



# SUSTAINABILITY REPORT AND ACCOUNTS 2023

75 YEARS SOWING THE FUTURE



# Regarding this report

Luís Simões hereby submits its Sustainability Report and Accounts for 2023 (1 January to 31 December) which states indicators and practices pertaining to sustainability on the Iberian Peninsula for the business areas of transport, logistics, maintenance and the sale of heavy tractor vehicles, semi-trailers, and rent-a-cargo.

The contents of this report include details regarding principles of sustainability that reflect the most significant topics identified in the materiality table, including the illustration of the alignment of the LS sustainability strategy with the Sustainable Development Goals (SDG) of the United Nations. This report was prepared in accordance with the GRI Standards: Essential option, the summary or table of indicators is presented in the Annex (GRI Index). This report includes the State of LS Non-Financial Information, complying in particular with Spanish legislation (Ley 11/2018), included in the Annex.

In terms of Luís Simões companies, the materiality only pertains to those companies involved in transport and logistics (Transport, Logistics and Maintenance of Heavy Vehicles). The organisation profile took into account all the companies, as did the composition of the human resources, except for Patrimundos and Solmoninhos. Espaçotrans was not included in the Safety and Health chapter.

This report includes the 2023 Consolidated Report and Accounts (Financial Robustness chapter and Accounts annex) for the company Luís Simões SGPS. The report is published annually in May via the Luís Simões webpage. [\(go to website\)](#)

## Come discover our world!

If you have any questions about this report:

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DISCOVER  
OUR WORLD

# Chairperson's Message



In 2023 we celebrate our 75th anniversary. Seven decades in which we have adapted to profound political, social, economic, technological and sustainability changes, always believing that we are contributing to raising the level of professionalism and value creation in the supply chain.

This journey was made possible by our vision and mission, supported by our values and principles. We walked with those who, like us, recognise the valuable asset that is ethics, whether employees, clients, suppliers or partners, highlighting our resilience and ability to overcome setbacks. It would not be possible without the capacity and knowledge of the LS Team, and without the recognition of our clients and the market.

Our time that is in constant evolution brings us challenges in several areas in a sector where efficiency is key. The context of sustainability, which we see as an opportunity for growth, takes us further in effort, dedication and boldness, driving an incessant search for new, innovative and more efficient solutions. We seek constant improvement in the process, safeguarding food safety in transport and storage, with a focus on resource efficiency, because this is the only way we can preserve our home, our planet.

We want to continue until 2050 with environmentally cleaner solutions, persisting in being trailblazers in this regard. It is within this context that we are useful to the supply chain: in the search for efficiency solutions that benefit clients and the market, guaranteeing quality objectives, guaranteeing compliance with

processes and systems through control and audit measures, ensuring monitoring of energy consumption – whether electricity or fuel – without losing focus on food safety, monitored through regular checks.

We are committed to a significant reduction in greenhouse gas emissions by 2032, based on science (SBTi). And it is in this challenge that teams evolve and are constantly formed in light of the context and needs.

Our LS Team is our most powerful tool. But the challenge of digitalisation drives us, keeping our focus on efficiency. Transforming our activity is the way to evolve and innovate, from the fleet to more efficient warehouses, not to mention automation in processes and robotization in logistics.

We are LS when we embrace our values, in the way we serve clients and internal teams, focusing on the value we add, because at the end of the day we will certainly have contributed to society in a positive way.

**We have been sowing the seeds of the future for 75 years. We want to go further...**

**José Luís Simões**  
*Chairperson of the Board of Directors*





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# Who we are

## At Luís Simões we want to go farther... to wherever the future takes us!

This is the motto that guides us and gives us the strength to pursue our ambition to be an Iberian leader in terms of quality of service in the transport and logistics sector.

**Celebrating 75 years of history**, Luís Simões is synonymous with adapting to change. A Group that is 100% family owned by the Luís Simões family, that includes ten companies and a variety of services, its core business being the road freight transport and logistics sector, accounting for 95% of its turnover. Luís Simões is a leading logistics operator, a leader in roadway transport between the two Iberian countries, currently present in over 40 locations and with 2,431 direct employees.

Luís Simões is governed by a set of values and policies that reflect the company's mission and vision in a market that is constantly evolving.

**Come and discover our vision and values.**







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# Who we are



## MISSION

Guarantee efficient and competitive transport, logistics and supporting service solutions, promoting the client's satisfaction and that of society in general, from an economic, social and environmental viewpoint.

## VISION

To be the Iberian company of reference in terms of quality of service for the transport and logistics sector.

## VALUES

- Client orientation
- Innovation
- Respect for people
- Concern for safety
- Loyalty
- Sustainability
- Environment
- Property
- Trust

## INTEGRATED POLICY



Quality and Food  
Service



Environment



Occupational Health  
and Safety



Social  
Responsibility



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WHERE WE ARE



Headquarters



Cross-Docking  
Platforms



Logistics Operations  
Centres (LOC)



Transport Operations  
Centres (TOC)



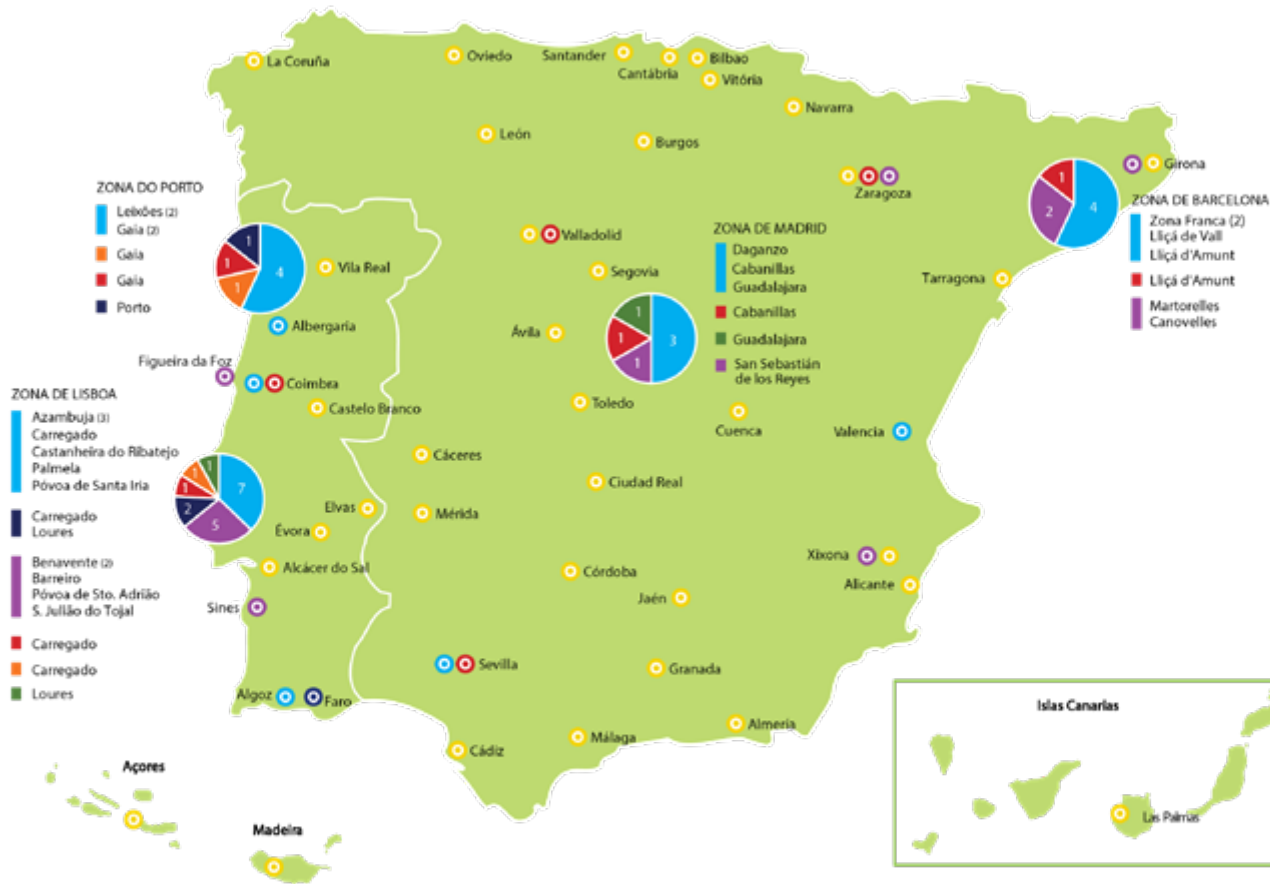
Technical Assistance  
Centres (TAC)



In House  
Operations



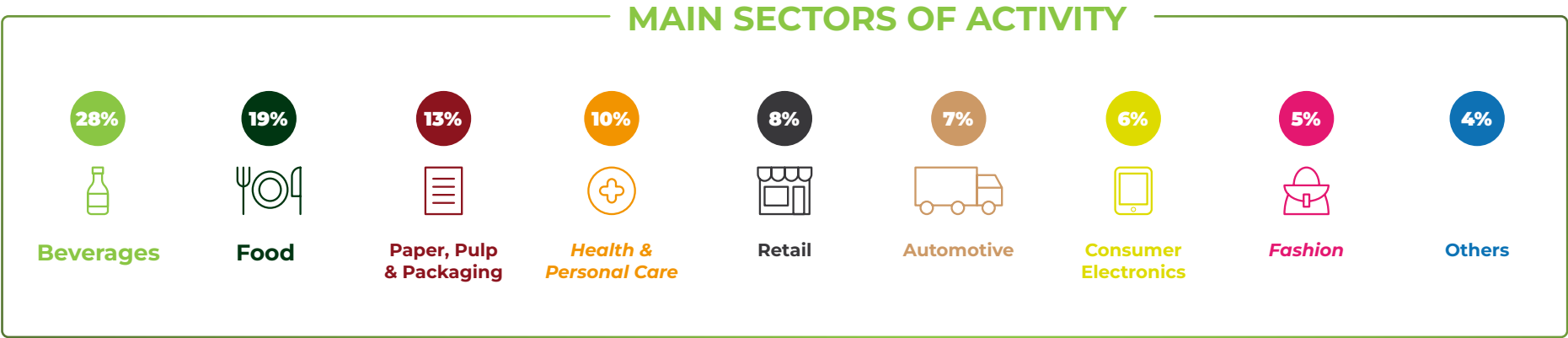
Insurance





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# TYPES OF SERVICE





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## NUMBERS

## LOGISTICS

**25** Warehouses  
**23** Logistics Operations Centres (LOC)  
**403.371** m<sup>2</sup>  
**34** Cross-Docking Platforms  
**6.772** shipments/day (e-commerce)  
**7 871 840** Picking Units/month

## TRANSPORT + LOGISTICS

**101** million km travelled/year  
**7,98** million tonnes transported/year  
 Average of **1.744** trips + distribution routes/day

## TURNOVER

€ **277** Million

## TRANSPORT

Manages a fleet of **1712** certified vehicles  
**8** Transport Operations Centres (TOC)



## PROMOTIONAL LOGISTICS

**13** Copacking Centres  
**4.523.443** units/month

## RETA

**2** Technical Assistance Centres (TAC)  
**39.000** m<sup>2</sup>  
**2** heavy vehicle washing stations  
**96.000** h/year installed maintenance capacity

## PERSONAS LS

**2.431** Employees  
**18.276** Hours of Training

## GREENHOUSE GAS EMISSIONS

**25.356** Ton CO<sub>2</sub> - year 2023 (scopes 1 and 2)



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# HIGHLIGHTS OF THE YEAR



## José Luís Simões distinguished with the CEOE award

On 18 November, Luís Simões was awarded the **CEOE Guadalajara Business Excellence Award**, presented to the Chairperson of LS, José Luís Simões.

