>Total</b>	<b>75,080</b>	<b>9,464</b>	<b>44,141</b>	<b>1,250</b>	<b>-</b>	<b>76,330</b>	<b>9,464</b>	<b>44,141</b>
<b>Number</b>								
Plastic: DRS packaging <sup>(5)</sup>	-	-	2,307,636	-	-	-	-	2,307,636
EEE: equipments <sup>(6)</sup>	-	-	58,132	-	-	-	-	58,132
Clothing: garments <sup>(7)</sup>	-	-	873	-	-	-	-	873
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,366,641</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,366,641</b>

\* 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.

(5) Plastic, metal and glass packaging from MC's Deposit and Reimbursement System (DRS).

(6) This indicator refers to the number of equipment from the UTRAD (Depreciated Items Treatment Unit), which accepts electrical and electronic equipment with small defects and breakdowns, which are later recovered/repared and resold in stores at more affordable prices.

(7) This indicator refers to the number of garments recovered under the Salsa Infinity project.

## 302: Energy [material aspect]

### 302-1 Energy consumption

#### Energy consumption by source (GJ)

2022	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
Fossil fuels - Fleet	454,889	561,195	9,598	7,205	8,655	10,905	473,142	579,305
Fossil fuels - Installations	38,277	31,126	-	-	126,522	35,634	164,799	66,760
Heating and cooling	66,708	52,394	-	-	71,917	91,862	138,625	144,256
Electricity	1,754,303	1,803,833	3,222	3,471	304,426	306,331	2,061,951	2,113,635
Electricity produced and sold by local cogeneration – subtracted from total consumption	-	-	-	-	29,631	1,909	29,631	1,909
<b>Total</b>	<b>2,314,177</b>	<b>2,448,548</b>	<b>12,820</b>	<b>10,676</b>	<b>481,888</b>	<b>442,823</b>	<b>2,808,885</b>	<b>2,902,047</b>

Note: Updated historical values resulting from the adjustment in the calculation methodology.

#### Renewable Energy Production (GJ)

	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
Produced and consumed	87,216	102,899	-	-	-	-	87,216	102,899
Produced and sold	27,175	27,179	-	-	-	-	27,175	27,179
<b>Total</b>	<b>114,391</b>	<b>130,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,391</b>	<b>130,078</b>

#### Renewable Energy Purchase (GJ)

2022	Holding, MC, Worten, Zeitreel and Universo	Sonaecom (Bright Pixel & Media)	Sierra	Sonae
Purchased by contracts (PPA and GO)	465,960	-	210,341	676,301

PPA: Power Purchase Agreement

GO: Guarantee of Origin

### 302-3 Energy Intensity

#### Energy Intensity Ratio

	Energy Intensity Ratio		Methodological notes accordingly to the nature of our businesses' activities
	2021	2022	
Holding, MC, Worten, Zeitreel and Universo	2.21	2.28	Total energy consumption (GJ) / Sales area (sqm)
Sonaecom (Bright Pixel & Media)	76	80	Total energy consumption (GJ) / Cash invested in the Bright Pixel's active portfolio (€m)
Sierra: Shopping centres	450	408	Total energy consumption* (kWh) / common areas** (sqm)  * 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. ** 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 2022, a challenging year regarding energy sources and prices, reinforced the importance of Sonae companies' energy reduction roadmaps, focused on efficiency in energy consumption processes and monitorization, investment in more efficient equipment and acceleration of energy renewable production, namely the replacement of lighting in stores, offices and parks with LED lighting and the optimization of HVAC systems, as in the implementation of projects that contribute to the consumption of energy from renewable sources. As an example, in Worten, under the umbrella of an European incentives, we are developing the project SATO, which evolves the development of AI software to evaluate and optimize the energy consumption of Worten stores, and possibly monitor and analyse household appliances, anticipating consumer needs. Additionally, and as part of our companies roadmaps, we continued its plan to replace combustion fleet for electric or hybrid vehicles of employees light fleet.

In order to respond to the demanding energy context, MC created the Energy Forum 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. Regarding the implementation of self-consumption centers, in 2022, 242 Autonomous Power Plants were operational, representing a growth of 28 new plants compared to 2021, and a photovoltaic park with an installed capacity of about 37 MWp. Together with the established contracts, in 2022 MC ensured that approximately 30% of electricity consumption is from renewable sources, which translates into a reduction of avoided emissions of 36,525 tons of CO<sub>2e</sub>.

Sonae Sierra launched the "*Energia Positiva*" campaign that aims to reinforce the reduction of energy consumption, through measures such as the optimization of the energy consumption of air conditioning, reduction of lighting in the centers after opening hours or during periods of reduced traffic, as well as the reduction of decorative lighting. Since 2019 it already has a 22% reduction in assets managed in Portugal.

**302-5 Reductions in energy requirements of products and services**

In the retail area, our concern also extends to our products and how we can encourage more sustainable consumption by our customers. During 2022, 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.

We recognize that our most water demanding operation is Salsa's laundry, where we have in place industrial processes to provide our jeans its final look. Therefore, Salsa has continued the implementation of the "Betterwash" Project, that aims to reduce the water consumption of the denim washing process. This goal will be guaranteed by improving the efficiency of washing processes, namely through techniques such as e-flow (spraying) technology and ozone machines to replace traditional washing processes with reduced water consumption and even elimination of your need in some processes. To guarantee the validation of the process, we rely on the expertise of an external organisation, the Control Union, to certify the process and calculate the water saving. By 2023, 100% of Salsa Jeans will need an average of 58% less water in the washing process, resulting in savings of 82 million liters of water (when compared to 2021).

At Sierra, we monitor and manage water consumption in our malls 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 Dive, a tool that allows assessing the actual water consumption of a building against an ideal theoretical simulation, identifying measures for technical and management improvement. This model was built to consider the different climatic and geographical configurations, water consumption systems and accessories, occupancy patterns and visitor behavior that a building can have, etc. It also identifies the less efficient operating systems and routines, as well as the environmental and financial benefits of the improvement measures implemented.

Additionally, on Sonae Campus there are two buildings certified by the LEED (Leadership in Energy and Environmental Design) system – 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.

**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) and Salsa Laundry, whose effluents are pretreated in the WWTP facilities, being subsequently forwarded to the public network or discarded to the natural environment. Also, some stores (#8) 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 Sonae 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. water for municipal sewage, etc. 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 the body of water.

At Zeitrel, the investment project for the Wastewater Reuse Project in the Salsa laundry was initiated, which aims to install a system that allows the reuse of water in the laundry processes. The implementation phase of the project will be completed in 2023, with the goal of reusing 20% of wastewater, achieving a reuse target of 30% in 2026 (completion of a broader equipment replacement process).

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 2022, 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<sup>3</sup>)

2022	Holding, MC, Worten, Zeitrel and Universo	Sonaeacom (Bright Pixel & Media)	Sierra	Sonae
Third party water	826,729	1,822	686,350	1,514,901
Groundwater	298,599	-	128,156	426,755
Surface water and rainwater	214,491	-	11,380	225,871
Greywater	-	-	11,517	11,517
Mixture of water sources	-	-	6,382	6,382
<b>Total</b>	<b>1,339,819</b>	<b>1,822</b>	<b>843,785</b>	<b>2,185,426</b>

### 303-4 Water discharge

#### By source (m<sup>3</sup>)

2022	Holding, MC, Worten, Zeitrel and Universo	Sonaeacom (Bright Pixel & Media)	Sierra	Sonae
Third party water	1,004,542	1,458	549,080	1,555,079
Groundwater	11,104	-	102,525	113,629
Surface water and rainwater	2,146	-	9,104	11,250
Greywater	-	-	9,214	9,214
Mixture of water sources	-	-	5,106	5,106
<b>Total</b>	<b>1,017,792</b>	<b>1,458</b>	<b>675,028</b>	<b>1,694,278</b>

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<sup>3</sup>)

2022	Holding, MC, Worten, Zeitrel and Universo	Sonaeacom (Bright Pixel & Media)	Sierra	Sonae
<b>Total water consumption</b>	<b>322,027</b>	<b>364</b>	<b>168,757</b>	<b>491,148</b>
Water consumption in areas with water stress	33,878	-	46,113	79,991

Note: The estimated water consumption resulted from the difference between the volume of water captured by the volume of effluent discharged.

## 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 retail parks. Several of these facilities are managed by Sierra. Sierra perform these assessments for projects under development, which is 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.

Also, Sonae reinforces its concern with biodiversity committing in 2022 to promote the conservation of natural forests through our Zero Deforestation Commitment, as forests play a vital part in the preservation of biodiversity. The Sonae companies pledging to this commitment include MC, Zeitrel, Worten and Sierra and is relative to activities and operations under direct control of Sonae companies and their supply chains.

Sonae has several other commitments and initiatives to contribute positively for biodiversity restoration and protection, as Sonae Forest and MC's *Águia Caçadeira* (Montagu's Harrier) Project.



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

Since 2019, promoting the preservation of nature and biodiversity, is one of Sonae's main sustainability strategic axis, and Sonae companies assumed the objective of contributing to the Global Goal "Nature Positive" by 2030. 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.

Therefore, at the end of 2020, Sonae Group companies integrated the Corporate Engagement Program of the Science Based Targets Network (SBTN), with the aim of actively participating in the co-creation of the tool and methodology, which will allow the corporate sector to define goals for Nature, including the water, land, biodiversity and the oceans, goals aligned with Science, recognizing the limits of the Earth. Its implementation will help companies to assess their impacts on nature, define priority areas of action and carry out actions in line with science.

In this last two years, Sonae collaborated with the Program in developing the methodology and templates through the technical review of the various documents produced and shared by the SBTN. 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. Additionally, the companies 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 soybeans and in the development of new infrastructure; additionally, the objective was to contribute positively to the conservation and restoration of forests.

**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 1,000 hectares. Between 2019 and 2022, Sonae companies reforested more than 190ha of area. In 2022, our businesses financed the reforestation of around 60 hectares, corresponding to about 89 thousand trees, referring to the compensation of 7.8 thousand tCO<sub>2</sub> related to the emission of greenhouse gases from the fleet of vehicles of employees and service vehicles in the year 2021. Additionally, MC's *Águia Caçadeira* (Montagu's Harrier) Project, which started in

March 2021, allowed to verify the critical level of species' threat and promote the National Emergency Plan for the Hunted Eagle. From 2022, a second stage was developed to last two years, co-financed by CIBIO/Biopolis and the *Clube de Produtores do Continente* (CPC) and with the collaboration of partners ANPOC and Palombar. This project was made official with a Cooperation Agreement on May 17, 2022 on Farmer's Day in Elvas.

**305: Emissions [material aspect]**

**305-1 Direct (Scope 1) GHG Emissions**

**Scope 1 Emissions (t CO<sub>2e</sub>)**

	Holding, MC, Worten, Zeitreef and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
GHG CO <sub>2</sub> emissions	32,953	40,161	704	525	7,086	2,513	40,743	43,199
GHG CH <sub>4</sub> emissions	14	19	0.59	0.44	9	3	23	23
GHG N <sub>2</sub> O emissions	341	396	8	6	10	9	359	410
GHG F-Gases emissions	18,416	23,136	-	-	406	426	18,822	23,562
<b>Total Emissions Scope 1</b>	<b>51,723</b>	<b>63,712</b>	<b>713</b>	<b>532</b>	<b>7,511</b>	<b>2,951</b>	<b>59,947</b>	<b>67,195</b>

Note: Updated historical values resulting from the adjustment in the calculation methodology (revision of emission factors and inclusion of ozone-depleting gases).

**305-2 Indirect (Scope 2) GHG Emissions**

**Scope 2 Emissions (t CO<sub>2e</sub>) - Emissions associated with electricity consumption**

	Holding, MC, Worten, Zeitreef and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
Market based	119,395	94,917	184	263	4,681	3,201	124,260	98,381
Thermal energy	4,334	3,471	-	-	1,914	2,551	6,248	6,022
<b>Total GHG Emissions Scope 2*</b>	<b>123,729</b>	<b>98,388</b>	<b>184</b>	<b>263</b>	<b>6,595</b>	<b>5,752</b>	<b>130,508</b>	<b>104,403</b>
Location based	120,902	129,045	115	266	14,924	19,659	135,941	148,970

\*Emissions associated with the consumption of electricity and thermal energy (related to the consumption of chilled water and heated water) included.

Note: Updated historical values resulting from the adjustment in the calculation methodology (revision of emission factors).

305-3 Indirect (Scope 3) GHG Emissions

Scope 3 Emissions by Category (t CO<sub>2e</sub>)

	MC and Zeitreef		Sierra		Sonae	
	2021	2022*	2021	2022	2021	2022*
C1: Purchased goods and services <sup>(1),(2)</sup>	3,487,326	3,977,727	-	-	3,487,326	3,977,727
C2: Capital goods <sup>(1)</sup>	-	91,369	-	-	-	91,369
C3: Fuel-and-energy-related activities (not included in Scope 1 or 2) <sup>(1)</sup>	23,836	25,116	-	489	23,836	25,605
C4: Upstream transportation and distribution <sup>(1)</sup>	38,070	34,390	-	-	38,070	34,390
C5: Waste generated in operations <sup>(1),(2)</sup>	10,196	10,233	1,351	1,892	11,547	12,125
C6: Business travel <sup>(1)</sup>	829	1,335	459	1,177	1,288	2,512
C7: Employee commuting <sup>(1)</sup>	59,948	57,337	380	543	60,328	57,880
C8: Upstream leased assets	-	-	-	-	-	-
C9: Downstream transportation and distribution <sup>(1)</sup>	142,332	149,909	382,288	488,514	524,620	638,423
C10: Processing of sold products	-	-	-	-	-	-
C11: Use of sold products <sup>(1),(2)</sup>	24,879	167,870	-	-	24,879	167,870
C12: End of life treatment of sold products <sup>(1),(2)</sup>	4,851	102,644	-	-	4,851	102,644
C13: Downstream leased assets	-	-	57,833	88,339	57,833	88,339
C14: Franchises <sup>(1)</sup>	17,086	25,965	-	-	17,086	25,965
C15: Investments	-	-	-	-	-	-
<b>Total emissions Scope 3</b>	<b>3,809,353</b>	<b>4,643,895</b>	<b>442,311</b>	<b>580,954</b>	<b>4,251,664</b>	<b>5,224,849</b>

\*In 2022, Sonae increased the reporting boundary of its scope 3 GHG emissions, including more categories and extending the mapping to the most representative companies for these emissions (MC, Zeitreef and Sierra).

(1) Categories included and considered relevant to the MC.

(2) Categories included and considered relevant to the Zeitreef.

Total emissions by scope (t CO<sub>2e</sub>)

	Holding, MC, Worten, Zeitreef and Universo		Sonacom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
Scope 1	51,723	63,712	713	532	7,511	2,951	59,947	67,195
Scope 2	123,729	98,388	184	263	6,595	5,752	130,508	104,403
Scope 3*	3,809,353	4,643,895	-	-	442,311	580,954	4,251,664	5,224,849
<b>Total emissions</b>	<b>3,984,805</b>	<b>4,805,995</b>	<b>897</b>	<b>795</b>	<b>456,417</b>	<b>589,657</b>	<b>4,442,119</b>	<b>5,396,447</b>

\*Includes the most representative companies for GHG scope 3 emissions (MC, Zeitreef and Sierra).

Notes: The GHG emissions calculation (scope 1, 2, 3) are based on the methodology established under the GHG International Protocol.

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 and 2022 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	
			accordingly to the nature of our businesses' activities
Holding, MC, Worten, Zeitreel and Universo	0.17	0.15	GHG emissions scope 1 and 2 (market based) (t CO <sub>2e</sub> ) / Sales area (sqm)
Sonaeom (Bright Pixel & Media)	5.35	5.98	GHG emissions scope 1 and 2 (market based) (t CO <sub>2e</sub> ) / Cash invested in the Bright Pixel's active portfolio (€m)
			GHG emissions scope 1, 2 and 3 * (t CO <sub>2e</sub> ) / area excluding tenants** (sqm)
Sierra excluding tenants emissions	0.043	0.038	*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 ** 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
			GHG emissions scope 1, 2 and 3* (t CO <sub>2e</sub> ) / area excluding tenants** (sqm)
Sierra including tenants emissions	0.250	0.358	*Numerator of Sierra including tenants emissions' GHG emissions intensity ratio, described above, plus emissions from electricity consumed by tenants. **Denominator of Sierra including tenants emissions' GHG emissions intensity ratio, described above.

Note: Update of specific metrics relevant to the business.

305-5 Reduction of GHG emissions

Once we defined the fight of climate change as a material issue for Sonae companies, we assumed a corporate reduction greenhouse gases (GHG) emissions target, aligned with science, of 54% by 2030 when compared with 2018, for direct and indirect operations. In order to achieve their specific targets, and the corporate one, each company developed their own 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#.

305-6 Emissions of ozone-depleting substances

Ozone-depleting substances (kg)

	2021	2022
R407C	167	160
R410A	125	251
R417A	-	-
R438A	-	9

Note: The ozone-depleting substances R417A and R438A were reported for the first time in 2022. There are no values for 2021.

305-7 Nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>2</sub>) and other significant air emissions

Nitrogen oxides(NO<sub>x</sub>), sulphur oxides (SO<sub>2</sub>), methanol (CH<sub>4</sub>) and F-gases emissions (t)

	Holding, MC, Worten, Zeitreel and Universo		Sonaeom (Bright Pixel & Media)		Sonae <sup>e</sup>	
	2021	2022	2021	2022	2021	2022
NO <sub>x</sub>	344	393	6.48	5.40	351	399
SO <sub>2</sub>	90	116	1.68	1.26	91	117
CH <sub>4</sub>	14	19	0.59	0.44	14	19
F-gases	18,416	23,136	-	-	18,416	23,136

\* Excluding Sierra, as Sierra does not report this indicator.

