2025 southcap

SUSTAINABILITY REPORT



About this Report

Scope
This Report provides detailed information on the consolidated sustainability performance of Southcap Holding, Lda, for the period from 1 January to 31 December 2025.

The reporting period is aligned with South's financial reporting cycle and serves as an annual public disclosure, offering insight into South's 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 its corporate practices. The 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 1 - GRI Standards Content Index.

External Verification
It should be noted that only Southcap SGOIC and Southcap Holding'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).

Where applicable, floor area figures used for ESG performance measurement are based on operational area assessments, rather than the gross leasable areas formally reported to the CMVM for valuation purposes. This methodological distinction supports a more accurate allocation and extrapolation of consumption data and enables the use of partial or function-specific area allocations in calculations, particularly in situations involving shared-use areas, tenant-exclusive spaces, or incomplete utility data. These metrics are used exclusively for internal ESG analysis and do not replace, amend, or interfere with any regulatory or financial reporting submitted to the CMVM or to any other authority overseeing real estate investment fund management.

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.

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1. Message from Administration

In 2025, South did not wait for the world to stabilize. In a context shaped by geopolitical uncertainty, successive regulatory recalibrations, and rapid technological acceleration, we moved forward. Our conviction does not depend on external momentum, it stems from the values on which this company was founded and from the responsibility we embrace towards all those who place their trust in us.

This is our second sustainability report. While in 2024 we formalized our commitment, in 2025 we began delivering on it. This requires rigor, transparency, and humility, qualities reflected both in the final achievements and in the ongoing processes and commitments.

On the environmental front, we completed the transition to 100% green electricity across all assets under our direct management, one of our most significant commitments that contributed to a substantial decrease of Scope 2 market-based emissions. Also, AQUA+ certification processes were initiated, and photovoltaic infrastructure was launched.

On the social front, we've strengthened the engagement with clients and suppliers through the introduction of green clauses in lease and service agreements and, with a rapidly growing team, we achieved all in-house objectives set for the year: we implemented the employee handbook, formalized diversity, equity and inclusion policies, conducted our first internal satisfaction survey and launched our volunteering program. Women represent 100% of senior management and 76% of our team. Beyond a statistic, this reflects a culture built with intention.

In governance, we formally submitted our BCorp certification application in November 2025, a milestone representing the culmination of a year of internal structuring. We implemented our Supplier Code of Conduct, making it mandatory in all new contracts, and launched a five-year Capex plan aligned with our ESG strategy with sustainable investment lines clearly identified for each asset.
The road ahead is not simpler. Climate adaptation, asset insurability and accountability in AI-supported decisions represent a new frontier. Yet these are precisely the areas where South wants to stand, by being prepared, informed and able to respond with agility.

We invite you to explore this report as partners in a project that goes beyond financial return and believes that responsibility is the most enduring way to create value.



The framework is in place. What matters now is bringing it to life.

Elizabeth Mathieu
Chair of the Board of Directors
| Chief Executive Officer

Swan Sallmard
Partner, South Group
| Chief Executive Officer

2. About South

Statement

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. Sustainability is how we turned responsibility into opportunity.

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.



2.1.Business Model

South operates as real estate-focused investment management firm with extensive experience across the Portuguese market. Committed to responsible and sustainable investment, South has aligned its operations with leading standards in governance, social, and environmental stewardship. Its approach centers on actively managing assets to increase their value through strategic repositioning and ongoing enhancement initiatives. This active management includes not only investment decisions but also the direct operation of assets, from tenant selection to maintenance, works, and supplier management. Each decision is carefully considered to deliver solid financial performance while also creating a positive impact to the surrounding context.

Sustainability is embedded throughout South's business, from asset management and investment decisions to its corporate governance structure. Given its direct and operational role in managing physical assets, South's activities have a tangible and measurable impact on the built environment. By integrating ESG principles into its processes, it aims to strengthen the resilience and long-term performance of the assets that oversees.

2.2.Strategy and Operations

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. This management encompasses the full asset lifecycle, including acquisition and disposal, leasing strategies, tenant management, supervision of works, and ongoing technical and operational maintenance.

The company works closely with investors who seek to develop real estate platforms or invest in existing vehicles in Portugal. South's co-investment approach ensures aligned interests, fostering long-term partnerships grounded in trust and shared objectives.

Within this framework, real estate investment is viewed as going beyond financial returns, aiming to generate meaningful and lasting positive impacts. Through its commitment to excellence, sustainability, and innovation, the company continues to shape a future where responsible investment drives value for investors, tenants, workers, and communities.



2.3.Leadership

Leadership at South has demonstrated an increased awareness and integration of ESG considerations across its roles. The executive team has strengthened its focus on embedding sustainability into strategic decision-making, ensuring that ESG factors are systematically considered alongside financial performance.

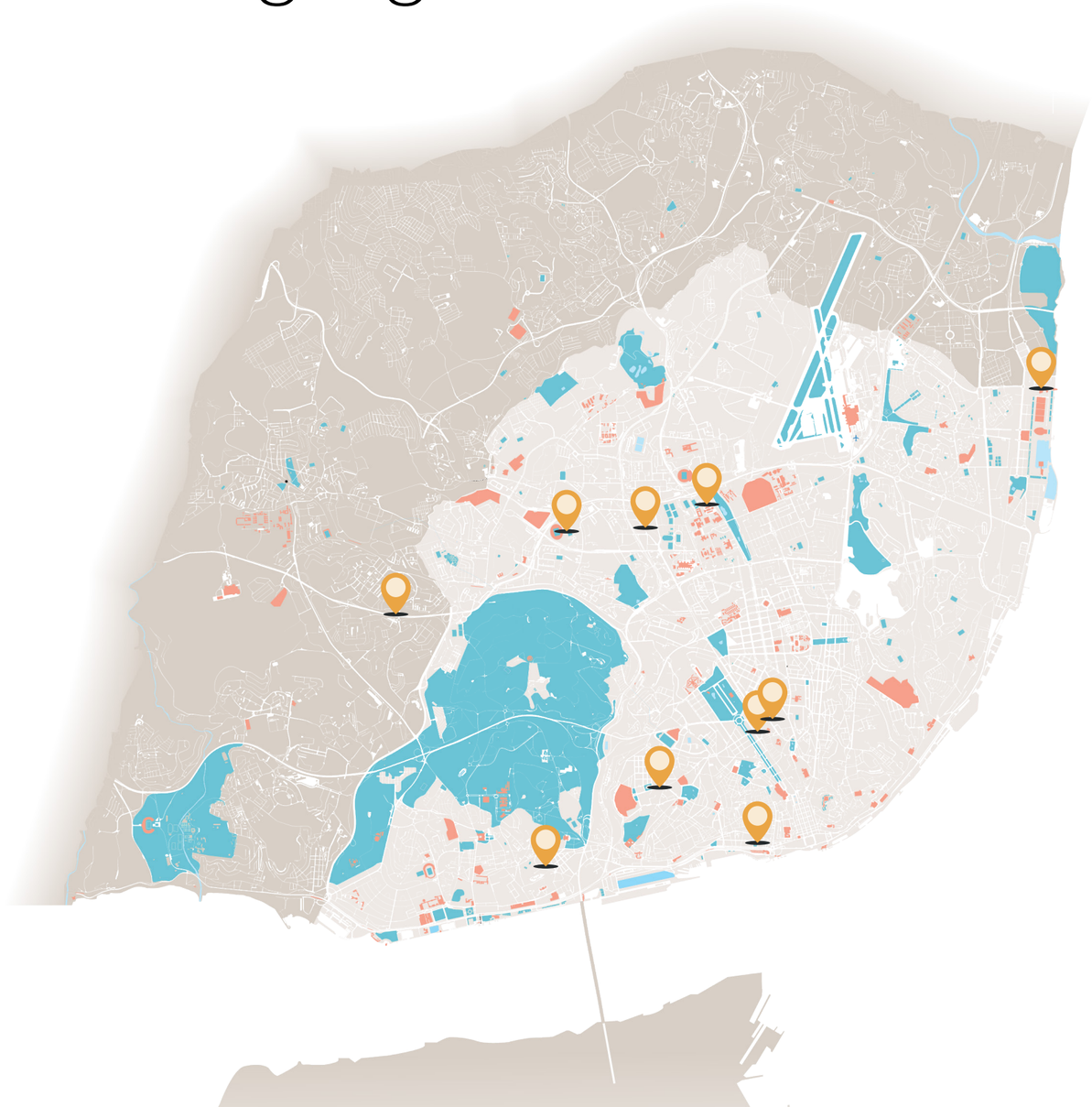
Governance plays a central role in this approach, acting as the foundation through which ESG principles are translated into operational practices, internal controls, and decision-making processes. Clear allocation of responsibilities, structured procedures, and defined oversight mechanisms support the consistent implementation and monitoring of sustainability initiatives across the organization.