More than mere recognition, this award represents a firm commitment to ethics, innovation, efficiency and operational excellence!

We would like to express our sincere congratulations to all employees, partners and customers who contributed to us deserving this prestigious award, which belongs to each and every one of us!



## LUÍS SIMÕES CELEBRATES 10 YEARS OF PROMOTIONAL LOGISTICS

It's been 10 years...

At LS, the journey began in 2013 as a project aimed at expanding services and satisfying market needs. Today, the company has a consolidated presence at various points of sale, events and festivals, offering a range of specialised services. From vinyl wrapping to the restoration of sales booths, LS works closely with several clients.



## 10 YEARS OF DIAGONAL. THE STORY OF A DECADE

After its acquisition in 2013, [Diagonal – Corretores de Seguros](#), formerly Lusiseg, has stood out over the past 10 years as an essential asset of the Luís Simões Group. Overcoming initial challenges and unstable economic periods, the company achieved stability from 2016 onwards, implementing the Kaizen Methodology and establishing strategic goals.



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# GOVERNANCE

Grupo Luís Simões consists of LS – Luís Simões, SGPS, S.A. and its subsidiaries. Luís Simões, SGPS, S.A. is 100% owned by the Simões family. **The Board of Directors (BD)** is a statutory body that includes five executive directors and two non-executive directors.

Executive Committees (EC) have been established for each business unit in which the respective Directors and General Managers in charge of the daily executive management of the business take part.

The Luís Simões governance model also includes **Management Visits**, in order to follow up on the regions and ensure that the strategy is followed.

## THE BOARD OF DIRECTORS



**JOSÉ LUÍS SIMÕES**  
Chairperson  
Chairman and Executive Board member for Logistics



**LEONEL SIMÕES**  
Board member  
Non Executive



**JORGE SIMÕES**  
Board member  
Reta, Diagonal and Real State



**DANIELA SIMÕES**  
Board member  
LS Corporate



**FERNANDA SIMÕES**  
Board member  
Transport



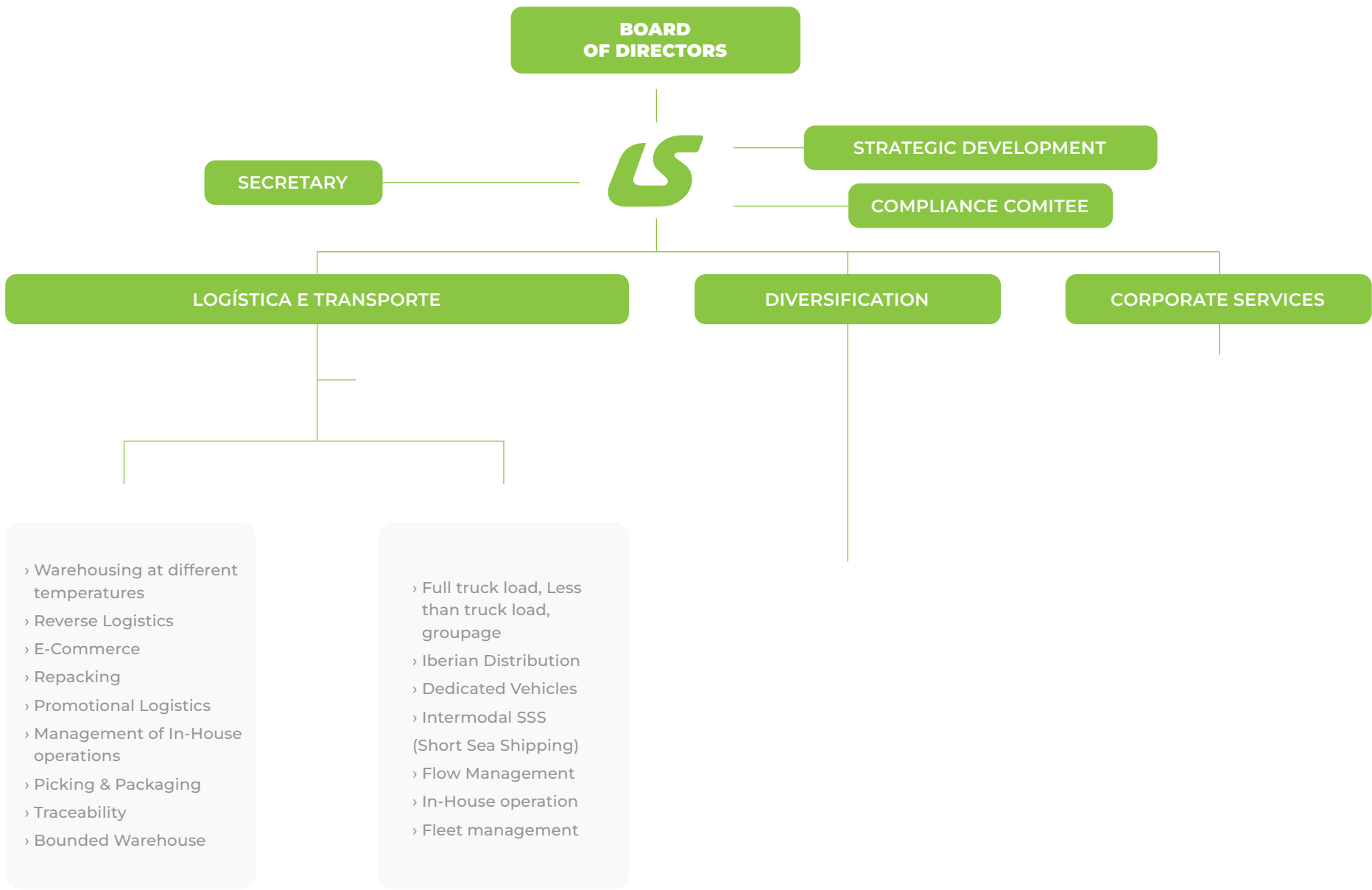
**RUI SIMÕES**  
Board member  
Non Executive



**MIGUEL ROQUETTE**  
Board member  
Strategic Development, Legal & Compliance









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# Compliance and Risk Management

As part of the strategic plan of the Grupo Luís Simões companies and in line with good national and international practices, the Compliance and Risk Management area, which is part of the Processes and Compliance Department is responsible for compliance with the Luís Simões Risk Management Policy, which establishes its own methodology that ensures knowledge of and assessment of the risks faced by Grupo LS, and it is also responsible for determining the need for effectively responding to those same risks.

This methodology is applied to risks from various categories, namely: Strategic; Environmental; Legal; Technological; Fraud; Personal; Operational and Financial, and includes corporate risks, along with risks from various LS activities and businesses.

The Compliance Committee is the body that has been appointed to assist the Board of Directors with regard to fulfilling its supervisory responsibilities, as per the annual Compliance Programmes.



Due to their relevance, the evolution of the main risks faced by companies in the Luís Simões Group throughout 2023 are highlighted in the table below

RISK AND OPPORTUNITIES – LS RESPONSE	BUSINESSES IMPACTED
<p><b>Cyber Security – Intrusion into LS computer systems</b> (Category: Technological) Within the context of the current situation that we are experiencing, which has caused a significant increase in the occurrence of cyberattacks, in 2023 we drew up Business Continuity Plans, so that LS can continue to carry out critical activities that can be executed without access to systems, or with restricted access.</p> <p><b>Implementation of a Compliance Incentive Model</b> (Category: Strategic) In 2023, we implemented a Compliance Incentive Model that consists of including the KPI (Key Performance Indicator) of 'Legal Compliance' in the Senior Management performance awards, thereby ensuring a strategy of focus on the compliance of the LS group , where Senior Management must ensure legal compliance in its areas of influence.</p> <p><b>Lack of definition of ethical principles – Employees</b> (Category: Strategic) In 2023, with the aim of obtaining the greatest number of credibility indicators in personnel selection processes, we implemented a background checking system, in advance of hiring for certain positions. Accordingly, LS will be able to minimise its criminal risks, protect its reputation and avoid possible subsequent litigation.</p>	<p>TRANSPORT</p> <p>LOGISTICS</p> <p>RETA</p> <p>DIAGONAL</p> <p>ESPAÇOTRANS</p>

RISK AND OPPORTUNITIES – LS RESPONSE	BUSINESSES IMPACTED
<p><b>Obligations arising from ADR Transport (International Carriage of Dangerous Goods by Road)</b> (Category: Legal) In 2023, we developed a methodology for improving performance to ensure control over compliance with ADR legislation in the Logistics area in Portugal.</p> <p><b>Prevention and control of Legionnaire's disease</b> Due to new Spanish legislation relating to Legionnaire's disease,* in 2023 it was necessary to carry out a diagnosis to determine LS's classification and the current risk level, and ensure the implementation of the necessary actions to ensure legal compliance.</p> <p>(* ROYAL DECREE 487/2022, of 21 June, which sets out sanitary requirements for the prevention and control of Legionnaire's disease.)</p>	<p>LOGISTICS</p>



**The “LS Risk Management” methodology is automated with all the information required for risk management on a single platform**, which allows information to be constantly updated and shared via a single online repository. Each risk that is processed must be kept under control. Controls are also used to ensure the reliability of the risk management analysis reports. Controls are implemented directly or via technology and they consist of: rules of approval, authorisation, verification, reconciliation, inventory, performance analysis, property security, segregation of duties, etc.

It should also be noted that one of the main components of risk management is based on compliance with applicable legislation, which is why we have established an action strategy for ensuring adequate knowledge of applicable legislation, along with assessment of legal compliance. Because we are a Group with various companies and different business areas, operating on an Iberian scale, we have implemented an IT platform (Envira ecogestor) that allows us to remain constantly informed regarding legislation that is constantly changing. Identification of applicable legislation is made via an external entity, which on the basis of updated knowledge of our activities, is capable of identifying all legislation that applies internationally and locally at the scale of the Iberian Peninsula. As such, local visits are made to the LS centres, in order to adequately contextualise the legislation applied to each centre. The Compliance and Risk Management Department is responsible for supervising the Legal Compliance Assessment model and this platform is used to conduct audits conducted by internal auditors or by Envira. The control of legal compliance is analysed by the

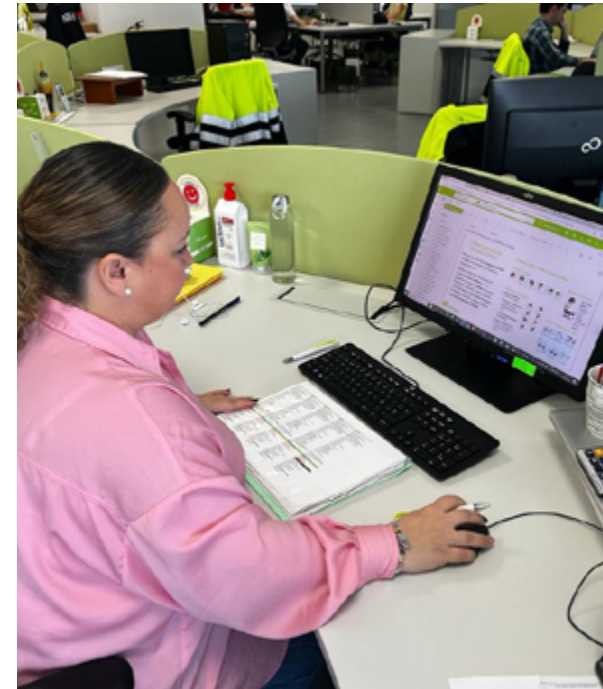
Compliance Committees and reports are submitted to the Board of Directors regarding changes in legal compliance risks on the part of Grupo LS companies.

