

# 2025 REPORT ON PROGRESS AGAINST THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a voluntary contract between the United Nations and the worldwide business community. It is designed to encourage companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Sonae is a signatory of the Global Compact and, as Sonae Sierra is owned by Sonae, we must provide this shareholder with an outline of how we comply with these principles, so that it can provide a full report to the United Nations about the activities of its sub-holding companies. Although we are not obliged to report publicly about what we are doing to uphold the Global Compact principles, we think it is relevant to include an overview publicly available on our website.

## Human Rights:

1. **We support and respect the protection of internationally proclaimed human rights:**

The ethical principles established in our Code of Conduct include respect for the dignity and rights of each individual involved in our projects. In 2007 we created the Sierra Ombudsman, to promote compliance with this Code and to ensure that individual concerns are addressed.

2. **We ensure that we are not complicit in human rights abuses:** We mainly operate in regions which typically possess significant bodies of legislation to protect working conditions and human rights amongst the labour force, and our Company does not infringe upon or come into direct conflict with internationally proclaimed human rights issues.

All the same, we are conscious of our responsibility to ensure that human rights are not negatively impacted upon as a result of activities in our supply chain. Our Responsible Procurement Policy, adopted in 2007, and revised during 2020, commits us to engaging with our development and service suppliers and, where necessary, working with them to improve their performance across core environmental and social impact areas, including labour aspects such as human rights.

For all major tenders for new suppliers of structural Property Management goods and services, a pre-qualification questionnaire is requested to gather information on their practices, policies and performance regarding health and safety, risk management and human rights. In addition, for critical suppliers (contracts over €2.5 million), Sonae Sierra also gathers information in relation to their equal opportunities policy.

## Labour Standards:

3. **We uphold the freedom of association and the effective recognition of the right to collective bargaining:** We do not have any kind of policy against freedom of association

among any of our stakeholders. We operate in an industry where trade unions exist and are free to exercise their collective bargaining rights. Although we do not have a collective bargaining agreement in place, our employees' rights in respect of this principle are upheld by our Code of Conduct. We also seek to ensure that our employees' views and interests are represented in corporate decision-making in a number of areas.

4. **We aim to eliminate all forms of forced and compulsory labour and (5.) support the effective abolition of child labour:** Our Company does not infringe upon or come into direct conflict with internationally proclaimed human rights issues. Sonae Sierra does not employ any child labour or uphold any forced or compulsory labour practices. We operate in regions which typically possess significant bodies of legislation to protect working conditions and human rights amongst the labour force. With respect to indirect activities in our supply chain, we apply a risk based approach to the assessment of human rights risks, including child labour. For example, our questionnaires for critical development suppliers ensure that high-risk materials come from reliable sources in respect of child labour and working conditions. For more information regarding our supply chain, see Principle 2.
6. **We aim to eliminate discrimination in respect of employment and occupation:** We have a non-discrimination and diversity policy which states our commitment to a meritocratic culture and our objective to become a best practice reference in this aspect. Our Code of Conduct outlines our commitment to creating a workplace where each individual is treated fairly and where we recruit, select, train and remunerate based on merit, experience and other professional criteria.

To enforce these principles and policies, the Sierra Ombudsman constitutes a formal procedure which employees (and other stakeholders) can use to report breaches of our Code of Conduct. During 2025, no incidents of discrimination were registered through our Ombudsman procedure.

Although promoting gender diversity remains a priority for our company while the ratio of male to female employees is roughly equal on a global level, women hold a minority of leadership positions. Increasing the percentage of women in leadership positions is therefore something we can improve. To tackle this issue, we defined long-term objectives and annual targets for the proportion of women in leadership positions. In 2025 we achieved a percentage of 41.3% of women in leadership positions and our long-term objective for 2030 is to increase this to 50%. As part of our commitment to fostering an inclusive and equitable workplace, Sonae Sierra conducted specialised training on unconscious biases for all employees. This initiative aims to raise awareness and promote a more diverse and understanding work environment. By addressing unconscious biases, we empower our teams to contribute to a workplace culture that values and respects the unique perspectives and talents each individual brings.