Note: Updated historical values resulting from the adjustment in the calculation methodology (revision of emission factors and inclusion of emissions of ozone-depleting gases).

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.

**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.

Sonae companies are committed to integrating these principles into their activity, since the design of our products and services, to the operation of our warehouses, stores, shopping centres, and buildings.

At Sierra, for example, the Circulytics structure is being implemented, which aims to support the even greater integration of circular economy solutions in our companies. Circulytics is an assessment tool developed by the Ellen MacArthur Foundation that is supporting more than 1,250 companies worldwide to become more circular. More specifically, it is intended to use this tool to: measure our circularity performance; support decision making; identify strengths and improve; and identify opportunities. Based on the assessment tool, in 2022, a plan of action was developed to measure our circularity performance, characterize our waste generated, support decision making, identifying strengths and improving and identification of opportunities in our centers.

Aware of the impact of the fashion industry on the environment, Zeitreel has launched more sustainable collections, with the aim of increasingly incorporating sustainable materials and reducing the production of textile waste. These collections include recycled cotton fibres, which come from waste and clothing that would no longer be used, preventing unused fibres from being reused and not ending up in landfills. In 2022, in addition to the increasing incorporation of sustainable raw materials in Zeitreel, namely recycled materials, Salsa launched the Infinity program with the objective of offering repair services for denim pieces in order to prolong the life of Salsa pieces by increasing the number of uses per piece seeking to minimize waste. For parts that cannot be repaired, there is the intention to produce some upcycling capsules and, as a last resort,

send the parts to textile recycling for textiles. On the same path, MC also innovate with the project [RE]Style where the customers can find second-hand clothing items in Continente stores, promoting a reduction in resources used.

At Worten, there are two main programs that promotes the circularity of Electrical and Electronic Equipment (EEEs) and waste management, Worten's UTRAD (Depreciated Items Treatment and Recovery Unit) and TSC (Technical Services Center). At UTRAD there is a specialized technical team to allow a higher recovery rate since only non-recoverable items are sent for recycling. This unit receives items from stores, repairmen, warehouses and customers, and the recovered items are then integrated into the sales flow of the Worten outlet store. The TSC receives items from customers for repair within the scope of Worten Resolve services that prolong the life of products through repair. TSC also receives items (smartphones, smartwatches and tablets) sold by customers who are requalified and put up for sale again under the Reuse program. Additionally, at Logistics warehouse, TSC and stores, measures are adopted to reduce packaging consumption along the various logistics circuits for example: the definition of KPI's at the warehouse to reduce 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.

The management of the impacts of waste generated by our activity also involves cooperation and participation in projects that encourage its collection and proper routing. The Deposit and Reimbursement System (DRS) pilot project, available on 21 of our shops, aims to collect plastic, glass and beverage can packaging through a consumer incentive system, ensuring its forwarding for recycling and the production of high quality recycled. MC's participation in this project is helping us to have more and better quality of recycled material available, in order to incorporate 30% of recycled materials in new packaging. Since the implementation in 2020 the pilot project ensured the collection of 14.7 million packages.

**306-3 Waste Generated**

**Waste Generated (t)**

	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
Hazardous waste	2,538	2,233	-	-	28	14	2,566	2,247
Non-hazardous waste	78,342	78,228	-	-	16,707	21,971	95,049	100,199
<b>Total</b>	<b>80,880</b>	<b>80,461</b>	<b>-</b>	<b>-</b>	<b>16,735</b>	<b>21,985</b>	<b>97,615</b>	<b>102,446</b>

Note: 2021 information revised and updated to ensure the assertiveness of the values presented.

### 306-4 Waste diverted from disposal

#### Waste diverted from disposal (t)

	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
<b>Hazardous waste</b>								
Recycled	2,508	2,205	-	-	26	11	2,534	2,216
Prepared for reuse	-	-	-	-	-	-	-	-
Incinerated (with energy recovery)	-	-	-	-	-	-	-	-
Other recovery operations*	9	-	-	-	-	-	9	-
<b>Total hazardous waste diverted from disposal</b>	<b>2,518</b>	<b>2,205</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>11</b>	<b>2,544</b>	<b>2,216</b>
<b>Non-hazardous waste</b>								
Recycled	50,114	49,618	-	-	8,330	11,061	58,444	60,680
Prepared for reuse	-	-	-	-	-	-	-	-
Incinerated (with energy recovery)	6,257	7,847	-	-	1,705	2,382	7,962	10,229
Other recovery operations*	9,816	9,336	-	-	4,353	5,234	14,169	14,570
<b>Total non-hazardous waste diverted from disposal</b>	<b>66,187</b>	<b>66,802</b>	<b>-</b>	<b>-</b>	<b>14,388</b>	<b>18,677</b>	<b>80,675</b>	<b>85,479</b>

\*Compost and anaerobic digestion.

### 306-5 Waste directed to disposal

#### Waste directed to disposal (t)

	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
<b>Hazardous waste</b>								
Incinerated (without energy recovery)	-	-	-	-	-	-	-	-
Directed to landfill	-	3	-	-	-	-	-	3
Other disposal operations*	21	25	-	-	2	2	23	28
<b>Total hazardous waste directed to disposal</b>	<b>21</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>2</b>	<b>23</b>	<b>30</b>
<b>Non-hazardous waste</b>								
Incinerated (without energy recovery)	-	-	-	-	9	-	9	-
Directed to landfill	12,028	10,887	-	-	2,303	3,293	14,331	14,181
Other disposal operations*	127	539	-	-	7	1	134	540
<b>Total non-hazardous waste directed to disposal</b>	<b>12,155</b>	<b>11,426</b>	<b>-</b>	<b>-</b>	<b>2,319</b>	<b>3,294</b>	<b>14,475</b>	<b>14,721</b>

\*Includes storage option.



GRI 400 - Social disclosures

401: Employment [material aspect]

401-1 New employee hires and employee turnover

New hires and departures (number)

2022	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	New hires	Departures	New hires	Departures	New hires	Departures	New hires	Departures
Men	9,812	9,227	27	100	73	42	9,912	9,369
Women	18,064	17,132	25	39	77	50	18,166	17,221
<b>Total</b>	<b>27,876</b>	<b>26,359</b>	<b>52</b>	<b>139</b>	<b>150</b>	<b>92</b>	<b>28,078</b>	<b>26,590</b>
<30 years old	21,388	19,341	25	57	-	-	-	-
From 30 to 50 years old	5,516	5,729	25	73	-	-	-	-
>50 years old	972	1,289	2	9	-	-	-	-
<b>Total</b>	<b>27,876</b>	<b>26,359</b>	<b>52</b>	<b>139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
< 35 years old	-	-	-	-	79	36	-	-
From 35 to 44	-	-	-	-	34	33	-	-
From 45 to 54	-	-	-	-	28	14	-	-
From 55 to 64	-	-	-	-	7	7	-	-
> 64 years old	-	-	-	-	2	2	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>92</b>	<b>-</b>	<b>-</b>
Portugal	26,439	25,078	51	51	102	51	26,592	25,180
Spain	1,382	1,225	1	53	11	7	1,394	1,285
Rest of the world	55	56	-	35	37	34	92	125
<b>Total</b>	<b>27,876</b>	<b>26,359</b>	<b>52</b>	<b>139</b>	<b>150</b>	<b>92</b>	<b>28,078</b>	<b>26,590</b>

New hires and departures (%)

2022	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	New hires	Departures	New hires	Departures	New hires	Departures	New hires	Departures
Men	20.8%	19.6%	8.4%	31.3%	10.3%	5.9%	20.6%	19.4%
Women	38.3%	36.3%	7.8%	12.2%	10.8%	7.0%	37.7%	35.7%
<b>Total</b>	<b>59.1%</b>	<b>55.9%</b>	<b>16.3%</b>	<b>43.4%</b>	<b>21.1%</b>	<b>18.0%</b>	<b>58.2%</b>	<b>55.1%</b>
<30 years old	45.3%	41.0%	7.8%	17.8%	-	-	-	-
From 30 to 50 years old	11.7%	12.1%	7.8%	22.8%	-	-	-	-
>50 years old	2.1%	2.7%	0.6%	2.8%	-	-	-	-
<b>Total</b>	<b>59.1%</b>	<b>55.9%</b>	<b>16.3%</b>	<b>43.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
< 35 years old	-	-	-	-	11.1%	5.1%	-	-
From 35 to 44	-	-	-	-	4.8%	4.6%	-	-
From 45 to 54	-	-	-	-	3.9%	2.0%	-	-
From 55 to 64	-	-	-	-	1.0%	1.0%	-	-
> 64 years old	-	-	-	-	0.3%	0.3%	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.1%</b>	<b>18.0%</b>	<b>-</b>	<b>-</b>
Portugal	56.0%	53.1%	15.9%	15.9%	14.4%	7.2%	55.1%	52.2%
Spain	2.9%	2.6%	0.3%	16.6%	1.5%	1.0%	2.9%	2.7%
Rest of the world	0.1%	0.1%	0.0%	10.9%	5.2%	4.8%	0.2%	0.3%
<b>Total</b>	<b>59.1%</b>	<b>55.9%</b>	<b>16.3%</b>	<b>43.4%</b>	<b>21.1%</b>	<b>18.0%</b>	<b>58.2%</b>	<b>55.1%</b>

Ratio of new hires and departures

	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
Total Employees	45,062	47,192	870	320	902	710	46,834	48,222
New hires	24,115	27,876	180	52	131	150	24,426	28,078
<b>Ratio of new hires (%)</b>	<b>53%</b>	<b>59%</b>	<b>21%</b>	<b>16%</b>	<b>15%</b>	<b>21%</b>	<b>52%</b>	<b>58%</b>
Departures	21,913	26,359	147	139	114	92	22,174	26,590
<b>Ratio of departures (%)</b>	<b>48%</b>	<b>56%</b>	<b>17%</b>	<b>43%</b>	<b>13%</b>	<b>13%</b>	<b>47%</b>	<b>56%</b>

Voluntary or involuntary departures (number)

2022	Holding, MC, Worten, Zeitreel and Universo									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
<b>Executives</b>																		
<b>Total</b>	1	-	1	4	1	6	2	1	3	-	-	-	3	1	4	4	1	5
< 30 years old	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
From 30 to 50 years old	-	-	-	-	-	-	2	1	3	-	-	-	2	1	3	-	-	-
≥ 50 years old	1	-	1	4	1	6	-	-	-	-	-	-	1	-	1	4	1	5
<b>Senior &amp; Middle Managers</b>																		
<b>Total</b>	41	26	67	23	16	39	12	3	15	3	-	3	53	29	82	26	16	42
< 30 years old	2	-	2	-	-	-	-	-	-	-	-	-	2	-	2	-	-	-
From 30 to 50 years old	35	25	60	9	13	22	11	3	14	2	-	2	46	28	74	11	13	24
≥ 50 years old	4	1	5	14	3	17	1	-	1	1	-	1	5	1	6	15	3	18
<b>Coordinators &amp; Supervisors</b>																		
<b>Total</b>	16	29	45	12	24	36	71	31	102	12	4	16	87	60	147	24	28	52
< 30 years old	2	6	8	1	1	2	38	10	48	8	1	9	40	16	56	9	2	11
From 30 to 50 years old	14	22	36	7	16	23	31	17	48	4	2	6	45	39	84	11	18	29
≥ 50 years old	-	1	1	4	7	11	2	4	6	-	1	1	2	5	7	4	8	12
<b>Technicians &amp; Specialists</b>																		
<b>Total</b>	288	481	769	57	161	218	-	-	-	-	-	-	288	481	769	57	161	218
< 30 years old	132	229	361	19	45	64	-	-	-	-	-	-	132	229	361	19	45	64
From 30 to 50 years old	152	243	395	25	93	118	-	-	-	-	-	-	152	243	395	25	93	118
≥ 50 years old	4	9	13	13	23	36	-	-	-	-	-	-	4	9	13	13	23	36
<b>Operational</b>																		
<b>Total</b>	4,020	6,984	11,004	5,312	8,863	14,175	-	-	-	-	-	-	4,020	6,984	11,004	5,312	8,863	14,175
< 30 years old	2,994	4,752	7,746	4,433	6,727	11,160	-	-	-	-	-	-	2,994	4,752	7,746	4,433	6,727	11,160
From 30 to 50 years old	975	2,028	3,003	778	1,782	2,560	-	-	-	-	-	-	975	2,028	3,003	778	1,782	2,560
≥ 50 years old	51	204	255	101	354	455	-	-	-	-	-	-	51	204	255	101	354	455

\* Excluding Sierra, as Sierra does not report this indicator.

Internal mobility and promotions

2022	Holding, MC, Worten, Zeitreel and Universo						Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T	M	W	T
Mobility (n°)	1,764	2,979	4,743	-	5	5	1,764	2,984	4,748			
<b>Internal mobility (%)</b>	11%	10%	10%	0%	3%	2%	11%	10%	10%			
Promotions (n°)	1,509	2,434	3,943	33	31	64	1,542	2,465	4,007			
<b>Promotions (%)</b>	9%	8%	8%	22%	18%	20%	10%	8%	8%			

\* Excluding Sierra, as Sierra does not report this indicator.

401-3 Parental leave

Parental leave

2022	Holding, MC, Worten, Zeitreel and Universo			Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T
Total employees who benefitted from parental leave (no.)	606	1,662	<b>2,268</b>	5	4	<b>9</b>	611	1,666	<b>2,277</b>
Total employees entitled to parental leave (no.)	16,055	31,137	<b>47,192</b>	150	170	<b>320</b>	16,205	31,307	<b>47,512</b>
<b>Take-up rate (%)</b>	4%	5%	5%	3%	2%	3%	4%	5%	5%
Total employees who returned to work after completion of parental leave (no.)	589	1,582	<b>2,171</b>	5	3	<b>8</b>	594	1,585	<b>2,179</b>
<b>Rate of return (%)</b>	97%	95%	96%	100%	75%	89%	97%	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.)	394	1,110	<b>1,504</b>	7	5	<b>12</b>	401	1,115	<b>1,516</b>
<b>Rate of retention (%)</b>	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 2021, remain in the company 12 months after return are counted.

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 (2<sup>nd</sup> 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.

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, in MC the 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” or “Safety Alerts” at Zeitreel, 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 organization 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 organization 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

When it comes to the facilitation of workers' access to medical and non-occupational health services, Sonae has several initiatives available to all employees such as curative medicine, food and nutrition, massage, yoga and other related initiatives. Communication programs and campaigns dedicated to health are also promoted, such as: combating obesity, smoking, heart disease, flu vaccination, Covid-19, among others. 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, 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.

### 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

2022	Sierra			
	Direct Employees	Supervised	Independent	Total
Total workforce: direct employees, supervised workers and independent contractors (no.)	710	19	8	<b>729</b>
Employees externally verified to be operating in compliance with OHSAS 18001/ISO 45001	706	19	8	<b>725</b>
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)	706	19	8	<b>725</b>
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

2022	Holding, MC, Worten, Zeitreel and Universo	Sonaecom (Bright Pixel & Media)	Sonae*
Workable hours	82,703,383	595,056	83,298,439
Work-related injuries	1,106	-	1,106
Fatalities	-	-	-
<b>Work-related injuries rate</b> (per million workable hours)	<b>13</b>	-	<b>13</b>
Number of lost days due to work-related injuries	14,403	-	14,403
<b>Lost workday rate</b> (per 200,000 workable hours)	<b>35</b>	-	<b>35</b>
Number of lost time work-related injuries	508	-	508
<b>Lost-time injuries frequency rate</b> (per million workable hours)	<b>6</b>	-	<b>6</b>

\*Sierra does not report this indicator.

Work-related injuries: Workers who are not employees but whose work and/or workplace is controlled by the organization

2022	Holding, MC, Worten, Zeitreel and Universo	Sonaecom (Bright Pixel & Media)	Sonae*
Workable hours	397,849	-	397,849
Work-related injuries	102	-	102
Fatalities	-	-	-
<b>Work-related injuries rate</b> (per million workable hours)	<b>256</b>	-	<b>256</b>

\* 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, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sierra		Sonae	
	2021	2022	2021	2022	2021	2022	2021	2022
Total training hours (h)	1,184,119	1,017,243	15,395	11,225	14,900	9,113	1,214,414	1,037,581
Total participants (no.)	56,357	72,821	514	371	902	710	57,773	73,902
<b>Average number of hours of training (h/participants)</b>	<b>21</b>	<b>14</b>	<b>30</b>	<b>30</b>	<b>17</b>	<b>13</b>	<b>21</b>	<b>14</b>



Hours of training by participant category and gender

2022	Holding, MC, Worten, Zeitreel and Universo			Sonaecom (Bright Pixel & Media)			Sierra	Sonae
	M	W	T	M	W	T	T	T
Executives	1,444	259	1,703	-	80	80	107	1,890
Senior & Middle Managers	18,245	14,632	32,877	1,911	1,093	3,004	4,298	40,179
Coordinators & Supervisors	42,525	50,819	93,344	4,056	4,085	8,141	1,939	103,424
Technicians & Specialists	29,088	56,429	85,517	-	-	-	2,769	88,286
Operational	341,101	462,701	803,802	-	-	-	-	803,802
<b>Total training hours (h)</b>	<b>432,408</b>	<b>584,840</b>	<b>1,017,243</b>	<b>5,967</b>	<b>5,258</b>	<b>11,225</b>	<b>9,113</b>	<b>1,037,581</b>
Executives	62	18	80	-	2	2	21	103
Senior & Middle Managers	683	560	1,243	65	22	87	241	1,571
Coordinators & Supervisors	1,135	1,550	2,685	179	103	282	144	3,111
Technicians & Specialists	1,386	2,873	4,259	-	-	-	304	4,563
Operational	21,573	42,981	64,554	-	-	-	-	64,554
<b>Total participants (n°)</b>	<b>24,899</b>	<b>47,982</b>	<b>72,821</b>	<b>244</b>	<b>127</b>	<b>371</b>	<b>710</b>	<b>73,902</b>
Executives	23	14	19	-	40	20	5	18
Senior & Middle Managers	27	26	26	29	50	40	18	26
Coordinators & Supervisors	37	33	35	23	40	31	13	33
Technicians & Specialists	21	20	20	-	-	-	9	19
Operational	16	11	13	-	-	-	-	12
<b>Average number of hours of training (h/participants)</b>	<b>17</b>	<b>12</b>	<b>14</b>	<b>24</b>	<b>41</b>	<b>30</b>	<b>13</b>	<b>14</b>

Notes: This includes all training participants, regardless of if they were active or not in December 31, 2022.