Potential environmental risks are part of the annual revision of the environmental risks considered within the scope of the environmental management system. Accordingly, the materialisation of potentially polluting events that are reasonably likely to occur is reviewed, and these risks include fire, spills and gas leaks (cold chambers). Risks related to climate change are considered in the Energy Efficiency and Climate Change chapter.

We would also like to point out that we are constantly in contact with the associations of the sector in order to ensure that we are aware of the best legal and regulatory compliance practices.

At the Grupo Luís Simões companies we are dedicated to working in accordance with the highest ethical and legal standards. **The organisation’s values are present in everything we do, focused on the value that we can add.** We promote a culture of compliance and conformity and we have a **Zero Tolerance Policy** with respect to acts of corruption and bribery. The **Code of Ethics and Conduct** applies to all LS Staff, regardless of their contractual link to the company, their position or their job title, or the location where they work. Its application is not an option, it is a commitment on the part of all direct or indirect Luís Simões employees, as a guaranteed safeguard of the value for all the interested parties.

Luís Simões acts in strict compliance with the principles described in its **Personal Data Protection Policy** of the General Data Protection Regulation and legislation pertaining to data protection that applies to all data protection activities that it is responsible for.





In June 2023, Luís Simões suffered a serious computer attack, which had a widespread impact on our systems, particularly on the Windows servers that are present in several of the group's processes and businesses.

We immediately hired external services specialised in security crisis support to contain the attack, carry out the diagnosis and support the re-establishment of activity, and we implemented measures such as strengthening of authentications when accessing systems, hiring MDR (Managed Detection and Response) services and

stepping up training/awareness campaigns regarding cybersecurity for employees, among others.

Luís Simões did everything in its power to restore normality as quickly as possible, which involved high and extraordinary costs, always seeking to protect the interests of our clients and suppliers.

It is important to note that the computer attack, perpetrated by third parties and of which LS was completely unaware, is a type of event that increasingly impacts

the various sectors of our activity. Fast resolution was only possible thanks to the security measures implemented before the breach, and to the joint effort of all parties involved, including our employees, clients and suppliers, and we are grateful for everyone's support and collaboration.

All group responsibilities under the Data Protection Regulation were correctly fulfilled.

## DISCOVER OUR WORLD

## SUSTAINABILITY STRATEGY

LS undertakes its business activity while listening to its stakeholders, ensuring an involvement commitment by all parties interested in aligning with and promoting awareness of the development of a sustainable culture in its business areas. **Integration of the challenges identified in the materiality assessment were incorporated into the Luís Simões Sustainability Strategy, based on '9 Principles' that bring together the initiatives that are to be undertaken to improve LS performance – Sustainability Strategy. More details available in ESG Reporting Index.**

Of the 9 Principles, the material terms and the respective Sustainable Development Goals (SDG) of the United Nations, which they are associated with, are the focus of development and evolution of the Luís Simões sustainability strategy, always based on transparent communication as a value in its relationship with the community.



LS prides itself on its involvement in the value chain, on its proximity with its clients and on its joint involvement in services that are more sustainable. Our performance is assessed annually via ethics and sustainability platforms, such as Sedex and Ecovadis, and our performance is shared with our clients. In 2023, Luís Simões won the Ecovadis Gold Medal (Transport Espanha) for the 5th consecutive year.

**In 2023, LS began the exercise of re-evaluating material issues, with the analysis of double materiality, which is currently under evaluation.**





## QUALITY OF SERVICE AND INNOVATION

# Quality and environment certification of operations

## The main operations centres are certified according to Quality (ISO 9001) and Environment (ISO 14001) Standards.

Quality of service is cultivated every day, overcoming obstacles. In every palette and box transported and in every km travelled to serve our clients and company.

Quality is a priority because we believe that this is the only way to be in the market. This link is intrinsic to the group's strategy and its follow-up is essential, standardising processes and assessing levels of service and customer satisfaction. It is also subject to internal and external audits, always with the aim of continuous improvement in customer service. In

line with its values and strategy, LS's main operations centres are certified according to Quality (ISO 9001) and Environment (ISO 14001) Standards, among other more specific standards, in accordance with client standards.

In 2023, 77 audits were undertaken in areas of transport and logistics, 48% of which were internal audits, 40% were client audits and 12% of which were external audits by certification entities. This is an area that is safeguarded by the Processes and Compliance Department, allowing for the maintenance and control of processes.

At RETA and Diagonal, 40 audits were conducted, mostly internal and focused on operating processes (Gemba Walks), and four external audits were conducted by the certification entity. Fifty-six checks were also carried out as part of the implementation of the Kaizen methodology.



**LUÍS SIMÕES  
CERTIFICATIONS**



**Because of the products that are stored, Luís Simões is subject to specific certifications that vary according to each Centre:**

At the Cabanillas del Campo Logistics Operations Centre the Good Distribution Practice (GDP) certification since 2020.

Ecological Products Warehouse since 2021, which allows reception of any import of ecological products from outside the European Union.

also obtained the attestation of transport and warehousing of raw materials and pre-packaged food products in accordance with the biological certification at the Logistics Operations Centres: Azambuja, Carregado, Gaia 1 and Castanheira.

At the Guadalajara Logistics Operations Centre the certification of the

For clients that have products with biological certification, Luís Simões

Over 70% of transport and logistics services performed are associated with food products or personal hygiene and health care products. In these operations there are controls related to specific legal requirements (INFARMED license; Medications Warehouse by Contract, etc.) and risk analysis in order to detect critical points and establish controls over them in order to avoid possible impact on consumer health.

Food Safety is a pillar of Luís Simões business activities and in order to ensure compliance with the specific requirements of this area, some of its centres are certified in this area. Annually, after each audit has been conducted, the certification entity issues a certificate with the result of the audit. In 2023, the certification audit was carried out in an ‘unannounced’ manner, the result having been the achievement, in all cases, of the highest possible value in all certified centres.

**LUÍS SIMÕES CUSTOMER  
SATISFACTION INDEX**

The Customer satisfaction index is an important tool in assessing the service that is supplied. This process is performed twice per year and consists of a consultation of the TOP 100 clients of each business (Logistics and Transport), in order to assess the level of satisfaction with regard to the service that is supplied. The selection of clients that participate in this consultation is based on accumulated sales over the three months prior to the survey launch.

This assessment instrument is essential to helping any company to keep its performance at the highest level, and that has been a constant concern of LS. This process offers an essential indicator for adding value to management and guaranteeing ongoing

improvement of Luís Simões’ services. The results obtained are an input so that each client management area can identify the most fragile points of each client and define action plans for resolution.



In 2023 the participation rate for the Logistics business varied between 88% and 89% and the evaluation between 3.96 and 3.86 on one scale and 1 to 5 over the course of the year. In the transport business, the participation varied between 91% and 90% and the evaluation between 4.24 and an outstanding 4.44.

SUSTAINABILITY ASSESSMENT



In 2023 Ecovadis awarded Luís Simões Logística Integrada (Spain) the gold medal for the fourth consecutive year with a percentile of 95%. It should be pointed out that three out of four categories have a result of 70%.

**Ecovadis** is a collaboration platform that allows companies to evaluate their suppliers with respect to sustainability. The overall evaluation of Ecovadis reflects the implementation of sustainable practices at the organisations.

VALUE CHAIN TRANSPORT SUBCONTRACTING

In the Transport and Logistics sector **Transport Subcontracting** is the most important link in our value chain. Luís Simões has a very close partnership with the companies that it subcontracts to handle transport services, closing out 2023 with approximately 251 permanent certified carriers across the entire Iberian Peninsula. We guarantee the necessary conditions so that the carriers with whom we work can abide by the principles stipulated in the **Commitment Letter for Transport Subcontracting**, safeguarding quality of service, the LS shared vision and its ethical management, along with the integrity of Luis Simões in relation to its clients. The change toward a process of standardisation of companies and vehicles that allows validation of compliance with the defined requirements illustrates the role that Luís Simões plays in its commitment to improve its performance in its value chain, seeking excellence and the satisfaction of its clients.

INNOVATION

The biggest effort in maintaining processes is improving them. Luis Simões has been implementing Lean methodology for several years, in particular with the Kaizen Institute. In 2023, a Continuous Improvement Project for Logistics was started, whose main goal is to create a culture of continuous improvement within LS. Accordingly, the project will guarantee the implementation of a cross-company governance model for Continuous Improvement, supporting the standardisation of processes and accountability in the development of improvements in logistics operations centres. This project supports the digitalisation of the continuous improvement process, as well as supporting the metrics for applying the Kaizen methodology in logistics operations centres. This tool makes it possible to create value, taking advantage of human talent by sharing suggestions. Sharing ongoing improvements with the centre's employees is a factor that enhances the culture of continuous improvement.





## ENERGY EFFICIENCY AND CLIMATE CHANGE

# One of the strategic pillars of sustainability

### Finding effective solutions, contributing to the reduction of GHG emissions – SDG 13

Energy efficiency is one of the strategic pillars of sustainability at Luís Simões. Since 2007, the Group has developed a sustainability strategy and has unequivocally committed to finding effective solutions that reduce the direct impact of its operations on the environment, thus helping to reduce emissions – Sustainable Development Goal (SDG) 13.

Energy efficiency at the facilities is managed by the maintenance area, supported by audits and monitoring of indicators. In logistics operations and transport operations the energy efficiency of the service that is to be supplied is managed and implemented through business areas (equipment used for movement within warehouses or road transport vehicles – fleet maintenance and management).





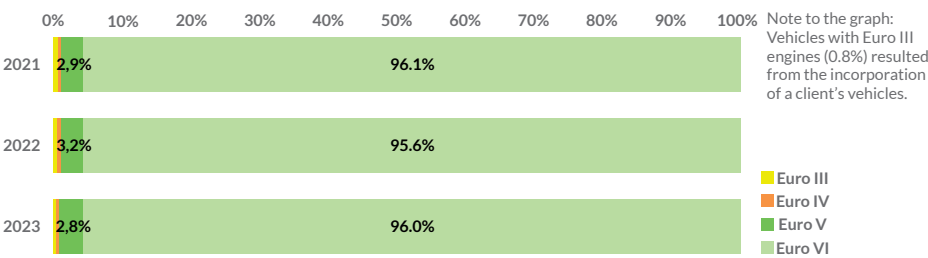


TRANSPORT

Currently the average age of the LS fleet is 4.6 years, which is below the sector average, and 99% of the vehicles have Euro V and VI engines (vehicles with Euro V and VI engines > 95% since 2018), which are more efficient in every way (safety, ergonomics, aerodynamics, noise, friction, fuel consumption and greenhouse gases). There are no changes compared to 2022.

In Transport, LS has 17 Euro modular vehicles (Gigaliners/Mega-trucks) that are currently circulating in Portugal and Spain. The cargo capacity of two Gigaliners is equivalent to three conventional trucks, which helps reduce fuel consumption and reduce up to 30% of GHG emissions per tonne transported. Of the 17 vehicles, 9 are at the service of a client in Portugal, 4 at the service of a client in Spain and 4 at the service of logistics in Portugal for transport between centres.

