20 southcap
24 SUSTAINABILITY REPORT

About this Report

Scope

This Report provides detailed information on the consolidated sustainable performance of Southcap Holding, Lda, for the period from 1 January to 31 December 2024.

The reporting period is aligned with South's financial reporting cycle and serves as an annual public disclosure, offering insight into our key initiatives, performance metrics and progress throughout the year.

Where relevant, data from previous years is included, to provide context and demonstrate the evolution of our corporate practices. Our aim is to provide a transparent and forward-looking view of South's commitment to environmental stewardship, social responsibility and reliable governance (ESG).

GRI Standards

This document is aligned with the Global Reporting Initiative (GRI) sustainability guidelines, as detailed in Annex - GRI Content Index.

External Verification

It should be noted that only Southcap SGOIC's financial data has been audited.

The remaining data in this report has not been externally audited. However, the analysis that was conducted, the strategic developments undertaken, and the overall structure of this document were supported by an independent consultant specialized in sustainability.

Contact

Any questions or suggestions related to South's Sustainability Report can be sent to **info@southcap.pt**.

Disclosure

This report reflects a data consolidation within the **Southcap Holding**, encompassing both **Southcap AM** and **Southcap SGOIC**—legally distinct entities, subject to their own regulatory frameworks.

The presentation of a consolidated report aims to ensure maximum transparency and accountability in the structured process of analyzing and disclosing the environmental, social and governance (ESG) performance of these companies. For this purpose alone, an aggregated analysis enables a more accurate demonstration of the real impact of the Southcap Group's activities and helps prevent fragmented and/or unclear releases which, even if unintentionally, could lead to a distorted perception of the operational outcomes. Nevertheless, data collection was carried out independently by each entity, fully respecting their respective legal, operational and reporting specificities.

From Southcap SGOIC's perspective, all dimensions that could give rise to conflicts of interest, external interference or overlap of institutional responsibilities were carefully assessed. The data that was shared fully complies with the legal and regulatory boundaries set by the Portuguese Securities Market Commission (CMVM), ensuring the principles of segregation and exclusive action in the best interest of the participants and shareholders of the managed investment funds (OICs).

Under no circumstances does this consolidation imply any delegation of strategy, communication or decision-making to entities outside its regulated scope. This collaboration has therefore been designed within strict boundaries of fiduciary, legal and reputational integrity, without prejudice to each entity being subject—where applicable—to independent audit or evaluation, in accordance with their regulatory and statutory obligations.

Contents

1. Message from Administration

In 2024, it is paradoxically fundamental and bold to publicly take steps towards ESG norms. We are indeed living a very intense and uncertain moment, where tomorrow's world will not look like what we are familiar with. Adding on extra layers of preoccupation may seem hazardous, but this is precisely where lies our commitment. South is a real estate management company built 10 years ago by two French women in Portugal with international investors. What brings us together is our values which determine how we achieve our job, and what conveys our success is our purposeful undertaking to act according to our values, in our day-to-day tasks. Collaboration, rigor, transparency and respect have always been key to our focus and we aim at giving more exposure to such principles and to structure our strategy around them. They apply to actions vis-à-vis our investors, our tenants and providers, and obviously our team.

In 2024, we decided to formalize our ESG undertaking and to embark with us our stakeholders so that our values have measurable impact. Faced with the urgency to act for our environment and for our society, we launched our ESG strategy to go beyond our individual reasoning, to implement quantitative objectives and mobilize our community. We believe that our plan, presented herein, is ambitious but is the only road to guarantee the long-term preservation of our investors' interests.

As you will read below, our strategy is deployed under the three great chapters of Environment, Social and Governance. What we wish to embody under these 3 themes is a culture of consciousness, professionalism, and action. Thus, the implementation of our strategy will be always grounded on a thorough analysis of the situation, the search for the best technical solution or innovative tool that will accommodate the financial equation of our assets and a conscious assessment of its environmental impact. Likewise, with respect to our social policy, we will look for the better long-term comfort of our stakeholders that can only occur if we fully disclose our goals. Transparency will be displayed at all steps of our governance.

As a major real estate actor in Portugal, we want to participate shaping our future in this thoughtful and optimized direction, and invite you to come along

Elizabeth Mathieu
Chairman of the Board of Directors
Executive Director

Swan Sallmard
Partner of SOUTH
Group & Executive Director

About South

2.1. Who we are

South is an investment management company specialized in real estate, with a solid track record and valuable relationships within the Portuguese market. Our mission is to create long-term value for real estate investments by conducting through assessments and implementing an active asset management strategy that maximizes the potential of each property.

As a company committed to sustainable and responsible investment, South officially aligned its practices with the highest standards of governance, transparency and environmental responsibility. We actively manage properties with the objective of enhancing their value through strategic repositioning and continuous improvement. Every decision we make, is meant to ensure that we not only generate financial returns but also contribute positively to the social and environmental landscape. Sustainability is being integrated into the core of our operations, including our asset management practices, investment strategies and corporate governance framework. By incorporating ESG principles into our decision-making processes, we seek to enhance the resilience and long-term viability of the assets under our management.

By prioritizing sustainability, responsible practices and long-term value creation, we foster resilient and ethical growth for all stakeholders.

Vision – Align innovation and responsibility throughout our portfolio for a meaningful and quantifiable impact for our stakeholders and community

Mission – Being a market maker for ESG initiatives in Portugal , fostering equal opportunities and strong representation of women in top leadership positions, while also promoting the responsible management and efficient use of energy and natural resources.

Empowering Progress.
Shaping a Sustainable Future.

About South

At South, we believe that real estate investment should go beyond financial returns to create meaningful and lasting positive impacts.

2.2. What we do

South actively manages commercial properties with the objective of enhancing their value through strategic repositioning, continuous improvements and optimized rental conditions, contributing to a sustainable and resilient built environment.

We work closely with investors who seek to develop real estate platforms or invest in existing vehicles in Portugal. Our co-investment approach ensures aligned interests, fostering long-term partnerships grounded in trust and shared objectives.

At South, we believe that real estate investment should go beyond financial returns to create meaningful and lasting positive impacts. Through our commitment to excellence, sustainability and innovation, we continue to shape a future where responsible investment drives value for investors, tenants and communities.