404-2 Programmes for upgrading participants skills and transition assistance programmes

Actions and hours per training program

2022	Holding, MC, Worten, Zeitreel and Universo		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	58	1,494	-	-	58	1,494
Schools/Academies	351	8,292	8	26	359	8,318
Management	1,475	3,319	-	-	1,475	3,319
Management & Leadership	7,168	33,899	3	266	7,171	34,165
Continuous Improvement	1,639	6,827	5	7	1,644	6,834
Occupational Health and Safety	12,332	39,817	3	5	12,335	39,822
Sustainability	3,303	3,540	-	-	3,303	3,540
Technical	5,472	259,335	152	8,964	5,624	268,299
Transversal	10,498	60,118	33	245	10,531	60,363
Human rights policies or procedures <sup>(1)</sup>	28,893	72,765	-	-	28,893	72,765
Others	58,396	600,611	17	1,715	58,413	602,326
<b>Total</b>	<b>129,585</b>	<b>1,090,017</b>	<b>221</b>	<b>11,228</b>	<b>129,806</b>	<b>1,101,245</b>

\* Excluding Sierra, as Sierra does not report this indicator.

Notes: This includes all training participants, regardless of if they are active on December 31, 2022.

(1) Information from the GRI 412-2 Employee training on human rights policies or procedures\* report included in the indicator.

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

In 2022, at Holding, MC, Worten, Zeitreel and Universo, 76.7% of the employees received performance assessment and career development reviews. At Sonaecom (Bright Pixel) and Sierra, 58.4% and 100%, of the employees received performance assessment and career development reviews, respectively.

### 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 “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.

#### Percentage of employees by employee category and gender (%)

2022	Holding, MC, Worten, Zeitreel and Universo			Sonaecom (Bright Pixel & Media)			Sierra			Sonae		
	M	W	T	M	W	T	M	W	T	M	W	T
Governance bodies	77%	23%	100%	50%	50%	100%	63%	38%	100%	72%	28%	100%
Executives	78%	22%	100%	0%	100%	100%	76%	24%	100%	77%	23%	100%
Senior & Middle Managers	59%	41%	100%	67%	33%	100%	60%	40%	100%	60%	40%	100%
Coordinators & Supervisors	37%	63%	100%	45%	55%	100%	51%	49%	100%	39%	61%	100%
Technicians & Specialists	35%	65%	100%	0%	0%	0%	26%	74%	100%	34%	66%	100%
Operational	33%	67%	100%	0%	0%	0%	0%	0%	0%	33%	67%	100%
<b>Total</b>	<b>34%</b>	<b>66%</b>	<b>100%</b>	<b>47%</b>	<b>53%</b>	<b>100%</b>	<b>44%</b>	<b>56%</b>	<b>100%</b>	<b>34%</b>	<b>66%</b>	<b>100%</b>

#### Percentage of employees by age and gender (%)

2022	Holding, MC, Worten, Zeitreel and Universo			Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T
< 30 years old	39%	61%	100%	46%	54%	100%	39%	61%	100%
From 30 to 50 years old	32%	68%	100%	47%	53%	100%	32%	68%	100%
≥ 50 years old	26%	74%	100%	47%	53%	100%	27%	73%	100%
<b>Total</b>	<b>34%</b>	<b>66%</b>	<b>100%</b>	<b>47%</b>	<b>53%</b>	<b>100%</b>	<b>34%</b>	<b>66%</b>	<b>100%</b>

\* Excluding Sierra, as Sierra reports this indicator with different age groups. See next table.

#### Employees with disabilities (number)

2022	Holding, MC, Worten, Zeitreel and Universo	Sonaecom (Bright Pixel & Media)	Sierra	Sonae
Employees with disabilities	300	7	16	323

#### Percentage of employees by employee category, age and gender (%)

2022	Holding, MC, Worten, Zeitreel and Universo			Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T
<b>Governance bodies</b>									
< 30 years old	0%	0%	0%	0%	0%	0%	0%	0%	0%
From 30 to 50 years old	32%	9%	41%	50%	50%	100%	33%	13%	46%
≥ 50 years old	45%	14%	59%	0%	0%	0%	42%	13%	54%
<b>Executives</b>									
< 30 years old	0%	0%	0%	0%	0%	0%	0%	0%	0%
From 30 to 50 years old	43%	12%	55%	0%	100%	100%	43%	13%	56%
≥ 50 years old	35%	9%	45%	0%	0%	0%	35%	9%	44%
<b>Senior &amp; Middle Managers</b>									
< 30 years old	1%	1%	2%	3%	0%	3%	1%	1%	2%
From 30 to 50 years old	42%	30%	72%	47%	27%	73%	42%	30%	72%
≥ 50 years old	16%	10%	26%	17%	7%	23%	16%	10%	26%
<b>Coordinators &amp; Supervisors</b>									
< 30 years old	4%	7%	11%	9%	11%	21%	4%	7%	12%
From 30 to 50 years old	28%	46%	74%	24%	29%	54%	28%	45%	72%
≥ 50 years old	6%	9%	15%	11%	14%	26%	6%	10%	16%
<b>Technicians &amp; Specialists</b>									
< 30 years old	12%	21%	33%	0%	0%	0%	12%	21%	33%
From 30 to 50 years old	20%	37%	57%	0%	0%	0%	20%	37%	57%
≥ 50 years old	3%	7%	10%	0%	0%	0%	3%	7%	10%
<b>Operational</b>									
< 30 years old	17%	27%	44%	0%	0%	0%	17%	27%	44%
From 30 to 50 years old	12%	30%	42%	0%	0%	0%	12%	30%	42%
≥ 50 years old	3%	10%	13%	0%	0%	0%	3%	10%	13%

\* Excluding Sierra, as Sierra reports this indicator with different age groups. See next table.

2022	Sierra		
	M	W	T
<b>Governance bodies</b>			
< 35 years old	0%	0%	<b>0%</b>
From 35 to 44 years old	0%	0%	<b>0%</b>
From 45 to 54 years old	63%	38%	<b>100%</b>
From 55 to 64 years old	0%	0%	<b>0%</b>
> 64 years old	0%	0%	<b>0%</b>
<b>Executives</b>			
< 35 years old	0%	0%	<b>0%</b>
From 35 to 44 years old	5%	0%	<b>5%</b>
From 45 to 54 years old	43%	10%	<b>52%</b>
From 55 to 64 years old	24%	14%	<b>38%</b>
> 64 years old	5%	0%	<b>5%</b>
<b>Senior &amp; Middle Managers</b>			
< 35 years old	4%	1%	<b>5%</b>
From 35 to 44 years old	12%	14%	<b>27%</b>
From 45 to 54 years old	29%	19%	<b>49%</b>
From 55 to 64 years old	14%	6%	<b>20%</b>
> 64 years old	0%	0%	<b>0%</b>
<b>Coordinators &amp; Supervisors</b>			
< 35 years old	14%	7%	<b>21%</b>
From 35 to 44 years old	14%	22%	<b>36%</b>
From 45 to 54 years old	17%	15%	<b>32%</b>
From 55 to 64 years old	6%	5%	<b>10%</b>
> 64 years old	1%	0%	<b>1%</b>
<b>Technicians &amp; Specialists</b>			
< 35 years old	12%	22%	<b>34%</b>
From 35 to 44 years old	5%	18%	<b>24%</b>
From 45 to 54 years old	6%	25%	<b>31%</b>
From 55 to 64 years old	3%	8%	<b>11%</b>
> 64 years old	0%	0%	<b>0%</b>
<b>Operational</b>			
< 35 years old	0%	0%	<b>0%</b>
From 35 to 44 years old	0%	0%	<b>0%</b>
From 45 to 54 years old	0%	0%	<b>0%</b>
From 55 to 64 years old	0%	0%	<b>0%</b>
> 64 years old	0%	0%	<b>0%</b>

## 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, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sonae*	
	2021	2022	2021	2022	2021	2022
Executives	0.84	0.89	1.47	-	0.82	0.90
Senior & Middle Managers	0.91	0.89	2.08	1.35	1.03	0.90
Coordinators & Supervisors	0.92	0.91	0.89	0.76	1.15	0.93
Technicians & Specialists	0.90	0.92	-	-	0.90	0.92
Operational	1.01	0.99	-	-	1.01	0.99

\*Sierra does not report this indicator.

### Average pay ratio by employee category (Women/Men)

	Holding, MC, Worten, Zeitreel and Universo		Sonaecom (Bright Pixel & Media)		Sonae*	
	2021	2022	2021	2022	2021	2022
Executives	0.91	0.78	1.33	-	0.86	0.76
Senior & Middle Managers	1.14	0.92	1.95	1.43	1.29	0.93
Coordinators & Supervisors	0.91	0.91	0.90	0.77	1.14	0.93
Technicians & Specialists	0.89	0.95	-	-	0.88	0.95
Operational	1.02	1.00	-	-	1.02	1.00

\* 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, 2022. 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, 2022 Variable components calculated based on the last 12 months (January to December 2022).

Average remuneration by employee category and age group (€)

2022	Holding, MC, Worten, Zeitreel and Universo			Sonaecom (Bright Pixel & Media)			Sonae*		
	M	W	T	M	W	T	M	W	T
<b>Executives</b>									
< 30 years old	-	-	-	-	-	-	-	-	-
From 30 to 50 years old	13,541	13,485	<b>13,485</b>	-	8,571	<b>8,571</b>	13,541	12,994	<b>12,994</b>
≥ 50 years old	21,929	14,871	<b>14,871</b>	-	-	-	21,929	14,871	<b>14,871</b>
<b>Total</b>	<b>17,301</b>	<b>14,091</b>	<b>14,103</b>	-	<b>8,571</b>	<b>8,571</b>	<b>17,301</b>	<b>13,767</b>	<b>13,820</b>
<b>Senior &amp; Middle Managers</b>									
< 30 years old	4,110	3,639	<b>3,639</b>	3,000	-	-	4,018	3,639	<b>3,639</b>
From 30 to 50 years old	5,457	5,138	<b>5,138</b>	4,393	2,703	<b>2,703</b>	5,426	5,080	<b>5,080</b>
≥ 50 years old	6,310	5,555	<b>5,555</b>	3,526	5,126	<b>5,126</b>	6,235	5,547	<b>5,547</b>
<b>Total</b>	<b>6,669</b>	<b>5,219</b>	<b>5,224</b>	<b>4,107</b>	<b>3,188</b>	<b>3,178</b>	<b>5,623</b>	<b>5,174</b>	<b>5,179</b>
<b>Coordinators &amp; Supervisors</b>									
< 30 years old	1,768	1,528	<b>1,528</b>	1,403	1,113	<b>1,113</b>	1,705	1,474	<b>1,474</b>
From 30 to 50 years old	2,023	1,813	<b>1,813</b>	2,121	1,950	<b>1,950</b>	2,030	1,820	<b>1,820</b>
≥ 50 years old	2,318	1,951	<b>1,951</b>	2,774	2,356	<b>2,356</b>	2,388	2,000	<b>2,000</b>
<b>Total</b>	<b>2,041</b>	<b>1,802</b>	<b>1,803</b>	<b>2,188</b>	<b>1,881</b>	<b>1,880</b>	<b>2,050</b>	<b>1,808</b>	<b>1,808</b>
<b>Technicians &amp; Specialists</b>									
< 30 years old	1,833	1,809	<b>1,809</b>	-	-	-	1,833	1,809	<b>1,809</b>
From 30 to 50 years old	2,186	1,918	<b>1,918</b>	-	-	-	2,186	1,918	<b>1,918</b>
≥ 50 years old	2,610	1,853	<b>1,853</b>	-	-	-	2,610	1,853	<b>1,853</b>
<b>Total</b>	<b>2,106</b>	<b>1,875</b>	<b>1,875</b>	-	-	-	<b>2,106</b>	<b>1,875</b>	<b>1,875</b>
<b>Operational</b>									
< 30 years old	869	888	<b>888</b>	-	-	-	869	888	<b>888</b>
From 30 to 50 years old	929	913	<b>913</b>	-	-	-	929	913	<b>913</b>
≥ 50 years old	997	916	<b>916</b>	-	-	-	997	916	<b>916</b>
<b>Total</b>	<b>903</b>	<b>903</b>	<b>902</b>	-	-	-	<b>903</b>	<b>903</b>	<b>902</b>

\* Excluding Sierra, as Sierra does not report this indicator.

**406: Non-discrimination**

**406-1 Incidents of discrimination and corrective actions taken**

In 2022, a total of 55 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".

Annually Zeitreel shares with its suppliers a manual (Vendor's Manual), which contains the policy of updated conduct ethics, which suppliers must follow/comply. At the ethical and conduct policy is requested the fulfilment of freedom of association and collective bargaining. Additionally, for 2022, a guideline was shared with all suppliers that aimed to conduct suppliers in the implementation of best social and environmental practices, which includes freedom of association and collective bargaining.

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 2022, 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.

Annually Zeitreel shares with its suppliers a manual (Vendor's Manual), which contains the policy of updated conduct ethics, which suppliers must follow/comply. Of the ethical and conduct policy is requested the compliance with the legislation regarding child labour. Additionally, for 2022, a guideline was shared with all suppliers that aimed to conduct suppliers in the implementation of best social and environmental practices, which includes best practices for the effective abolition of child labour.

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 2022, 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.

Annually Zeitreel shares with its suppliers a manual (Vendor's Manual), which contains the policy of updated conduct ethics, which suppliers must follow/comply. Of the ethical and conduct policy is requested the compliance with the legislation regarding the prevention of all forms of work forced or analogous to slavery. Additionally, for 2022, a guideline was shared with all suppliers that aimed to conduct suppliers in the implementation of best social and environmental practices, which includes best practices for the effective abolition of all forms of work forced or analogous to slavery.

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 2022, 1.242 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, "Our impact" and "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

2022	MC		Zeitreel		Worten		Sonae	
	Total	New	Total	New	Total	New	Total	New
National	641	23	2	-	5	-	648	23
Foreign	672	26	120	4	92	-	884	30
<b>Total qualified suppliers (no.)</b>	<b>1,313</b>	<b>49</b>	<b>122</b>	<b>4</b>	<b>97</b>	<b>-</b>	<b>1,532</b>	<b>53</b>
National	710	43	81	6	5	-	796	49
Foreign	1,375	124	262	26	104	12	1,741	162
<b>Total suppliers (no.)</b>	<b>2,085</b>	<b>167</b>	<b>343</b>	<b>32</b>	<b>109</b>	<b>12</b>	<b>2,537</b>	<b>211</b>
National (%)	90%	53%	2%	0%	100%	0%	81%	47%
Foreign (%)	49%	21%	46%	15%	88%	0%	51%	19%
<b>Percentage of qualified suppliers (%)</b>	<b>63%</b>	<b>29%</b>	<b>36%</b>	<b>13%</b>	<b>89%</b>	<b>0%</b>	<b>60%</b>	<b>25%</b>
National	148	4	-	-	-	-	148	4
Foreign	221	2	162	6	24	-	407	8
<b>Total audits performed on suppliers (no.)</b>	<b>369</b>	<b>6</b>	<b>162</b>	<b>6</b>	<b>24</b>	<b>-</b>	<b>555</b>	<b>12</b>

## 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 2022, 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 and our fashion products, present specific kneecap in the light of the legislation in force.