EVOLUTION OF LS FLEET BY EURO STANDARD



LS OWN FLEET GHG EMISSIONS INDICATORS

	2007	2021	2022	2023
GHG emissions (KgCO <sub>2</sub> e)/1000 Kms	1039	898,3	912,5	919,1
Specific consumption (gep/vk) 2018	326	293	298	299,7
GHG variations for the reference year (2007)	0	-14%	-12%	-12%
Variation consumption for the reference year (2007)	0	-10%	-9%	-8%
Variation consumption for the reference year (2017)		3,5%	5%	6%

gep/vk – grams equivalent oil/vehicle kilometre travelled





ENERGY-CERTIFIED CENTRES:

The Cabanillas del Campo and Guadalajara centres (LEED certification).

The Lliça d'Amunt Centre is certified by BREAM, which is another certification of the sustainability of buildings with a focus on efficiency.

The Gaia 1 Centre has Energy certification B- (ADENE – Energy Agency – Portugal).

The energy efficiency obtained by more efficient systems and operations is a step toward decarbonisation. Each small step that we take ensures that we are becoming more efficient and we contribute as a link in the sustainability value chain.

COUNTING EMISSIONS  
CLIMATE CHANGE

Luís Simões contabiliza desde 2017 sus emisiones Luis Simões has been counting its direct GHG emissions in scopes 1 and 2 since 2017. In 2021, it committed to the Science Based Targets (SBTi) platform, starting its counting of scope 3 emissions. In 2023, it submitted emission reduction targets for 2032 for scopes 1, 2 and 3 (transport subcontracting).

Accordingly, moving towards decarbonisation, we started our effort with the first tool, which is quantification. For the submission of targets, 2021 was considered as the base year and, as such, from this report onwards, the year 2021 will be used for the purpose of comparing emissions.

Scope 1 and 2 GHG emissions from 2021 to 2023 are shared, but scope 3 emissions are shared only from 2021 and 2022, seeing as the quantification of scope 3 emissions has not yet been completed.

Base year 2021	
Scope 1	23.498 ton CO <sub>2</sub> e
Scope 2 Market Based	3.182 ton CO <sub>2</sub> e
Scopes 1 + 2 = 26.680 ton CO <sub>2</sub> e	
Scope 3 WTW emissions	144.822 ton CO <sub>2</sub> e
Target Year 2032	
Scope 1	11.655 ton CO <sub>2</sub> e
Scope 2 Market Based	1.578 ton CO <sub>2</sub> e
Scopes 1 + 2 = 13.233 ton CO <sub>2</sub> e	
Scope 3 WTW emissions	131.781 ton CO <sub>2</sub> e
Scope 1+2 - SBTi Target setting tool - Version 2.1   Scope 3 - SDA - Transport-tool Version 1.1.1	

**LUÍS SIMÕES COMMITS TO:**

**REDUCING ABSOLUTE GHG EMISSIONS (TONCO<sub>2</sub>e) OF SCOPE 1 AND 2 BY 50.4% BY 2032, STARTING FROM THE BENCHMARK YEAR OF 2021.**

**REDUCING ABSOLUTE GHG EMISSIONS (TONCO<sub>2</sub>e) OF SCOPE 3 FROM UPSTREAM TRANSPORT AND DISTRIBUTION BY 9% BY 2032, STARTING FROM THE BASE YEAR OF 2021.**

## GREENHOUSE GAS EMISSIONS (NON-BIOGENIC)

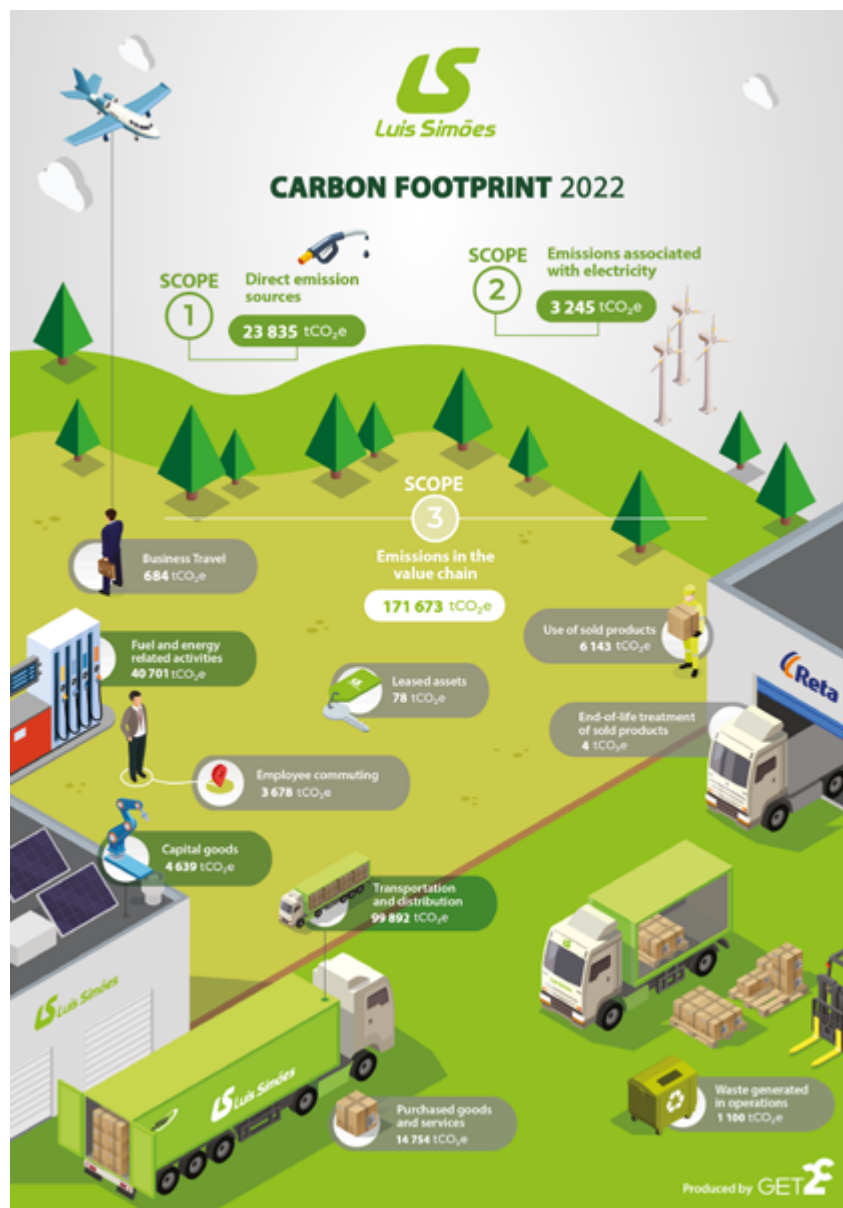
	2021	2022	2023
Scope 1 (Ton CO <sub>2</sub> e)	23.498	23.835	22.818
Scope 2 (Ton CO <sub>2</sub> e)	3.182	3.245	2.538
Emissiones directas totales (Ton CO <sub>2</sub> e) (Scope 1 + Scope 2)	26.680	27.079	25.356

GREENHOUSE GAS EMISSIONS  
(GRI 305-1; 305-2; 305-3)

	2021	2022
Scope 3 (Ton CO <sub>2</sub> e) -Categoría 3 <sup>(1)</sup>	43.142	40.701
Scope 3 (Ton CO <sub>2</sub> e) -Categoría 4 <sup>(2)</sup>	107.138	99.892
Scope 3 (Ton CO <sub>2</sub> e) - Cat 3 e 4 (Objetivos SBTi)	144.822	135.230
Scope 3 (Ton CO <sub>2</sub> e) - Total	202.796	171.673

<sup>(1)</sup> Category 3 – Fuel- and energy-related activities not included in scopes 1 and 2

<sup>(2)</sup> Category 4 – Upstream transport and distribution



The definition of emissions reduction targets for 2032 resulted in the beginning of an emissions reduction programme, focused not only on counting LS's global emissions, but also on structuring indicators to support initiatives and count the emissions of client activities, a programme that is currently under development.

We highlight the following initiatives:

**PROJECTS AIMED AT INCREASING OPERATIONAL EFFICIENCY:**

- Implementation of Euromodulars (Giga-Liners)
- Implementation of Duotrailers in Spain

**Initiatives supported by Technology:**

- Modernisation of our own fleet
- Modernisation of the subcontracted fleet
- Implementation of LED lighting
- Implementation of photovoltaic solar panels (own consumption)

**OTHER MEASURES TO REDUCE EMISSIONS:**

- Ecodriving training
- Implementation of alternative fuels with low GHG emissions (e.g.: HVO)

The initiatives identified above are being implemented and it should be noted that the implementation of LED foreseen in LOC Carregado 1 and 2 was completed in 2023; so, too, was the installation of photovoltaic panels at Luis Simões' own facilities, including the headquarters in Moninhos, the Reta technical assistance centres in Gaia and Carregado, and the LOC in Carregado.

In 2024, we will be able to assess the real impact of implementing photovoltaic panels in Portugal, as we will have a more coherent period for analysis.

It should be noted that in 2023 the fleet of vehicles allocated to employees already consisted of 23% electric vehicles and 9% hybrid vehicles. This reduction in emissions can only be evidenced after calculating indirect scope 3 emissions.





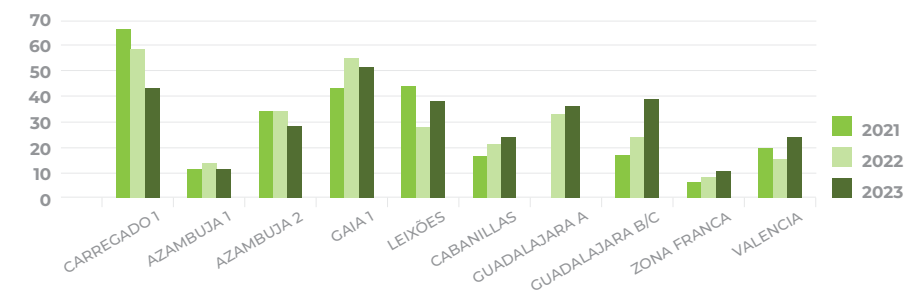
The implementation of Euromodular vehicles, an efficiency measure to remove vehicles from the road, allowing more goods to be transported, leads to an increase in the indicators followed in this report for the company’s own fleet, as they are linked to the kilometres travelled and not to the tonnes transported. For consistency purposes, we are maintaining the comparison. There has been an increase in emissions and specific consumption (gep/vk) per distance travelled. This is the last year in which the comparison will be made with the benchmark year of 2007 in line with the ecodriving project. Starting this year, the fleet decarbonisation targets submitted to the SBTi will be followed, and therefore the analysis will change.

As part of the endless pursuit of process efficiency, since 2023, a project has been in place with Daimler (Mercedes) to monitor drivers so as to help exploit the vehicles’ performance, improve driving efficiency and, ultimately, reduce fuel consumption. Monitoring drivers will continue to be the challenge in the continuous improvement of this process. In line with the reduction of emissions, Luís Simões has, in collaboration with a client, two HVO fuel vehicles, with lower GHG emissions, circulating between Madrid and Barcelona.

LOGISTICS

In the **logistics** area, 2023 saw the implementation of photovoltaic solar panels in the LOC of Carregado, the centre with the highest energy consumption in Portugal. The result of this initiative is reflected in the evolution of the electricity consumption efficiency KPI, which establishes a relationship between sales generated by electricity-consuming activities and the amount of kWh consumed to carry them out.