2.3. Our leadership

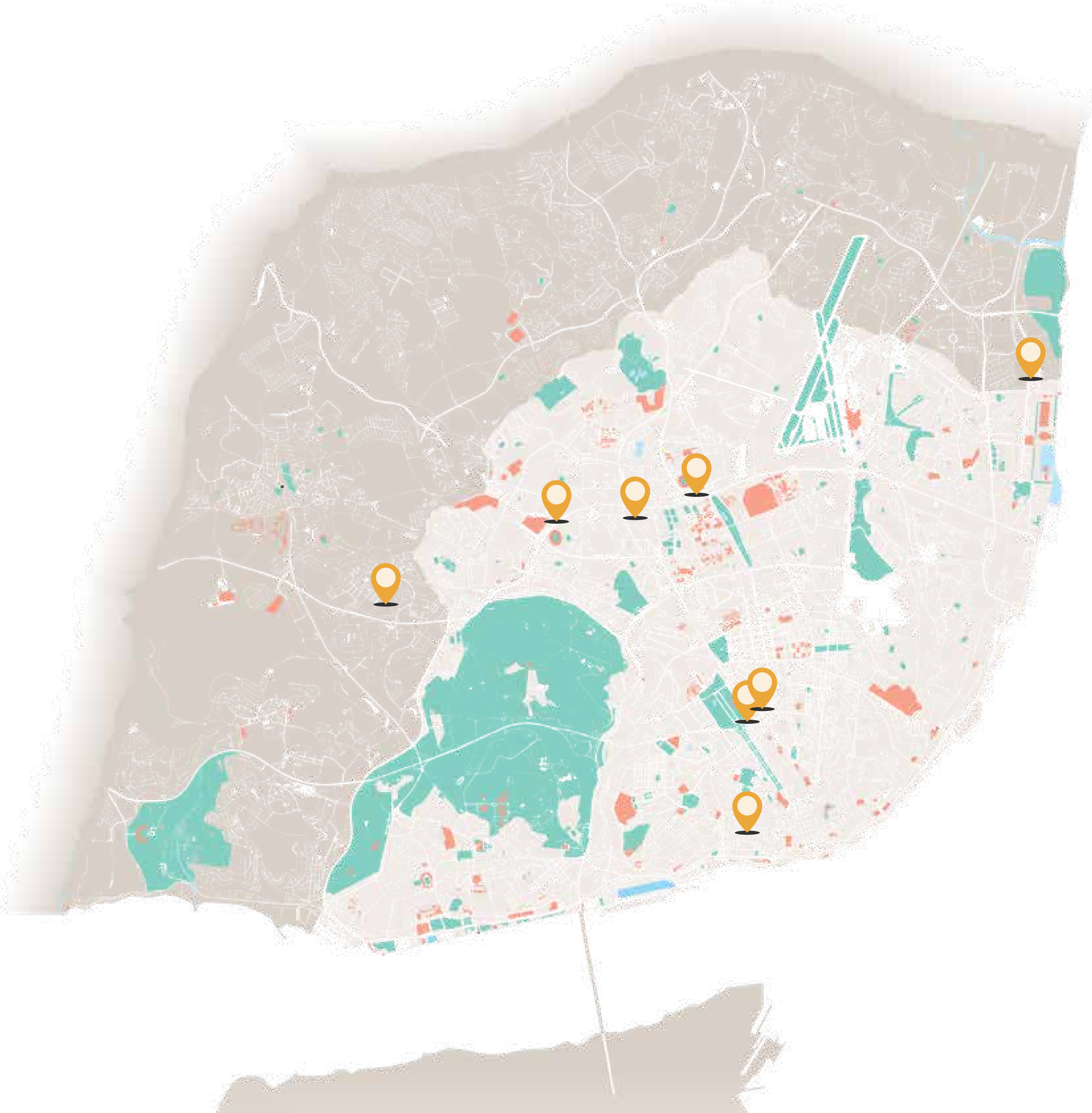
Led by a highly experienced team, South is structured to respond proactively to market dynamics, adapting to evolving challenges while maintaining a clear vision for sustainable growth.

Our executive leadership comprises professionals with extensive expertise in finance, investment and asset management, ensuring a comprehensive and forward-thinking approach to real estate investment. With over two decades of experience in real estate investment and private equity, our leadership has been involved in transactions exceeding 22 billion euros, reinforcing our position as a trusted partner in the market.

2.4. Capacity building

In line with its commitment to sustainability and responsible investment, South has strengthened its internal capabilities by engaging specialized consultancy services from ImpactLabs to support the development and implementation of ESG strategies. In 2024, South further reinforced its internal structure by appointing a dedicated ESG Officer, responsible for ensuring the integration of sustainability principles across all areas of the organization.

3. Highlights 2024



Total value and areas of assets managed

Asset	Total gross area	Exterior area	Appraisal Value
Torre Ocidente	30 280 m²	NA	88 088 500 €
Torre NOS	34 169 m²	7 950 m² (*)	59 394 000 €
Office Park Expo (OPE)	159 148 m²	20 689 m² (*)	272 219 950 €
Torres de Lisboa - Car Parking	81 326 m²	20 126 m² (*)	4 280 000 €
Torres de Lisboa - Torre E	16 160 m²	NA	43 320 000 €
Torres de Lisboa - Torre G	16 406 m²	NA	44 200 000 €
Torres de Lisboa - Torre H (**)	4 130 m²	NA	13 350 000 €
Fontes Pereira Melo, 7	11 358 m²	NA	31 815 550 €
Fontes Pereira Melo, 27	6 650 m²	NA	14 481 000 €
Cidade Córdova	11 128 m²	NA	9 382 150 €
Rua da Chagas	2 845 m²	524,74 m²	10 109 850 €

* Private outdoor areas, for public use
** Excluded from the scope of the report as it is currently under renovation by the tenant and not occupied

373 600m²
Portfolio total gross area

590 641 000€
Appraisal Value

3. › Highlights 2024

› Energy Performance Certifications

ENERGETIC EFICIENCY: A+ | A | B | B- | C | D | E | F

Level	Description	Number of Assets
< C	Consumption higher than the reference consumption	0
= C	Consumption equal to the reference consumption	7
= B-	Consumption between the reference consumption and 75% of that consumption	11
≥ B	Consumption lower than 75% of the reference consumption	2

› Environmental Building Certifications

BREEAM In-Use is a certification scheme that assesses the environmental performance of existing non-domestic buildings, helping building owners and managers improve their sustainability.

BREEAM In-Use International Rating	% score	Star rating
OUTSTANDING	≥85	★★★★★★
EXCELLENT	≥70 to <85	★★★★★
VERY GOOD	≥55 to <70	★★★★
GOOD	≥40 to <55	★★★
PASS	≥25 to <40	★★
ACCEPTABLE	≥10 to <25	★
UNCLASSIFIED	<10	-

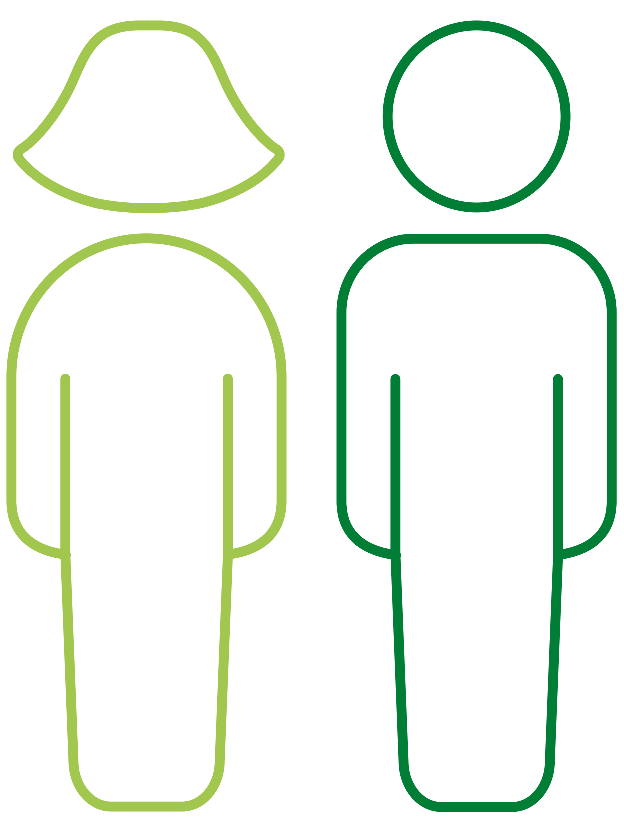
CERTIFIED 40-49 points | SILVER 50-59 points | GOLD 60-79 points | PLATINUM 80+ points

LEED O+M is a certification system that evaluates the environmental performance and operational efficiency of existing buildings, helping owners and managers reduce environmental impacts and enhance sustainability in day-to-day operations.