## Methodologic notes

### Emission factors:

Energy	Unit	2021	2022	Source (2021 and 2022)
Natural Gas		56.4	56.4	2021: APA (2021) Portuguese National Inventory Report on Greenhouse Gases 1990-2018 (page 117)
Propane Gas		63.1	63.1	
Diesel	kg CO <sub>2</sub> /GJ	74.1	74.1	2022: APA (2022) Portuguese National Inventory Report on Greenhouse Gases 2022 (page 121)
Gasoline		69.3	69.3	<a href="https://unfccc.int/documents/519827">https://unfccc.int/documents/519827</a>
F-Gases: R-22		-	1,810	
F-Gases: R-407C		-	1,774	2022: APA (2022) Fluorinated Gases – Unit Converter
F-Gases: R-410 <sup>a</sup>	kg CO <sub>2</sub> /GJ	-	2,088	<a href="https://formularios.apambiente.pt/convertor/">https://formularios.apambiente.pt/convertor/</a>
F-Gases: R-438 <sup>a</sup>		-	2,265	
F-Gases: R-417C		-	2,346	
Electricity – Market Based (MC and Sonae RP)	kg CO <sub>2</sub> /GJ	71.4	57.3	2021 and 2022: 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 (Zeitree)	kg CO <sub>2</sub> /GJ	70.7	61.33	
Electricity – Market Based (Worten)	kg CO <sub>2</sub> /GJ	73.6	23.96	
Electricity – Market Based (Sonaecom)	kg CO <sub>2</sub> /GJ	57.0	75.8	2021 and 2022: EDP emission factor <a href="https://www.edp.pt/origem-energia/">https://www.edp.pt/origem-energia/</a>
Electricity – Market Based – Arenal	kg CO <sub>2</sub> /GJ	55.6	55.7	2021 and 2022: Electricity Labelling Agreement Related to Energy Produced In 2019, issued by the CMNC.
Electricity – Market Based Espanha	kg CO <sub>2</sub> /GJ	110.8	67.6	2021 and 2022: it was assumed emission factor Endesa: 243.40 gCO <sub>2</sub> /kWh <a href="https://www.endesa.pt/negocios/quemos/Origem-de-Energia">https://www.endesa.pt/negocios/quemos/Origem-de-Energia</a>
Electricity – Location Based Portugal	kg CO <sub>2</sub> /GJ	35.8	76.6	2021: APREN <a href="https://www.apren.pt/contents/publicationsreportcarditens/boletim-renovaveis-dezembro-2021.pdf">https://www.apren.pt/contents/publicationsreportcarditens/boletim-renovaveis-dezembro-2021.pdf</a> 2022: ERSE Rotulagem <a href="https://www.erse.pt/eletricidade/rotulagem/rotulagem/">https://www.erse.pt/eletricidade/rotulagem/rotulagem/</a>
Electricity – Location Based Espanha	kg CO <sub>2</sub> /GJ	31.7	44.4	2021 and 2022: REE emission factor <a href="https://www.ree.es/es/datos/generacion/no-renovables-detalle-emisiones-CO2">https://www.ree.es/es/datos/generacion/no-renovables-detalle-emisiones-CO2</a>

## Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>2</sub>), and other significant air emissions (305-7)

The values in the GRI associated with GRI “305-7 Nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>2</sub>) and other significant air emissions” were calculated using the following conversion factors:

Energy	Unit	NO <sub>x</sub>	SO <sub>2</sub>	Source
Diesel	kg/GJ	0.8	0.21	IPCC 2006
Gasoline	kg/GJ	0.6	0.075	IPCC 2006





# Non-financial statement



## 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 GRI	Correspondence Integrated report
A brief description of the company's business model	GRI 2-1 to 2-6	Integrated Management Report: - Chapter "Our Business Model" - Chapter "Our strategy" GRI annex   GRI details
A description of the company's policies in relation to these issues, including the due diligence procedures duly applied	GRI 2-27, 3-1, 3-2, 3-3, 205, 301, 302, 303, 304, 305, 306, 308, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 413, 414, 416, 417	Integrated Management Report: - Chapter "Our risk management approach" Corporate Governance Report: - Part I: Shareholders' Structure, Organisation and Corporate Governance GRI annex   GRI details
The results from these policies	GRI 2-27, 3-1, 3-2, 3-3, 205, 301, 302, 303, 304, 305, 306, 308, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 413, 414, 416, 417	Integrated Management Report: - Chapter "Our impact" - Chapter "Our performance" GRI annex   GRI details

Information	Correspondence GRI	Correspondence Integrated report
The main risks associated to these issues, related to the company's activities, including, if relevant and proportionate, its business relations, its products or services that may have negative impacts on these areas and how these risks are managed by the company	GRI 3-1, 3-2, 3-3	Integrated Management Report: - Chapter "Our risk management approach" Corporate Governance Report: - Part I: Shareholders' Structure, Organisation and Corporate Governance GRI annex   GRI details TCFD section
Key performance indicators relevant to its specific activity	GRI 2-27, 3-1, 3-2, 3-3, 205, 301, 302, 303, 304, 305, 306, 308, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 413, 414, 416, 417	Integrated Management Report: - Chapter "Our performance" GRI annex   GRI details
Description of the diversity policy applied by the company with respect to its management and supervisory bodies, namely, in terms of age, sex, Qualifications and professional background, the objectives of this diversity policy, how it was applied and the results in the period of reference	GRI 2-9, 2-10, 3-1, 3-2, 3-3, 401, 405	Integrated Management Report: - Chapter "Our Business Model" - Chapter "Our strategy" Corporate Governance Report: - Part I: Shareholders' Structure, Organisation and Corporate Governance GRI annex   GRI details

Table of correspondence to the Spanish Law 11/2018 of December 28

Information	Correspondence GRI	Correspondence Integrated report
<b>Global</b>		
The consolidated statement of non-financial information should include the information necessary to understand: <ul style="list-style-type: none"> <li>the development,</li> <li>the results and situation of the group and</li> <li>the impact of its activity;</li> </ul>		Integrated Management Report:
In relation to: <ul style="list-style-type: none"> <li>environmental issues,</li> <li>social issues,</li> <li>respect for human rights,</li> <li>respect for combating corruption and bribery,</li> </ul>	GRI 2-27, 3-1, 3-2, 3-3, 205, 301, 302, 303, 304, 305, 306, 308, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 413, 414, 416, 417	- Chapter "Our strategy" - Chapter "Our risk management approach" - Chapter "Our performance" GRI annex   GRI details
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.		
<b>Business model</b>		
Brief description of the group's business model, which should include: <ol style="list-style-type: none"> <li>The business environment,</li> <li>The organisation and structure,</li> <li>The markets in which it operates,</li> <li>The goals and strategies,</li> <li>The main factors and trends that could affect its future development.</li> </ol>	GRI 2-1, 2-6, 2-7, 2-22	Integrated Management Report: - Chapter "Our Business Model" GRI annex   GRI details

Information	Correspondence GRI	Correspondence Integrated report
<b>Policies</b>		
A description of the policies that the group applies to these issues, including: <ol style="list-style-type: none"> <li>Due diligence procedures applied to the identification, assessment, prevention and mitigation of significant risks and impacts.</li> <li>Verification and control procedures including the measures that have been adopted.</li> </ol>	GRI 2-27, 3-1, 3-2, 3-3, 201-2, 205-1, 205-2, 406-1, 407-1, 408-1, 409-1, 410-1, 414-1 and 308-1, 416-1, 417-1	Integrated Management Report: - Chapter "Our risk management approach" Corporate Governance Report: - Part I: Shareholders' Structure, Organisation and Corporate Governance GRI annex   GRI details
<b>Results of the policies and key performance indicators</b>		
The results of those policies, including key performance indicators of relevant non-financial results that allow: <ol style="list-style-type: none"> <li>The monitoring and assessment of progress and</li> <li>That favour comparability between sectors, according to the national, European or international benchmarks used for each area.</li> </ol>	GRI 2-27, 3-1, 3-2, 3-3, 201-2, 205-1, 205-2, 406-1, 407-1, 408-1, 409-1, 410-1, 414-1 and 308-1, 416-1, 417-1 <a href="#">Environmental policy</a>	Integrated Management Report: - Chapter "Our performance" GRI annex   GRI details
<b>Risks</b>		
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 <ul style="list-style-type: none"> <li>How the group manages these risks;</li> <li>Explaining the procedures used to detect and assess risks, according to the national, European or international benchmark structures for each area;</li> <li>Information should be included on the impacts detected, detailing the main risks in the short, medium and long-term.</li> </ul>	GRI 201-2, 205-1, 407-1, 408-1, 409-1, 413-1	Integrated Management Report: - Chapter "Our risk management approach" Corporate Governance Report: - Part I: Shareholders' Structure, Organisation and Corporate Governance GRI annex   GRI details TCFD section

Information	Correspondence GRI	Correspondence Integrated report
<p><b>Key performance indicators</b></p> <p>Key non-financial performance indicators that are relevant to the business activity and that meet the comparability, materiality, relevance and reliability criteria.</p> <p>in order to allow the comparison of information, both over time and across entities, standard key 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.</p> <p>the main indicators of non-financial results should be applied to each of the non-financial information topics.</p> <p>these indicators should be useful, taking into consideration the circumstances, and consistent with the parameters used in their internal assessment and risk management procedures.</p> <p>In any event, the information presented must be accurate, comparable and verifiable.</p>	GRI 3-1, 3-2, 3-3	<p>Integrated Management Report:</p> <ul style="list-style-type: none"> <li>- Chapter Our performance</li> </ul> <p>GRI annex   GRI details</p>

**Environmental issues**

Information	Correspondence GRI	Correspondence Integrated report
<p><b>Global environment</b></p> <p>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;</p> <p>2.) Resources dedicated to the prevention of environmental risks;</p> <p>3.) The application of the precautionary principle, the quantity of provisions and guarantees for environmental risks.</p>	<p>GRI 2-11, 3-1, 3-2, 3-3, 201-2, 308-1</p> <p><a href="#">Environmental Policy</a></p> <p>Sonae companies have an environmental responsibility policy, and environmental management systems implemented.</p>	<p>Integrated Management Report:</p> <ul style="list-style-type: none"> <li>- Chapter "Our risk management approach"</li> <li>- Chapter "Our performance"</li> </ul> <p>Corporate Governance Report:</p> <ul style="list-style-type: none"> <li>- Part I: Shareholders' Structure, Organisation and Corporate Governance</li> </ul> <p>GRI annex   GRI details</p> <p>TCFD section</p>

Information	Correspondence GRI	Correspondence Integrated report
<p><b>Contamination</b></p> <p>1.) Measures to prevent, reduce or repair damage from carbon emissions, which seriously affect the environment;</p> <p>2.) Taking into consideration any form of air pollution, which is activity-specific, including noise and light pollution.</p>	<p>GRI 3-1, 3-2, 3-3, 305-5, 305-6, 305-7</p> <p>Due to its nature, Sonae's activity has no significant impact on noise and light pollution.</p>	<p>Integrated Management Report:</p> <ul style="list-style-type: none"> <li>- Chapter "Our risk management approach"</li> <li>- Chapter "Our performance"</li> </ul> <p>GRI annex   GRI details</p>
<p><b>Circular economy and waste management and prevention</b></p> <p>1.) Circular economy;</p> <p>2.) Waste: prevention, recycling, reuse, other forms of waste recovery and disposal; actions to combat food waste.</p>	<p>GRI 3-1, 3-2, 3-3, 301-2, 301-3, 306-1, 306-2, 306-3, 306-4, 306-5</p>	<p>Integrated Management Report:</p> <ul style="list-style-type: none"> <li>- Chapter "Our risk management approach"</li> <li>- Chapter "Our performance"</li> </ul> <p>GRI annex   GRI details</p>
<p><b>Sustainable use of resources [material issue]</b></p> <p>1.) Water consumption and water supply according to local restrictions;</p> <p>2.) Consumption of raw materials and the measures adopted to improve the efficiency of use;</p> <p>3.) Energy consumption, direct and indirect, measures adopted to improve energy efficiency and the use of renewable energy.</p>	<p>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</p>	<p>Integrated Management Report:</p> <ul style="list-style-type: none"> <li>- Chapter "Our risk management approach"</li> <li>- Chapter "Our performance"</li> </ul> <p>GRI annex   GRI details</p>

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

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



Information	Correspondence GRI	Correspondence Integrated report
<b>Climate change [material issue]</b>		
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;	GRI 3-1, 3-2, 3-3, 201-2, 305-1, 305-2, 305-3, 305-4, 305-5	Integrated Management Report: - Chapter "Our risk management approach"
2.) Measures taken to adapt to the consequences of climate change;	<a href="#">Environmental Policy</a>	- Chapter "Our performance"
3.) The voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions and the measures implemented to achieve this.	<a href="#">Sustainable Fishing Policy</a>	GRI annex   GRI details TCFD section

Combating climate change is a central topic in the Sonae group's sustainable development agenda. We believe that the companies can and should play an important role in this regard.

In 2019, Sonae and its portfolio of companies advanced with the definition of their greenhouse gases emissions (GHG) reduction targets, of direct and indirect emissions scopes. As a result Sonae and its portfolio of companies pledged to reduce their Scope 1+2 emissions by 54% in 2030, compared to 2018. Since then, we have continued our efforts to promote efficient and flexible energy consumption by investing in the installation of more efficient equipment and systems, creating the conditions necessary to better monitor and manage consumption, and developing procedures to enhance the investment carried out. In addition, we decarbonise our energy matrix by producing electricity produced from renewable sources.

Furthermore, the group strove to integrate the guidelines defined by the task force on climate-related financial disclosure (TCFD), having launched a project in 2021 to ensure its transposition. This project focused on the identification and assessment of material climate risks and opportunities and their potential financial impacts by all Sonae companies, with the support of third-party experts. During 2022, a corporate procedure was defined to ensure the robustness of this management process among our companies.

Information	Correspondence GRI	Correspondence Integrated report
<b>Biodiversity protection [material issue]</b>		
1.) Measures taken to preserve and restore biodiversity;	GRI 3-1, 3-2, 3-3, 304-1, 304-2, 304-3	Integrated Management Report: - Chapter "Our risk management approach"
2.) Impacts caused by the activities or operations in protected areas.		- Chapter "Our performance" GRI annex   GRI details

The dependence of our companies on natural capital, and the way in which they directly or indirectly have the potential to alter or contribute to the destruction of natural

habitats, leads us to consider issues related to the protection of Nature and biodiversity as strategic for the Group. Among other initiatives, it created a dedicated working group to monitor and promote the development of this topic with representatives from the various Sonae companies.

Sonae does not own any facilities in areas classified as habitats rich in biodiversity. In 2021, there were no operations carried out leading to changes in the surrounding habitats that would result in their restoration.

**Social and worker-related issues**

Information	Correspondence GRI	Correspondence Integrated report
<b>Employment [material issue]</b>		
1.) Total number and distribution of employees by gender, age, country and professional category;		Integrated Management Report: - Chapter "Our risk management approach"
2.) Total number and distribution of work contract modalities;		- Chapter "Our performance"
3.) Annual average of undefined contracts, temporary contracts and part-time contracts by gender, age and professional category;		Corporate Governance Report: - Part I: Shareholders' Structure, Organisation and Corporate Governance
4.) Dismissal numbers by gender, age and professional category;	GRI 2-7, 2-8, 2-12, 2-19, 2-21, 3-1, 3-2, 3-3, 401-1, 405-2 (table: average remuneration)	GRI annex   GRI details
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.		

When employees disconnect, compliance to the legal requirements applicable to these situations is ensured.

Information	Correspondence GRI	Correspondence Integrated report
<b>Organisation of work</b>		
1.) Organisation of workable hours;	GRI 3-1, 3-2, 3-3, 401-3, 403-2	GRI annex   GRI details
2.) Number of hours of absence;		
3.) Measures to facilitate parental leave and encourage joint responsibility by both parents.		

Sonae has been developing flexible work initiatives, boosting internal investment in training, technological development, and innovation knowledge. Among the benefits provided by Sonae are extra vacation days, flexible hours, unpaid leave and reduced working hours or remote work. These initiatives are the result of an analysis carried out on an international level, identifying best practices in businesses to maximise the productivity and work-life balance of our people.

Information	Correspondence GRI	Correspondence Integrated report
<b>Health and safety</b>		
1.) Health and safety conditions at work;	GRI 3-1, 3-2, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9	GRI annex   GRI details
2.) Work accidents, their frequency and severity;		
3.) Occupational diseases; disaggregated by gender.		

The health and safety impacts attributable to commercial relations are not considered relevant in Sonae companies' operations and activity context.

Information	Correspondence GRI	Correspondence Integrated report
<b>Social relations</b>		
1.) Organisation of social dialogue, including procedures for informing and consulting staff and negotiating with them;	GRI 2-30, 3-1, 3-2, 3-3, 403-1, 407-1	GRI annex   GRI details
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.		

More information can be found on Sonae's [Code of Ethics and Conduct for Employees](#).

Information	Correspondence GRI	Correspondence Integrated report
<b>Training [material issue]</b>		
1.) The policies implemented in the field of training;	GRI 3-1, 3-2, 3-3, 404-1, 404-2	Integrated Management Report: - Chapter "Our risk management approach" - Chapter "Our performance" GRI annex   GRI details
2.) Total number of hours of training by professional category.		
Universal accessibility for people with disabilities	Table of Employees with disabilities	GRI annex   GRI details

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

Information	Correspondence GRI	Correspondence Integrated report
<b>Equality [material issue]</b>		
1.) Measures taken to promote equal treatment and opportunities between men and women;	GRI 3-1, 3-2, 3-3, 405-1, 405-2, 406-1	Integrated Management Report: - Chapter "Our risk management approach" - Chapter "Our performance" GRI annex   GRI details
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.		

More information can be found on Sonae's [Plan for Gender Equality](#).

Information	Correspondence GRI	Correspondence Integrated report
<b>Human rights</b>		
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;	GRI 2-23, 2-26, 3-1, 3-2, 3-3, 406-1, 407-1, 408-1, 409-1, 410-1	GRI annex   GRI details
4.) Promotion and enforcement of the provisions of the fundamental conventions of the international labour organization concerning the respect for freedom of association and the right to collective bargaining;		
5.) The elimination of employment and occupational discrimination;		
6.) The elimination of forced or compulsory labour;		
7.) The effective abolition of child labour.		

More information can be found on Sonae's [Code of Ethics and Conduct for Employees](#) and on Sonae's [Human Rights Policy](#).

Information	Correspondence GRI	Correspondence Integrated report
<b>Corruption and bribery</b>		
1.) Measures taken to prevent corruption and bribery;	GRI 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 413-1	GRI annex   GRI details
2.) Measures taken to combat money laundering;		
3.) Contributions to foundations and non-profit entities.		

More information can be found on Sonae's [Code of Ethics and Conduct for Employees](#) and on Sonae's [Human Rights Policy](#).

**Society issues**

Information	Correspondence GRI	Correspondence Integrated report
<b>The company's commitment to sustainable development*</b>	GRI 2-26, 2-28, 2-29, 3-1, 3-2, 3-3, 203-1, 203-2, 413-1	GRI annex   GRI details

\*The impact of the company's activity on the local population and territory; The relations maintained with the representatives of the local communities and the modalities of dialogue with them; and Association and sponsorship actions.

More information can be found on Sonae's [Code of Ethics and Conduct for Employees](#) and on Sonae's [Human Rights Policy](#).