INDICATOR KWH/PALLET CAPACITY



\*Sales from activities considered to be representative consumers of electrical energy

The Carregado Logistics Operations Centre 1 is the second-largest energy consumer (after Guadalajara), classified as an intensive energy consumer, equipped with a rationalisation plan to improve its efficiency. Because the Cabanillas del Campo and Guadalajara Centres are more efficient buildings (LEED certification) and because they produce renewable energy for their own consumption, they have a reduced environmental impact.



## COOPERATION

Lisbon Municipal Council, integrated into the [Smart Open Lisbon \(SOL\)](#) platform, launched **SOL Mobility**, a collaborative innovation programme in partnership with consultant Beta-i, dedicated to promoting sustainable urban mobility. **Luís Simões is a partner in this initiative.**

The aim is to create innovative solutions to accelerate energy transition in the city, in line with the goal of making Lisbon carbon neutral by 2030. The project focuses on various economic sectors, **such as public transport operators, logistics operators, retail, private transport, technology, sport and leisure**, aiming to improve mobility and quality of life in the city. The programme involves collaboration between Portuguese companies and start-ups from around the world, taking applications for developing pilot projects and receiving support in validating the proposed solutions. [FIND OUT MORE](#)



*(...) to create innovative solutions to accelerate energy transition in the city, in line with the goal of making Lisbon carbon neutral by 2030*





## THE MAIN RISKS ASSOCIATED WITH CLIMATE CHANGE INCLUDE:

RISK TYPE	RISK	EXPLANATION
Acute Physical Risk	# Extreme Weather Events	The increased frequency and severity of extreme weather phenomena may represent a greater risk of damage to Luís Simões' logistics and transport centres, leading to the interruption of operational activity, repair costs and increased insurance costs, with an impact on our assets in Portugal and Spain. Extreme weather events present the risk of disruption to road infrastructure and impeding traffic. Some emergency and impact situations are included in the environmental risk assessment, but the vulnerability of facilities to extreme weather phenomena, such as the risk of flooding, is not yet included in the assessment.
Chronic Physical Risk	#Temperature Changes	The European Energy Association (EEA) highlights southern Europe and the Iberian Peninsula as one of the regions in Europe potentially most affected by climate change. According to the IPCC, the most serious climate scenarios for Portugal (RCP 8.5) predict that the increase in temperature could reach +5° C in 2100 (applicable to minimum, average and maximum temperatures). Rising temperatures could have a significant impact on LS's costs due to the greater need for refrigeration in its facilities, in operations in Portugal and Spain.
Transition Risk – Current Regulation	#Carbon Tax Increase	Current climate-related regulations, implemented in the countries where Luís Simões operates (Portugal and Spain), have an economic and financial impact on the company. The carbon taxes currently in force are one example of these regulations, which place an additional tax on fossil fuels, thus increasing their prices. This risk is assessed and managed within the scope of Luís Simões' ISO 14001:2015 management system, to ensure that operations comply with the law.
Transition Risk – Emerging Regulation	#Fuel Price Increase	Emerging climate-related regulations, applicable in the countries where Luís Simões operates (Portugal and Spain), may lead to an increase in operating costs. For example, the new energy taxes and regulations, which are more stringent with regard to energy efficiency. We are attentive to the climate change and energy management plans of the countries where we operate, particularly with regard to carbon taxes and the prices of fossil fuels and other energies. Examples include new energy taxes and regulations that may arise from the evolving legislative framework on energy and climate, particularly in the European Union (greenhouse gas reduction targets, renewable energy and energy efficiency).
Transition Risks – Technological	# High cost of lowemission solutions	Current technology and market trends, aligned with government and climate-related regulations, are driving low-emission solutions. The great difficulty with cleaner technologies is their cost, which is often higher compared to current technologies, therefore having an economic and financial impact on companies. Even so, Luis Simões has made an effort to keep up with new low-emission technologies and has already been able to invest in some areas, including light vehicles allocated to employees (around 30% are electric or hybrid) and the installation of new cold rooms in logistics warehouses with low environmental impact refrigeration gases (lower GWP). Alternative fuel utilisation test – HVO.
Transition Risk – Current or Emerging Regulation	# Legal compliance	At Luís Simões, the impacts of climate regulation are mainly indirect (e.g. increased fuel and electricity costs). The legal risks applicable to Luís Simões are measured and monitored through the Compliance Programme. In recent years, no environmental fines have been applied to our operations related to climate change or others.
Transition Risk – Market	#Client Requirements	Changing client behaviour in response to pressure regarding climate change may require Luis Simões to be able to offer more sustainable transport solutions to remain competitive. Since 2018, Luis Simões has implemented 17 Megatrailers (Portugal + Spain) in transport operations to improve the energy efficiency of transport operations.
Transition Risk – Reputational	#Change in Client preferences	Increased customer demand for more sustainable (lower carbon) transport solutions could put Luis Simões at risk of losing its reputation as a driving force for sustainability. This risk is managed by account managers who evaluate the services provided and customer expectations. Luis Simões is also present on platforms such as Ecovadis and Sedex, which evaluate our performance, provide best practices and assess client expectations.



LS PEOPLE

Luís Simões  
employees are  
at the centre  
of its values:

RESPECT FOR PEOPLE

Ensure ongoing qualification of all employees, developing their skills in order to undertake new and challenging activities, always with quality and safety in mind; (in LS values).

Over the course of its 75 years of history, LS has helped create jobs at the over 30 locations where it is present, including interior regions of the Iberian Peninsula.

The Human Resources Department is responsible for assessment and compliance with the Human Resources and Training Policies.

**In 2023, the Luís Simões family of employees totalled 2,431 direct workers distributed across the various group companies**, with 58% of its employees in Portugal (1,418) and 42% in Spain (1,013).

At Luís Simões, **85% of employees have an open-ended employment contract (2091)**; this amount corresponds to 55% of its employees in Portugal (1,138) and 45% of its employees in Spain (940). Per country, 80% of employees in Portugal have an open-ended contract, and 93% in Spain. As regards gender, 70% of open-ended contracts are held by men and 30% are held by women.





In 2023, the 2,431 LS employees were **70% male and 30% female**. However, the total number of women fell by 3% compared to 2022, with little change in this percentage since 2018, although in 2022 there was a percentage increase of 3% in women.

**The positions that employ the highest number of workers are Warehouse Operators, Technicians and Drivers.** In these three positions, only Technicians are 57% women (55% PT, 58% ES); Warehouse Operators are 24% women (25% PT, 23% ES), although in Spain this number increased (1%), while in Portugal it decreased. (2%).

The positions of Warehouse Operators and Drivers are specific to our sector, which is historically male and depend on the market supply of labour. Technicians hold more transversal positions in which we already have parity.

As regards gender diversity, below is the distribution of employees according to position and gender and per age and gender intervals.

In 2023, we implemented **hybrid format teleworking policy**, maintaining in-person days as a means of reinforcing the company culture (in the positions where this is possible). This model allows us to help our employees balance their personal and professional lives.

Employees by Age / Function / Type of Contract / gender and country		España					Portugal				
		Definido		Indefinido		Total	Definido		Indefinido		Total
		W	M	W	M		W	M	W	M	
< 30 years	Board Members					0					0
	Directors					0					0
	Managers			1		1					0
	Coordinators				2	2			1	1	2
	Technicians	3	4	8	27	42	10	8	15	8	41
	Administrative	1		1		2	8	4	7	4	23
	Team leaders				4	4		1		1	2
	Warehouse Operator	1	17	13	53	84	18	55	18	40	131
	Service technicians (automotive)					0		3		7	10
	Heavy-duty Vehicle Driver				2	2		8		2	10
< 30 years Total		5	21	23	88	137	36	79	41	63	219
30 - 50 years	Board Members					0			2	2	4
	Directors				5	5		1	2	10	13
	Managers			3	17	20			12	28	40
	Coordinators			15	21	36			21	30	51
	Technicians	4	1	108	54	167	6	4	90	72	172
	Administrative	1		11	2	14	12	7	41	30	90
	Team leaders			16	64	80		1	9	44	54
	Warehouse Operator	8	30	82	247	367	18	71	53	147	289
	Service technicians (automotive)					0		8		14	22
	Heavy-duty Vehicle Driver				30	30	2	18		88	108
30-50 years Total		13	31	235	440	719	38	110	230	465	843
>50 years	Board Members					0				3	3
	Directors				6	6			8	15	23
	Managers			1	10	11			2	7	9
	Coordinators			2	6	8				13	13
	Technicians		1	13	12	26	1	1	16	18	36
	Administrative					0		2	18	9	29
	Team leaders			1	16	17			4	13	17
	Warehouse Operator	1	1	14	50	66		3	9	31	43
	Service technicians (automotive)					0		1		7	8
	Heavy-duty Vehicle Driver				23	23	2	7	5	161	175
>50 years Total		1	2	31	123	157	3	14	62	277	356
Total		19	54	289	651	1013	77	203	333	805	1418
											2431

In terms of general numbers, the percentage of women in the workforce continues to be lower than that of men in most positions, especially with regard to drivers, where only two are women. This disparity is directly related to the fact that this is a male-dominated sector and labour market. In 2023, the percentage of women in technical and administrative profiles in Portugal and Spain stands out.

On the **Board of Directors**, the percentage of **Women is 29%<sup>1</sup>**. LS does not discriminate according to gender when hiring and thus the difference in the positions relating more to operations, such as drivers and warehouse operators, is merely due to cultural reasons and the reality of the labour market supply, and the sector that we work in. This sector has been historically more male and parity will likely take some time.

## NEW HIRES

In terms of new hires, the number was balanced between the two countries. The most operational positions require more hiring due to important peaks in activity, and because we are located in logistics centres, in areas of full employment, together with other operators, where, because we are close to other operators, employees easily change companies. The 30 to 50 year old age bracket is still the most prominent. It is also worth highlighting the effort made in 2023 to minimise new hires through temporary employment companies and hire directly through LS's own companies, offering greater stability to new hires, especially in operational positions.

<sup>1</sup> Does not include externals

## ABSENTEEISM

Absenteeism is one of the main focuses of attention shared by companies in the logistics sector, both in Portugal and in Spain. The measures implemented made it possible to reduce absenteeism in Portugal by 20% compared to the 2022 figures, while in Spain absenteeism increased by 17%, within a context where absenteeism is growing across the entire country.



## TRAINING

LS invests in the growth of its employees through **regular training activities**, from executive level management to drivers and warehouse operators. In 2023, a total of **18,276 hours of training** were conducted. In Portugal, male employees accounted for most of the attendance at these sessions. Overall, 29% of training hours were earmarked for management and administrative duties, 34% for operations employees and 26% for heavy vehicle drivers. The content areas with the highest concentration of training hours are the following:

\*Training activities linked to the legal requirements of our sector (CAP, Machine driving, etc.).

\* Safety standards and behaviour in the workplace in terms of Occupational Risk Prevention.

\*Training in processes and procedures that result from process optimisation and application improvement.

LS designs, plans and implements a training plan that involves a group of actions created to update, recycle and renew employee qualifications and skills, with the aim of increasing their professional skills in response to the company's needs. The training plan is a development vehicle and, this year, all employees were able to participate in the process, identifying up to two individual training needs. 414 individual training requests were received. The **Performance Assessment Programme** also includes action plans to improve employee skills.

## PERFORMANCE ASSESSMENT

Employee performance evaluation as a means of furthering their development is an essential tool. In operations areas the productivity indicators serve to leverage the performance evaluation of the teams, while also increasing their overall development. Positions ranging from coordination to Management have a different performance evaluation process.