Asset	SCORE: BREEAM	SCORE: LEED
Torre Ocidente	-	Gold
Torre NOS	-	On going
Office Park Expo	-	On going
Torres de Lisboa - Torre E	★★★★☆☆	-
Torres de Lisboa - Torre G	★★★★☆☆	-
Fontes Pereira Melo 7	★★☆☆☆☆	-
Fontes Pereira Melo 27	★★☆☆☆☆	-
Cidade Córdova	Foreseen	-
Rua da Chagas	Foreseen	Foreseen

3. Highlights 2024

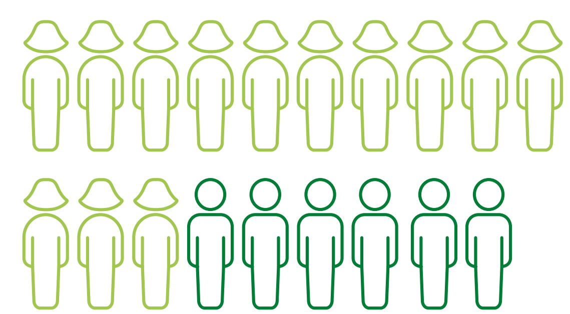
Human Resources



2022

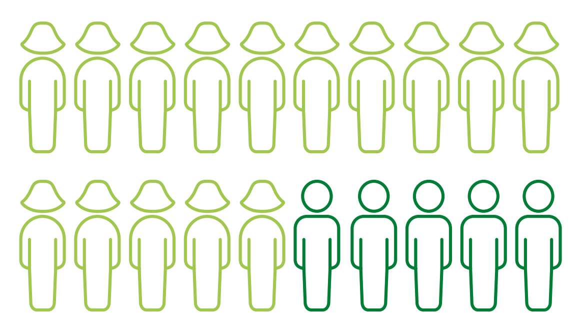
Number of employees	% women	Average age	% women in top management
16	75 %	37,6 y	100 %

2023



Number of employees	% women	Average age	% women in top management
19	68 %	36,2 y	100 %

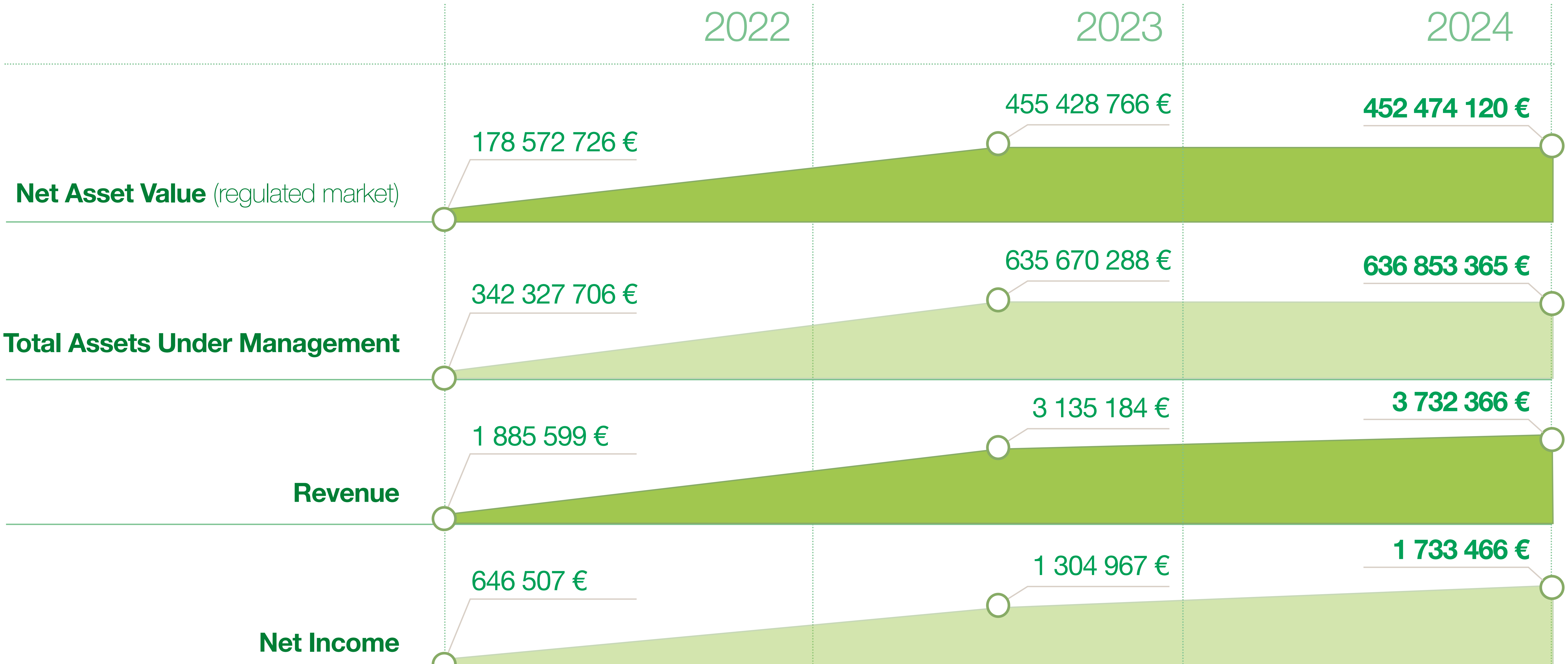
2024



Number of employees	% women	Average age	% women in top management
20	75 %	35,4 y	100 %

3. Highlights 2024

Financial results overview



4. South's Sustainability Strategy

4.1. Assessing Sustainability

In today's evolving business landscape, integrating sustainability into corporate strategy requires a nuanced understanding of both financial and non-financial factors.

To identify the key sustainability topics relevant to South, we began by examining industry trends and applicable regulations across three main pillars: **Environment**, **Social** and **Governance**.

This initial analysis allowed us to define the sub-topics that are most significant to both our stakeholders and our business operations. *(See adjecent list)*

Then, we engaged department managers with expertise and direct influence over each sub-topic to conduct a self-assessment. Each sub-topic was evaluated in terms of its **financial materiality** and its **impact materiality**, in a scale from 1 (low materiality) to 4 (very high materiality).

To further validate these results, we expanded the 2024 analysis by involving all employees. Through an internal survey, staff were asked to assess and prioritize the sustainability topics that were previously acknowledged, and the final materiality results were adjusted to reflect this broader input.

Environment

Climate change adaptation and mitigation
GHG emissions
Energy
Pollution
Water
Biodiversity and ecosystems
Circular economy

Social

Diversity, equity and inclusion
Employees working conditions and well-being
Affected communities
Workers in the value chain
Tenants' satisfaction and well-being