2.4.Internal Resources

South continued to rely on specialized external support for specific technical matters, including the calculation of its carbon footprint, the review of its sustainability report, and the management of certification processes at both corporate and asset levels. This external expertise is expected to be maintained going forward, providing an independent perspective on the results obtained and reported.

At the same time, internal responsibilities are being progressively strengthened. Dedicated staff are assigned to sustainability-related topics across departments, under the coordination of the ESG Officer, the central figure responsible for overseeing data collection, analysis, and implementation across South’s sustainability agenda.

3. Highlights 2025



Portfolio

	Asset Management	Property Management: Shared-use Areas	Property Management: Full
Cidade Córdova	✓		
Duque Palmela 37	✓	✓	
Etoile		✓	
Estação Parede *	✓		
Fontes Pereira de Melo 6	✓	✓	
Fontes Pereira Melo, 7	✓		
Fontes Pereira Melo, 27	✓		
Office Park Expo, Ed A - M	✓		✓
Redbridge, Campo de Ourique			✓
Redbridge, Tapada da Ajuda			✓
Rua da Chagas	✓		
Sousa Martins 10	✓		
Torres de Lisboa - Car Parking			✓
Torres de Lisboa - Torre E	✓	✓	
Torres de Lisboa - Torre G	✓	✓	
Torres de Lisboa - Torre H	✓		
Torre NOS	✓	✓	
Torre Ocidente	✓	✓	

* Parking asset excluded from further sustainability analysis, due to lack of comparability to service buildings.

3. Highlights 2025

Environmental Building Certifications

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.

CERTIFIED 40-49 points	SILVER 50-59 points	GOLD 60-79 points	PLATINUM 80+ points
-	0	0	2

Ongoing Certification Processes *10*

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.

Unclassified <10 ★	Acceptable >10 to <25 ★★	Pass >25 to <40 ★★★	Good >40 to <55 ★★★★	Very Good >55 to <70	Excellent >70 to <80 ★★★★★	Outstanding >85 ★★★★★★
0	0	2	0	2	0	0

Ongoing Certification Processes *3*

5 Assets Still Eligible

Within the current portfolio, five assets remain elegible for environmental building certification under LEED or BREEM standards

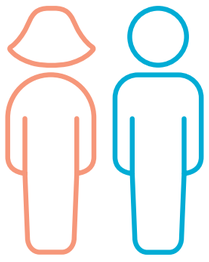
The results presented in this report regarding building certifications apply exclusively to South's portfolio and, therefore, building certifications on which South provides only property management services are excluded.

In this context, certification outcomes may vary depending on the scope of the scheme and the characteristics of the assets. Accordingly, certifications obtained, certifications in progress, and assets still considered eligible are disclosed on an aggregated basis by certification type.

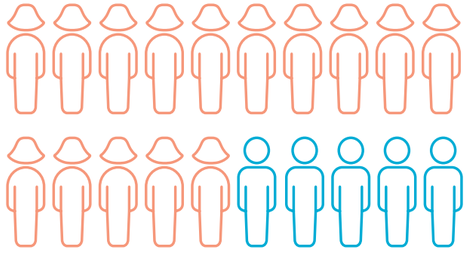
With specific regard to LEED and BREEAM certifications, the same number of assets is considered eligible but only one of these certifications is intentionally pursued for each asset, as both systems are internationally recognized and broadly comparable in terms of sustainability assessment criteria and environmental performance standards. The eligible assets identified in each table therefore refer to the same buildings and should not be aggregated.

3. Highlights 2025

Human Resources

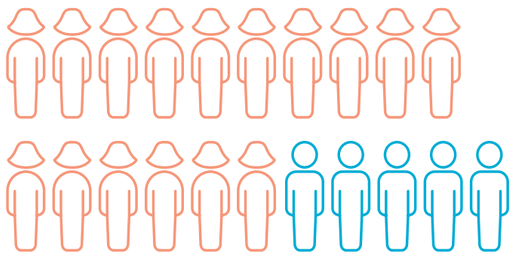


2024



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

2025



Number of employees	% women	Average age	% women in Administration	% women in top management
21	76 %	36 y	100 %	100 %

South's Board of Directors includes one non-executive male administrator. In line with the company's governance framework, non-executive board members are not included in the Human Resources headcount or related indicators, as they do not hold an employment relationship with the organization and are not subject to internal HR policies. Accordingly, the figures above reflect solely the executive team and all employees under a formal employment contract. The % women in top management and administration figures therefore remain at 100% across the reporting period.

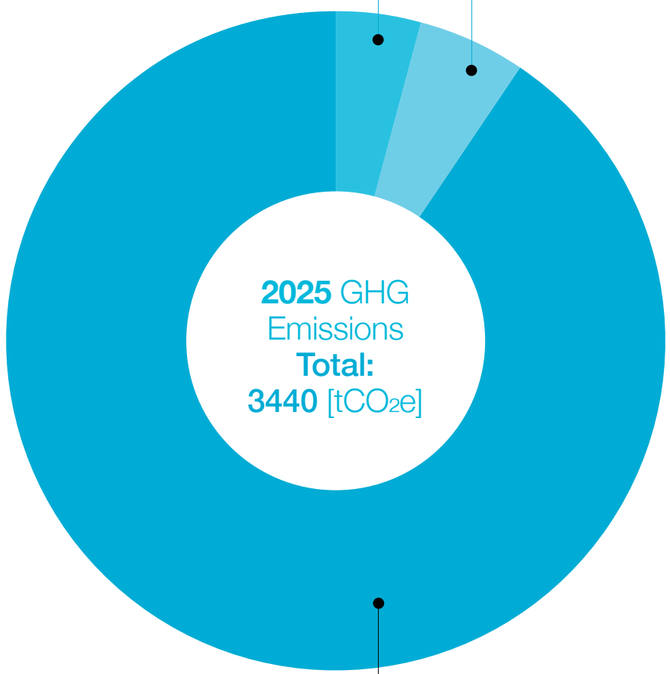
3. Highlights 2025

Carbon Footprint

Scope 1
Direct Emissions
149 [tCO_2e]

Scope 2
Indirect Energy
Emissions – market based
180 [tCO_2e]

Annual Variation
-45%



Scope 3
Other Indirect Emissions
3111

Scope 2 emissions are reported using two methods: location-based (local grid average) and market-based (contracted energy source). Learn more at ghgprotocol.org/scope-2-guidance

Direct Emissions (Scope 1)

An increase in emissions related to stationary fuel consumption was recorded as a result of the widespread power outage that affected Portugal and the Iberian Peninsula in April 2025. During this event, several facilities relied on backup generators and emergency systems to ensure operational continuity, leading to higher fuel consumption and associated emissions.

An increase in emissions related to gas consumption was also observed, mainly resulting from the transition of two additional buildings to South management, which use gas for water heating and HVAC systems.

Indirect Energy Emissions (Scope 2)

A substantial reduction in **market-based electricity consumption** emissions was achieved following the transfer of electricity contracts to renewable energy suppliers. Further details on this transition are provided in a dedicated subsection of this report.

Other Indirect Emissions (Scope 3)

An increase was recorded in emissions associated with downstream leased assets, reflecting the importance of stakeholder engagement to promote environmental awareness and impact reduction, ultimately extending the impact of South's sustainability strategy.

The year-on-year analysis of emissions provides an important basis for assessing the effectiveness of the measures implemented and the adequacy of the Company's action plan. This ongoing monitoring process enables SOUTH to review priorities, identify improvement opportunities, and adjust its sustainability strategy where necessary.

