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Sustainability-Linked Financing Framework

21st May 2026



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Amendment No. 1 to the Sonae Sierra Sustainability-Linked Financing Framework

1. Background

On 25 January 2022, Sonae Sierra adopted the Sustainability-Linked Financing Framework, which, inter alia, established KPI #2 (Waste Recycling Rate) and the corresponding SPT #2 (Increase Waste Recycling Rate to a minimum of 78% by 2025), based on a 2019 baseline Waste Recycling Rate of 66%.

Pursuant to the “Recalculation Policy for KPI #2” set out in Section 2 of the Framework, Sonae Sierra may recalculate the KPI #2 baseline and/or SPT #2 when Recalculation Events, individually or in aggregate, affect positively or negatively the value of KPI #2 by at least 5% cumulatively versus the 2019 baseline.

Sonae Sierra conducted an analysis of KPI #2 under the Framework, supporting the justification for the recalculation established in this Amendment, including:

- (i) a historical performance review (2019–2025),
- (ii) a benchmarking analysis versus peers, and
- (iii) the identification and quantification of Recalculation Events.

2. Justification for the Application of the Recalculation Policy

Based on the analysis, a set of Recalculation Events have been identified, as defined in the Framework, that have had a cumulative impact equal to or greater than 5% versus the 2019 baseline of KPI #2, thereby justifying the application of the Recalculation Policy for SPT #2.

2.1 Evolution of KPI #2 and original trajectory

Under the Framework, SPT #2 was defined assuming a linear increase of 2 percentage points per year from the 2019 baseline of 66%, leading to a target of 78% in 2025. The review confirms that, despite the implementation of several waste-management initiatives, KPI #2 evolved as follows over 2019–2025:

2019 (baseline): 66%
2020: 61.5%
2021: 64.4%
2022: 66.6%
2023: 67.7%
2024: 70.7%
2025: 74.3%

This performance represents a cumulative increase of 8.8 percentage points versus the 2019 baseline, i.e. a 13.4% relative improvement, but remains below the original linear trajectory that would have been required to reach 78% in 2025 under normal operating conditions.

2.2 Identified Recalculation Events

The assessment concludes that the deviation from the original trajectory is materially driven by external and regulatory-driven factors that qualify as Recalculation Events under the Framework.

In particular, the following Changes in regulation from regulatory bodies relevant to KPI #2 and/or SPT #2 have been identified and quantified:

- a) COVID-19-related measures – Portuguese Decree-Law No. 10-A/2020
 - The COVID-19 pandemic, and the exceptional legislative measures enacted in Portugal, led to temporary closures of shopping centres, reduced visitor numbers and disruptions in waste-collection services.
 - These conditions resulted in a marked decline in total waste generation (-41.4% in 2020 vs. 2019) and increased volatility in waste streams over 2020–2021, with KPI #2 dropping to 61.5% in 2020 and 64.4% in 2021, compared to the 66% baseline.
 - The COVID-19 context during 2020-2021 also prevented the implementation of several planned initiatives aimed at improving the performance of KPI #2, further constraining progress against the target trajectory.
 - As the target trajectory assumed a growth of 2 p.p. per year, Sonae Sierra estimates that this two-year disruption represents an effective loss of 4 percentage points with respect to the 2019 baseline in the targeted trajectory of KPI #2.

- b) Changes in the Portuguese General Waste Management Regime – Decree-Law No. 102-D/2020 and subsequent revision by Decree-Law No. 24/2024
 - Under the revised General Waste Management Regime (RGGR), large waste producers ($\geq 1,100$ litres/day), such as shopping centres, became responsible for managing their own waste, with municipal systems playing only a complementary role.
 - This regime increased pressure on Urban Waste Management Systems (SGRU) to meet EU-aligned recycling and landfill-diversion targets and contributed to capacity constraints and changes in treatment options available to large producers.
 - As an illustration of this impact, the contract with the municipal waste operator Tratolixo for Cascai Shopping was terminated, requiring the shopping centre to assume responsibility for its own mixed and organic waste management. The assessment indicates that the recycling recovery previously achieved through Tratolixo's Mechanical and Biological Treatment (MBT) of mixed waste accounted for approximately 1.5% of total waste volumes at baseline. Consequently, the recycling rate decreased by as estimated 2.3 p.p relative to the 2019 baseline. The loss of this recovery route therefore directly reduced the achievable recycled rate for KPI #2.

Taken together, Sonae Sierra concludes that:

- The COVID-19-related regulatory measures and the RGGR-related changes affecting public waste-management services have produced a combined cumulative impact of at least 5% (4% com COVID-19 and approximately 2.3% from RGGR) versus the 2019 baseline on the Waste Recycling Rate.
- These effects are structural and external to Sonae Sierra's operational control and are therefore consistent with the definition of Recalculation Events in the Framework.

2.3 Actions implemented and ambition level

Notwithstanding these external headwinds, Sonae Sierra has implemented a range of structural initiatives to improve waste separation and recycling, including, inter alia:

- the STOP Waste Project (launched in 2025),
- door-to-door collection of mixed waste in translucent bags (in Centro Colombo),
- sampling-based controls and contamination-grading procedures,
- the “Recycler Food Court” pilot at Centro Colombo with automated weighing and AI-supported analysis, and
- the installation of mixed-waste dehydrators (in Norteshopping).