Governance

Responsible investment
Corporate culture
Corruption and bribery

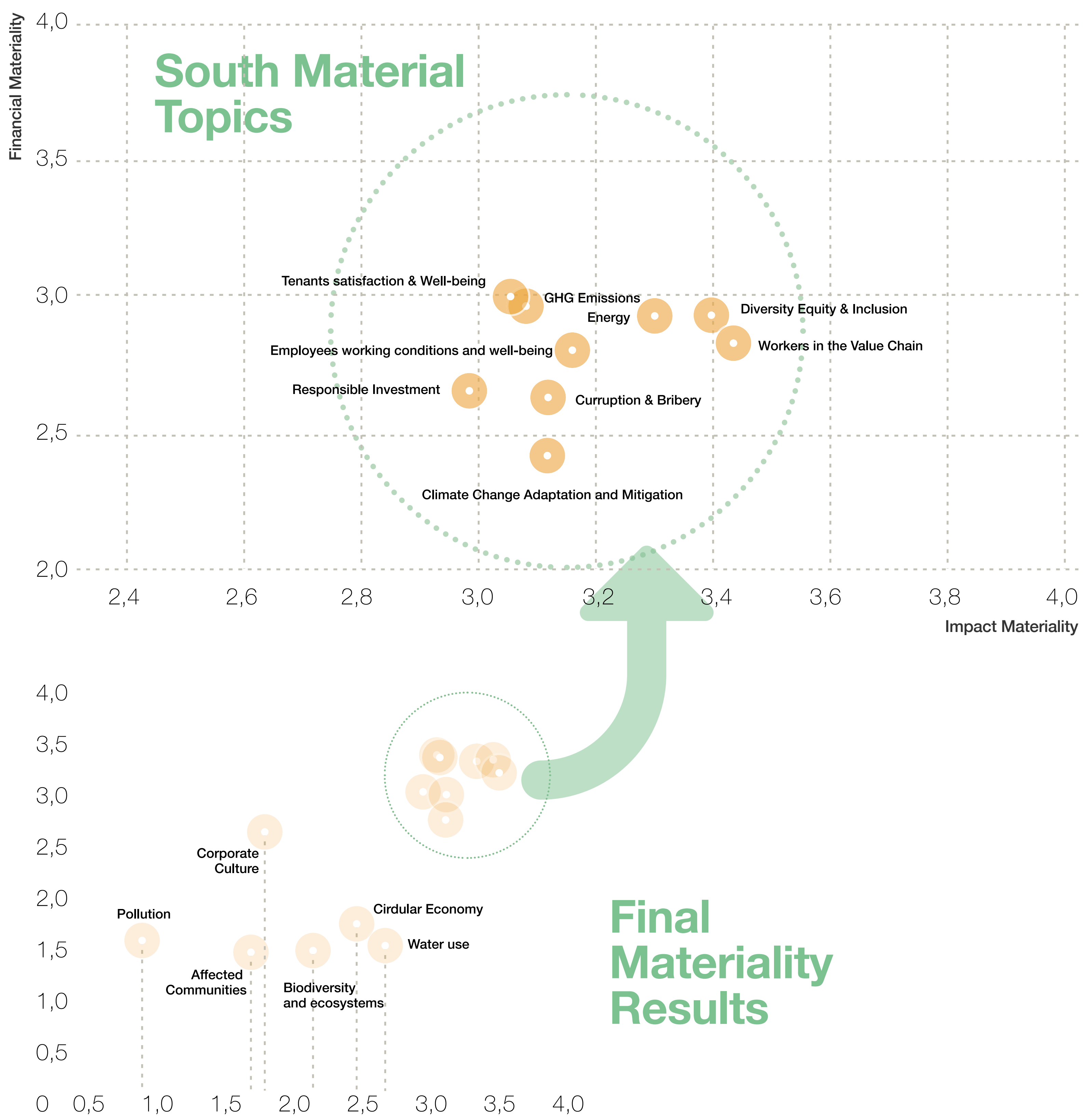
Moving forward, the company plans to expand this assessment to include additional priority stakeholder groups, ensuring a more holistic view of material issues. Until then, our ESG Officer leads the stakeholder engagement efforts and oversees the materiality assessment process, ensuring that we stay focused on factual relevant issues.

By embracing double materiality method, South ensures that its sustainability strategy reflects both the financial relevance of ESG topics and the broader environmental and social impacts of its operations. This comprehensive perspective enables us to identify and prioritize issues of real significance, grounded in data-driven insights. It also reinforces our commitment to responsible decision-making and strengthens our proactiveness and readiness to meet evolving sustainability disclosure requirements, in line with emerging European standards and international best practices.

4.2. Impact Strategy

Guided by the results of the Double Materiality framework, our strategy began with an assessment of the previously identified material topics. On this matter, although water use was not classified as a material topic, we decided to include it in our strategy, recognizing its critical importance as a limited natural resource and fundamental human right.

This assessment served as the foundation for the process of defining strategic and impactable commitments, which were followed and supported by the launch of measurable targets, clear actions and timelines. The result is a pragmatic and accountable roadmap that not only addresses South's negative impacts but also drives systemic, sustainable transformation across our operations and value chain.



4. ❯ South's Sustainability Strategy

In the following section, we outline our key sustainability targets and the concrete actions we are taking to achieve them, reinforcing our commitment to driving long-term value for both the company and the communities we serve.

Pillar	Topic	Commitment	Target
Environment	**Climate Change Adaptation and Mitigation**	Strengthen the Company's Adaptability to mitigate Climate-Related Risks and Ensure Long-Term Resilience	Develop and implement a Climate Resilience Plan by 2028, with specific risk assessments and adaptation measures for all assets
		Contribute to Climate Change mitigation by supporting nature-positive projects	Donate 1% of sales for a climate change mitigation project
	GHG Emissions	Reduce GHG emissions	Annual reduction of overall scope 1, 2 and 3 emissions
	Energy	Reduce energy consumption in South's assets	Reduce the energy consumption for the assets by 2030 per m2 compared to the baseline year
	Water	Reduce water consumption in South's assets	Reduction on water consumption
Social	**Employees Working Conditions and Well-being**	Guarantee above standard working conditions and employee well-being	Provide above average working conditions and continuously monitor it and adapt as needed
	Diversity, Equity and Inclusion	Ensure fair and equitable compensation practices across all roles, promoting transparency, diversity, and inclusion in employee remuneration	Monitors pay equity among employees
		Include Social Responsibility into employee roles	8 hours of volunteering done annually during working hours per FTE
	Tenants Satisfaction and Well-being	Promote Sustainable and Health-Conscious Practices Among Tenants to Enhance Overall Well-Being and Environmental Responsibility	100% of assets with building certifications in use (BREEAM/LEED or WELL) by 2028
	Workers in the value chain	Increase transparency and accountability along South's value chain and promote ESG practices among suppliers	Engage suppliers in ESG topics by 2027
Governance	**Responsible Investment**	Alignment of South's new commitments to company's business growth	100% of new assets passing the sustainability due diligence process
	Sustainability Management System	Transparency and accountability in sustainability performance	Achieve B Corp Certification by the end of 2025
	Corruption & Bribery	Establish a culture of integrity and accountability across the organization, promoting integrity, transparency in all business practices	Zero corruption cases

4.3. Engagement Process

South's stakeholder engagement process is designed both to extend the impact of our strategy beyond the boundaries of our organization, and to bring valuable external insights into our decision-making. By promoting a two-way dialogue, South aims to enhance transparency and deepen the perception of shared priorities, influences and expectations.

In 2024, we introduced a comprehensive stakeholder mapping framework to better identify and understand those who matter most to our business. We prioritize stakeholders based on the impact on our activity and the influence of their feedback. As a result, our engagement focuses on Employees, Tenants and Investors, while also extending to proactive collaboration with Suppliers, Designers and Contractors. *(See adjecent list)*

To ensure that we remain responsive to emerging risks and opportunities, our stakeholder engagement process is dynamic and evolving. Gradually, we hope to spread our collaborative relationships with other key stakeholders and align our growing-responsible operations with theirs, which increasingly contributes positively to the broader community and environment. This is why we will review this process annually and incorporate updates into future sustainability reports.

Employees

We actively engage with our employees through surveys, workshops and periodic feedback sessions to ensure alignment on our initiatives and strategy.

Tenants

Through annual client meetings and environmental awareness initiatives, we ensure that tenant concerns are in the agenda. By restoring annual feedback surveys, we pretend to make sure the message will be heard and addressed.

Investors

We provide regular periodic reports and specific insights segments on emerging ESG issues, ensuring that our investors are informed and aligned with relevant trends and our sustainability goals.

Suppliers, Designers, and Contractors

This engagement will focus on establishing sustainable procurement guidelines and suppliers code of conduct, so they undertake responsible sourcing practices.