3. Highlights 2025

Financial results overview

	2024	2025	
Net Asset Value (regulated market)	452 474 120 €	**637 729 261 €**	+41 %
Total Assets Under Management	636 853 365 €	**745 618 549 €**	+17%
Revenue	3 732 366 €	**3 369 946 €**	-10%
Net Income	1 733 466 €	**1 246 424 €**	-28%



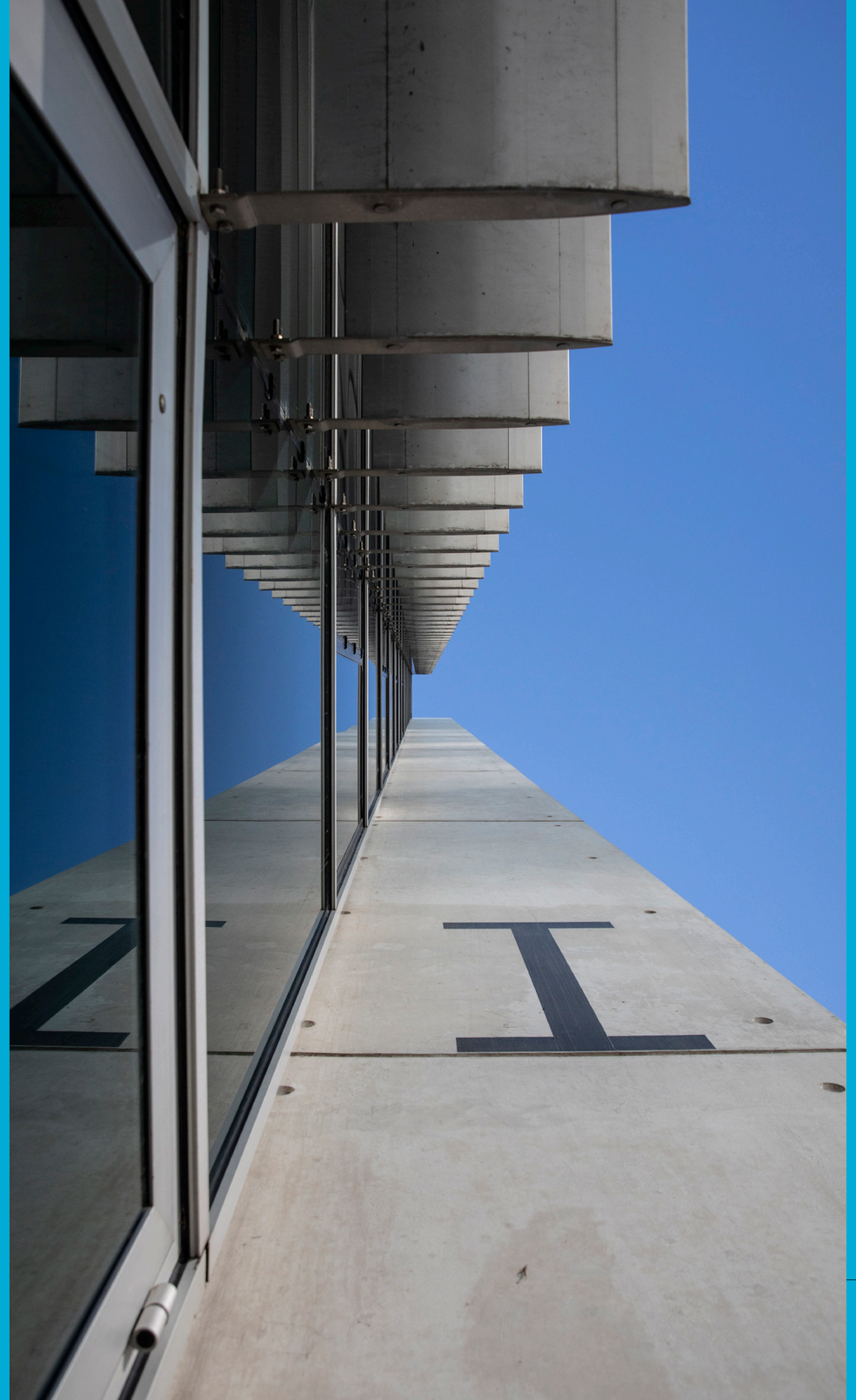
Redbridge, Tapada da Ajuda

When South took over the management of our campus rehabilitation project, we did not expect the outcome to be so decisive in shaping the way the school relates to its own space today. What was built — or rather, rebuilt — reflects a vision we share: that a learning environment should itself be a lesson in responsibility.

The decision to rehabilitate the existing buildings without resorting to new concrete structures, to restore the timber elements piece by piece, to treat and reuse wastewater, these are choices that demand greater management effort, but that make all the difference in the final result. What distinguishes South is the ability to translate a sustainability strategy into concrete construction decisions, without losing sight of the space's purpose.

The dialogue throughout the project was always transparent and constructive. South listened to the school's needs, proposed alternatives grounded in environmental criteria, and explained the options clearly. For Redbridge, this campus stands as an example of how impact-driven management is put into practice.

Hélène Dubourdieu, School Principal



Office Park Expo

Throughout 2025, as partners, suppliers and concessionaires at OPE, we had the opportunity to take part in joint meetings focused on energy efficiency, water conservation and the adoption of good environmental practices. What stood out most was the seriousness with which South approaches these topics on a daily basis, not as a matter of compliance, but as part of the way it manages its buildings and its relationships. It is a partnership that challenges us, in a constructive way, to advance our own alignment with more responsible practices. It is the kind of partnership that motivates us to do more and better on our side as well.

Jorge Maçãs, Placegar Operations Director

4. South's Sustainability Strategy

4.1. Action Priorities

South applies a double materiality approach to identify and prioritize sustainability topics by evaluating our operations through two distinct lenses: Impact Materiality, the actual and potential impacts of our operations on people and the environment, and Financial Materiality, the external ESG risks and opportunities that affect our performance and business resilience.

The double materiality assessment conducted in 2024 has not been revised to date, as this marked the first year of implementing a structured framework. Maintaining consistent methodological assumptions was considered essential to ensure comparability over time and to support the progressive maturation of its sustainability strategy. The assessment was executed through 4 main phases: Value Chain Mapping, Identification of impacts, risks and opportunities, and systematic engagement with relevant stakeholders.

This approach is aligned with the recommendations of the European Commission and related frameworks, which emphasize the importance of methodological stability over time, particularly in early-stage implementation cycles, to ensure robust and decision-useful ESG data.

The decision not to revise the materiality matrix in 2025 reflects the commitment to strengthening internal understanding, data quality, and governance processes before introducing methodological changes. Nevertheless, South plans to revise its double materiality assessment following the completion of a dedicated physical climate risk analysis. This initiative will focus on assessing the exposure of assets to extreme natural events and is expected to inform a broader update of the company's risk assessment framework.

Environment

- *Climate Change Adaptation and Mitigation*
- *Greenhouse Gas Emissions*
- *Energy Consumption*
- *Water Consumption*

Social

- *Wellbeing and Working Conditions*
- *Community*
- *Tenants Engagement and Satisfaction*
- *Workers in the Value Chain*

Governance

- *Responsible Investment*
- *Sustainability Management*
- *Ethics and Compliance*

4.2.Impact Strategy

Guided by the results of the double materiality framework and in the absence of any revision to date, South has maintained its strategic commitments and impact priorities under the same terms. For each material topic, South has defined specific commitments that reflect the organization's goals, supported by time-bound quantitative targets and KPIs that enable consistent tracking of progress over time.

These commitments continue to be supported by measurable targets, defined actions, and established timelines, resulting in a pragmatic and accountable roadmap that is further detailed in Chapters 5, 6, and 7.



From a double materiality to a focused 2030 sutentability road map

Pillar	Material Topic	2030 Commitment
Environment	**Climate Change Adaptation and Mitigation**	Advance climate resilience and sustainability across all assets through the implementation of risk-informed adaptation measures, full coverage of recognized building certifications, and support for climate change mitigation initiatives.
	Greenhouse Gas Emissions	Achieve a continuous annual reduction in total Scope 1, 2, and 3 greenhouse gas emissions across South's carbon footprint.
	Energy Consumption	Drive a progressive reduction in energy consumption across assets under management relative to the baseline year, while expanding the share of renewable energy across the portfolio.
	Water Consumption	Ensure all assets implement a structured plan to continuously improve water efficiency performance.
Social	**Wellbeing and Working Conditions**	Provide fair and competitive working conditions, with continuous monitoring and ongoing improvement, promoting employee wellbeing, pay equity, and alignment with the organization.
	Community	Foster environmental awareness and community engagement through active participation in external initiatives and internal climate education programs.
	Tenants Engagement and Satisfaction	Regularly assess tenant satisfaction and foster ongoing engagement to drive continuous improvements in performance, while strengthening the relationship between both parties.
	Workers in the Value Chain	Increase transparency and accountability along South's value chain while actively promoting ESG best practices among suppliers and service providers.
Governance	**Sustainability Management**	Achieve B Corp Certification, attesting to the organization's commitment to transparency, accountability, and robust sustainability governance.
	Ethics and Compliance	Foster a culture of integrity and accountability, ensuring transparency in all business practices and maintaining a zero-tolerance approach to corruption and bribery.
	Responsible Investment	Ensure all investments comply with sustainability standards, including ESG due diligence processes and alignment with relevant frameworks such as the Sustainable Finance Disclosure Regulation (SFDR).