**Suppliers' Code of Conduct:** Sonae endorses the Universal Declaration of Human Rights and recognizes the rights of Indigenous Peoples. Principles that are incorporated into the qualification and evaluation processes of suppliers and partners.

Information	Correspondence GRI	Correspondence Integrated report
<b>The company's commitment to sustainable development</b>		
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;	GRI 2-7, 3-1, 3-2, 3-3, 308-1, 414-1	GRI annex   GRI details
3.) The relations maintained with the representatives of the local communities and the modalities of dialogue with them;		
4.) Association and sponsorship actions.		

More information can be found on Sonae's [Code of Ethics and Conduct for Employees](#) and on Sonae's [Human Rights Policy](#).

Information	Correspondence GRI	Correspondence Integrated report
<b>Consumers</b>		
1.) Measures for the health and safety of consumers;	GRI 2-29, 3-1, 3-2, 3-3, 416-1, 417-1	GRI annex   GRI details
2.) Complaints systems, complaints received and their resolution.		
<b>Tax information</b>		
1.) Benefits obtained by country;	GRI 3-1, 3-2, 3-3, 201-1, 201-4	GRI annex   GRI details
2.) Taxes on benefits paid.		

The amounts received by Sonae in Portugal are reported in the indicator GRI "201-4 Financial assistance received from government".





**TCFD**



## Task Force on Climate-related Financial Disclosures



### Climate change risk and our approach

The Paris Agreement established in 2015 at COP21 (United Nations Climate Change Conference), which aims to ensure the effective transition to a low-emission and climate-resilient future, has become even more relevant when considering the climate-related challenges that the world is facing today. The successive United Nations Conferences on Climate Change have been highlighting the importance of this topic.

The ecosystems on which humanity depends are under severe threat and Sonae's businesses are affected at different levels by the risks and opportunities related to climate change. We believe that organisations and the private sector must play a leading role and drive the change towards a new paradigm, as:

- they are at the forefront of the problem; and
- their viability depends on their ability to mitigate and adapt to climate risks.

Aware of this huge challenge and its consequences, “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 “Our risk management approach” 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.

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 drawn so far are presented throughout this annex.

In this annex, we present the risks and opportunities arising from climate change, the potential 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 final section of this annex, “Additional disclosures related to climate change”.

### 1. Governance Model

Three bodies within the Board of Directors oversee how risks and opportunities are being managed at Sonae.

#### Board of Directors

- Oversees all risks

The Board of Directors oversees all risks facing Sonae, including risks and opportunities 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 leads specific working groups related to the strategic pillars of sustainability, one of which focuses on “CO<sub>2</sub> and climate change”.

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 in order to meet the climate targets set for carbon reduction.

At two of the four Sustainability Consultative Group’s meetings, held annually, the working group on “CO<sub>2</sub> and climate change” presents the progress made towards the achievement of our targets. 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 other employees, relative to the successful management of climate risks.

See the section “Effective parenting style with a proven governance model” of the chapter “Our strategy” 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 2022, a new **training programme** was designed and launched: “Sustainability, the Future in our hands”, entailing 6 series, including one named “CO<sub>2</sub> 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 launch 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 Consultative Group, an assessment of the potential financial impacts resulting from climate change on each of the Group’s companies was carried out, in order to define the specific risks they face.

Relevant risks for each company were identified through collaboration with internal and external climate risk experts. The classification of risks and opportunities was made according to the categories provided in the TCFD. Relevance was also based on an assessment of the “probability of occurrence” and the “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 the 2030 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, allow 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
<b>Climate risk category: Physical Risks</b>			
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).	<ul style="list-style-type: none"> <li>• Initiatives, including innovation projects, R&amp;D and business models; to use sustainable sourced fibres and materials, promoting new materials, increased durability and the circular economy.</li> <li>• 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.</li> <li>• Direct actions with agricultural producers aimed at promoting more sustainable agricultural practices and nature-based solutions.</li> </ul>	<p>Long term</p> <p>Medium-long term</p>
	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.	<ul style="list-style-type: none"> <li>• A technical study on the resilience of assets and HVAC units that defined a set of measures to adapt to new temperature patterns.</li> </ul>	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.	<ul style="list-style-type: none"> <li>• Insurance coverage for employees.</li> <li>• Geographic distribution of our human capital and flexible work arrangements.</li> <li>• Continuous assessment of the potential operational impact of extreme weather events on the Risk Management process.</li> <li>• Continuous and enhanced analysis of risk of extreme weather events when evaluating current locations and expansion plans.</li> <li>• Inclusion of an emergency response (training, simulations and early warning system) for extreme events in business continuity plans.</li> <li>• 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.</li> </ul>	Short-long 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.	<ul style="list-style-type: none"> <li>• Development of a contingency plan for high-risk regions in case of production interruptions, including alternative suppliers in low-risk regions.</li> </ul>	Short-medium term
<b>Climate risk category: Transition Risks</b>			
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.	<p>We set a Group-wide carbon reduction target (a reduction of 54% by 2030) and a carbon neutrality target to be achieved by 2040 (Scope 1 and 2). Specific routes have been defined for each of the Group's companies that will result in energy savings and a reduction in CO<sub>2</sub> emissions. The itineraries include a diverse set of actions, namely:</p> <ul style="list-style-type: none"> <li>• Implementation of an energy optimisation programme that includes the installation of more efficient equipment and systems (e.g., LED lighting).</li> <li>• Audits to identify and implement energy efficiency improvements in our stores, buildings and logistics centres.</li> <li>• Autonomous production of photovoltaic solar energy and supply of electricity from renewable sources.</li> <li>• Electrification of the fleet of service vehicles.</li> <li>• Development of an intelligent energy management platform using AI to automate electricity consumption.</li> </ul>	Short-medium term

Risk	Impact on our activities	Management actions	Time horizon
<b>Climate risk category: Transition Risks</b>			
	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.	<ul style="list-style-type: none"> <li>Carrying out energy audits to identify improvements in the energy efficiency of our buildings.</li> </ul>	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, as a result of an increase in the costs of purchasing products and materials imported from outside the EU.	<ul style="list-style-type: none"> <li>Engagement with the supply chain in order 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.</li> </ul>	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.	<ul style="list-style-type: none"> <li>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 programme.</li> </ul>	Mid term
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 <sub>2</sub> emissions.	<ul style="list-style-type: none"> <li>Autonomous production of photovoltaic solar energy and supply of electricity from renewable sources</li> <li>Assessment of solutions and possible refurbishments to increase energy efficiency.</li> </ul>	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.	<ul style="list-style-type: none"> <li>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.</li> <li>Train retail store employees to effectively communicate climate initiatives implemented (e.g., carbon reduction targets and more energy efficient products).</li> <li>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.</li> </ul>	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.	<ul style="list-style-type: none"> <li>Carrying out a feasibility study for the expansion of EV parking spaces and charging points at our facilities.</li> </ul>	Short term

The materiality of climate risks for Sonae was also assessed considering the influence of the financial results of the Group's companies and their respective risks. Risks were weighted according to the weight of each business in the Group's consolidated result (Net Asset Value - NAV). We would like to emphasise that the risks are dealt with individually by each company, however the holding pays particular attention to the higher materiality risks, as this is a process that is continuously extended, and for 2022 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, see the potential financial impact of these material risks associated with the most challenging climate scenario of a temperature increase of 1.5°C (IPCC RCP 2.6), the highest impact and relevant time horizon of 2030.

Climate risk category	Risk	Potential Impact	
		Min	Max
<b>Physical - Acute</b>	Increased severity of extreme weather events such as cyclones and floods		
<b>Transition - Political and Legal</b>	Rise in carbon pricing		

Amount (Euros)  
 < 10m  
 10m - 30m  
 30m - 90m  
 > 90m



To assess the opportunities associated with potential climate risks, companies considered a variety of factors, including regulatory, 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.

Amount (Euros)  
 < 10m  
 10m - 30m  
 30m - 90m  
 > 90m



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.  Additionally, local sourcing of raw materials and products in our supply chain can lead to shorter delivery times and the ability to be more agile in responding to sales opportunities, as well as mitigating the direct impact of supply chain disruption. It could also reduce our global carbon footprint.	<ul style="list-style-type: none"> <li>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).</li> <li>Energy and water costs avoided by implementing efficiency measures, namely energy optimisation programmes.</li> </ul>	Short-medium term	Lightest blue
	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.	<ul style="list-style-type: none"> <li>Establishment of contracts with suppliers within close proximity.</li> <li>Conduct specialist energy audits to explore potential improvements in energy efficiency and improve the Energy Performance Certificate rating.</li> </ul>	Mid term	
	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.	<ul style="list-style-type: none"> <li>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 agreements.</li> </ul>	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.	<ul style="list-style-type: none"> <li>Increased use of recycled fibres and more sustainable raw materials.</li> <li>Selection of suppliers that develop production processes for sustainable raw materials.</li> </ul>	Short term	Darkest blue
	Ability to diversify business activities	For the electronic retail sector, there are opportunities to diversify the company's regular activity into new services.	<ul style="list-style-type: none"> <li>Provision of energy consulting services to private homes, combined with energy efficiency solutions and equipments.</li> <li>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</li> <li>Development of specialized electronics repair/maintenance services, through a specific business model.</li> </ul>	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	<ul style="list-style-type: none"> <li>Increase in revenue due to expansion/new product lines of a sustainable/ecological nature (e.g., electric mobility)</li> <li>Increase in revenue due to expansion/new lines/sale of low carbon/more efficient products.</li> </ul>	Short term Mid term	
	Changing consumer preferences	For the electronic retail sector there are opportunities arising from changes in consumer preferences	<ul style="list-style-type: none"> <li>Increase in revenue due to increased demand for more efficient products and services associated with WEEE collection and treatment services.</li> </ul>	Mid 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, 68% of Sonae's total financing is sustainable, green or related to ESG indicators. 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 "Our Strategy" of the Integrated Management Report.

#### 4. 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 "Our risk management approach" in the Integrated Management Report. As mentioned, this year's

review cycle confirmed that "failure to mitigate and adapt to climate change" is a critical risk for our businesses, in line with previous years.

Within the scope of the EWRM process, and as it is 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 (CFO and member of the Executive Committee of Sonae) and João Günther Amaral (Chief Development Officer – CDO, and deputy of Sonae's Executive Committee). Included in these responsibilities are the monitoring of risks throughout the year in order to identify changes in their profile and assess progress made in management and mitigation actions.

Given the importance of climate change as a risk for our activity, as explained in the previous subsection "2. Strategy", the internal procedure for carrying out the risk assessment associated with climate change is followed by all of 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 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, of which it is worth highlighting the World Resource Institute (WRI), the Intergovernmental Panel on Climate Change IPCC, the International Energy Agency (IEA), the Carbon Risk Real Estate Monitor (CRREM), among others. 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.

### 5. Metrics and Targets

We are committed to achieving carbon neutrality in our operations by 2040, 10 years ahead of the EU'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 Well Below 2 Degrees Celsius scenario. Our goal is to reduce our own emissions (Scope 1+2) by 54% by 2030, with reference to 2018 values, and ensure carbon neutrality of operations as mentioned. 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.

The tables below show the evolution of Scope 1, 2 and 3 emissions for 2021 and 2022, comparable years in ton of CO<sub>2e</sub>.

	Sonae	
	2021	2022
Scope 1*	59,947	67,195
Scope 2**	130,508	104,403
<b>Scope 1+2</b>	<b>190,455</b>	<b>171,598</b>
Scope 3***	4,251,664	5,224,849
<b>Total</b>	<b>4,442,119</b>	<b>5,396,447</b>

Notes: All information presented was subject to verification by an external entity - KPMG. See Independent Limited Warranty Report in this Report.

\*Scope 1: the GHG emission factors used derive from recently published data, made available by the National Greenhouse Gas Inventory Report. The 2021 value were updated, resulting from the adjustment in the calculation methodology (revision of emission factors and inclusion of emissions of ozone-depleting gases).

\*\*Scope 2: the market-based methodology was used with specific GHG producer emission factors that correspond to the most recent information made available by each supplier.

\*\*\*Scope 3: Includes the most representative companies for GHG Scope 3 emissions (MC, Zeitreel and Sierra) and the most relevant categories for the companies (1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 13 and 14).

	GHG emissions intensity ratio		Methodological notes
	2021	2022	
			accordingly to the nature of our businesses' activities
Holding, MC, Worten, Zeitreel and Universo	0.17	0.15	GHG emissions Scope 1 and 2 (market based) (t CO <sub>2e</sub> ) / Sales area (sqm)
Sonaeom (Bright Pixel & Media)	5.35	5.98	GHG emissions Scope 1 and 2 (market based) (t CO <sub>2e</sub> ) / Cash invested in the Bright Pixel's active portfolio (€m)
Sierra excluding tenants emissions	0.043	0.038	GHG emissions scope 1, 2 and 3 * (t CO <sub>2e</sub> ) / area excluding tenants** (sqm) *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 ** 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
Sierra including tenants emissions	0.250	0.358	GHG emissions Scope 1, 2 and 3* (t CO <sub>2e</sub> ) / area excluding tenants** (sqm) *Numerator of Sierra including tenants emissions' GHG emissions intensity ratio, described above, plus emissions from electricity consumed by tenants. **Denominator of Sierra including tenants emissions' GHG emissions intensity ratio, described above.

Note: Update of specific metrics relevant to the business.

In 2022, our companies emitted 5,396,447 tCO<sub>2e</sub>, representing an increase of 21.5% compared to the previous year. Scope 1 emissions represent 1.2% of our carbon footprint, Scope 2 emissions represent 1.9% and, finally, Scope 3 emissions represent 96.8%. In 2022, companies dedicated efforts to the Scope 3 emissions inventory and as a result of this exercise, Sonae increased the reporting scope of its Scope 3 GHG emissions, including more categories and extending the mapping to the most representative companies for these emissions.

Despite the impact on the limitation of operations and the effect of teleworking being notorious, in 2022 our stores and shopping centres completely reopened and more employees returned to the offices, with an increased impact on the consumption of electricity and fossil fuels. However, there was a reduction in Scope 2 emissions due to investments in energy efficiency, renewable energy and green contracts. Considering the target set for 2030 of reducing our 1+2 emissions by 54%, we recorded a 24% reduction in 2022 compared to 2018.

Additional information on the evolution of our performance can be consulted in the chapter “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 2022, our companies consumed 2,902,047 GJ of total energy, representing an increase of 3% 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 37% of the total electricity consumed. Additionally, the production of renewable energy by our companies increased to a total of 14% compared to the previous year. Please consult the GRI Annex for a more detailed analysis of the energy metrics, as well as the chapter “Our performance” of the Integrated Management Report.

In order 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:

- Effective parenting style with a proven governance model;
- Our strategy;
- Our risk management approach; and
- Our performance.

Find out more about our actions on climate change and CO<sub>2</sub> on our website:

<https://www.sonae.pt/en/sustainability/>

Additionally, our registration process under the 2022 CDP includes information developed on climate risks, opportunities, impacts and mitigation actions related to our activity:

<https://www.cdp.net/en>



# EU Taxonomy Report



## EU Taxonomy Report

The EU Regulation 2020/852 of 18<sup>th</sup> June, 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:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control; and
- Protection and restoration of biodiversity and ecosystems.

The first reporting requirements – on the eligibility of activities for contribution to the climate change adaptation and climate change mitigation objectives – became applicable on the 2021 financial year. Pursuant to the mentioned regulatory obligations, Sonae SGPS (henceforth “Sonae”, “Sonae Group” or “Group”) disclosed its portion of turnover, capital expenditures (CapEx<sup>14</sup>) and operating expenditures (OpEx) on the eligibility of its activities for fiscal year 2021.

In relation to the obligatory reporting requirements for the 2022 reporting year, an even more extensive analysis is required in order to fulfil the disclosure of Sonae Group alignment to the EU Taxonomy, for the same climate objectives formally adopted, in addition to the already published 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.

During 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 belong to 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 this and upcoming reporting years. The guide was constructed under the best interpretation of the Taxonomy Regulation and Delegated Acts, and the currently available guidelines from the European Commission, and will be periodically reviewed upon the evolution of the Regulation.

### 2022 Sonae’s EU Taxonomy Report: Structure

1. Scope & Accounting Principles	2. Eligibility and Alignment assessment of the Group under the EU Taxonomy	3. Key performance indicators for the EU Taxonomy
----------------------------------	--	---

For fiscal year 2022, the main results obtained for the reporting of the EU Taxonomy are the following:

- Sonae has obtained total Taxonomy-eligible figures of €63.3m Turnover, €114.3m CapEx, and €7.0m OpEx, corresponding to 0.8%, 23.2% and 4.5% from consolidated figures, respectively;
- Out of the aforementioned figures, Taxonomy-aligned figures obtained correspond to 0.1% Turnover, 4.5% CapEx and 1.8% 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) are the most representative in the KPIs. Overall, it is estimated that 80% of the eligible turnover and 76% of the eligible CapEx were associated to real estate activities;
- Individual measures carried out in the Group to support business operations and to improve environmental impact represent overall 41% of eligible CapEx and 66% of eligible OpEx.

The EU Taxonomy is forecasted to expand to four other environmental objectives during 2023, with the expectancy to bring significant impact to Sonae’s Taxonomy eligibility, namely in our main revenue-generating activities. The Group supports the goals set forth by the EU Taxonomy and welcomes the continued growth of the regulation.

## 1. Scope & Accounting Principles

Pursuant to article 29a 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 sub-holdings, individual companies and closed-end real estate funds. Companies in which the Group exercises joint control or significant influence are excluded. The main accounting policies adopted by Sonae in the preparation of the consolidated financial statements are described and can be consulted in Note 2 of Attachment to the Consolidated Financial Statements.

<sup>14</sup> Capex for taxonomy purposes: investments accounted under the Property, Plant and Equipment (IAS 16), Intangible Assets (IAS 38), Investment Property (IAS 40) and Leases (IFRS 16) lines.