5. Environment

5.1. Climate Change Adaptation and Mitigation

By recognizing the growing risks posed by climate change, South will start the development and implementation of a comprehensive Climate Resilience Plan in 2025, covering all managed assets. This plan will include tailored risk assessments and specific adaptation measures for each property, ensuring that the corporation is not only prepared to respond to climate-related threats, but is also actively enhancing the long-term robustness of its operations. This forward-looking approach is grounded in data and stakeholder collaboration. The process will involve identifying high-risk assets, prioritizing adaptation strategies and engaging tenants and partners in co-developing solutions that increase climate resilience. In doing so, South strengthens its ability to anticipate and adapt to physical climate risks, transforming them into opportunities for innovation and shared value.

Beyond adaptation, South is also taking bold action on climate mitigation. In line with its environmental and social responsibility, the company has committed to donating 1% of its total annual income to climate change mitigation projects and actively involving its employees in the process. This initiative, which began in 2024, underscores South's belief in reinvesting in the planet and supporting global efforts to restore ecological balance. The first contribution was made to Portuguese non-profit association, Look Up Society, supporting nature-based solutions such as reforestation and biodiversity preservation.

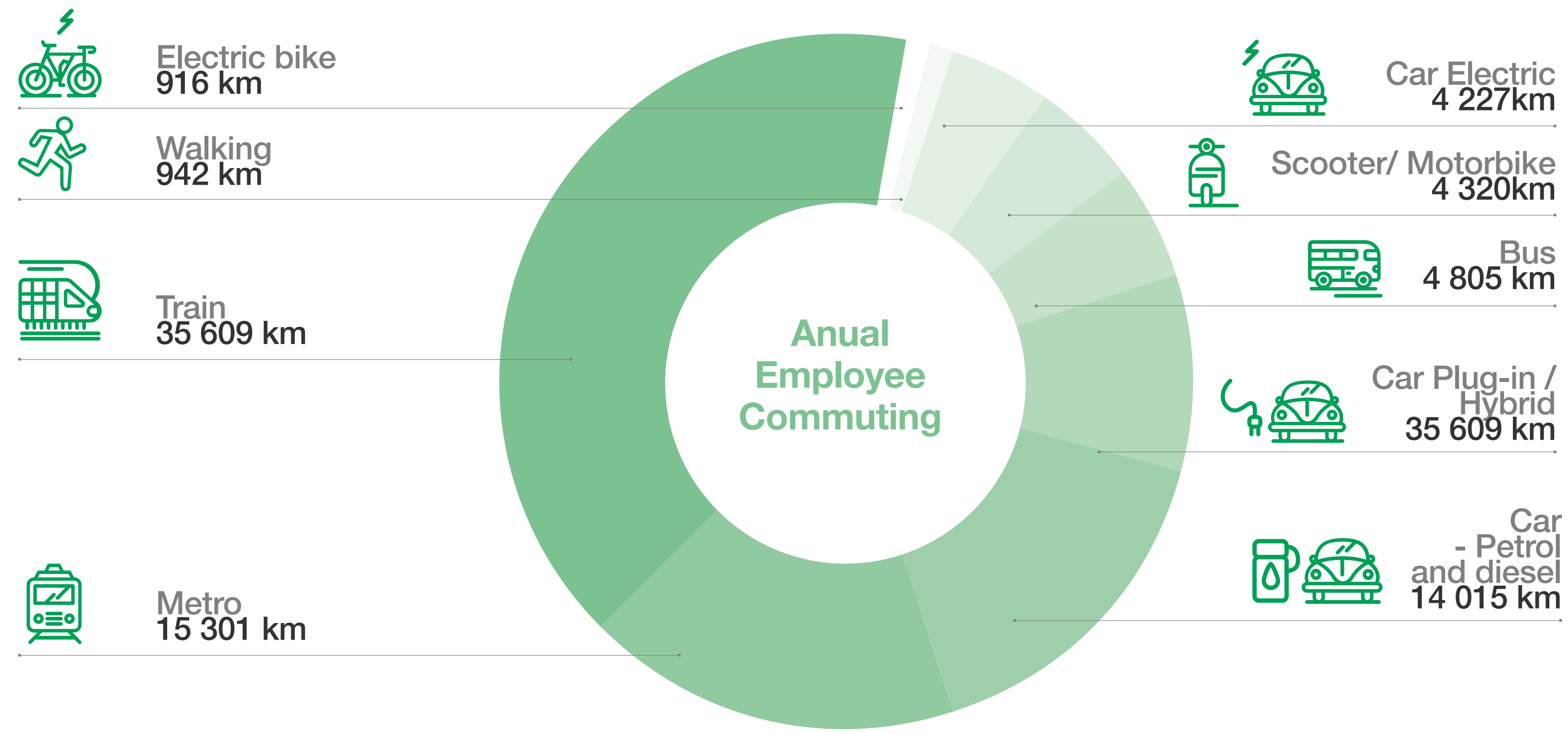
By embedding both climate resilience and climate action into its core strategy, South reinforces its role as a responsible, forward-thinking market leader. Its approach goes beyond compliance and reflects a deep commitment to positively impact the environment and the communities it serves, while future-proofing its business in an increasingly uncertain world.

5.2. Greenhouse Gas Emissions

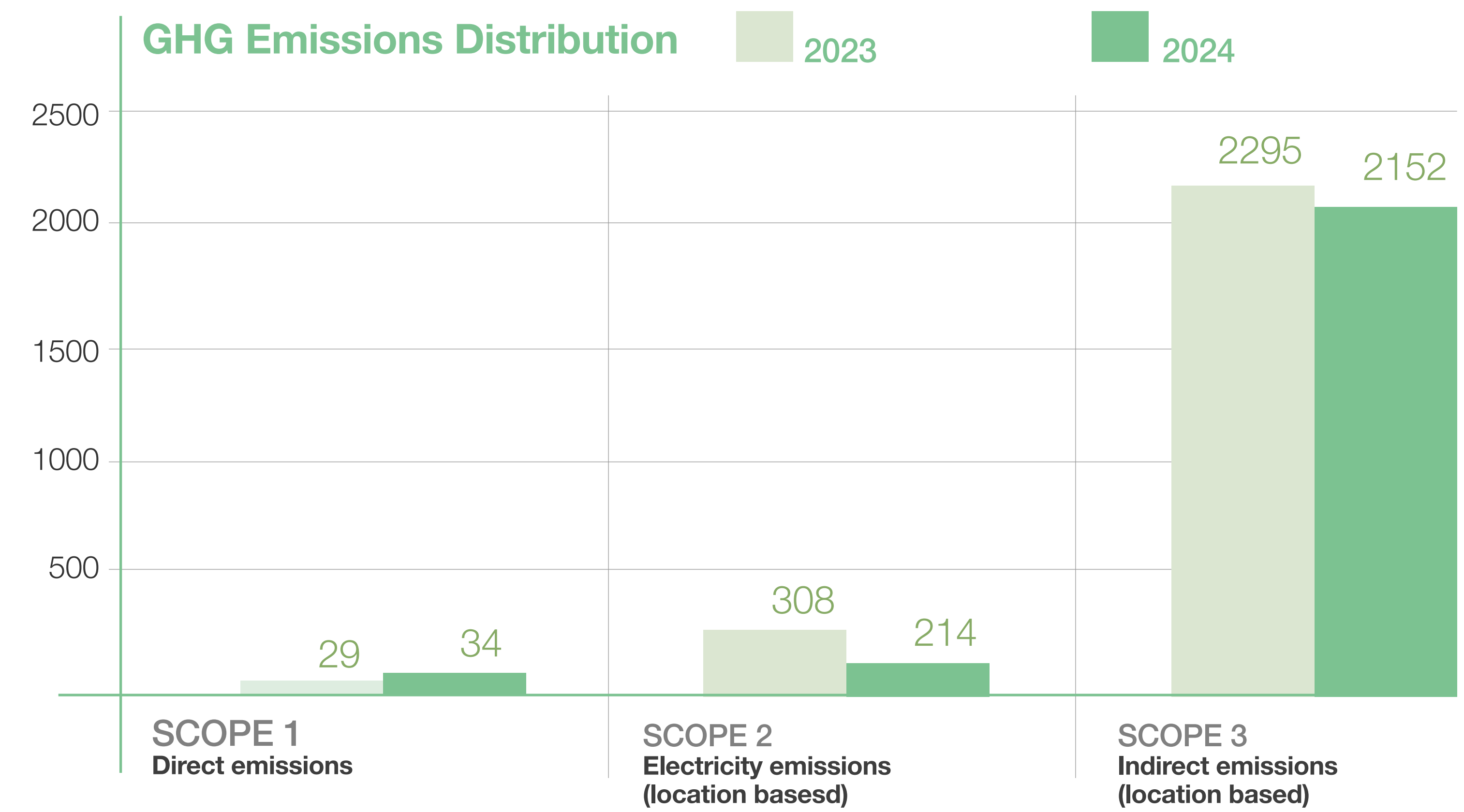
South conducted its first carbon footprint analysis in 2023, initially covering Scope 1 and Scope 2 emissions, following the GHG Protocol methodology.