## Environment:

7. **We support a precautionary approach to environmental challenges:** We recognise the need for managing climate change and other environmental risks, and we believe in taking action now to prevent potentially serious and irreversible damage occurring in the future. This commitment is demonstrated by our systems and standards which help us

anticipate, monitor and mitigate safety, health and environment (SHE) risks and challenges.

Our Safety, Health and Environment Management System (SHEMS) is based on the international standards ISO 14001 and ISO 45001 and is certified by Lloyds Quality Register Assurance according to both of these standards. SHEMS was revised in 2020 to better align with our business strategy and its objective is to guarantee that Safety, Health and Environmental issues are managed in an effective and responsible manner in accordance with our Safety, Health and Environment Policy and covers our Real Estate Consultancy Services, including Property Management and other services' activities.

As a service provider Sierra should encourage its clients to implement sustainability standards on their own assets/projects, and therefore our SHEMS includes a group of requirements for influencing partners and service clients towards sustainability. We apply our Safety, Health and Environment Development Guidelines in our projects under development in agreement with our partners to guarantee effective risk management and good asset performance, targeting the long-term priorities and critical impacts.

New shopping centre development projects must implement a site-specific SHEMS and achieve certification in accordance with the ISO 45001 standard for the entire construction phase, if agreed with the JV partner, or simplified Safety, Health and Environment Management Tools when certification is not aimed for.

In 2013, we commissioned a high-level review to explore the business case for climate change adaptation. It followed a 2010 study we performed to investigate risks associated with climate change on a sample of our Portuguese assets. In 2020, considering the impact of the problem we're all facing and the urge to act upon Climate Change, we have produced a research explaining the impact of climate change, its effect on energy costs, how we are tackling Climate Change and the achieved results. We have also identified sites at risk from water scarcity. These studies have helped us to manage climate change and environmental risks by allocating investments in efficiency measures and other technology to help mitigate potential impacts to our business. Since 2021, we have conducted studies on 100% of our owned portfolio to assess the physical and transition risks of climate change and their financial impact. These studies have helped us define a challenging and impactful roadmap toward decarbonizing our portfolio. In 2023, following these studies, we conducted comprehensive Climate Change Resilience and Vulnerability Assessments (covering 88% of our owned portfolio in 2025) for the main physical risks identified. They have already identified measures to enhance the resilience of our assets in the face of evolving climate-related challenges. Our goal is not only to mitigate potential risks, but to leverage on rising opportunities for businesses that prove to be climate resilient, and to increase the value creation of our services for the societies we serve. Following these risk assessments, we also developed decarbonization strategies for 88% of the portfolio.

Environmental risks are also integrated into our business risk matrix, which is used to elaborate new policies, monitor procedures and adopt mitigation actions for each identified risk.

- 8. We undertake initiatives to promote greater environmental responsibility:** We seek to continuously improve our environmental performance and mitigate our direct impacts. Our SHEMS is designed to monitor, control and optimise our SHE performance against

key performance indicators to achieve our annual targets and long-term objectives. As noted above (Principle 7), our SHEDS aims to embed sustainability in the design of development projects, and we encourage our partners to target BREEAM Good, LEED® Silver or DGNB Bronze certification.

In 2025, we invested around €8.8 million in significant actions of environmental protection measures across our assets. We have managed to improve the electricity efficiency of our owned portfolio (kWh/sq.m of mall and toilet area) by 68% since 2002, reduce our Scope 1 and Scope 2 GHG emissions per sq.m of GLA by 95% since 2005, water consumption per visit by 40% since 2003, and increase the waste recycling rate by 291% (52 pp) since 2002.

We promote environmental responsibility among our stakeholders through a variety of initiatives, such as regular meetings and training for suppliers, tenants and employees on SHE issues and operational procedures. Three times a year, we also launch a new edition of our internal sustainability newsletter to actively foster an increased awareness of sustainability issues. We also organise campaigns and exhibitions in our shopping centres to promote environmentally-conscious behaviour and raise visitors' awareness of sustainability.

Finally, we continue to be involved in a range of initiatives to promote greater environmental responsibility at the industry level.

9. **We encourage the development and diffusion of environmentally friendly technologies:** Our shopping centres have been among the first in their countries to test environmental practices and technologies such as organic waste composting at NorteShopping in 2004, a solar heating system that uses recycled plastic bottles at Shopping Campo Limpo in 2009, a battery recharge station for electric cars at Alexa in 2009, and the use of mega LED lamps in five shopping centres in Brazil in 2010. Nowadays we continue to make sure we still perform in an optimal way and make the maximum contribution to our sustainability goals and a better world.