The combined effect of these actions enabled an improvement of 8.8 percentage points in KPI #2 between the baseline and 2025, confirming that Sonae Sierra has continued to pursue an ambitious circular-economy trajectory that goes beyond “business as usual” and compares favourably with peers in terms of both target ambition and metric methodology.

3. Recalculated SPT #2

In light of the Recalculation Events described above and the supporting analysis, Sonae Sierra has resolved to recalibrate SPT #2 while maintaining the original annual improvement rate of 2 percentage points envisaged in the Framework.

The recalculation assumes that:

- 2019 remains the baseline year with a Waste Recycling Rate of 66% (rounded from 65.5%), and
- 2020 and 2021 are treated as “lost years” due to the exceptional impact of COVID-19 and related regulatory measures.

Under this approach, the revised linear trajectory resumes in 2022, preserving the 2-p.p. year-on-year increase from that point onwards. The resulting recalculated SPT #2 is as follows:

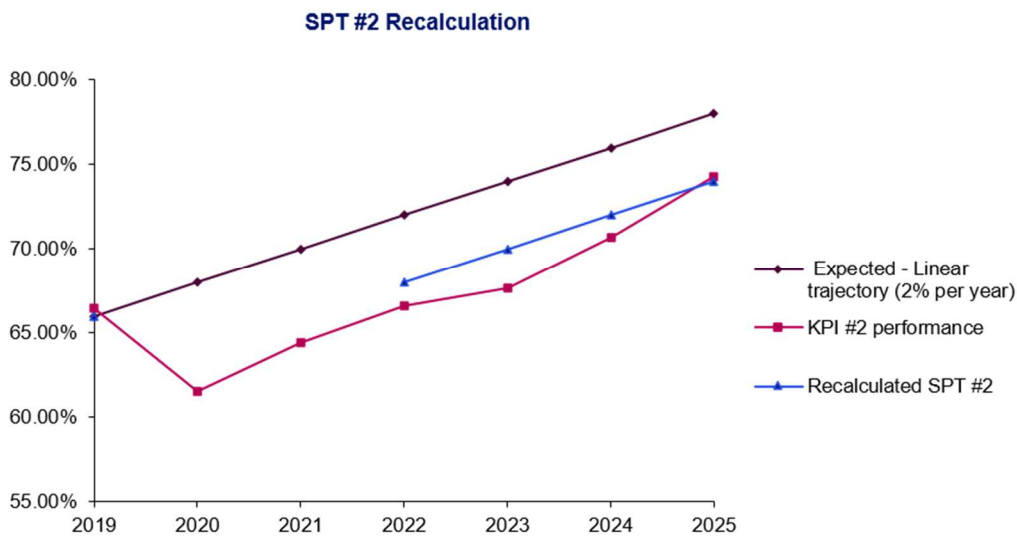
Revised SPT #2: Increase Waste Recycling Rate to a minimum of 74% by 31 December 2025.

The corresponding indicative trajectory is:

Year	2019	2020	2021	2022	2023	2024	2025
Original SPT #2 pathway (2 p.p./year)	66%	68%	70%	72%	74%	76%	78%
KPI #2 actual performance	66%	61.50%	64.40%	66.60%	67.70%	70.70%	74.30%
Recalculated SPT #2	66%	“lost years”	“lost years”	68%	70%	72%	74%

This recalibration:

- recognises the quantified 5%+ cumulative impact of external regulatory disruptions on KPI #2;
- the recalibrated target corresponds to an improvement of 8 percentage points when compared with the baseline (12% of improvement in the waste recycling rate), ensuring that SPT #2 remains a robust and credible pathway, consistent with Sonae Sierra’s circular-economy strategy and market-leading positioning; and,
- preserves the original ambition of a 2-p.p. annual improvement over the effective four-year period available after COVID-19 (2022–2025).



4. Verification and Reporting

Consistent with the Framework:

- Sonae Sierra will obtain independent assurance of this Amendment establishing the recalculated SPT #2 and the underlying methodology from an appropriately qualified independent party, which will issue a Second Party Opinion through a limited assurance engagement to be performed in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised).
- Following such assurance, Sonae Sierra will publish this Amendment No. 1 to the Sonae Sierra Sustainability-Linked Financing Framework establishing the recalculated SPT #2, together with the related Second Party Opinion, on its website (www.sonaesierra.com), either within its Economic, Environmental and Social Report (EES Report) or otherwise, in line with Sections 4 (“Reporting”) and 5 (“Verification”) of the Framework.
- From the effective date of this amendment, all Sustainability-Linked Instruments issued under the Framework that reference KPI #2 and/or SPT #2 shall, unless otherwise provided in the relevant documentation, be deemed to refer to the recalculated SPT #2 of 74% by 31 December 2025.

5. Miscellaneous

Except as expressly amended herein in respect of KPI #2 (Waste Recycling Rate) and SPT #2, all other terms, definitions, methodologies and provisions of the Sustainability-Linked Financing Framework dated 25 January 2022 shall remain unchanged and in full force and effect.

This amendment forms an integral part of the Framework and shall be read and construed together with it.