The Taxonomy KPIs were prepared based on Annex I of the Disclosure Delegated Act supplementing Regulation (EU) 2020/852, which was published at 6<sup>th</sup> July 2021. The financial data are taken from the financial statements for the year ended 31<sup>st</sup> December 2022, 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:

1. 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
2. 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).

Afterwards, a bottom-up approach was applied and cumulatively eligible and subsequently aligned turnover, CapEx and OpEx were added in the Taxonomy eligibility and aligned numerators.

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, in order to prevent double counting, any intercompany sales between Sonae subsidiaries were excluded. Moreover, as each company from the group has its individual cost structure, each of the profit centers and cost centers were signaled for second validation and consolidation within the Group's consolidation department. For better identification and separation of the cost elements, in particular for investment CapEx, their respective purchase orders were also retrieved and validated.



## 2. 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 sub-holding to carry out the Taxonomy eligibility and alignment exercise internally.

Individually, first it was examined whether or not the company has activities described in the in Annexes I and II of the Commission Climate Delegated Regulation, since only those activities can be considered as Taxonomy-eligible. Then, 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, financial services, technology, property and real estate. As a result, and given the current state of development of the Taxonomy Regulation, which is geared at more carbon-intensive industries, hence not covering all sectors of the economy, the majority of Sonae's core activities are not provided in the Climate Delegated Act, therefore not taxonomy-eligible, resulting in overall low eligibility percentage of revenue-generating activities. On the other hand, there is a higher presence of eligible activities when assessing secondary supporting activities to the core business and investments in individual measures implemented to lead GHG emissions reduction in core operations.

The Taxonomy reporting is seen as an evolving process, and for this reporting year new eligible activities were identified and assessed in the Group, such as the investments related to renovations and constructions executed in the retail business. In the following table the eligible activities of the Sonae Group are identified in line with the EU Taxonomy for FY 2022:

Eligible Economic activity according to EU Taxonomy	Description of Activity
<b>5.5</b> Collection and transport of non-hazardous waste in source segregated fractions	Subcontracting of waste management services for collecting, transporting, preparing, and sorting non-hazardous waste; Investment in waste compactors that help storing the waste fractions
<b>6.5</b> Transport by motorbikes, passenger cars and light commercial vehicles	Renting and leasing of electric and hybrid plugins for corporate car fleet
<b>7.1</b> Construction of new buildings	Two real estate construction projects: residential project and office tower
<b>7.2</b> Renovation of existing buildings	Major renovation projects for commercial buildings

Eligible Economic activity according to EU Taxonomy	Description of Activity
<b>7.3</b> Installation, maintenance, and repair of energy efficiency equipment	Installation, renewal, and maintenance of energy efficiency equipment, including vertical gardens, insulation materials, LEDs and air conditioning systems.
<b>7.4</b> 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.
<b>7.5</b> 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.
<b>7.6</b> 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.
<b>7.7</b> Acquisition and ownership of buildings	Operation and management of commercial buildings; Commission of construction of new buildings that will be owned by the Group.
<b>8.1</b> Data processing, hosting and related activities	Housing contract for colocation of data storage and systems in a Datacenter. Acquisition of associated equipment and maintenance
<b>8.2</b> Data-driven solutions for GHG emissions reductions	Implementation of technological solutions for carbon footprint calculation
<b>9.1</b> Engineering activities and related technical consultancy dedicated to adaptation to climate change (Annex II of the Climate Delegated Act)	Provision of services of climate risk assessment
<b>9.3</b> Professional services related to energy performance of buildings	Provision of services: energy audits, certifications, technical and benchmark consulting, building design, energy management.

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 of better performing cold plants, installation of automation and regulation devices, and the substitution of fluorinated gases for gases with a lower GWP in the cold plants (such as CO<sub>2</sub> and isopropane, with a GWP of 1 and 3 respectively).

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 20% 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, in FY 2022, a total investment of €19.0m was conducted at improving the environmental impact of the cold chain, representing 4% of consolidated CapEx (for taxonomy purposes).



## 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. Within this framework, less stringent provisions have been planned for the first year of application of alignment in 2022, therefore some degree of flexibility is recognized.

The assessment of alignment was carried out in each sub-holding 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 activities that fall within the same criteria set.

Below it is described the methodology for assessing each eligible activity in the Sonae Group.

### 5.5 Collection and transport of non-hazardous waste in source segregated fractions

#### Substantial Contribution

Climate Change Mitigation	This activity contemplates the subcontracting of waste management services for collecting, transporting, preparing, and sorting non-hazardous waste, and also investment in waste compactors that help storing the waste fractions. The fractions of waste considered are cardboard, paper and plastic waste.  The substantial contribution criteria for climate change mitigation is considered to be met, as a declaration from the waste management operators was provided in order to ensure that all separately collected and transported non-hazardous waste, that is segregated at source, is intended for preparation for reuse or recycling operations.
---------------------------	--

#### Do no significant harm

Climate Change Adaptation	To assess the adaptation DNSH criteria, each waste management operator should demonstrate that has a practice of evaluating significant physical climate risks that might impact their installations, supported by a coherent adaptation plan. When this information was obtained, the activity was considered in compliance with the criteria.
Circular Economy	The circular economy criteria were considered to have been met. A declaration from the waste management operators was provided in order to ensure that separately collected waste fractions are not mixed in waste storage and transfer facilities with other waste or materials with different properties.

### 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

#### Substantial Contribution

Climate Change Mitigation	This activity consists in the renting and leasing of electric and hybrid plug-ins for corporate car fleet (M1 category). As an individual measure implemented to lead to greenhouse gas reductions in the Group, only hybrid and plug-ins and electric vehicles were considered eligible. In Sonae, the specific emissions of CO <sub>2</sub> 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 <sub>2</sub> lower than 50gCO <sub>2</sub> /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

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. 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.



6.5 Transport by motorbikes, passenger cars and light commercial vehicles

**Do no significant harm**

<p>Pollution</p>	<p>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".</p> <p>(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;</p> <p>(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;</p> <p>(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 do 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;</p> <p>(4) the criteria of compliance with Regulation (EU) No 540/2014 were also considered to be met, assuming the legality principle.</p>
------------------	--

7.1 Construction of new buildings

**Substantial Contribution**

<p>Climate Change Mitigation</p>	<p>The activity includes two real estate construction projects: a residential project and an office tower. The assessment of DNSH criteria was made on project-level. Whenever the stage of construction did not allow to obtain the evidence for a specific criteria, the date of submission of the complete application was used for deciding which technical criteria would be applicable at that point in time.</p> <p>(1) The Energy Performance Certificate (EPC) of the buildings were collected in order to assess the maximum value of the Energy Efficiency Indicator (IEE) and primary energy demand. Portaria n°42/2019 (Portuguese law) defines the thresholds for the commerce and services 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. One of the projects does not have a preliminary EPC, so the licensing criteria follows de BREAAAM Guidelines were used instead, which are in accordance with the Taxonomy criteria;</p> <p>(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;</p> <p>(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 the other in its licensing stage contemplates to appoint a specialist to perform it.</p>
----------------------------------	---

7.1 Construction of new buildings

**Do no significant harm**

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	As the licensing project is a 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 baseline values for water appliance were collected, as the project follows the LEED Guidelines in relation to water. Although the flow rates showed to be aligned, the criteria in Appendix E were not possible to assess, as LEED requires the flows at different pressure.
Circular Economy	<p>The circular economy criteria was not considered to be met for both projects.</p> <p>(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. While each project follows different guidelines (BREAAAM and LEED), both frameworks present targets in accordance with the Taxonomy ambition. Also, the first project as not started the construction works;</p> <p>(2) An analysis of the potential of the project to be adaptable and easy to disassemble and adaptability has not been considered for the project, therefore it was considered not to be met.</p>
Pollution	<p>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) N° 1907/2006 (REACH), the project guidelines and procurement policy were analysed focusing on the requirements of materials and components. If there was not enough evidence, it was considered not in compliance.</p> <p>To assess if measures were taken to reduce noise, dust and pollutant emissions during construction or maintenance works, both project Guidelines (BREAAAM and LEED) contemplate responsible construction practices, which include implementing best practice pollution prevention policies and procedures on construction site, including measures focused on noise, vibration and air quality.</p>
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 118/2013. The assessment of DNSH criteria was made on project-level. Considering the number of renovations performed and short window to evaluate each of them according to the Taxonomy criteria, a short sample was selected in order to learn how to assess the criteria, obtain the evidences and find the existing gap of information. Therefore, no renovation project is evaluated as aligned. 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.
---------------------------	--

**Do no significant harm**

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. While some appliance flow rates appear to be in compliance, others were not, and there was not enough information for every appliance. The criteria in Appendix E were not possible to assess.
Circular Economy	<p>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.</p> <p>(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, for ones it was possible to verify this threshold, while for others the exact percentage that has been reused or recovered for other activities remained unknown.</p> <p>(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 samples selected, therefore it was considered not to be met.</p>
Pollution	<p>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.</p> <p>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.</p>

7.3 Installation, maintenance and repair of energy efficiency equipment

**Substantial Contribution**

Climate Change Mitigation	<p>The activity consists in the installation, maintenance and repair of energy efficiency equipment, namely substitution of LED lighting, installation and maintenance of HVAC systems, and green walls (vertical gardens), which claims the substantial contribution to the climate change objective, corresponding to paragraphs a), d) and e) of activity 7.3 taxonomy criteria.</p> <p>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 118/2013 or the later 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 these devices, the Regulation (EU) 2017/1369 was not applicable, with the exception of few HVAC devices, only related to maintenance expenses and not acquisitions. For the main suppliers where information was not obtained, it was considered not aligned.</p>
---------------------------	---

**Do no significant harm**

Climate Change Adaptation	<p>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.</p> <p>(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. Also, in the case of HVAC, the increasing phenomena of Saharan Dust storms reaching the Mediterranean brings impact to the filtration systems.</p> <p>(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 (eg 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.</p> <p>(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 maneuver. Moreover, as these are considered supporting equipment “non-essential” from operations perspective, any malfunction does not affect the core activity.</p>
Pollution	<p>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.</p> <p>In a few particular cases in the food retail business, it was identified that the reactor of the chicken hotte is a system equipped with low-pressure mercury lamps with ozone generation. It is explained that the use of mercury is essential to prevent highly oxidative chemical reactions. For this reason, it is considered to be in compliance under by Regulation (EU) 2017/852 on mercury, Article 5, which exempts products essential for civil protection purposes.</p>

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 the climate change objective, corresponding to activity 7.4 taxonomy criteria.

**Do no significant harm**

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 maneuver. 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**

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 this products are installed near the buildings, the main risks that may impact this activity are: floods and fires, and they may impact the buildings where the equipment is installed, namely the electric panels and connections.

(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. Periodic annual preventive maintenance actions are performed, focusing in electric panels 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 maneuver. 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**

Climate Change Adaptation	<p>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.</p> <p>(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;</p> <p>(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;</p> <p>(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 maneuver.</p>
---------------------------	--

7.7 Acquisition and ownership of buildings

**Substantial Contribution**

Climate Change Mitigation	<p>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 (building).</p> <p>For buildings built before 31<sup>st</sup> 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<sup>st</sup> December 2020 and commissioned constructions: the EPC of the buildings were collected in order to assess the maximum value of the Energy Efficiency Indicator (IEE) and primary energy demand. Portaria n°42/2019 defines the thresholds for the commerce and services 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.</p> <p>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.</p>
---------------------------	--

**Do no significant harm**

Climate Change Adaptation	<p>The assessment of DNSH criteria for climate change adaptation was also performed on asset-level. This is an underdeveloped field in Sonae Group, where the vast majority of the assets do not have a robust climate risk and vulnerability assessment nor present and a coherent adaptation plan.</p> <p>The assets considered to be in compliance with this criteria are the ones that present a robust climate risk 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. Although a vulnerability assessment was not obtained, it is considered that the underlying ambition of this criteria is met.</p>
---------------------------	---

8.1 Data processing, hosting and related activities

**Substantial Contribution**

Climate Change Mitigation	<p>This activity contemplates a housing contract for colocation of data storage and systems in a Datacenter, and respective acquisition of associated equipment and maintenance. All systems that are hosted in the datacenters are under responsibility of MC responsibility or service providers hired. The owner of the datacenter is responsible for its management.</p> <p>To assess substantial contribution criteria for climate change mitigation, the Datacenter operator was requested regarding compliance with the “expected practices” in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency, supported by evidence of verification. As this information was not possible to obtain from the operator, the criteria is not considered to be met.</p>
---------------------------	---

**Do no significant harm**

Climate Change Adaptation	To assess the adaptation DNSH criteria, the Datacenter operator should demonstrate that has a practice of evaluating significant physical climate risks that might impact their Datacenter, supported by a coherent adaptation plan. This information was obtained, therefore the activity was considered in compliance with the criteria.
---------------------------	--

Water and Marine resources	To assess the adaptation DNSH criteria, the Datacenter operator should demonstrate the existence of a management plan for water resource use and protection, if the risk of environmental degradation related to the preservation of water quality and prevention of water stress has been identified. There was no information obtained from the Datacenter operator regarding this criterion, therefore it was considered not in compliance.
----------------------------	--

For circular economy criteria, all the criteria were considered to be met.

Circular Economy	<p>(1) The technical sheets and Eco declarations of the servers were requested to suppliers in order to assess compliance with the requirements set in the Directive 2009/125/EC for servers and data storage products (Regulation (EU) 2019/424).</p> <p>(2) The technical sheets and Eco declarations of the servers were requested to suppliers in order to assess that the equipment does not contain the restricted substances listed in Annex II to Directive 2011/65/EU.</p> <p>(3) At the end-of-life of the equipments, they are reselled for repurpose.</p>
------------------	---

8.2 Data-driven solutions for GHG emissions reductions

**Substantial Contribution**

Climate Change Mitigation	<p>This activity includes the implementation and maintenance of a technological solution for carbon footprint calculation. The solution was analysed individually, where the four criteria of substantial contribution for climate change mitigation are considered to be met.</p> <p>(1) The solution the provision of data and analytics enabling GHG emission reductions: the tool enables the automatic calculation of GHG inventory emissions (scope 1, 2 and 3), with the insertion of activity data, in order to quantify emissions and subsequently define action plans to reduce emissions. The tool also has a support portal for third party suppliers’ access to consult their footprint for each type of product they provide, as well as to identify improvement opportunities.</p> <p>(2) The solution demonstrates substantial life-cycle GHG emission savings compared to the market alternatives: The tool was designed and parameterized to use concrete data (emission and conversion factors) applied to the suppliers’ activity and to the specific business context, allowing for more reliable and consistent results than other technologies present in the market.</p> <p>(3) The tool methodology is in accordance with the GHG Protocol Product Life Cycle - Product Life Cycle Accounting and Reporting Standard PAS 2050:2011 - Specification for the Assessment of Life Cycle GHG Emissions of Goods and Services (Defra – Carbon Trust UK).</p> <p>(4) The quantified GHG emissions are verified on an annual basis.</p>
---------------------------	--

8.2 Data-driven solutions for GHG emissions reductions

**Do no significant harm**

Climate Change Adaptation	The servers of the solution are located in a Datacenter, which owned and managed by its Operator. To assess the adaptation DNSH criteria, the Datacenter operator should demonstrate that has a practice of evaluating significant physical climate risks that might impact their Datacenter, supported by a coherent adaptation plan. This information was obtained; therefore the activity was considered in compliance with the criteria.
Circular Economy	<p>For circular economy criteria, all the criteria were considered to be met.</p> <p>(1) The technical sheets and Eco declarations of the servers were requested to suppliers in order to assess compliance with the requirements set in the Directive 2009/125/EC for servers and data storage products (Regulation (EU) 2019/424).</p> <p>(2) The technical sheets and Eco declarations of the servers were requested to suppliers in order to assess that the equipment does not contain the restricted substances listed in Annex II to Directive 2011/65/EU.</p> <p>(3) At the end-of-life of the equipments, they are reselled for repurpose.</p>

9.1 Engineering activities and related technical consultancy dedicated to adaptation to climate change

**Substantial Contribution**

Climate Change Adaptation	<p>The activity corresponds to services of climate risk assessment for buildings. The study consists in assessing the materiality of climate risks of the economic activity, and paragraphs a) and b) of 9.1 activity criteria are considered to be met. No architectural activities were developed.</p> <p>For the assessment, the physical and transition risks are evaluated. Physical hazards' exposure is gathered from a multitude of available information sources, including natural hazard exposure databases, local databases, and benchmark databases together with climate change scenarios (RCP 2.6, 4.5, 8.5) and timeframes (present, long-term (2050), among others). The timeframe of 2050 (long-term) is usually chosen to be the main timeline for this report, considering the real estate sector.</p> <p>All available information is remodeled into classes of seriousness of impact assessment. The overall risk assessment is performed by a normalized multiplication between hazards and impacts, rendering results in a scale of 0 to 5 and minimum/maximum financial impact values. Risk management strategies are then presented for each kind of significant risk along with estimation of costs.</p>
---------------------------	---

**Do no significant harm**

Climate Change Mitigation	The services were provided for shopping centers, therefore they are not undertaken for the purposes of fossil fuel extraction or fossil fuel transport.
---------------------------	---

9.3 Professional services related to energy performance of buildings

**Substantial Contribution**

Climate Change Adaptation	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**

Climate Change Mitigation	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.
---------------------------	---

## Minimum Safeguards

The EU Taxonomy specifies that in addition to substantial contribution and “do no significant harm” the environmental goals, 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 Labor Standards and the International Bill of Human Rights must be ensured.

Within this scenario, there is still a level of uncertainty when it comes to assessing compliance with minimum safeguards. For the moment (as of January 2023), the only official guidance on interpretation is the Final Report on Minimum Safeguards from the EU Platform on Sustainable Finance, issued in October 2022, however, it is not legally binding and does not represent an official position of European Commission.

