Sonae

Press Release

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Sonae presents sustainability strategy for 2023-2026 and reinforces ESG criteria in management decision-making process

New sustainability strategy outlines Environmental, Social and Governance (ESG) priorities for the Group, while also seeking to encourage more responsible choices among its suppliers, clients and partners. Management decisions, such as new investments, shall be assessed taking ESG criteria into account.

Sonae has presented its new sustainability strategy for the next four years, based on five strategic pillars: to manage with environmental, social and governance (ESG) criteria; to accelerate decarbonisation; to value biodiversity and water; to promote circularity; and to foster human development.

As a multinational managing a diverse business portfolio, Sonae's sustainability strategy is tailored to the Group, based on guiding principles that convey orientation, focus and ambition, serving each of our companies while also respecting their autonomy and industry specificities.

João Günther Amaral, member of the Sonae Executive Committee, says: "Throughout the past decades, Sonae has been a pioneer in making sustainability a priority and integrating common policies and good practices in businesses. This path we have been following has brought positive outcomes and, mostly, the realisation of how much we have learnt and have still left to do. Society's current challenges in terms of ESG are undeniable and we must all take urgent action."

Sonae's executive director adds: "At Sonae, we will seek to take increasingly bolder decisions, namely when acquiring new businesses and looking to influence our companies' value chains. Our renewed sustainability strategy demonstrates our ambition and belief in the positive impact we can have on the planet and on the community, built on how we conduct business: doing what is right".

Manage with ESG criteria

One of the great new aspects of the renewed strategy is the formal introduction of ESG criteria in investment and management decisions. Sonae intends to lead following a responsible, ethical and transparent management, privileging environmental, social and

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governance requirements in decision-making processes for the current and future portfolio. Thus, Sonae will add systemic ESG criteria to investments' due diligence, looking to invest in businesses of high sustainability.

Likewise, Sonae intends to ensure socially and environmentally responsible supply chains, granting its businesses with robust assessment procedures of suppliers and partners based on ESG criteria, in addition to develop plans to raise awareness and share good practices with suppliers and service providers.

The several businesses will also bolster the promotion of more sustainable behaviours and choices among its customers, increasing the offer on more sustainable products and sharing information.

Accelerate Decarbonisation

The new plan restates Sonae's commitment to achieve operational carbon neutrality by 2040 and to act proactively in order to reduce Scope 3 GHG emissions, that is, within its value chain. Through its companies, Sonae reviewed its targets to reduce GHG emissions, in line with, and progressively, validated by science. The established actions to mitigate and adapt to climate change will be complemented by the offset of unavoidable emissions.

Furthermore, Sonae will strengthen investment on research and development to accelerate energy transition to renewable sources, thus reducing reliance on fossil resources while gradually increasing its renewable sourced energy autonomy.

Value biodiversity and water

Sonae is committing to contribute to the protection and restoration of nature and its ecosystems (including soils, clean water and oceans), taking action across the entire value chain to avoid and reduce the impact of its business activities on natural ecosystems.

The Group and its businesses are dedicated to actively contribute to the global nature positive goal, seeking to halt and reverse the loss of biodiversity by 2030; to guarantee zero deforestation in operations and along its supply chain; and to act towards the protection and efficiency of hydric resources, promoting the conservation, restoration and regeneration of natural ecosystems.

Promote circularity

Yet another novelty in the new strategy is the strong investment in business circularity. The Group's several units are dedicated to increase the circularity of its businesses, promoting new production and consumption models in which waste and pollution are progressively eliminated, while product, subproduct and material lifetime is extended and natural systems are preserved and regenerated, contributing to an efficient use of resources and processes throughout the value chain.

Hence, commitments in this area include ensuring an increased circularity of products and services, guaranteeing waste recovery and promoting ecodesign in own-brand product packaging.

Foster Human Development

Sonae's renewed sustainability strategy maintains its special focus on people, aiming to foster human development. The Group is committed to guaranteeing the organisation maintains an environment of equality, inclusion, diversity and well-being and to promoting the same values among its value chain and communities, while also ensuring a fair transition and value of employees, investing in their professional development, reskilling and upskilling. Regarding the local communities, Sonae intends to empower their resilience and autonomy, by contributing to eradicate poverty in its various forms, through specific social responsibility strategies in each business, and investing in education to promote equality and qualification.

Sonae's commitments entail securing a diverse team that is fulfilled with the working environment, promoting people's career advancement and continually supporting the community empowering their resilience and autonomy. Furthermore, Sonae is committed to organize education programmes for the community as vehicles of equal opportunities, which includes leading the European R4E programme and accelerating the national PRO_MOV programme, focused on reskilling for the jobs of the future.

Sonae improves ecological footprint and strengthens the development of its people and community

Sonae's sustainability strategy for 2019-2022 allowed to significantly improve its ecological footprint, as GHG emissions decreased by 24% in 2022, compared to 2018. The Group also increased recyclable plastic packaging in its own-brand products to 80%, advancing the commitment to guarantee its plastic products are 100% reusable, recyclable or compostable by 2025.

Additionally, Sonae promoted equality and diversity within the organisation, having even reached, one year earlier than anticipated, the target of having 39% leadership positions held by women.

Concern for the community was also reflected in the social support granted by Sonae and its businesses, a figure that nearly tripled in this period, surpassing 31 million euros in 2022.

The challenges ahead are significant, but Sonae believes in the ambition of the new strategic cycle and in the mobilising force of its people, in order to continue to foster growth and to work collectively towards creating a better tomorrow for all.

More information on Sonae's 2023-3026 Sustainability Strategy at: sustentabilidade.sonae.pt