4.3. Stakeholder Engagement

South's stakeholder engagement process was designed to extend the impact of its strategy beyond the organization while incorporating valuable external insights into decision-making. In 2025, the overall approach remained unchanged, continuing to foster a two-way dialogue with key stakeholders

Employee

The annual survey achieved a 100% participation rate, reflecting a strong level of engagement across the organization. Results indicate that South is perceived as a positive place to work, with strong alignment with company values and strategy, as well as a high sense of participation. Areas for improvement were identified, shared internally with all employees, and are being addressed by management through targeted actions.

Tenants

The annual survey results were discussed with all tenants, and an improvement plan was presented, addressing the areas with lower satisfaction levels. The results were further shared internally across South employees, ensuring that all teams — including those with less direct contact with tenants and building daily operations — gain visibility over tenant satisfaction levels.

Investors

Continue to provide regular reporting and dedicated insights on emerging ESG issues, ensuring that investors remain informed, aligned with relevant trends, and supported by robust monitoring data.

Suppliers, Designers, and Contractors

As planned, a Supplier Code of Ethics and Conduct was implemented and has become mandatory for all new supply and service contracts since then. This document ensures alignment between both parties on ESG matters, including requirements related to ethics and integrity, labor rights, responsible practices, and anti-corruption.



5. Environment

5.1. Climate Change Adaptation and Mitigation

Sustainable Buildings Certification

ONGOING

25%

A key priority of South's strategy is to achieve sustainability certifications (BREEAM In-Use or LEED O+M) for buildings across its full portfolio by 2028. While the company remains fully committed to this objective, the certification processes have proven to be complex and more time-consuming than initially projected. Nevertheless, South has successfully obtained six sustainability certifications and thirteen certification processes are currently underway, out of a total portfolio of twenty-four eligible buildings. This progress reflects a structured and ongoing effort to enhance the environmental performance and market positioning of its assets.

Annual Contribution

CONCLUDED

100%

As part of its commitment to climate change mitigation and responsible business practices, South maintained its pledge to allocate 1% of its total annual income to initiatives that generate a positive environmental impact. In 2025, this contribution was directed to **Quercus – Associação Nacional de Conservação da Natureza (ANCN)**, a Portuguese non-profit environmental organization founded in 1985. Independent and non-partisan, its areas of action span biodiversity, climate change, energy, water, forests, waste, and sustainable consumption, combining scientific advocacy, environmental education, and active citizen engagement in the defense of Portugal's natural heritage.

Climate Risk Assessment

ONGOING

0%

On the adaptation front, South had initiated the development of a comprehensive Climate Resilience Plan in 2025, and for that purpose a due diligence procedure for new acquisitions was defined, incorporating climate-related considerations. However, the implementation of this process was strategically postponed to 2026 to ensure alignment with the fund's transition from Article 6 to Article 8 under the Sustainable Finance Disclosure Regulation (SFDR), as detailed in Chapter 7.3.











5.2.Green House Gas emissions

Carbon Footprint

CONCLUDED

100%

The analysis of South's carbon footprint is conducted in line with internationally recognized methodologies and is consistent with the approach promoted by the European Commission, which emphasizes the measurement and disclosure of greenhouse gas (GHG) emissions as a key indicator of environmental performance. By applying standardized emission factors, operational data is converted into carbon dioxide equivalent (tCO_2e) to ensure comparability, reliability, and transparency of the reported information. This enables a robust assessment of emission sources, their relative significance, and year-on-year evolution.

The results reflect the operational reality of South's activities and identify the main sources contributing to the Company's carbon footprint.

As in previous years, Scope 3 emissions represent the largest share of total emissions, primarily associated with downstream leased assets. The analysis also highlights relevant changes across Scopes 1 and 2, driven by both operational developments and external circumstances during the reporting period.

Scope	Category	Emission Source	2024	2025	2024 vs 2025
			GHG Emissions [tCO2e]	GHG Emissions [tCO2e]	Contribution to Scope Variation [%]
1	1.1	Own Fleet	3	3	1%
	1.2	Stationary fuel consumption (Generator)	0	19	21%
	1.3	Gas consumption	57	127	79%
	1.4	AC refrigerant leakages	0	0	<1%
2	-	Electricity Consumption - location based	186	292	N/A
	-	Electricity Consumption - market based	415	180	N/A
3	3.3	Fuel and Energy not in Scope 1 or 2	127	253	21%
	3.6	Business Travel	2	4	<1%
	3.7	Employee Commuting	6	6	<1%
	3.13	Downstream Leased Assets - location based	2380	2848	79%

* Location-based and market-based emissions are disclosed separately in accordance with the GHG Protocol Corporate Standard and are therefore not aggregated.

Green Electricity

ONGOING

83%

In line with the commitment to achieve 100% green electricity supply by 2025, South ensured that all energy contracts under its direct negotiation and management were transitioned to renewable sources from the beginning of the year, thereby fulfilling the commitment within its scope of control.

However, this is not fully reflected in the overall portfolio outcome, as energy supply contracts associated with assets transferred to South later in the year were non-compliant at the time of transfer. The transition of these contracts to green energy is planned for 2026, ensuring full alignment with South's target. Additionally, feasibility studies for the installation of photovoltaic panels are underway, with further detail provided in a dedicated section of this report.

Phasing Out Natural Gas

ONGOING

0%

A phased strategy is being studied to eliminate natural gas consumption across the portfolio by 2035.

In 2025, the execution design of a new technical system was initiated, designed to produce both chilled and hot water and to replace the operation of the existing boilers, progressively reducing natural gas consumption across the Office Park Expo complex. The first phase targets a meaningful reduction in natural gas dependence, with the full implementation process aimed at achieving complete independence from natural gas by the end of 2030.

Additionally, within the scope of the energy audits carried out in connection with the portfolio's energy certification strategy, priority will be given to retrofit measures that simultaneously support an improvement in energy class and the gradual removal of natural gas consumption. This approach simultaneously contributes to two of South's strategic objectives: achieving a minimum energy rating of B across the portfolio by 2030 and the full phase-out of natural gas by 2035.



Low-Carbon Mobility

ONGOING

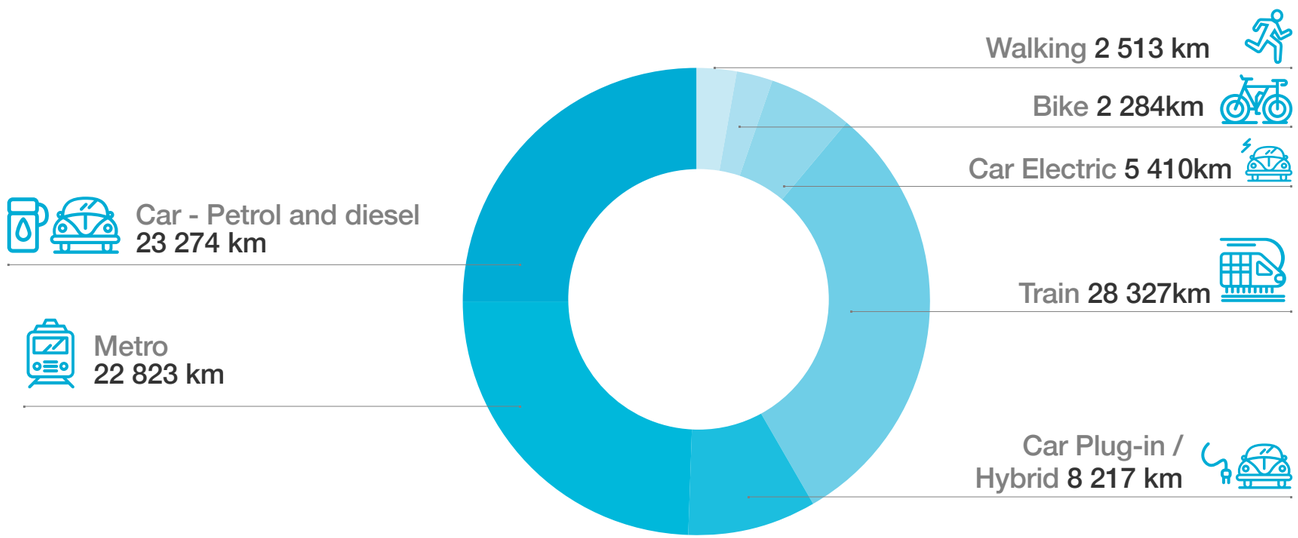
56%

Although employee commuting represents a relatively small share of South's overall carbon footprint, the Company continues to monitor this category as part of its commitment to promoting sustainable mobility practices while respecting employees' individual preferences and wellbeing. Overall, emissions remained broadly stable, and commuting patterns continued to show a meaningful adoption of lower-carbon mobility options, including public transport.