For the 2022 assessment of minimum safeguards, Sonae follows the available guidance provided by the EU Platform on Sustainable Finance. The platform recommends that compliance can be 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, and 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, our analysis evaluates what is the Group’s subholdings current practice in subjects of human rights due diligence, anti-corruption, taxation, and fair competition.

The scope of eligible activities identified comprise only a small portion of what is the Group’s provision of services and investments, with a significant eligibility portion coming from investments in supporting activities, such as implementation of efficiency measures, corporate fleet, construction works, among others. Most of these operations are concentrated in Portugal, and few activities take place in other European countries, which therefore present a low risk of incompliance with minimum safeguards requirements.

In the next tables are described the assessment of minimum safeguards in the Sonae Group, including respective reference location within the Integrated Report.

### Minimum Safeguards Assessment: Human Rights Due Diligence

Criteria 1: there are adequate human rights due diligence processes

Human Rights Due Diligence	Reference
<p><b>1. Embedding due diligence in governance and organisation, and policy</b></p> <p>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 our employees, suppliers, partners and other relevant stakeholders to uphold the same values in their activities.</p>	Human Rights Policy 2022
<p><b>2. Identification and assessment of adverse impacts, including through stakeholder engagement</b></p> <p>Sonae adopted and has in place an Enterprise Wide Risk Management Framework that involves coordinated risk management and cooperation between our different business units. With respect to our relations with suppliers, our assessment procedures in terms of certification, audit and evaluation are more challenging depending on the country and certifications of the supplier. Our companies have a Global Country Risk index that evaluates the risk posed by a country considering the legal &amp; regulatory, the labor market, the child labor, the environmental and the corruption risks.</p> <p>As the economic activities under analysis for the Taxonomy are primarily located in Portugal, with only a few occurring in other European countries, it is considered that the eligible activities under Taxonomy evaluation present a low risk in terms of human rights.</p>	GRI 414-1 GRI 308-1 GRI 416-1  EWRM framework
<p><b>3. Taking actions to address those adverse impacts</b></p> <p>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 and 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.</p>	Code of Ethics and Conduct for Suppliers GRI 308-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 414-1 GRI 416-1
<p><b>4. Track implementation effectiveness</b></p> <p>The Group conducts 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.</p>	GRI 308-1 GRI 408-1 GRI 409-1 GRI 414-1

Criteria 1: there are adequate human rights due diligence processes

Human Rights Due Diligence		Reference
5. Communication	The Group discloses 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.	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
6. Remediation, including the establishment of a grievance mechanism	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.	GRI 205-1

Minimum Safeguards Assessment: Human Rights, Anti-corruption, Taxation and Fair Competition

Criteria 2: there are processes and controls in place addressing human rights, corruption, taxation and fair competition, and no breaches or violations in these areas

Human Rights		Reference
The company is held liable for a breach of the human rights and labour laws	There is no evidence of any breach in Sonae for matters related to human rights and labour laws. In 2022, 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
The company has developed adequate internal controls, ethics and compliance programmes, or measures for preventing and detecting bribery	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.	GRI 205-1 GRI 205-2 GRI 205-3 Code of Ethics and Conduct Policy on Prevention of Corruption Regulation on communications on Infractions

Criteria 2: there are processes and controls in place addressing human rights, corruption, taxation and fair competition, and no breaches or violations in these areas

Anti-corruption		Reference
The undertaking or senior management, including the senior management of its subsidiaries, has been convicted on corruption or bribery	There is no evidence nor does Sonae have any lawsuits pending on corruption or bribery issues.	

Taxation		Reference
The company treats tax governance and compliance as important elements of oversight, and there are adequate tax risk management strategies and processes	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.	Internal Control and Risk Management
The company has been found guilty of tax evasion	There is no evidence nor does Sonae have any lawsuits pending involving tax evasion issues.	

Fair Competition		Reference
The company promotes employee awareness of the importance of compliance with all applicable competition laws and regulations and trains senior management in relation to competition issues	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.	GRI 205-2



Criteria 2: there are processes and controls in place addressing human rights, corruption, taxation and fair competition, and no breaches or violations in these areas

**Fair Competition**

The company or its senior management, including the senior management of its subsidiaries, has been found in breach of competition laws	There is no evidence of conviction in breach of competition laws in Sonae. In the course of 2022, the AdC issued condemnation decisions in two cases related to competition issues. Based on the assessment of its lawyers and economic consultants, the Board disagrees with the understanding and decision of the Competition Authority, and the condemnatory decisions have been challenged with the Competition Court.	Notes to the Consolidated Financial Statements
---	--	--

Sonae recognizes the importance having a more active position in safeguarding human rights and acknowledges the need to improve the human rights due diligence practice. While the Group considers its operations to be under no violations to meet the alignment with the minimum safeguards, our sustainability revision process for the next cycle will intend to integrate a specific commitment in this regard. We are fully aware of the challenges ahead and are currently devising a plan to develop an approach, in collaboration with our business partners, to address due diligence evaluation and integrate these principles into our management processes over the next 18 months.

### 3. Key performance indicators for the EU Taxonomy

The three KPIs are calculated in accordance with IFRS, in line with our consolidated financial statements in FY2022.

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 €7,726.0m provides the denominator for the turnover KPI, and can be taken from the consolidated income statement.

The turnover KPI is relevant only for the real estate services, energy and other technical services, and revenues for selling non-hazardous waste, which correspond to economic activities 5.5, 7.4, 7.6, 7.7, 9.1 and 9.3. Sonae's Taxonomy Turnover consists in a comparatively small portion of overall income of the Group, as core group activities are not comprised in scope of Taxonomy.

#### Turnover

Indicator	Description
Numerator	<p>Total net turnover derived from products and services associated with Taxonomy-eligible activities (aligned and not aligned):</p> <ul style="list-style-type: none"> <li>• Service income (activities 7.4, 7.6, 9.1 and 9.3)</li> <li>• Revenues for selling cardboard, paper and plastic waste (activity 5.5)</li> <li>• Rental income, from fixed rentals and lease contracts of real estate, and other operating income (activity 7.7)</li> </ul>
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 for taxonomy purposes amount to €492.2m during the fiscal year 2022 (denominator). With reference to the relevant economic activities, CapEx is reported mostly in relation to development and real estate activities (7.1, 7.2 and 7.7). Additional CapEx derives from supporting measures related to the acquisition and installation technical equipment and renovation works, either for supporting business activities or to promote efficiency of operations.

## CapEx

Indicator	Description	
	Total capital expenditures, as the sum of:	
Numerator	1. CapEx derived from to assets or processes that are associated with Taxonomy-eligible economic activities <ul style="list-style-type: none"> <li>Operational CapEx of real estate, construction and renovation works (activities 7.1, 7.2, 7.7)</li> <li>General costs (e.g. land) and financial costs related to construction developments (7.1)</li> </ul>	
	2. CapEx related to the purchase of output from Taxonomy eligible activities <ul style="list-style-type: none"> <li>Acquisition, installation and maintenance of technical equipment (activities 5.5, 8.1, 8.2)</li> <li>CapEx of renovation works (activity 7.2)</li> </ul>	
	3. CapEx related to measures allowing core activities to be carried out in a low carbon manner or with reduced GHG emissions <ul style="list-style-type: none"> <li>Acquisition and installation of technical systems and equipment (activities 7.3, 7.4, 7.5, 7.6)</li> <li>Operational leasing contracts for vehicle fleet (activity 6.5)</li> </ul>	
		Total capital expenditure, as the sum of:
	Denominator	1. Additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurements
		2. Investment property (IAS 40)
		3. Leases that lead to the recognition of a right-of-use over the asset (IFRS 16.53 h))
		4. Revaluations and impairments, additions resulting from business combinations and excluding fair value change

## OpEx

The total consolidated operating expenditures for taxonomy purposes amount to €156.0m during the fiscal year 2022 (denominator). The OpEx is mainly derived from supporting business activities, either related to waste management contracts (activity 5.5) or maintenance and repair measures allocated to supporting technical equipment and systems (activities 7.3, 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 account detail history.

## OpEx

Indicator	Description	
	Total operating expenditures, as the sum of:	
Numerator	1. OpEx derived from assets or processes that are associated with Taxonomy-eligible economic activities <ul style="list-style-type: none"> <li>Operational costs of real estate, related to maintenance and repairs (activity 7.7)</li> <li>Specialized works, including subcontracts and/or registry in systems (activities 7.6, 9.1, and 9.3)</li> </ul>	
	2. OpEx related to the purchase of output from Taxonomy eligible activities <ul style="list-style-type: none"> <li>Subcontracting of waste management services and housing contract for Datacenter space (activities 5.5, 8.1)</li> </ul>	
	3. OpEx related to measures allowing core activities to be carried out in a low carbon manner or with reduced GHG emissions <ul style="list-style-type: none"> <li>Maintenance and repairing services for technical systems and equipment (activities 7.3, 7.6)</li> <li>Maintenance for vehicle fleet (6.5)</li> </ul>	
		Total operating expenditure, as the sum of direct non-capitalized costs, including:
	Denominator	1. Building renovation measures
		2. Short-term lease
		3. Maintenance and repairs
		4. Subcontracts and specialized works
		5. Any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party. In Sonae, expenses related to supervision and safety, cleaning, hygiene and comfort, and waste management were included.











**SASB**



## Sustainability Accounting Standards Board (SASB)

### SASB Table 1 - Food Retailers & Distributors

#### Scope of reporting: MC

Topic	Metric	SASB Code	2022 Report
Fleet Fuel Management	Fleet fuel consumed, percentage renewable	FB-FR-110a.1	In 2022, MC had a fleet fuel consumption of 523,558 GJ.
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	FB-FR-110b.1	In 2022, MC recorded a total of 22,307 tCO <sub>2e</sub> of scope 1 refrigerant gas emissions.
	Percentage of refrigerants 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	Information not available for the 2022 report.
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	FB-FR-130a.1	In 2022, MC had an electricity consumption of 1,630,972 GJ, with 70% coming from the electricity grid and the remaining 30% coming from the PPA (Power Purchase Agreement) and renewable energy produced.
Food Waste Management	(1) Amount of food waste generated, (2) percentage diverted from the waste stream	FB-FR-150a.1	In 2022, MC avoided €54m of food waste. With regard to organic waste, 34% were recovered through processes of composting and anaerobic digestion.
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	FB-FR-230a.1	Information not available for the 2022 report.
	Description of approach to identifying and addressing data security risks	FB-FR-230a.2	<p>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 strategically and operationally.</p> <p>Cyber risk remains a critical risk, and several initiatives have been undertaken to reduce its severity. To support the process of identifying, evaluating and mitigating this risk, MC adopted the international framework NIST Cybersecurity Framework (CSF).</p> <p>Cyber-attacks are defined as the occurrence of a breach in the privacy and/or data security of Employees, Suppliers or Customers, as well as other commercial information, due to an inadequate level of protection of information systems and/or risky behavior. of Employees, may subject the Company to fines and affect its reputation and continuity.</p> <p>For more information, see the MC Annual Report 2022, chapter "Governing Principles and Practices", sub-chapter "Principles of risk management and internal control".</p>
Food Safety	High-risk food safety violation rate	FB-FR-250a.1	Information not available for the 2022 report.
	(1) Number of recalls, (2) number of units recalled, (3) percentage of units recalled that are private-label products	FB-FR-250a.2	Information not available for the 2022 report.
Product Health & Nutrition	Revenue from products labeled and/or marketed to promote health and nutrition attributes	FB-FR-260a.1	Information not available for the 2022 report.

Topic	Metric	SASB Code	2022 Report
Product Health & Nutrition	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	<p>Mc's program to review the nutritional composition of Continente own-brand products ensures that our customers continue to enjoy their favourite products knowing they are healthier. In 2022, we continued to reduce salt, fat and sugar levels and eliminate hydrogenated fats and palm oil.</p> <p>At the same time, we tried to introduce products with more protein, fibre, fruits and vegetables, and wholesome and naturally healthy products.</p> <p>Based on the precautionary principle, we have established strict nutritional criteria that all our private label products must comply with, and we ensure that they are constantly updated due to new scientific discoveries, new legislation and/or recommendations, and new processing technologies and Ingredients.</p>
	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	FB-FR-270a.1	Information not available for the 2022 report.
Product Labeling & Marketing	Total amount of 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 for a serious environmental offense (according to Law n°114/2015, of 28 August). In 2022, 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	MC, by internal policy, does not buy products containing genetically modified organisms.
Labour Practices	(1) Average hourly wage and (2) percentage of in-store and distribution center employees earning minimum wage, by region	FB-FR-310a.1	Information not available for the 2022 report.
	Percentage of active workforce covered under collective bargaining agreements	FB-FR-310a.2	In 2022, 95.8% of all MC employees are covered by collective bargaining agreements through the employment contract.
	(1) Number of work stoppages and (2) total days idle	FB-FR-310a.3	In 2022, 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 stoppages.
	Total amount of monetary losses as a result of legal proceedings associated with: (1) labor law violations and (2) employment 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 for a serious environmental offense (Law n°114/2015, of 28 August). In 2022, 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.
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to environmental or social sustainability sourcing standard	FB-FR-430a.1	Information not available for the 2022 report.
	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	Information not available for the 2022 report.
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	<p>MC intends to guide its performance, in all businesses, beyond the strict compliance with the legislation in force. Recognising the challenges and risks associated with our supply chain, and following the Supplier Relationship Policy, a Code of Conduct was established to inform its suppliers and their subcontracting chain of minimum requirements to be ensured throughout collaboration with MC in all businesses, both locally and globally.</p> <p>For more information, consult MC's 2022 Annual Report, the report on GRI "304-2 Significant impacts of activities, products and services on biodiversity", "408-1 Workers covered by an occupational health and safety management system" and "409-1 Work-related injuries" indicators.</p>

Topic	Metric	SASB Code	2022 Report
Management of Environmental & Social Impacts in the Supply Chain	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	<p>MC aims at a sustainable use of the consumption of materials associated with its value chain and operation. Given the specificities of retail, Packaging assumes a particularly material dimension at this level.</p> <p>Packaging plays a central role in the development of our products, with relevant impacts on quality assurance and product, ensuring the conditions for proper storage and transport to our stores, and from our stores to our customers' homes, so that products can be consumed safely.</p> <p>Despite 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, favouring the use of the most suitable materials, reducing the use of resources throughout the value chain, minimising the possibility of releasing packaging parts into the environment, facilitating the processes of use and proper disposal by the consumer and seeking that all packaging is recyclable and effectively recycled, in a design4recycling approach.</p> <p>By 2025, we have the ambition to ensure that all our own-brand and exclusive MC plastic packaging is recyclable, reusable or compostable and incorporates 30% recycled raw material.</p> <p>For more information, see the MC Annual Report 2022, chapter "Sustainable Development".</p>
Activity Metric	Number of (1) retail locations and (2) distribution centers	FB-FR-000.A	See MC Annual Report 2022.
	Total area of (1) retail space and (2) distribution centers	FB-FR-000.B	See MC Annual Report 2022.
	Number of vehicles in commercial fleet	FB-FR-000.C	Information not available for 2022 report.
	Ton miles travelled	FB-FR-000.D	Information not available for 2022 report.

**SASB Table 2 - Multiline and Retail and Distribution Specialists**  
**Scope of reporting: Worten**

Topic	Metric	SASB Code	2022 Report
Energy Management in Retail & Distribution	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	CG-MR-130a.1	In 2022, Worten had an energy consumption of 106,413 GJ, where approximately 63% of the electricity consumed was ensured through renewable energy from guarantee of origin contracts.
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	<p>The process of risk management of Information Security is described in the scope of the Information Security Regulatory Body by the "SGSL_PRO_05 - Risk Management Procedure", which was transposed under the framework of the corporate risk management process. The process considers:</p> <ol style="list-style-type: none"> <li>1.) Risk Identification: that ensures the identification of information assets relevant to the ISMS, to be included in the risk analysis.</li> <li>2.) Risk Analysis: that provides information for risk assessment and for decisions on whether risks need to be addressed.</li> <li>3.) Risk Assessment: that involves comparing the level of risk determined during the analysis process with the risk criteria established when the context was defined. Based on this comparison, the need for treatment will be determined.</li> <li>4.) Risk Treatment: that involves the selection of one or more treatment options to avoid, mitigate, transfer or accept the risks and the implementation of these options by defining a Risk Treatment Plan (RTP). Once these options are implemented, the treatments provide new controls or modify existing controls.</li> <li>5.) Risk Monitoring and Review: that ensure the effective implementation of identified treatment/control options and to detect any changes that may change the level of risk. This activity is based on all the risk information obtained in previous activities.</li> </ol>
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.2	In 2022, 5 data breaches were recorded, where 4 of them resulted in personal data breaches, with identifiable information of data subjects. Regarding these cases, 3 of them referred to human error in the application of the defined procedure.
Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	CG-MR-310a.1	<p>In 2022, the estimated average value was approximately €8/hour. The amount was calculated taking into account the total average monthly amount of remuneration of the Worten employees, considering 22 working days per month and 8 hours of work per day.</p> <p>Worten only partially responds to this indicator, since there is still no information about the in-store employee with minimum wage, by region.</p>
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	CG-MR-310a.2	In 2022, the voluntary turnover rate of Worten employees was 42% and the involuntary turnover rate was 58%, still impacted by the review of Worten Spain's portfolio that took place in 2021, which resulted in the closure of stores in mainland Spain (with the exception of the Madrid store).
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.3	In 2022, no monetary losses related to legal proceedings related to labour law violations were recorded in Portugal and Spain.