A carbon footprint analysis is a tool used to measure the total greenhouse gas (GHG) emissions a company is - directly and indirectly - responsible for. This process helps us understand where emissions are coming from, how significant they are and how we can reduce them.

In 2024, we expanded the scope of our assessment to a more accurately leased assets emissions, capture at Scope 3, which represent the largest share of our carbon footprint (previously estimated).



Scope	Category	2023 Total GHG Emissions [tCO2e]	2024 Total GHG Emissions [tCO2e]	2024 vs 2023
1	1.1 Own Fleet	4,03	2,49	-38,3%
	1.2 Stationary fuel consumption - Generator	0,96	0,37	-61,6%
	1.3 Gas consumption	24,38	30,91	26,8%
	1.4 AC refrigerant leakages	0,00	0,00	0%
	Total GHG Emissions Scope 1	**29,37**	**33,76**	**14,95%**
2	Electricity Consumption - location based	307,60	213,75	-30,5%
	Electricity Consumption - market based	380,89	476,56	25,1%
	Total GHG Emissions Scope 2 - location based	**307,60**	**213,75**	**-30,5%**
	Total GHG Emissions Scope 2 - market based	**380,89**	**476,56**	**25,1%**
3	Category 3 - Fuel and Energy-Related Activities Not Included in Scope 1 and 2	No data available	145,58	No data available
	Category 6 - Business Travel	9,32	2,32	-75,1%
	Category 7 - Employee Commuting	6,15	5,97	-3,0%
	Category 13 - Downstream Leased Assets - location based	2 279,85	2 152,20	-12,4%
	Total GHG Emissions Scope 3	**2295,32**	**2 156,08**	**-6,2%**



This assessment is designed to be repeated annually, using consistent data sources and methodologies, and enables us to track trends over time, identify areas for improvement and refine our emissions reduction strategy.

Once we have a clear picture of our climate impact, we can lay the foundation for realistic emissions reduction targets and begin making informed and impactful strategic decisions. At South, this translates into a clear roadmap of climate action initiatives already underway. *(See adjecent list).*

By integrating these actions into our sustainability strategy, South is not only reducing its operational footprint but also demonstrating leadership in the transition to a low-carbon and climate-resilient future.

Where direct reductions are currently limited or not feasible, South is actively assessing the feasibility of investing in high-quality carbon offsetting projects, with a focus on renewable energy solutions and nature-based strategies. These offsets may play a supporting role in compensating for unavoidable emissions, while complementing our broader reduction efforts.

100% Green Electricity by 2025

South is on track to secure renewable electricity contracts for all managed assets, a key step in reducing Scope 2 emissions. This transition reflects our commitment to cleaner operations and aligns with national and global decarbonization targets.

Phasing Out Natural Gas by 2035

A phased strategy is in place to eliminate natural gas consumption across our portfolio. This includes integrating gas phase-outs into scheduled refurbishments and assessing the technical feasibility of cleaner alternatives for each asset.

Low-Carbon Mobility Initiatives

In order to reduce Scope 3 emissions, South has committed to ensure the installation of EV charging stations and high-quality bike parking at all its managed assets and headquarters, encouraging soft mobility and more sustainable commuting.

To ensure accuracy and consistency, we rely on recognized international methodologies and emission factors that convert activity data (like kilometers driven or kWh consumed) into tCO_2e (an international standard unit used for the global warming potential of various gases).

5.3. Energy Consumption

In 2024, South focused on enhancing energy efficiency across its portfolio, tracking energy consumption at the asset level and setting clear reduction targets. The comparison below highlights the progress made from 2023 to 2024, showcasing South's consumptions on common areas and directly managed assets.

While the primary target shown excluded tenant energy use, South acknowledges the importance of engaging tenants in the broader sustainability journey. For that reason, a separate, clearly defined target for tenant-related consumption is under consideration and may be developed through internal analysis and stakeholder input.

In this matter, the core pillar of South's sustainability strategy is ensuring that all managed buildings achieve an Energy Certification of grade B or higher, by the end of 2030.

	Energy Consumption* (kWh)		**Consumption Intensity** (kWh/m2)		
	2023	2024	2023	2024	Difference
Fuel	20 754	11 863	0,41	0,23	-43%
Natural Gas	135 449	161 152	2,65	3,15	+19%
Electricity	2 945 115	3 124 601	57,52	61,03	+6%
Total	3 101 318	3 297 616	60,57	64,41	+6%

Areas Under Management 51 200 m²

Areas Under Management 51 200 m²

This bold commitment underscores the company's dedication to improve operational performance while reducing its environmental footprint. Plus, to support this transition, South is implementing a series of complementary operational measures focused on performance optimization and smart energy management:

Upgrading Building Management Systems (BMS)

All buildings already have a BMS in place. So, our focus is on system optimization to enhance performance monitoring, fault detection and energy control—especially for high-consumption HVAC and lighting systems

Installing energy submeters

Recognizing the complexity of tenant energy use, South is prioritizing the installation of submeters in all unmetered or tenant-exclusive areas. This will enhance data collection and better track energy use that may guide further reduction strategies and align tenant behavior with sustainability goals

Implementing photovoltaic panels

To expand the use of renewable energy, South is actively working to install photovoltaic (PV) panels on rooftops and/or building facades. These installations will reduce reliance on the grid and further drive down carbon emissions

Together, these actions will ensure that South not only meets its 2030 goals but also contributes significantly to the transition toward a low-carbon, more energy-efficient building portfolio.

Together, these actions will ensure that South not only meets its 2030 goals but also contributes significantly to the transition toward a low-carbon, more energy-efficient building portfolio.

5.4. Water Consumption

While water consumption is not currently classified as a material topic for South, it remains a critical environmental concern and a priority within the company's broader sustainability framework. Recognizing water as a fundamental and finite resource, South continues to promote responsible and efficient water management across its real estate assets.