In this context, South remains committed to reducing Scope 3 emissions by promoting active and lower-emission mobility solutions. This includes the installation of high-quality bicycle parking facilities at all managed assets and headquarters.

In 2025, a target was established, with completion scheduled for 2027, to install dedicated bicycle and scooter parking facilities across all buildings in the portfolio. These facilities have already been installed in 5 building complexes, with only 4 installations still pending, all of which are planned for 2026.

Looking ahead, South also aims to ensure that its portfolio is fully equipped with EV charging infrastructure, further supporting the transition to low-emission mobility. As most assets already include charging stations, the focus will be on ensuring compliance with the applicable charging ratios and assessing power capacity upgrades in assets where the current electrical infrastructure does not yet allow for the expansion of EV charging installations due to limited available power.



Employee Commuting Modal Distribution in 2025

5.3.Energy Consumption

In 2025, South maintained its focus on enhancing energy efficiency across its portfolio, continuing to track energy consumption at the asset level and monitor progress against defined targets. The scope and approach to analysis remain consistent with previous years, covering both shared-use areas and private areas (allocated to tenants), which were intentionally assessed separately since South's strategy is only focusing on the areas, systems and contracts under its direct management and control.

The following table presents the Consumption Intensity recorded across the portfolio's interior shared-use areas, the spaces under South's direct operational responsibility and therefore those where management decisions can most directly drive efficiency improvements.

In 2025, consumption intensity generally increased driven by two non-recurring factors: the Iberian blackout which required intense diesel generator activation, and the onboarding of new assets whose operational baseline had not yet been aligned with South's energy strategy at the time of transition.

	Energy Intensity* (kWh/m2)		Δ Energy Intensity (kWh/m2)
Category	2024	2025	2024 vs 2025
Fuel	<1	<1	<1
Natural Gas	2	5	+2
Electricity	21	27	+6
Total	23	32	+9

* Data includes Scope 1, Scope 2 and company-owned fleet energy consumption

Energy Certification of Grade B or Higher

ONGOING

7%

A core pillar of South's sustainability strategy is to ensure that all assets within the current portfolio achieve an Energy Performance Certificate (EPC) rating of B or higher by 2030.

To support this goal, all buildings maintain valid EPC and those rated below B will be subject to energy audits to identify the measures required to improve their performance. A dedicated budget has already been allocated for this purpose. However, the feasibility of each upgrade, along with a detailed execution roadmap, is expected to be established in 2026 with the support of energy specialists.

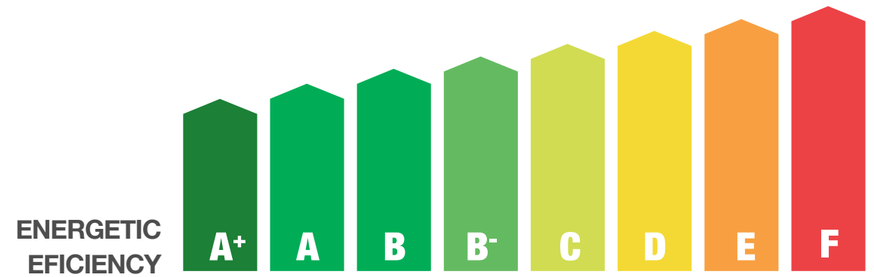
Complementary measures are being implemented to support performance optimization and data-driven energy management:

Building Management Systems

The implementation of Building Management Systems (BMS) is being enhanced across all assets, with a focus on improving performance monitoring, fault detection and the efficient operation of critical systems, such as HVAC and lighting.

Submetering Infrastructure

South is progressively expanding its submetering infrastructure across both shared-use and tenant areas to enhance the reliability, quality and independence of energy consumption data. Additional meters are being installed, particularly for high-consumption systems, strengthening internal data collection capabilities and reducing reliance on external inputs.



Level	Description	Number of Assets
C	Consumption higher than the reference consumption	10
B-	Consumption equal to the reference consumption	13
B	Consumption up to 75% of reference consumption	2

ENERGY PERFORMANCE CERTIFICATE is a mandatory certification in Portugal that assesses the energy performance of buildings and, as such, covers 100% of the assets within South's portfolio. It provides a standardized rating and identifies opportunities to improve efficiency and reduce environmental impact.

On-site renewable energy production

ONGOING

7%

To expand the investment in renewable energies, South is assessing the potential for installing photovoltaic panels on rooftops and/or building façades. Feasibility and impact studies have already been initiated and relevant progress has been achieved, namely:

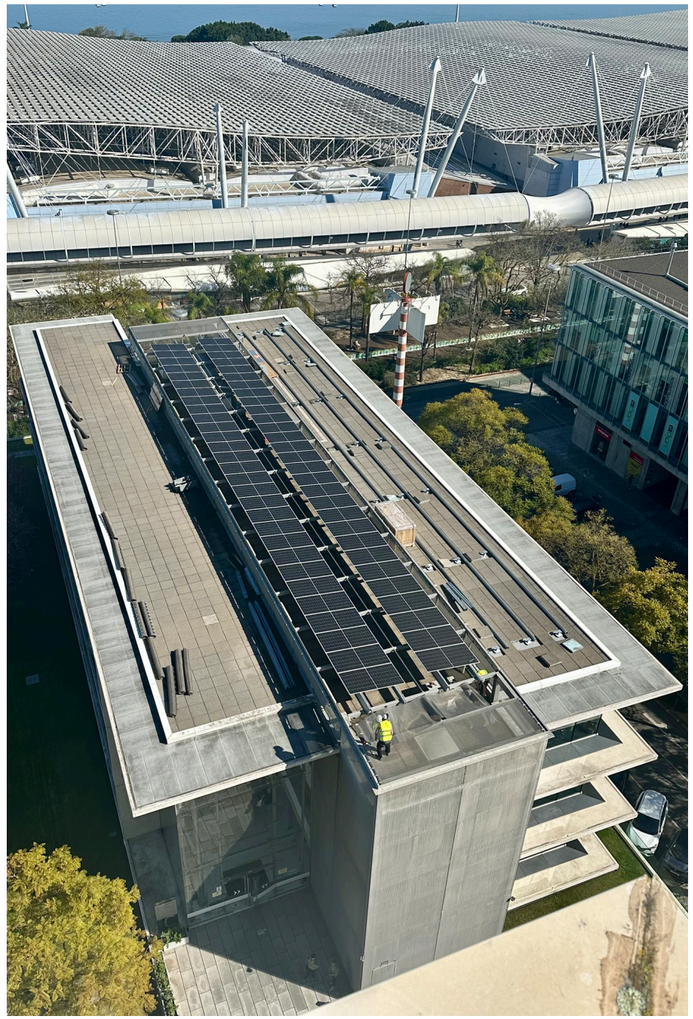
At Torres de Lisboa complex, the replacement of existing stone façade elements with photovoltaic solar panels has obtained licensing approval from Lisbon City Council for both architecture and specialty engineering projects.

At Office Park Expo, the installation of photovoltaic infrastructure across rooftops was initiated and is expected to be concluded in 2026.

At Torre NOS, a similar assessment has been temporarily suspended while a feasibility study regarding the recovery of the existing solar thermal system used for domestic hot water heating is being carried out. Depending on the outcome of this study, the strategy will either involve the combined use of both systems or the optimization of energy production through photovoltaic panels replacing the current solar thermal solution.

These investments are also intended to enhance on-site energy self-generation capacity, strengthen asset resilience, and reduce reliance on grid electricity and associated carbon emissions.