We carry out regular energy, water and waste audits and assessments which help us to identify where adopting further environmentally friendly technology is most effective. Since 2012, we have introduced an energy modelling tool called the Bright project, an energy efficiency programme aimed at reducing energy expenditure and improving the carbon footprint of real estate assets.

Bright's initial phase, spanning from 2012 to 2021, was implemented in Sonae Sierra investment properties and provided as a service to clients. The programme was deployed in 50 buildings across 9 countries, encompassing 273 initiatives. These efforts generated 703 improvement opportunities, leading to potential yearly savings of up to €7.4 million or 33,200 MWh.

Starting in 2021, an upgraded version of Bright, known as Bright 2.0, with updated technical standards based on the Best Available Technologies, was extended to a majority of our investment property portfolio. By the end of 2025, 48 measures were implemented, rendering 4% of energy potential savings vs 2019 baseline, out of the total 33% energy potential savings identified in 172 measures. This equates to €1.3 million in consumption savings implemented vs a total of €6.5 million of all measures or 44.5 GWh.

Research into solutions for effective resource resilience (such as water reuse and on-site energy generation) is also a key part of our sustainability strategy. We have undertaken research into new technology, feasibility studies and pilot projects with a view to supporting the long-term resilience of our shopping centre portfolio in the context of costlier and scarcer energy and water resources. In 2014 we developed Dive, a programme similar to Bright but that targets water efficiency and has been used to improve performance among our assets. We implemented an upgraded version of Dive - Dive 2.0 - a water benchmarking programme across the majority of our assets. This programme enabled us to identify 76 actions with investments up to €597,000. These initiatives are projected to yield water savings of approximately 8%, translating to annual cost avoided of €102,000.

We can also highlight our decision to proceed with the roll out of water reuse/recycling systems across our portfolio. In 2025 around 6% of the water consumed (excluding tenants' consumption) was recycled/reused and we have defined a long term-objective to increase this to 25% until 2030, in assets with significant water-related risks. In addition, we also procure green electricity through the grid to power shopping centres, and in 2025 around 7,400 tonnes of CO<sub>2e</sub> have been avoided as a result of purchasing green electricity and choosing suppliers with lower emission factors (94% of our electricity consumption in corporate offices and shopping centres – excluding tenants – was renewable).

## Anti-Corruption:

- 10. We work against corruption in all its forms, including extortion and bribery:** Sonae Sierra's ethical principles, supported by the Code of Conduct, include the duties of strict compliance with the law and acting with honesty and integrity. The Code includes one specific guideline on the avoidance of corruption and bribery, by stating that it is forbidden to give or accept any reward or benefit with the purpose of influencing someone's behaviour to obtain a commercial advantage.

The Sierra Ombudsman promotes compliance with the Code by encouraging behaviour aligned with our ethical principles. Behaviour with Ethics Sierra Training (BEST), which is based on the Code and our Anti-Corruption Guidelines, is mandatory for all new employees, including those based in new markets which we have recently entered. At the end of each training session, employees are required to sign and return the Sonae Sierra Code of Conduct Acknowledgement, confirming that they had received the Code and agree to comply with its provisions.

We have a procedures manual for anti-money laundering, combatting terrorist financing and sanctions compliance. The manual establishes a defined set of procedures covering the provision of third-party services, partnerships and joint ventures, investments and other related activities designed to mitigate the Company's exposure to associated risks.

In relation to specific policies and practices followed by Sonae Sierra to mitigate corruption risk with respect to real estate valuations and transactions, we follow the RICS guidelines.

We ensure that compliance with the avoidance of bribery and corruption is upheld by incorporating corruption risk into the annual Internal Audit plan of activities, which is aligned with Sonae Sierra's Risk Matrix through the audit work carried out by business

process areas. During 2025, the Internal Audit activities covered 53% of core business processes identified as most exposed to corruption risks. No instances were identified that could constitute a situation of corruption and no incidents of corruption were formally reported. We also have a procedure to evaluate our critical development suppliers' performance regarding anti-corruption as part of the questionnaires that are distributed and assessed (when applicable).