## DRIVER PERFORMANCE ASSESSMENT

In order to identify areas for improvement, training needs and areas of skill development among our drivers, in 2023 we carried out a performance assessment of 286 drivers, including permanent and temporary drivers. This assessment allows us to evaluate the more quantitative aspects related to the performance of the driver's role, as well as the qualitative aspects, more related to their behaviour in relationships with clients, colleagues, managers, etc.

## LS MANAGEMENT TEAM ASSESSMENT

In 2023, the Performance Assessment process of the LS Management team continued, with 259 employees participating, including members of the Board, General Managers, Managers, Intermediate Managers up to Coordinator level, and Technical level employees who participated in an LS Strategic Project.

Based on how successful the employee under appraisal has been in achieving their goals and their line manager's assessment of their skills, the aim is to identify and generate shared commitments between both for the

development of the employee's knowledge, aptitudes or skills. These improvement commitments are included in the employee's Individual Action Plan, which must be monitored periodically by both parties. In 2023, with the aim of obtaining a more global assessment of employees, employees who participated in a relevant way in any of the LS Strategic Projects were also assessed by the person responsible for the project in which they participated. This provided the employee with a more global view of the value they contributed to the company and greater support for their Development Plan within LS.



## MANAGERS OF THE YEAR 2022

**The LS Online Event: 3.0** on 4 May, hosted by Estefanía Tenorio, human resources technician, and Ana Isabel Silva, Human Resources Coordinator at Diver. This was the moment when we looked back on 2022, and detailed the challenges that lie ahead in 2023. Its

goal was to acknowledge and recognise performance and commitment on the part of all those who directly and indirectly contributed to the organisation's results, overcoming all the obstacles and hurdles that we faced. At this event, Human Resources Administrator Javier

Montero introduced the employees that received the award for 'Managers of the Year 2022', having stood out for their results, their skills and for their daily impact on Luís Simões. The Managers of the Year 2022 are:

### THE MANAGERS OF THE YEAR 2022



**NUNO SANTOS**  
Diagonal  
Director de Negócio



**JOSÉ Mª HERNÁNDEZ BOGADO**  
Logística  
Director Regional Cataluña-Levante



**IGNACIO BALLESTEROS**  
Transporte Zaragoza  
Gestor de Transporte

## TRIBUTE TO OUR PROFESSIONALS!

After a three-year hiatus caused by the uncertainties of an epidemic that insisted on giving no respite, we finally managed to restart our annual employee recognition event and **distinguish those who work tirelessly to be the best professionals in the most varied sectors of**

**the organisation.** They and their efforts are recognised and cherished at the Luís Simões Honourees event. We kept the same format and organised two events in Portugal – in the north and south of the country – and one in Spain, in the Guadalajara region. And this time

we didn't just have one year's worth of honourees; we combined three years – 2020, 2021 and 2022 – into one event. **This event honours employees with 15, 25 and 35 years of uninterrupted service.**



Recognition 15 years | Guadalajara



Recognition 35 years | Carregado



Recognition 25 years | Gaia





In line with its commitment to training and know-how in the sector, Luís Simões cooperated with APLOG (Portuguese Logistics Association), sponsoring the Logistics Excellence Award: PEL – Academy. This award, directed at the academic universe, aims at distinguishing academic work, courses, master's degrees or schools that develop and promote knowledge and innovation in logistics sector

projects with application in businesses/companies/ the sector, and on a large scale or relevant to research, along with a high degree of underlying innovation.



This year the winner is João Carlos Simões Lopes, from Católica Business School, who competed with his master's thesis: 'Value Creation in Network Control: the case of the Port of Aveiro'.

In 2023, Luís Simões worked with APLOG training on the initiatives:

- 5 days 5 companies – held at the Leixões Logistics Operations Centre on 16 May.
- The 2nd Edition of Jornada Têxtil do Futuro, at the Universidade Católica Portuguesa, in Porto; António Lacerda, Regional Director of Logistics at Luís Simões, participated in the panel on 'New Business Models'.

In partnership with the Provincial Confederation of Employers of Guadalajara, Luís Simões participated with a booth at the Logistics Spain fair, which took place from 8 to 9 March in Guadalajara. Human Resources Director, Javier Montero, participated in the round table discussion 'Do logistics and transport need new professional skills?'



Logistics Spain is one of the main international initiatives for the development of the logistics and transport sector, as it provides an opportunity for brands to present their new products and services, as well as to publicise the latest trends in the sector, advertise investment opportunities in different territories and promote networking.



# INTERNAL AND EXTERNAL CITIZENSHIP



## PARTNERS IN THE SOLIDARISA PROJECT

in cooperation with the Portuguese Food Bank, LS contributed with the transport of fertiliser and seeds.



## MAKING OUR SMALL CONTRIBUTION TO THE FIGHT AGAINST HUNGER

Over 300 hauls were made to the Portuguese Food Bank over the course of 2023. As we usually do, we participated in the half-yearly food campaigns, providing a vehicle to transport food, within Lisbon, from the Colombo Shopping Centre to the Food Bank warehouse in Alcântara.



## BLOOD DRIVES

We conducted two blood donor campaigns at the Carregado LOC (open to the community), with some 40 people having participated.



## VISITS

We conducted 46 visits to LS centres, 21 in Portugal and 25 in Spain (in-person), with a total of 300 visitors



## FUNDACIÓN MADRINA

Since 2021, LS has been cooperating with the Fundación Madrina [Madrina Foundation] at the Guadalajara LOC by warehousing the food products it receives from the Red Cross, coordinating the arrival of food palettes, their unloading, their warehousing and managing the preparation and loading for subsequent order picking to the food distribution points. (<https://madrina.org/>) On 1 June, Javier Alvarez visited its facilities, where he could see first-hand the social good that the foundation does for the most disadvantaged families.



SAFETY IN THE  
WORKPLACE AND  
ON THE ROAD

# Health and safety management

**On a daily basis, on the roads, in the logistics warehouses, at all the offices and workshops, the safety and health of LS employees is of capital importance.**

La Dirección de Seguridad es responsable de velar. On a daily basis, on the roads, in the logistics warehouses, at all the offices and workshops, the safety and health of LS employees is of capital importance. Occupational Health and Safety are the responsibility of the Safety Department, with subcontracting in the specialties. With a focus on improving work safety conditions and the safety culture, reflected in the accident rates, and aimed at reducing accidents in the workplace.

At Luis Simões, health and safety is managed via the External Prevention Service, which includes four specialties: Hygiene, Safety, Ergonomics and Psycho-sociology, and Occupational Medicine. The system for Preventing Labour Risks implemented by LS includes all of the company's employment positions, namely drivers, warehouse workers, and administrative staff, including all our work centres, facilities and machinery, covering 100% of LS employees.

All employees, when they are incorporated into the company, receive training in occupational risk prevention in accordance with their position, together with recycling. Employees that need special qualification in order to perform their activities also receive this labour risk prevention training, for instance, work at height or material handling equipment licenses for handlers.

The occupational medicine service applies to all employees in Portugal and Spain, while in Spain, employees have the option of opting out of it. Luis Simões offers an occupational health/medicine service and conducts medical examinations in accordance with applicable legislation. It encourages its staff to participate in health promotion actions, such as vaccination campaigns and blood drives.

In 2023, 179 workplace accidents (WA) were recorded, a **reduction of 23% compared to the previous year**. This year, the business area that recorded the highest number of occurrences was Logistics (Spain). At LSG (Luis Simões Gestão Empresarial e Imobiliária S.A.) and Diagonal there were zero accidents. The Transport (TI Spain) area recorded a positive balance with only six accidents. **There were no mortal accidents or occupational illnesses declared.**





When the frequency index (FI) is analysed, along with the severity index (SI) of workplace accidents, taking into account the hours worked and the work days lost, the FI fell by 24% in relation to the previous year, namely 15% at Logistics in Spain (FI 73), although it fell by 40% at RETA (FI 45), with an overall FI value of 38 (24% lower than in 2022) and an SI of 242 (56% lower than

in 2021). The **number of work days lost as a result of the occurrence of workplace accidents fell by 55% in relation to 2022.**

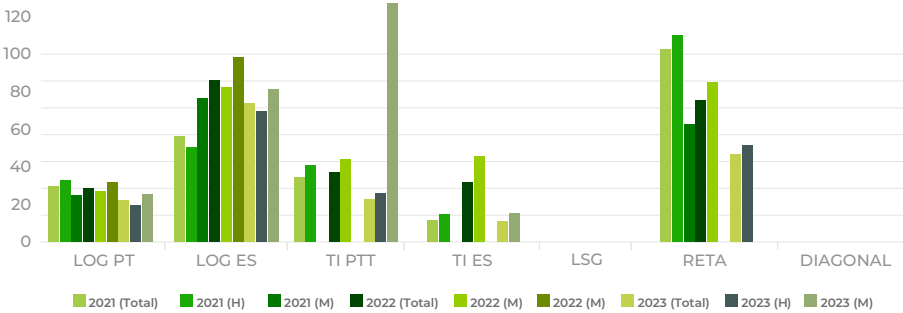
ROAD SAFETY

The nature of Luís Simões activities requires that every year hundreds of people travel millions of kilometres serving the company. The safety of these employees and suppliers, along with that of the other users of the road network is of great concern to Luís Simões.

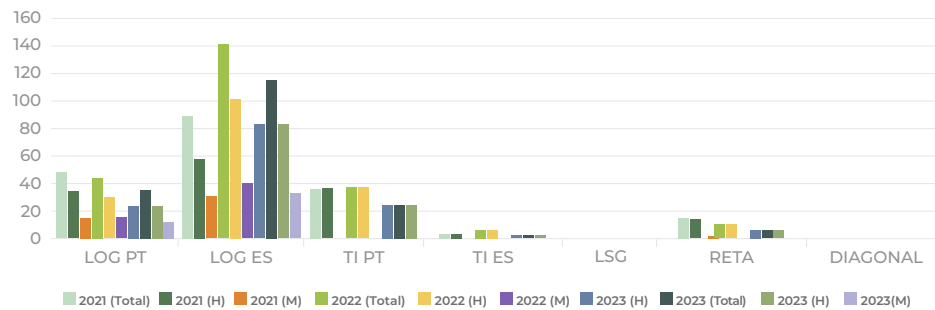
Summary Table of Workplace Accidentss

	2021					2022					2023				
					Total					Total					Total
Logística	33	14	57	30	47 87	29	14	99	39	43 138	23	11	81	32	34 113
Transportes	35	0	3	0	35 3	36	0	6	0	36 6	24	0	2	0	24 2
LSG	0	0	-	-	0 -	0	0	-	-	0 -	0	0	-	-	0 -
Reta	13	1	-	-	14 -	10	0	-	-	10 -	6	0	-	-	6 -
Diagonal	0	0	-	-	0 -	0	0	-	-	0 -	0	0	-	-	0 -
Total	81	15	60	30	96 90	75	14	105	39	89 144	53	11	83	32	64 115

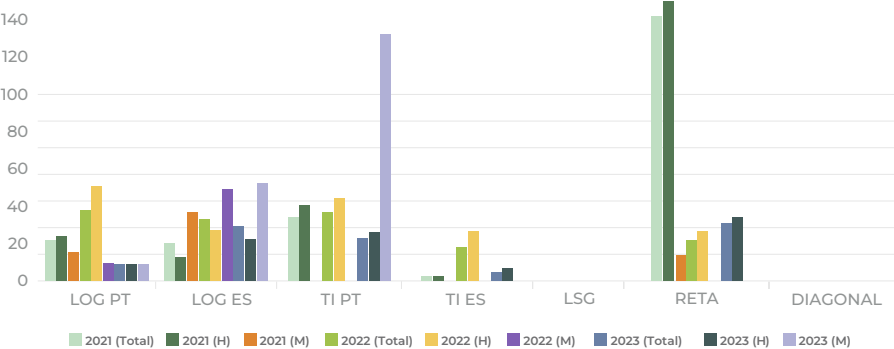
Índice de Frecuencia de Accidentes Laborales (IF)



Nº de Accidentes Laborales



Índice de Gravedad de Accidentes de Laborales (IG)



Indicador GRI 403-9

Road safety is a priority in which LS wishes to continue to invest:

- Promoting good driving practices, through training and monitoring performances and rewarding good behaviour.
- Ensuring adequate working conditions for drivers in terms of ergonomics and driving, and resting times;
- Ensuring preventive maintenance of vehicles.