Accelerate the transition towards low-carbon buildings



Water Consumption

ONGOING

0%

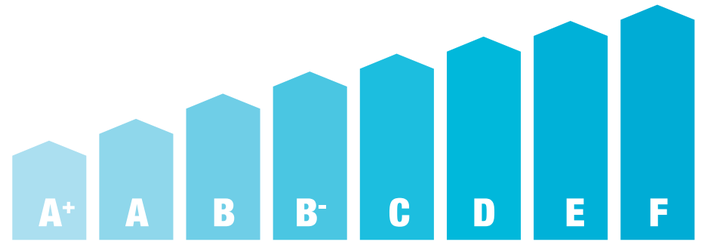
Out of fourteen eligible assets, eight AQUA+ certification processes were initiated in 2025 and had reached an advanced stage by year-end. The issuance of these certifications is expected in 2026, with the remaining assets scheduled to begin their certification processes within the same year.

Based on the results of the final audit reports, South will define specific water performance indicators applicable across the entire portfolio by 2026. This will represent an important step in transitioning from a qualitative commitment to a more measurable and structured approach to water management.

Each AQUA+ certification is contingent upon the development of a five-year improvement action plan, to which South will formally commit, reinforcing its long-term approach to responsible water management.

A limited resource, shared with responsibility





Score	Number of Assets
Ongoing Certification Processes	8
Assets Still Eligible	6

AQUA+ is a certification that assesses the water efficiency of buildings based on their infrastructure. It helps owners and managers reduce water consumption and improve efficiency.

6. Social

6.1. Wellbeing and Working Conditions

Living-adjusted Compensation

CONCLUDED

100%

South ensures that all non-executive employee compensation is aligned with the cost of living in Portugal, and specifically in the Greater Lisbon, where it operates. This approach reflects the company's commitment to providing fair and adequate remuneration, thereby supporting a consistent standard of living.

All salaries were updated at a minimum in line with the Consumer Price Index (published by the Instituto Nacional de Estatística at year-end), with any additional merit increases applied to the updated salary base and communicated separately.



Annual Pay Equity

CONCLUDED

100%

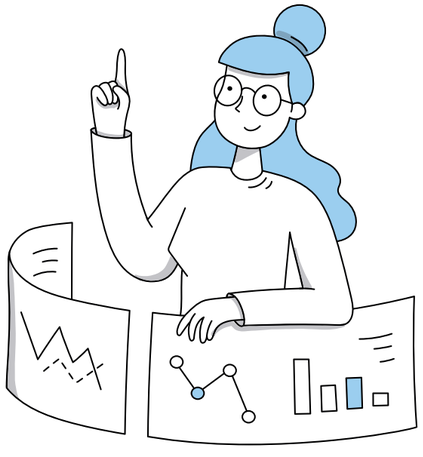
South conducted its annual pay equity assessment to ensure fairness and consistency in remuneration practices across the organization. The analysis covered all employees and evaluated potential disparities based on gender, as no other factors were identified as relevant at this stage.

It is worth noting that, although the initial Women-to-Men remuneration ratios observed in Middle Management and Operations could suggest potential disparities, the assessment concluded that these differences are mainly driven by seniority and career stage rather than gender-related factors. In these categories, the male workforce is predominantly composed of employees aged between 24 and 30, with a higher concentration of junior and early-career profiles.

The results confirmed full alignment with the company's internal policies and applicable regulatory frameworks, with no material gaps identified. This outcome reflects South's commitment to equal pay for equal work and to fostering an inclusive and equitable workplace.

Gross Annual Remuneration

Category	Women-to-Men Ratio	Base Salary Ratio between the highest and the average
Top Management	N/A Top Management has 100% women	2 : 1
Middle Management	1,5 : 1	
Operations	1,4 : 1	
Assistants	1,0 : 1	



Employee Handbook

CONCLUDED

100%

The Employee Handbook was developed as planned in 2025 and communicated to all employees. It is systematically shared with new hires as part of the onboarding process, ensuring consistent awareness and alignment across the organization.

It serves as a comprehensive framework outlining the company's values, internal policies, expected standards of conduct, and available resources, while embedding ESG principles into day-to-day operations.

The Handbook reflects the company's commitment to fostering a corporate culture fully aligned with management's vision, ensuring that the principles guiding South's external activities are consistently applied within its internal environment and day-to-day operations.

South adopts a holistic approach to employee well-being, recognizing it as a key pillar of its social responsibility and long-term organizational performance and promotes a range of initiatives designed to support employees' physical and mental health, such as:

Diversity, Equity, and Inclusion

CONCLUDED

100%

These principles were formally integrated into the Employee Handbook and the Code of Ethics and Conduct, reinforcing guidelines for recruitment, promotion, and workplace engagement. Given this comprehensive integration, no dedicated standalone policy has been deemed necessary at this stage.



Annual Employee Satisfaction Survey

CONCLUDED

100%

In 2025, South implemented its first annual employee satisfaction survey as part of its ESG strategy, aiming to assess employee perceptions. The survey was conducted anonymously, ensuring full confidentiality, and encouraging open and honest feedback.

The results showed a 100% participation rate, reflecting strong employee engagement. Overall, the company is perceived as a good place to work, with high levels of alignment with corporate values and positive levels of motivation and involvement. Opportunities for improvement were identified in areas such as recognition consistency and alignment of professional development with individual expectations.

The results were shared with both management and employees, and targeted actions are planned for implementation in 2026 to address identified improvement areas and further strengthen employee satisfaction.

Wellbeing Initiatives

CONCLUDED

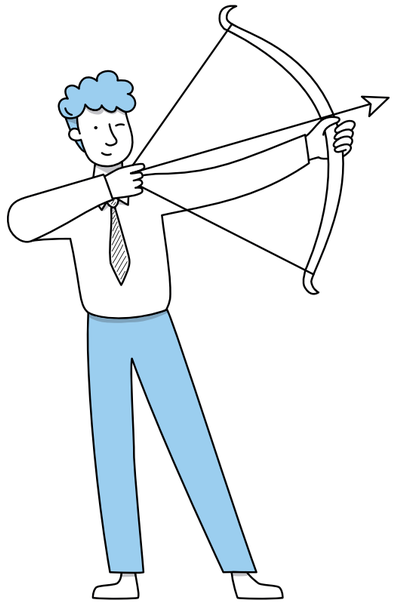
100%

South adopts a holistic approach to employee well-being, recognizing it as a key pillar of its social responsibility and long-term organizational performance and promotes a range of initiatives designed to support employees' physical and mental health, such as:



> Pulso Program

An international corporate program that provides confidential support services across multiple dimensions (mental health, physical well-being and financial guidance) through digital tools, professional counselling, and regular webinars, offered free of charge within its scope.



> Yoga Sessions

Free weekly yoga classes are available to all employees who wish to participate, promoting physical and mental balance.

> Remote Work Flexibility

Remote work options (1–2 days per week, depending on the role) are available, 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.

> South Holidays

Additional pre-scheduled days off are granted to all employees across the organization, as defined annually by management (three days in 2025).



6.2 Community

Volunteering

CONCLUDED
100%

The target of dedicating eight working hours annually to community-focused initiatives was achieved. As part of this commitment, South carried out a coastal clean-up and environmental awareness initiative in partnership with Planeta Azul Eco and Portuguese surfer and environmentalist Miguel Blanco.

The activity, held at the Ericeira World Surfing Reserve, combined volunteering with biodiversity awareness and education on the protection of coastal and marine ecosystems.





Portuguese surfer and environmentalist Miguel Blanco.



Activity, held at the Ericeira World Surfing Reserve

Climate Awareness

CONCLUDED
100%

South continues to promote climate awareness and employee engagement through **"The Week"**, a workshop attended by all employees and conducted internally at least once per year. Primarily designed for new employees joining the organization, the session is equally open to all staff wishing to revisit its content. The initiative aims to ensure a common baseline understanding across the organization regarding the current climate context and sustainability challenges, while also raising awareness of the drivers behind South's evolving ESG strategy.

"The Week" is a 3-day group experience designed to help organizations understand environmental breakdown and rapid climate change. Find out more at theweek.ooo

6.3. Tenants Engagement and Satisfaction

Lease Contracts with Green Clauses

ONGOING

17%

South has been requesting consumption data from tenants since 2024, fostering ongoing dialogue on energy and water use. In 2025, this commitment to regular data sharing was formalized through green clauses that were incorporate into all new lease contracts and presented as an amendment to pre-existing leases during the year-end feedback meetings. The proposed amendment will be discussed individually with each tenant, with formal incorporation expected to progress across the portfolio between 2026 and 2028.