Topic	Metric	SASB Code	2022 Report
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	CG-MR-330a.1	As at 31 December 2022, Worten had 71% men and 29% women in leadership positions (Executives and Senior & Middle Managers) and 59% men and 41% women in the remaining positions. The Racial or ethnic origin is considered by the European law, in terms of personal data protection [General Data Protection Regulation (“GDPR”)], a special category of data, that should not be processed, except in specific cases according to the article 9 of the GDPR. Thus, considering that the processing of this data by Worten is not included in any of these specific cases permitted by law, Worten does not have information on the ethnic/racial group of its employees, responding only partially to this indicator.
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	In 2022, there were no monetary losses related to fines / legal procedures associated with employee discrimination.
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	CG-MR-410a.1	In 2022, Worten does not have products certified with these types of certifications.
	Discussion of processes to assess and manage risks and/or hazards associated with 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, Authorization and Restriction of Chemicals), safeguarding human health and the environment, in particular with regard to restricted substances. In 2022, 1,258 SKUs were analyzed in Portugal and Spain (sold in both countries).
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.3	In 2022, the private-label product development process aimed to reduce the amount of plastic in packaging, as well as to promote to suppliers that the wood-derived materials used in Private-Label products are of sustainable origin. This strategy has been implemented through the conversion and/or development of an offer that consistently incorporates these requirements. One of the measures implemented with Private-Label 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 - from the Database of Private-Label Products and Packaging Materials. Also noteworthy is the development of new packaging concepts and solutions according to the defined priority.
Activity Metric	Number of: (1) retail locations and (2) distribution centers	CG-MR-000.A	In 2022, our activity had 217 stores and 2 distribution centers.
	Total area of: (1) retail space and (2) distribution centers	CG-MR-000.B	In 2022, the total area of Worten stores was 135,342 m <sup>2</sup> , and 50,000 m <sup>2</sup> on the distribution centers (considering only the activity in Portugal).

\*Note: Worten Group includes Worten operations in Portugal, Spain Mainland and Canárias, iServices, Zaask and Satfiel.

SASB Table 3 - Apparel, Accessories & Footwear  
Scope of reporting: Zeitreel

Topic	Metric	SASB Code	2022 Report
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	<p>Zeitreel carries out its activity in accordance with the requirements established by European regulations, namely through REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), for the management and use of chemicals in the products it develops, safeguarding human health and the environment, regarding restricted substances. Compliance with REACH requirements is reflected in Zeitreel's terms of reference for all suppliers. Additionally, suppliers are covered by a protocol established with Bureau Veritas, an entity that performs chemical tests on some models, according to a selection made by the Company, ensuring that suppliers are complying with the requirements.</p> <p>In addition, during 2022, a social and environmental guide was shared with all Zeitreel suppliers, where, among others, good practices are described that suppliers must follow so that their production does not contain restricted substances.</p>
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	<p>Zeitreel do not have production units (except Salsa's laundry), therefore the management and analysis of risks related to the use of chemical products in our products is guaranteed in two ways: Zeitreel guarantees compliance with the requirements for the use of established chemical products, requiring its suppliers to comply with the set of specifications; and on Salsa's laundry has an Occupational Health and Safety (OHS) policy implemented that defines protection measures (IPE's) for its employees that are more exposed to risk.</p> <p>Zeitreel has also implemented actions to reduce the consumption of chemical products. Within the scope of Become project, which was implemented in Salsa's laundry room, has as one of the objectives is the reduction of washes, which result in reduced water consumption and use of chemicals.</p>
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	<p>In 2022, 100% of Zeitreel's Tier 1 suppliers are in compliance with legal requirements related to wastewater discharge licenses. Zeitreel has an internal document - Vendor's Manual - which covers all the company's suppliers, including Tier 1 suppliers, and defines the quality and business relationship requirements to ensure compliance with Zeitreel's values and ethical standards. The Vendor's Manual states that suppliers must comply with the legislation in force in their country regarding wastewater treatment.</p> <p>Internal audits are carried out to ensure compliance with the requirements established in the Vendor Manual, namely with regards to wastewater discharge licenses.</p> <p>Zeitreel does not yet have this information regarding suppliers beyond Tier 1.</p>
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	<p>In 2022, 4% of Zeitreel's suppliers completed the Higg FEM assessment module, namely 1 Tier 1 supplier and the Salsa laundry. Additionally, 4 Zeitreel's suppliers meet the established requirements of ISO 14001 Environmental Systems Management.</p> <p>Zeitreel does not yet have this information regarding suppliers beyond Tier 1.</p>

Topic	Metric	SASB Code	2022 Report
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	All Zeitreel's suppliers are covered by the Code of Ethics and Conduct, which is communicated through the Vendor's Manual. Since 2019, compliance control has been ensured through internal audits carried out by specialized teams at Zeitreel, formed by Bureau Veritas. In 2022, 55% of Tier 1 supplier facilities were audited under a code of conduct. The number of audits performed had a positive increase comparing to 2021, due to the resumption of audit plans after the pandemic context. In Zeitreel, 6 external audits were carried out. Zeitreel does not yet have this information regarding suppliers beyond Tier 1.
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	CG-AA-430b.2	Internal audits of suppliers are carried out within the scope of compliance with the Code of Ethics and Conduct, where critical requirements do not allow the occurrence of non-conformities, otherwise the audit will fail. In the event of a non-compliance being identified, corrective actions are communicated immediately and reported in the audit report. Corrective actions are applied according to the identified non-conformities. In 2022, there were no suppliers' non-compliance with the code of conduct were identified.
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	The risk of non-compliance with environmental and labor 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 following greatest risks: possible use of child labour, non-compliance with maximum weekly working hours, non-compliance with minimum wages and minimum conditions of hygiene and safety at works. With regards to environmental risks, the major risks associated with Zeitreel's production chain are: failure to treat wastewater and the use of hazardous substances beyond the limits defined in the REACH. As a risk mitigation action mentioned above, Zeitreel has made a rigorous review of its Vendor's Manual and its audit grid, as well as maintains a plan of audits for product and suppliers.
Raw Materials Sourcing	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	The main environmental and social risks related to the acquisition of raw materials are the deforestation of tropical forests associated with the production of cellulose-based raw materials, the production of cattle skin origin and the production of paper/timber. The production of other raw materials involves risks associated with greenhouse gases emissions, soil degradation by mass use and use of chemicals. Additionally, the agricultural production of these raw materials is also related to social risks, such as the possible use of child labour, non-compliance with maximum weekly working hours, non-compliance with minimum wages and minimum conditions of hygiene and safety at work, among others. Zeitreel has implemented measures to minimize the environmental and social risks associated with the sourcing priority raw materials, namely: <ul style="list-style-type: none"> <li>- FSC card labels;</li> <li>- Use of Lenzing fibers (TENCEL and ECOVERO), which come from sustainable forests;</li> <li>- Use of biological fibers (e.g. Cotton) and recycled fibers (e.g. Polyester, Cotton, Polyamide, etc.);</li> <li>- Use of certifications that cover environmental and/or social issues: 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.</li> </ul>
	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	CG-AA-440a.2	In 2022, 6% of the raw material purchased was certified by third parties according to an environmental and/or social sustainability standard.
Activity metric	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	CG-AA-000.A	In 2022, Zeitreel supply chain consisted of 343 Tier 1 suppliers. Zeitreel does not yet have this information regarding suppliers beyond Tier 1.

SASB Table 4 - Real Estate  
Scope of reporting: Sierra

Topic	Metric	SASB Code	2022 Report
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	In 2022, the energy consumption data covered 100% of Sierra's activity 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 2022, Sierra had a total energy consumption of 442,823 GJ, where approximately 69% of the electricity consumed comes from the electricity grid and 47.5% of the total energy was from renewable sources.
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	IF-RE-130a.3	Compared to last year, Sierra's total energy consumption decreased by 8% in 2022.
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	IF-RE-130a.4*	By 2022, 98% of Sierra's portfolio had energy certification. Sierra is not yet ENERGY STAR certified.
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Sierra portfolio's property management is certified according to the requirements of the ISO 14001 Environmental Management System. Energy-related issues are therefore integrated in a management cycle PDCA (Plan - Do - Check - Act). 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 during the expected time, Sierra every year defines per site the necessary improvements and investments and sets its yearly targets accordingly. In addition, assessments are made for long-term goals of energy efficiency and carbon neutrality, in order to define long-term asset strategies. The Climate risks and measures to minimize them are also being included in these long-term strategies.
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 2022, the disclosed data of water withdrawn, including in water stress areas, represented 100% of Sierra's portfolio area. 27% occurs in areas identified as being water stressed. Based on the World Resource Institute (WRI) Aqueduct reference tool, Sierra carried out an assessment of the water risk of its operations, mapping the following basins according to water stress zones: Andalucía (Área Sur and Plaza Mayor; score: extremely high), Castilla-La Mancha (Luz del Tajo; score: high), Tessália (Fashion City Outlet; score: extremely high), Portimão (Portimão Retail Center; score: extremely high), Funchal (MadeiraShopping; score: high), Bucharest (ParkLake; score: high) and Castelo Branco (SerraShopping; extremely high).
	(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 2022, Sierra registered a total of 843,785 m <sup>3</sup> water withdrawn, of which 27% occurs in areas identified as having water stress. Based on the World Resource Institute (WRI) Aqueduct reference tool, Sierra carried out an assessment of the water risk of its operations, mapping the following basins according to water stress zones: Andalucía (Área Sur and Plaza Mayor; score: extremely high), Castilla-La Mancha (Luz del Tajo; score: high), Tessália (Fashion City Outlet; score: extremely high), Portimão (Portimão Retail Center; score: extremely high), Funchal (MadeiraShopping; score: high), Bucharest (ParkLake; score: high) and Castelo Branco (SerraShopping; extremely high).
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	IF-RE-140a.3	In 2022, there was no variation between the value of water withdrawn in relation to the last year.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	Sierra's portfolio property management is certified according to the requirements of ISO 14001 Environmental Management System. The environmental impacts of water use are identified and the procedures for their efficient management - such as objectives, targets and investments for performance improvement and operational control methodologies - are implemented in all assets.

Topic	Metric	SASB Code	2022 Report
Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain 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 2022.
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	IF-RE-410a.2	In 2022, 100% of tenants monitored their grid electricity consumption and water consumption.
	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	IF-RE-410a.3	All Sierra tenants are involved in its sustainability strategy, through several communication channels and activities, such as meetings, trainings and surveys. Sierra's Safety, Health and Environmental (SHE) Management System has specific tenant management procedures, such as shopping center operating rules or specifications to include in the fit-outs which improve tenant performance. Safety, Health and Environment inspections and Safety Observations are also carried out in order to support our tenants handling with possible failures, promoting sustainability and improving their procedures and more efficient use of resources.
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property subsector	IF-RE-450a.1	Sierra still does not have information on area of properties located in 100-year flood zones.
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure and strategies for mitigating risks	IF-RE-450a.2	The 2022 report is available in the TCFD section and in the GRI Annex, namely in the GRI "201-2 Financial implications and other risks and opportunities for the organisation due to climate change" indicator, of the 2022 Integrated Management Report.
Activity metric*	Number of assets, by property subsector	IF-RE-000.A	24
	Leasable floor area, by property subsector	IF-RE-000.B	1,079,542 m <sup>2</sup>
	Percentage of indirectly managed assets, by property subsector	IF-RE-000.C	0%
	Average occupancy rate, by property subsector	IF-RE-000.D	98%

\*Scope of report: Shopping centers/retails that are consolidated in the company's accounts, held and which we also manage directly (excluding those managed by the JV Brasil and Colombia). Excludes standalone assets from ORES and SIGI funds.



**Independent  
Limited  
Insurance  
Report**





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 chapter "Our Strategy", in the sub-chapter "Our Environmental and Social Impact" of the chapter "Our impact", in the sub-chapter "Our Environmental and Social Performance" of the chapter "Our Performance" and in the "GRI Supplement" of the Annual Report of Sonae ("the Report") for the year ended 31 December 2022, identified in the "GRI Table" included in the "GRI Supplement" ("Sustainability Information") 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 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 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 organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.  
 KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. Capital Social: 3.918.000 Euros – Pessoa Colectiva Nº PT 502 161 078 – Inscrito na C.R.C. Nº 160 – Inscrito na C.M.V.M. Nº 20161489 Matriculado na Conservatória do registo Comercial de Lisboa sob o nº PT 502 161 078



### 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 Report for the year ended 31 December 2022 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.



#### 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 Report for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the *GRI Standards*.

#### Restriction of use

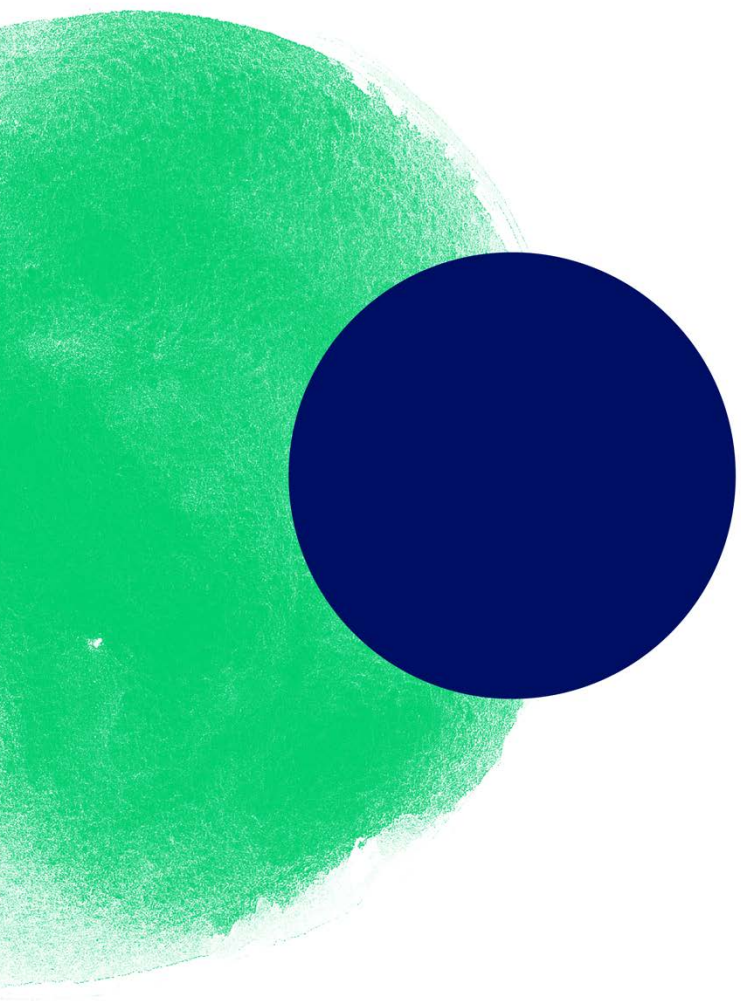
This limited assurance report is issued exclusively for the disclosure of the Sustainability Information included in Sonae's Report and is not intended to be used for any other purpose. We accept or assume no responsibility and deny any liability to any party other than Sonae for our work, for this limited assurance report, or for the conclusions we have reached.

Porto, 4 April 2023

SIGNED ON THE ORIGINAL

---

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



#### **Media and Investor Contacts**

Ricardo Figueiredo da Rocha  
Head of Investor Relations

rjfrocha@sonae.pt  
+351 22 010 4794

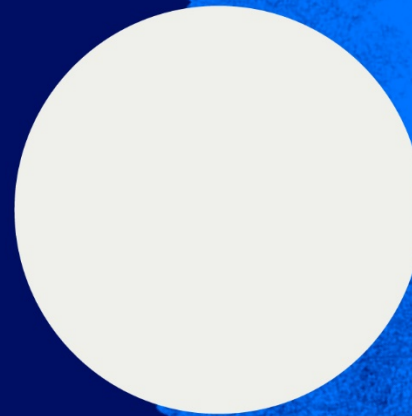
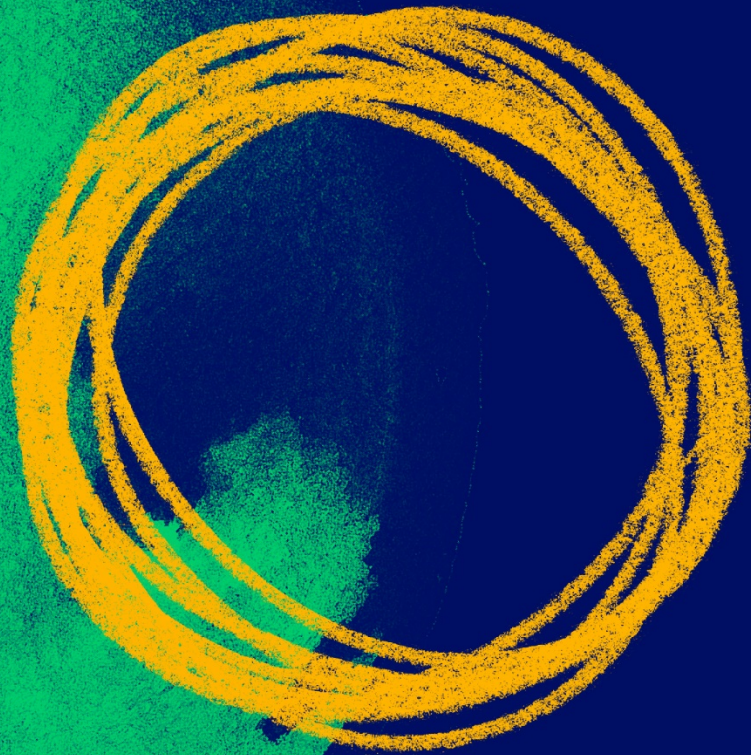
Maria João Oliveira  
External Communication

majoliveira@sonae.pt  
+351 22 010 4000

#### **Sonae**

Lugar do Espido Via Norte  
4471-909 Maia, Portugal  
+351 22 948 7522





**Sonda**  
Shaping tomorrow, today