The number of accidents recorded in 2023 was 280, affecting only 40% of LS drivers. It should be noted that **60% of Luís Simões' drivers did not experience a single accident.** This indicator pertains not only to road accidents, but also cargo accidents.

In 2023, 221 hours of training in Ecodriving were conducted, this being the continuing training programme implemented in 2007 which covers all LS drivers. The following modules were given, among others: Efficient Driving, Maintenance, and Occupational Health and Safety.

The low average age of the fleet not only ensures more efficient engines, but also modern cabins that incorporate best practices in terms of ergonomics and resting conditions for long haul vehicles.

### WORLD DAY FOR SAFETY AND HEALTH AT WORK

On 28 May, the World Day for Safety and Health at Work was celebrated. For Luís Simões, the safety of its employees is the most important thing, and this year we wanted to go further. With this in mind, the LS Corporate Security Department designed a plan to reinforce and improve the prevention and safety culture within the company. Accordingly, several awareness-raising actions regarding occupational safety were carried out among all employees of the LS centres across the Iberian Peninsula. All administrative staff were sent e-mails containing advice on ways to make their working day more comfortable.

In the Carregado, Centrality, Guadalajara and Lliçà del Val centres, the company's Occupational Risk Prevention Technicians gave a safety workshop, encouraging the participation of all employees present, answering questions and, of course, assessing opportunities for improvement. For us, all opinions and experiences are very important!

Aimed at drivers who, due to their work, do not have access to a computer or face-to-face sessions at the centres, we took advantage of our technology: safety advice was sent to their trucks' consoles, so that they could receive all the information.





## FINANCIAL ROBUSTNESS

## LUÍS SIMÕES GROUP

This report includes the Annual Report & Accounts of the companies of Grupo Luís Simões, henceforth referred to as the 'Group', 'Luís Simões' or 'LS'. In this chapter we summarise the consolidated indicators and in the Accounts chapter we include the LS-Luís Simões, SGPS, S.A. report, along with the Financial Statements and Notes to the Accounts.

In 2023 Luis Simões recorded a consolidated turnover of 277 million euros, an 2.9% rise over 2022.

In 2023 Luís Simões recorded EBIT of 10 million euros, as a result of the excellent recovery in the operating income of the various Group Companies. EBT dropped compared to the previous year, essentially due to the increase in Euribor throughout 2023 and the consequent impact on interest paid by the Group.

Luís Simões undertook structural investments in Logistics in cycles of 10 years: conventional warehouse with an area of 30,000 m<sup>2</sup> in 1997 and an automated warehouse with a capacity for 55,000 pallets in 2008,

both in Carregado; and warehouses in the New Centrality of Cabanillas and Guadalajara within the 2017-2019 period. While in the past, investments in 1997 and 2008 spurred growth and market dominance by Luís Simões in Portugal, during the next decades we believe that the new investments in modern and innovative logistics platforms in the Madrid region will put LS logistics in the lead of the consumer packaged goods logistics market in Spain during the next decade.



## MAIN CONSOLIDATED INDICATORS

## LS - LUÍS SIMÕES, SGPS, S.A.

	2023	2022	2021
<b>Turnover</b>	<b>277.152.144</b>	<b>269.277.852</b>	<b>241.826.146</b>
Sale of goods	-	<b>7.210.659</b>	<b>5.561.491</b>
Supply of services	<b>274.658.418</b>	<b>262.067.193</b>	<b>236.264.655</b>
% Growth ( <i>Turnover.</i> )	2,9%	11,4%	6,8%
<b>EBITDA</b>	<b>22.500.934</b>	<b>20.024.100</b>	<b>17.377.325</b>
% <i>Turnover</i>	8,1%	7,4%	7,2%
<b>EBIT</b>	<b>10.078.432</b>	<b>8.836.226</b>	<b>7.081.129</b>
% <i>Turnover</i>	3,6%	3,3%	2,9%
<b>EBT</b>	<b>6.512.048</b>	<b>7.407.882</b>	<b>5.972.850</b>
% <i>Turnover</i>	2,3%	2,8%	2,5%
<b>Net income for the year <sup>(1)</sup></b>	<b>5.605.633</b>	<b>6.929.951</b>	<b>4.480.086</b>
% <i>Turnover</i>	2,0%	2,6%	1,9%
<b>Total assets</b>	<b>180.199.951</b>	<b>173.125.527</b>	<b>160.233.122</b>
<b>Equity</b>	<b>59.234.784</b>	<b>55.501.582</b>	<b>52.182.048</b>
<b>Net financial debt <sup>(2)</sup></b>	<b>35.427.818</b>	<b>35.209.078</b>	<b>27.618.883</b>
Net debt/EBITDA	1,4 x	1,8 x	1,6 x
<b>Net financial debt (including loans to shareholders)</b>	<b>45.071.545</b>	<b>49.852.805</b>	<b>41.282.610</b>
Net debt / EBITDA	2,0 x	2,5 x	2,4 x

(1) Excludes minority interests;

(2) Includes bank loans and suppliers of fixed assets, deducted by cash and equivalents;





In June 2023, the LS Group was the target of a cyberattack that led to the application of previously designed contingency plans. The cyberattack did not have any relevant impact on the Company's ability to provide contracted services to its clients, but it did result in extraordinary expenses to maintain operations with clients, also having the added benefit of strengthening its information technology environment.

LSLI Portugal and LSLI Spain, which include the Transport and Logistics businesses (except EspaçoTrans), recorded very positive results as a whole: LSLI Spain recorded a negative net income for the year of 0.5 million euros due to costs incurred in responding to the cyberattack and some vacancy in the centre of Guadalajara, while LSLI Portugal recorded EBT of 3.6 million euros, exceeding the previous year's result by one million euros.

At Reta, turnover in 2023 was practically in line with 2022, but EBIT rose almost 0.8 million euros, thus recording a value of 1.8 Million euros. Net income for the year grew almost 75% in comparison to 2022, to total 1.6 million euros.

In 2023, EspaçoTrans, specialised in customs logistics, recorded EBITDA of 823,000 euros, which corresponds to an excellent 17.3% return on sales.

In 2023, Diagonal recorded commissions totalling 2.4M euros, and EBITDA of 580,000 euros, maintaining the trend of results from previous years, driven by the high dynamics of commercial activity.

In 2023, LSC's shared services structure remained largely unchanged during a year that was strongly marked by investment in digital transformation projects.

As regards working capital, Luís Simões remained committed to reducing average collection time periods, which tend to be rather high in the sector where it operates.





# ESG REPORTING INDEX



# ESG Reporting Index

This document describes Luís Simões' Sustainability strategy, its relationship with stakeholders and presents the GRI index content that covers the requirements of Law 11/2018 on the Non-financial Reporting in Spain, disclosing in the sustainability report the consolidated data of the LS Group and the data of company Luís Simões Logística Integrada S.A. in Spain, to which this obligation applies.

In 2008, Luís Simões established a sustainability strategy based on the analysis of the outcomes of stakeholder engagement, the sectoral framework, management guidelines and internal best practices, as well as by benchmarking against similar companies. In 2015, Luís Simões re-assessed the materiality, by consulting stakeholders and using the sectoral framework and benchmarking.





CLIENTS
EMPLOYEES
OTHER SUPPLIERS
UNIONS

PERMANENT OUTSOURCED COMPANIES
POTENTIAL OUTSOURCED COMPANIES
ASSOCIATIONS
NATIONAL / REGIONAL LOCAL AUTHORITIES

UNIVERSITIES
BANKS
MEDIA
NGO'S

STAKEHOLDER INCLUSIVENESS

Identifying the stakeholders, namely their concerns and expectations, is a crucial step in the process of reassessing the sustainability strategy. LS updated its stakeholder map according to the analysis of the importance LS holds for said stakeholders and vice-versa.

This process allowed for an analysis of Luís Simões' activities to be conducted, where strengths, weaknesses, threats and opportunities were identified. The challenges identified were analysed together with the sector's best practices and LS's best practices to integrate the Materiality Matrix. Its internal implementation is sustained by '9 Principles' that aggregate the actions to be performed to improve LS's performance - Sustainability Strategy.

Considering the influence, dependency and power that certain stakeholders hold over LS and to foster transparent communication, the means used by Luís Simões to communicate with its stakeholders are disclosed.





# STAKEHOLDER ENGAGEMENT

## Customers

Customer satisfaction survey; LSnet Portal; Digital newsletter; Presentations; Meetings; LS website; Sustainability Report and Accounts; Social Media; Sustainability Platforms: Ecovadis; Sedex; CDP

## Temporary sub-contractors

LSnet Portal; LS website; Sustainability Report and Accounts; Social Media

## Unions

Collective bargaining; Meetings ; LS website; Sustainability Report and Accounts; Social Media

## Media

Standard communication; Commercial and institutional presence; LS website; Digital newsletter; Sustainability Report and Accounts; Social Media

## Employees

Somos LS Journal; Consulting employees on occupational health and safety; Intranet; **LS Express Newsletter**; Training courses; Posters; Events; LSnet Portal; LS website; Sustainability Report and Accounts; Social Media; SOMOS LS App

## Banks

Periodic meetings; Sustainability Report and Accounts; LS website

## Associations

Establishing protocols; Participating in associations; Events; LS website; Sustainability Report and Accounts; Social Media

## NGOs

Establishing protocols; Events; LS website ; Sustainability Report and Accounts; Social Media

## Permanent sub-contractors

Training courses; LSnet Portal ; LS website ; Sustainability Report and Accounts; Social Media

## Other suppliers

Posters; Regular communication; LSnet Portal; Sustainability Report and Accounts; Social Media; Digital newsletter; LS website

## Universities

Visiting Operation Centers; Partnerships; Standard communication; LS website; Sustainability Report and Accounts; Social Media