Annual Tenant Satisfaction Survey

CONCLUDED

100%

To reinforce its tenant engagement strategy, South reintroduced the annual tenant satisfaction survey. The results reflect an overall positive perception of South's management, with particularly strong performance in areas such as building safety and emergency procedures, response times, and operational support.

Some areas for improvement were also identified and are being addressed at asset level, with sustainability emerging as a key area for continued focus.

Efforts will be made to increase participation in future survey cycles to ensure broader representation, while also reinforcing tenants' sense of active listening and engagement.



6.4.Workers in the Value Chain

Sustainable Procurement

ONGOING

75%

Standardized procurement templates incorporating ESG clauses and performance metrics were developed for two distinct areas:

(i) property management activities, covering building operations, maintenance, and capital expenditure-related procurement; and
(ii) corporate procurement processes, related to the acquisition of services supporting South's day-to-day business operations.

These tools are already being applied in tender processes, strengthening the integration of sustainability criteria into supplier selection and engagement. To further reinforce governance, consistency, and internal control, a formal procurement policy or structured internal procedure is planned for implementation next year, ensuring a more robust and standardized approach across all procurement activities.

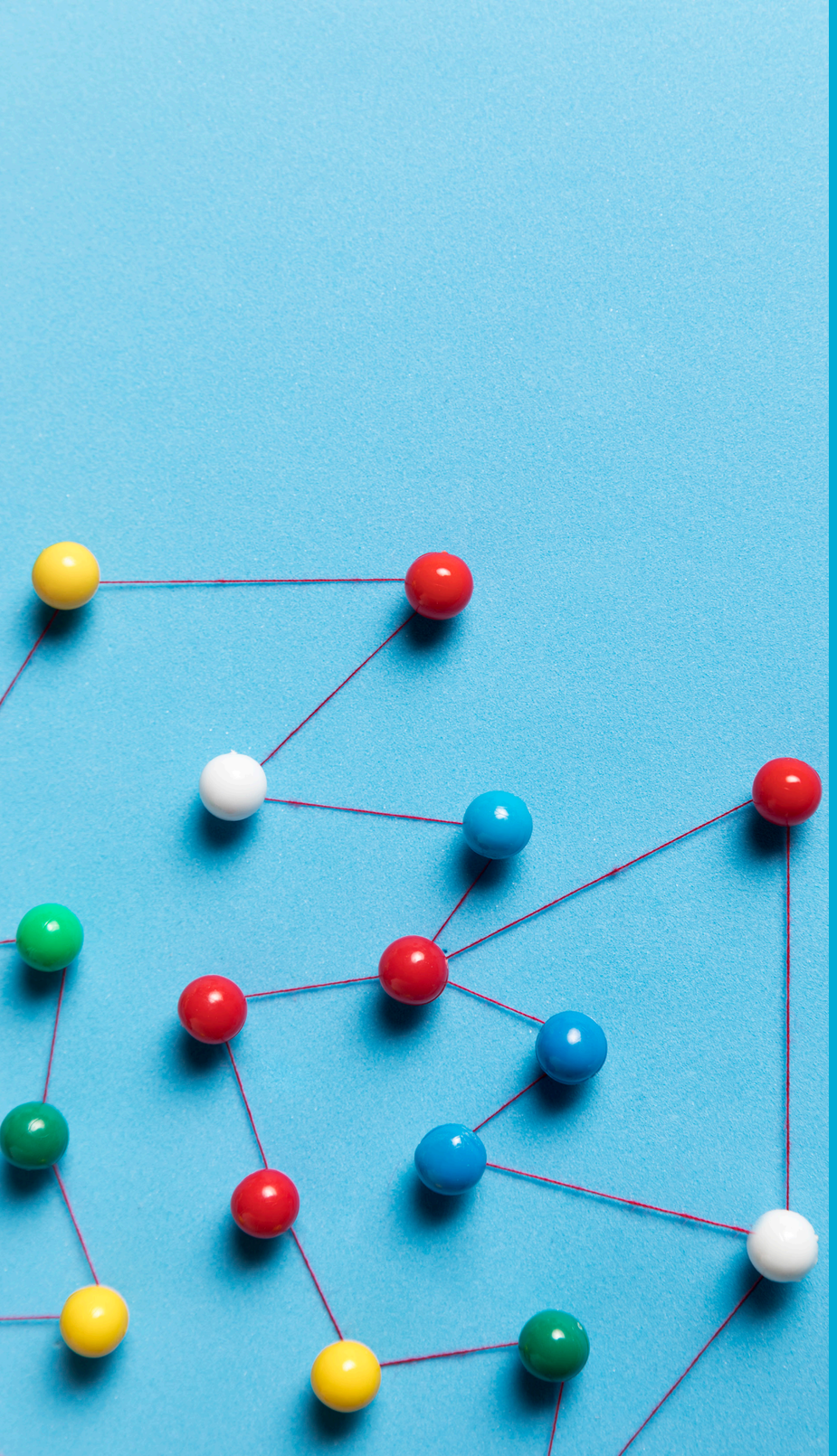
Supplier Code of Conduct

CONCLUDED

100%

The Supplier Code of Conduct has been developed, integrated into procurement processes, and its acceptance is mandatory for all new contracts.





7. Governance

7.1.Sustainability Management

BCorp Certification

ONGOING

56%

Following a year dedicated to implementing and formalizing the policies, governance practices, and internal procedures required for BCorp Certification, South formally submitted its application in November 2025 and is currently undergoing the official verification process conducted by BLab.

Recognized globally, BCorp Certification assesses companies across governance, workers, community, environment, and customer impact, verifying high standards of social and environmental performance, transparency, and accountability. South's application submission therefore represents an important milestone in its sustainability journey and reinforces the company's long-term commitment to embedding responsible and purpose-driven practices across its operations.

The verification stage currently underway includes a detailed review of the company's operational practices, governance structure, supporting documentation, and social and environmental impact evidence, while also supporting continuous improvement opportunities for the future.

Annual Sustainability Report

CONCLUDED

100%

South continues to strengthen its transparency and accountability practices through the publication of its annual Sustainability Report, aligned with the Global Reporting Initiative (GRI) framework.

Compared to the previous edition, this report provides a more detailed overview of the company's ESG actions, progress, and evolving commitments, ensuring consistent communication of its strategic roadmap.

7.2.Ethics and Compliance

Anti-Corruption and Anti-Bribery policies

CONCLUDED

100%

The company's Anti-Corruption and Anti-Bribery policies are formally established and embedded in its internal compliance framework, maintaining a zero-tolerance approach to corruption across all business activities. The Compliance Officer, appointed by the Board of Directors and operating independently of any department, is responsible for ensuring regulatory compliance, providing employees with clear guidance on applicable laws and codes of conduct, and managing the anonymous reporting mechanism available on the company's official website.

Whistleblowing Policy

ONGOING

75%

The Whistleblowing Policy was initiated in 2025, with its conclusion and full implementation scheduled for 2026. In the interim, the company's reporting channels are operational and have been formally communicated to all employees. These channels are also referenced in the Employee Handbook, ensuring that all staff are aware of the safe and confidential mechanisms available to report concerns or violations without fear of retaliation.



Governance is the foundation that drives ESG commitments into accountable actions

7.3.Responsible Investments

Sustainable Finance Disclosure

ONGOING

0%

In 2025, the preparatory work for the transition of South's managed funds from Article 6 to Article 8 under the EU Sustainable Finance Disclosure Regulation (SFDR) was initiated, and deliberate progress has since been made. This process is being managed with rigor, on a fund-by-fund basis, ensuring that each step is grounded in data readiness and operational maturity.

The formal reclassification is planned to start in 2026, once the required Key Performance Indicators (KPI) and Principal Adverse Impact (PAI) disclosures have been secured.

Sustainability Due Diligence

ONGOING

0%

South has established a target for 100% of new assets to pass through a dedicated Sustainability Due Diligence (SDD) process, ensuring each investment is aligned with both financial objectives and global sustainability benchmarks.

In 2025, the groundwork for this internal procedure was initiated. However, given the importance of ensuring full alignment with the SFDR framework, it has been carried over to 2026. It should be noted that no new acquisitions took place in 2025. The assets that transitioned to South's management during the year had been acquired at an earlier stage, meaning the absence of a formalized SDD procedure had no material impact on investment decisions during the reporting period.