As part of this commitment, South has set a strategic goal to achieve an annual reduction in water consumption, guided by actionable initiatives and realistic implementation timelines. A specific percentage target has not yet been defined, since we intentionally decided to keep this objective general for now, providing the flexibility needed as data quality improves and tenant collaboration grows. To reinforce this direction, we have outlined key actions, such as:

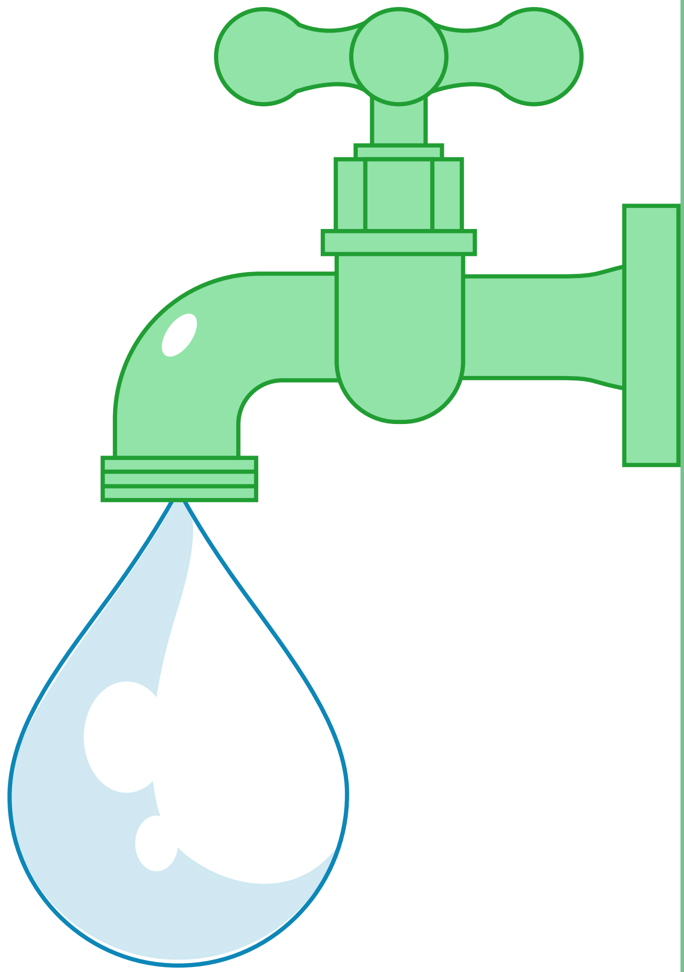
AQUA+ Certification

Obtain Aqua+ certification for all buildings by 2026, a move that ensures compliance with recognized water performance standards and which effort is already underway.

Recovering Water

Explore the viability of water recycling systems and consumption-reduction equipment replacements, particularly in assets with high demands. In properties that require irrigation, we will also consider the investment in rainwater harvesting systems as a potential investment to further reduce reliance on municipal water sources.

By maintaining this proactive, balanced and forward-looking approach, South is reinforcing its dedication to sustainable resource management, even beyond the boundaries of materiality assessment, and affirming its role as a responsible steward of both environmental and operational excellence.



6. Social

6.1. Employees Well-being and Working Conditions

At South, people come first. The company is deeply committed to ensuring above-average working conditions and fostering a supportive, inclusive and empowering environment for all employees.

A keystone of this commitment is the guarantee that all wages are adjusted to the local cost of living, reinforcing financial security and equitable compensation for every team member.

To nurture career development and encourage continuous learning, we have established structured performance review processes, that promotes regular feedback, clarity in growth pathways and recognition of individual contributions.

Well-being initiatives implemented

Pulso Program
By subscribing Pulso, a corporate well-being program with an international presence, South provides a variety of services and assistance to employees - including financial, health and well-being support - through digital tools and resources.

Remote Work Flexibility
Flexible remote work options (1–2 days per week, depending on the role), enhancing work-life balance and employee autonomy.

Birthday Holiday
Employees are granted with an additional day off when their birthday falls on a working day. By prioritizing well-being, South reaffirms its vision of a work culture where individuals feel valued, supported and empowered to thrive.

Yoga Sessions
Free weekly yoga classes that promote physical and mental balance and support the needs of the workforce since 2018.

6.2. Diversity, Equity and Inclusion

At South, diversity, equity and inclusion (DEI) are not just principles, but operational imperatives. Building a workplace where every individual is respected, represented and heard strongly contributes to employee's well-being, to long-term corporate success and to broader societal transformation.

Currently, we are assessing key DEI indicators (including gender balance, pay equity and employee perception of inclusivity) to gain a clearer understanding of our workforce. This data will help us identify areas for improvement and implement targeted, high-impact initiatives.

In 2025, South will formalize its best practices through the introduction of an Employee Handbook that will include meaningful Diversity, Equity & Inclusion clauses to guide recruitment, promotion and workplace engagement.

Beyond the office, South is committed to fostering a culture of social impact. So, beginning in 2025, all employees will be encouraged to dedicate at least eight working hours annually to community-focused initiatives through a structured volunteering program, embedding social responsibility into everyday business practice.

6.3. Workers in the Value Chain

At South, we recognize that our supply chain significantly influences our environmental and social impact. To reinforce responsible procurement practices and enhance accountability, we commit to engaging our suppliers by 2027 in sustainability initiatives.

To achieve this target, we will implement key actions such as creating a Code of Conduct for Suppliers, developing internal procurement guidelines that integrate ESG best practices and establishing an evaluation procedure that drives performance improvements.

Engaging suppliers in sustainability efforts is crucial for ensuring a resilient and responsible value chain. This approach not only reduces operational and reputational risks but also amplifies our positive impact across the supply chain. Our efforts will prioritize high-spend suppliers and those involved in sensitive activities, as they present significant opportunities for meaningful change.

6.4. Tenants' Satisfaction and Well-Being

Tenant well-being and satisfaction are central to South's social commitment. The company is determined to provide high-quality, healthy and sustainable workplaces, starting with its ambition to have 100% of its assets certified under recognized building standards (BREEAM or LEED) by 2028.

The most relevant terms included on new contracts are related with:

> Co-operation provision
> Social impact
> Data sharing
> Recycling
> Circular economy
> Green energy
> Standards of use
> Sustainable transport

To align tenant operations with these sustainability goals, South has introduced **green clauses** in all new lease agreements starting in 2025. From 2028, these clauses will also be extended to all contracts, encouraging tenants to adopt best practices in efficiency consumption, responsible waste management and sustainable fit-out practices.

Tenant engagement, however, goes beyond policy implementation. South organizes annual meetings with all tenants to address concerns, share opportunities for improvement and foster transparent communication. These meetings have been well received and are considered an effective method of gathering actionable, personalized feedback.

To complement this approach and get data that gives a measurable perception of tenants satisfaction, annual questionnaires will be reintroduced, starting in 2025, further enhancing South's responsiveness to tenant needs.

Our tenants play a vital role in our sustainability journey and the following testimonials offer their perspective on how our sustainability initiatives have positively impacted their experience and daily operations.

By building strong relationships founded on trust and collaboration, South is creating healthier and efficient buildings, while reinforcing its position as a forward-thinking, sustainability-driven property manager.

SONAE TESTIMONY

The ESG initiatives implemented at Torre Ocidente have clearly had a positive impact on all occupants. The complete refurbishment of the common areas, particularly the lift lobbies and sanitary facilities, has enhanced comfort, functionality, and the overall value of the environment. The use of the WiseMetering platform enables more effective monitoring of actual consumption and corresponding billing, promoting more conscious management.

Various energy-saving measures have also been carried out, such as replacing conventional lighting with LED technology in the common areas and switching off illuminated signage during the summer months. In addition, there has been an increase in the number of annual drills, along with strengthened communication and training related to safety and sustainability.

BNP PARIBAS TESTIMONY

Regarding ESG initiatives, I would like to congratulate South for the initiatives along the past years. Proactively consulting the tenants regarding energy consumption reducing or water consumption reducing, South is deeply committed in the results. Elevator halls renovation and toilets is a project that also contributed to energy consumption reduction and implementation of best practices in Torre Ocidente, adding to air conditioning, managing, time schedules, among others.