Capex with Purpose

ONGOING

75%

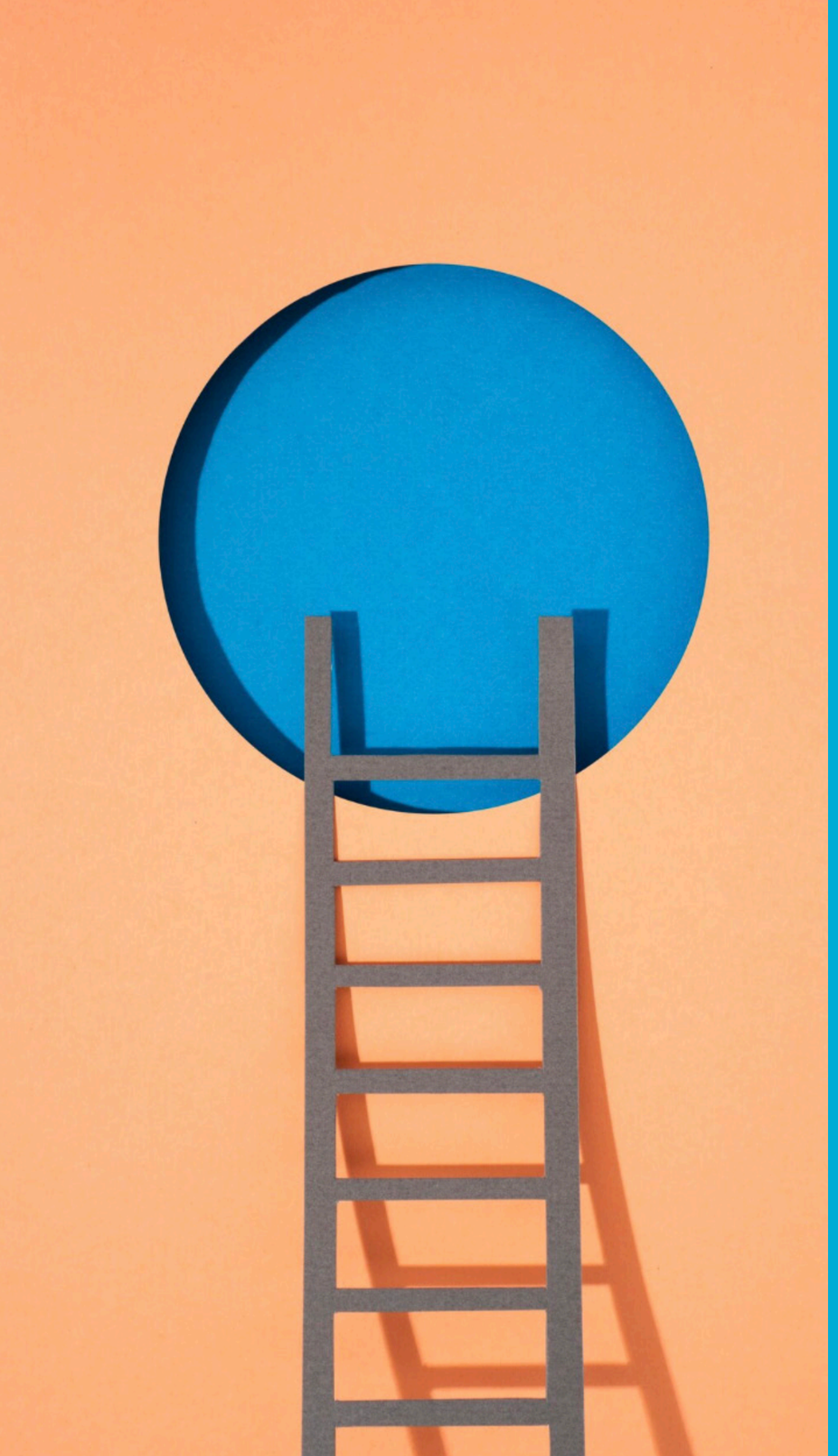
The five-year Capex plan designed in 2025 was – for the first time – formally aligned with South's broader sustainability strategy. For each building, the planned investments were designed to deliver on the company's key goals presented in the preceding chapters of this report. A dedicated ESG budget line has been clearly identified within the investment allocation, ensuring that sustainability-driven actions are explicitly recognized.

The execution of this ESG-dedicated budget line reached 64% of the planned allocation, with deviations mainly resulting from timeline adjustments and the award of projects at values below initial projections.

Where available data did not yet allow for a well-founded allocation of investment to meet a specific objective, provision was made for targeted technical studies to be carried out in 2026. These studies will provide the specialist input needed to define the most appropriate course of action for each asset, enabling the Capex plan to be adjusted with a high degree of confidence and ensuring that all actions are on track for delivery by 2030 with measurable positive impact.

This investment plan is designed to be dynamically reviewed and adjusted on an annual basis, recognizing that capital allocation decisions are increasingly exposed to external risk factors (such as geopolitical developments, regulatory shifts, and macroeconomic conditions) that may affect both the viability of planned actions and the long-term value of the assets. This iterative process ensures that South's capital allocation remains relevant, resilient, and aligned with its ambition to lead in sustainability performance.





8. Looking Ahead

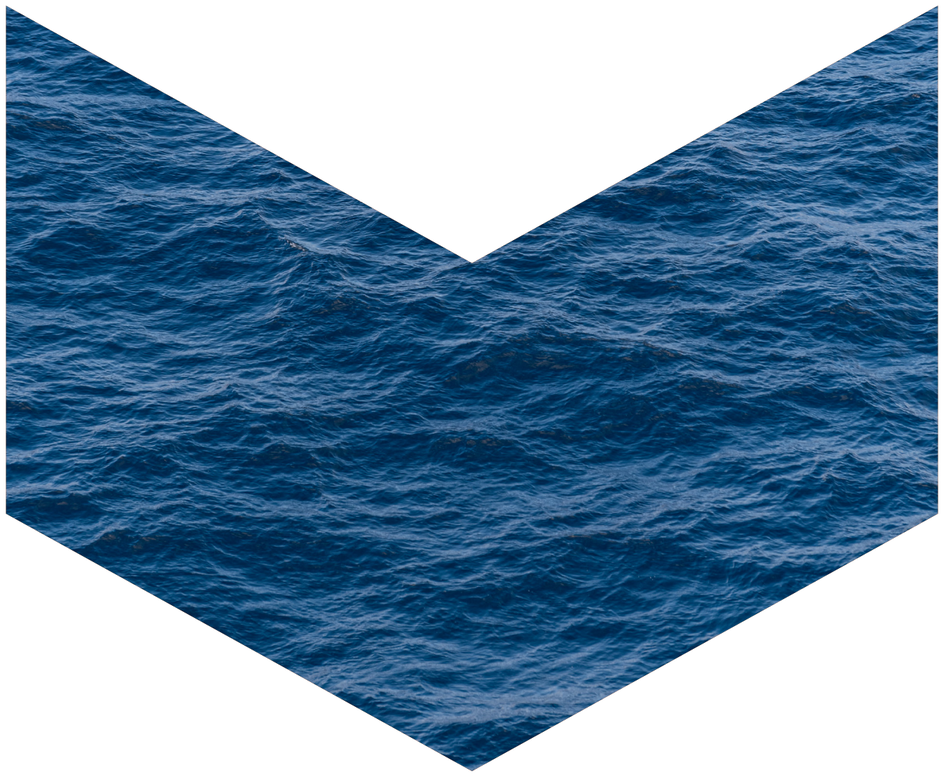
2025 was an exceptionally ambitious year. Across all areas of the business, South simultaneously advanced a broad sustainability agenda while maintaining strong operational and financial performance.

But the year ahead is equally, if not more, ambitious. As South's ESG structure matures, sustainability is becoming embedded in the day-to-day reality of every team and function. Therefore, continuing to build a shared understanding of the ESG framework and its relevance to each area of work remains a natural priority, so the whole team navigates together with growing confidence.

Externally, geopolitical instability is introducing uncertainty into the regulatory path that Europe has been building. Successive legislative recalibrations reflect an increasingly complex global context, but South does not view these headwinds as a reason to pause, its direction is driven by long-term conviction rather than short-term regulatory momentum.

The next phase of South's sustainability journey is expected to be shaped by three growing challenges: ensuring the organizational capabilities required to respond to the increasing scope and ambition of its commitments, addressing adaptation and insurability of assets in anticipation of increasingly frequent extreme weather events, and ensuring accountability in decision-making as artificial intelligence takes on a fast-growing role across business operations.

The framework is set,
the work ahead is to make it matter.



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