We have been working together on these fronts, also contributing to donations of materials that are not used anymore (ground floor renovation). These partnerships are very important and strengths the collaboration between both entities (I also can exemplify with some initiatives: Water Bar, Smooth Bikes, Electrical Bikes, Domestic violence), as per South's contribution with logistic agility and support.

7. Governance

7.1. Responsible Investments

South recognizes the importance of embedding sustainability into its investment approach. As part of its long-time strategy, the company has set a clear and ambitious target of 100% of all new assets will pass through a dedicated Sustainability Due Diligence (SDD) process. Envisioned for implementation by the end of 2025, this SDD aims to ensure that each investment is aligned not only with the company's financial objectives but also with global sustainability benchmarks.

Beyond internal process enhancements, South is also making a decisive move in responsible capital deployment by preparing for the transition from Article 6 to Article 8 Fund, under the EU Sustainable Finance Disclosure Regulation (SFDR).

7.2. Sustainable Certification

To reinforce transparency and accountability, South is working toward achieving B Corp Certification by the end of 2025, a globally recognized benchmark for responsible business practices.

In tandem with this certification goal, South will elevate its ESG disclosure standards by implementing an annual Sustainability Report, that follows the Global Reporting Initiative (GRI) framework and is aligned with B Corp recommendations, ensuring that South communicates its progress clearly, credibly and consistently. By embedding transparent reporting into its governance practices, South aims to enhance stakeholder trust, track improvements year over year and remain accountable to its sustainability commitments.

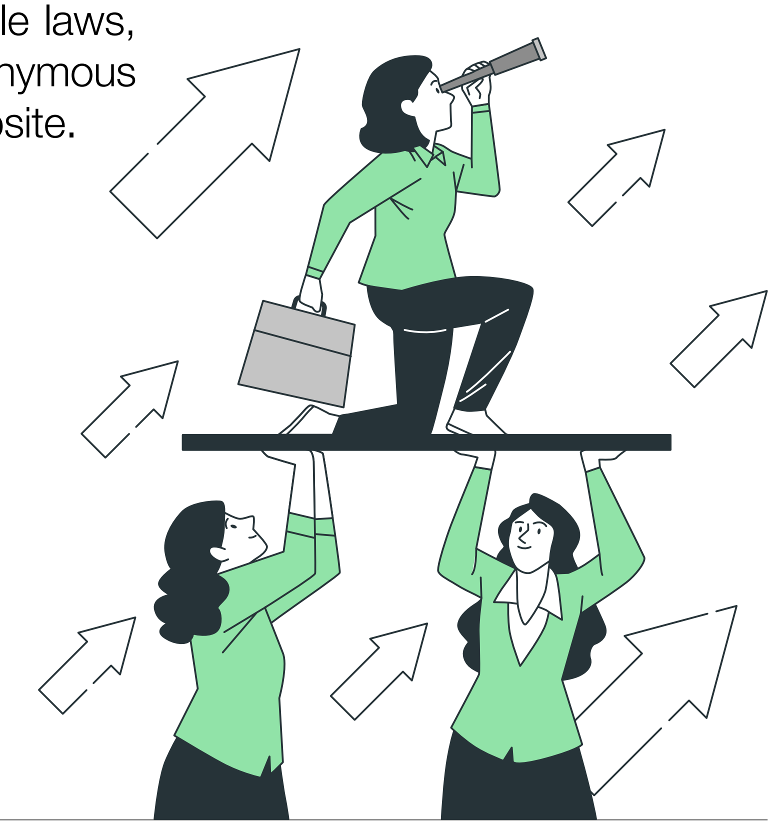
7.3. Corruption & Bribery

Integrity and ethical business conduct are fundamental to South's operations.

With a robust internal compliance policy already established, its inclusion in the revised strategy and in the annual sustainability report serves to reaffirm and elevate the importance of these standards across the organization. By committing to maintain zero corruption cases, South is reinforcing the existing Anti-Corruption and Anti-Bribery Policies.

As part of the ongoing development of the Employee Handbook, South is incorporating clear guidance on company policies, values and expectations. This initiative ensures that all employees are well-informed and equipped to uphold ethical standards in their daily responsibility. The Handbook will also include a reference to the company's Whistleblower Policy, which enables safe and confidential channels for employees to report concerns or violations without fear of retaliation.

Furthermore, the Compliance Officer (appointed by the Board of Directors and operating independently of any department) plays a central role by ensuring regulatory compliance and fostering a culture of integrity inside the company. He is responsible for ensuring that employees have access to clear guidance on applicable laws, regulations and codes of conduct, and also manages the anonymous reporting mechanism available on the company's official website.



7.4. Capex with Purpose

In 2024, South strengthened its commitment to long-term value creation by aligning capital planning with its sustainability goals. Following a comprehensive assessment of all assets under management, the company identified the first wave of priority investments and developed a five-year investment plan aimed at generating measurable impact in both operational efficiency and resource consumption. This plan, set to begin in 2025, was presented to all tenants, who formally supported its execution.

Transversally, across the entire portfolio, South has also assigned a dedicated budget for sustainability-focused actions. This includes initiatives related to green energy, soft mobility and sustainability certifications, to ensure that ESG goals are not only embedded into the company's growth strategy but are also financially supported in a consistent and structured way.

Recognizing that both global contexts and local realities evolve through time, this investment plan is designed to be dynamically reviewed and adjusted on an annual basis. Property Managers will play a key role in reassessing priorities and identifying the most impactful actions, considering not only the strategy conceived, but also policy developments, stakeholders' priorities and technological advances. This iterative process ensures that South's capital allocation remains relevant and aligned with its ambition to lead in sustainability performance.

Although the five-year investment plan was formally designed in 2024 to start in 2025, South had already begun investing in sustainability-driven improvements. These early actions demonstrate the company's proactive stance and have already delivered positive outcomes.

> Below is an overview of sustainability-oriented capital expenditures executed/concluded in 2024

IMPACT AREA	FACILITY	PROJECT
Water Stewardship	TOC	Bathrooms refurbishment
	NOS	Bathrooms refurbishment
	OPE	Lake refurbishment
	OPE	Borehole for irrigation and/or climatization
	TOC	Sewage segregation from Colombo
Energy Efficiency	TOC	Lift halls refurbishment (smart elevator system)
	TOC	Façade and roof lighting (LED)
	TOC	Dedicated boiler for retail units
	NOS	Emergency lights (LED)
	OPE	Sun control window films
	OPE	Emergency lighting (LED)
	TDL E	Smart elevator system
	TDL G	Emergency stairs lighting (LED)
	TDL G	Lobby refurbishment (LED)
Indoor Air Quality	TDL E	AHU replacement
	TDL G	AHU replacement
Electric Mobility	OPE	Electric car charging stations

8. Next steps

South is entering a new chapter and embedding sustainability into every layer of its strategy. The leadership is empowered by purpose, guided by values and committed to impact, and the team is motivated to align daily activities with tomorrow challenges.

With the groundwork established and a clear vision defined, South now transitions from planning to action. The year ahead will mark a critical turning point, where strategic commitments evolve into measurable outcomes, and long-term intentions begin to generate tangible value.

As the implementation phase of the sustainability strategy begins, South's focus will center on delivering lasting impact across operations, investments and stakeholder relationships.

South envisions a future where sustainable practices are not just aligned but in fact fundamental for any business success. So, the steps taken from this point forward are set to shape a more resilient portfolio and position the company as a proactive agent in the transition to a low-carbon, inclusive and ethically governed future.

Sustainability is how we turned responsibility into opportunity.

southcap

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