## National/Regional and Local Authorities

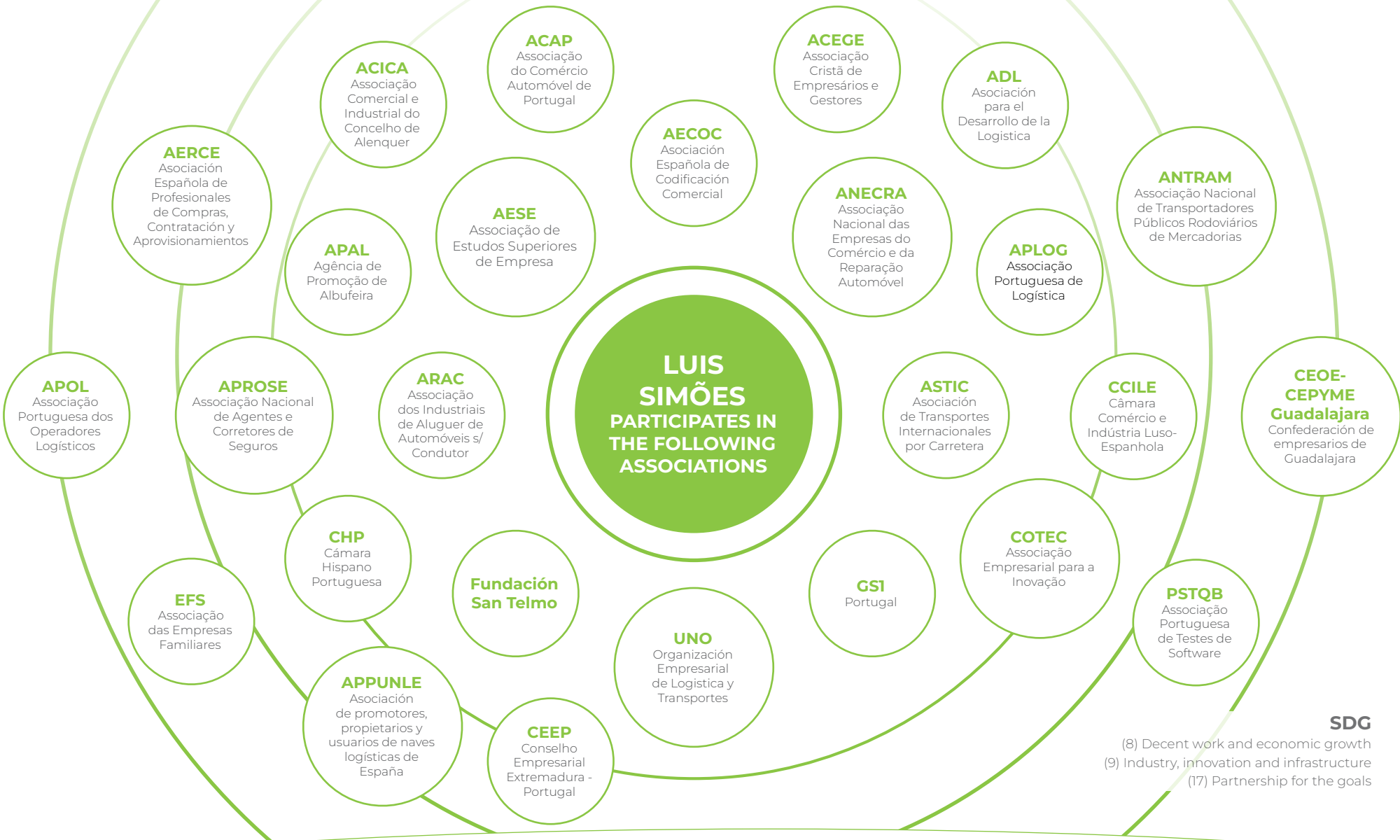
Standard communication; LS website ; Sustainability Report and Accounts; Social Media







Luis Simões participates in associations from its particular sector, as well as others which contribute to local or community development.



**SDG**

- (8) Decent work and economic growth
- (9) Industry, innovation and infrastructure
- (17) Partnership for the goals



SUSTAINABILITY STRATEGY

Consulting stakeholders allowed for an analysis of Luís Simões' activities to be conducted, where strengths, weaknesses, threats and opportunities were identified.



STRENGTHS

- Image
- Proactivity
- Leadership in the sector and in terms of sustainability
- Financial robustness
- Investment in equipment and machinery / Renewal of fleet
- Training in health and safety at work
- Safer, more comfortable and more efficient vehicles
- Innovation (Natural gas vehicle)
- Road safety (PT)
- Organization and procedures (PT)



WEAK POINTS

- Asymmetry in the perception of the quality of service between the two countries
- Lack of coordination and alignment between transport and logistics
- Outsourcing/subcontracting* impacts the quality of service and the efficiency
- To invest in providing training to human resources
- To streamline the adaptation to a new requirements (barriers at a technological level)
- Road safety (SP)
- Qualification and retention, training, HSW (SP)



OPPORTUNITIES

- To assume own fleet for relevant clients
- Adaptation to market challenges and needs
- To streamline the implementation of solutions (namely of technological nature)
- Multimodality
- To be a partner between producers and distributors
- Door to door business and online commerce
- To invest in and value the employees
- To innovate with quality



THREATS

- Quality of the service
- Subcontracting
- Lack of training of human resources
- Structural difficulties of adaptation by the size of the company
- Misuse in the resort to temporary employment

\*2016 Stakeholder Consultation



The process of revising the materiality matrix in 2015 took into account the GRI G4 recommendations. The revision of materiality for 2023 was initiated, in accordance with Double Materiality.

The challenges identified in the Materiality Matrix; its internal implementation is conducted on the basis of 'Principles' that aggregate the actions to be performed to improve LS's performance.

In Luís Simões' value chain assessment, the importance of subcontracting transport services was highlighted, in

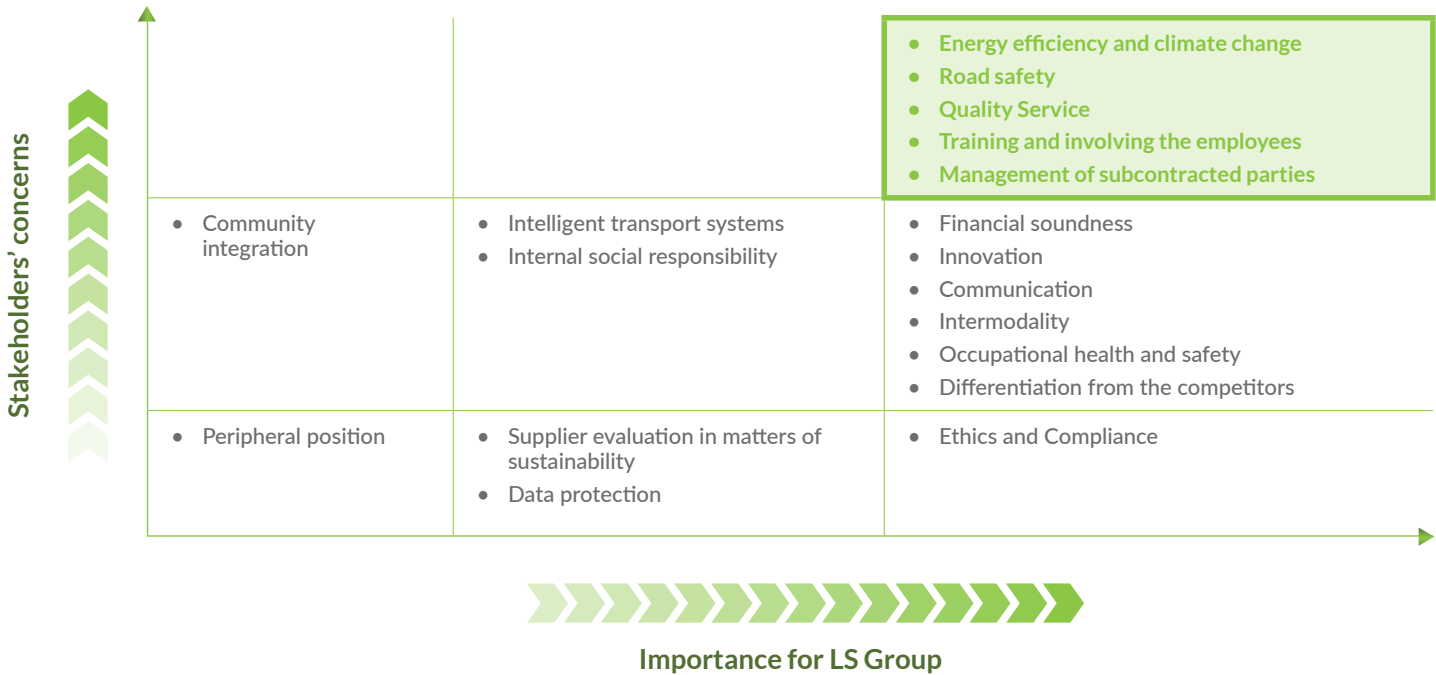
line with the importance of subcontracting in ensuring a quality service, as became clear after consulting stakeholders.

Transport providers are mostly small-sized (small or micro) enterprises in both countries. This reality reflects the, more than financial, environmental and social independency between companies. The impact of employee training or fuel consumption / emissions on the service provided to the customer put this type of providers at the top of Luis Simões' sustainability-related priorities.

In the 2015 review, the Sustainability strategy incorporated the newly identified challenges, driving efforts to simplify and harmonize communication.

The 9 sustainability principles of LS are in line with its values, and their implementation is closely related with the policies that have already been developed by the Group.

MATERIALITY MATRIX



# LUÍS SIMÕES SUSTAINABILITY STRATEGY

The 9 sustainability principles of LS are in line with its values, and their implementation is closely related with the policies that have already been developed by the Group.

## 9 PRINCIPLES



The material aspects in highlight correspond to the most important challenges for LS and its stakeholders.



## 1. PROVIDING A HIGH-QUALITY AND RESPONSIBILITY SERVICE

### Challenges

Service quality; Management of sub-contractors; Ethics and Compliance; Supplier sustainability assessment; Competitive differentiation; Data protection:

- a) Meeting customer expectations by offering innovative and agile solutions;
- b) Ensuring high quality standards for own and outsourced fleet, for internal logistics operations and for goods vehicle hiring, sales and service support for semi-trailers;
- c) Ensuring high product safety products, including food safety, throughout their involvement in the supply chain;
- d) Ensuring the absence of corruption in all its forms, including extortion and bribery;
- e) Understanding the performance and impact of the value chain, to support the management of the Group's performance throughout the value chain and identify risks.



## 2. ENSURING THE FINANCIAL SOUNDNESS OF THE GROUP

### Challenges

Financial soundness:

- a) Promoting a retained earnings policy, with the reinforcement of its equity and resulting financial equilibrium;
- b) Matching the time structure of borrowed capital to the nature of financial investments;
- c) Efficiently managing the customer base, with a focus on reducing the Average Collection Period (ACP), ensuring the financing of the operation cycle.



## 3. PROMOTING INNOVATION

### Challenges

Innovation; Intelligent Transport Systems:

- a) Implementing a culture of innovation at the service, process, and organizational levels, increasing efficiency and creating value for the customer and the Group;
- b) Adopting the best solutions available for carrying out the business and anticipating, whenever possible, the customers' needs and compliance with regulatory requirements.







## 4. PROMOTING ENERGY EFFICIENCY

**Challenges**

Energy Efficiency and Climate Change, Management of Sub-contractors; Intermodality:

- a) Promoting efficient engines, alternative fuels, and inter- and co-modality solutions;
- b) Optimizing routes, decreasing empty miles, and increasing vehicle occupancy rates;
- c) Investing in training on eco-driving;
- d) Promoting energy efficiency at the level of warehouses, heavy goods vehicle service centers, and offices;
- e) Monitoring energy consumption (electricity and fuel) and greenhouse gas emissions;
- f) Investing in the relationship with transport sub-contractors and other suppliers, supporting them in their increasing adoption of sustainability criteria;
- g) Promoting a preventive approach to climate challenges.



## 5. WORKER TRAINING AND ENGAGEMENT

**Challenges**

Worker Training and Engagement; Ethics and Compliance:

- a) Streamlining the recruitment and retention of talented employees;
- b) Ensuring the continuity of the management capacity by qualifying and motivating people;
- c) Enabling professional development and personal fulfilment;
- d) Transmitting an image of the company as committed to its employees and their development;
- e) Ensuring the respect for the protection of internationally recognized human rights;
- f) Supporting the freedom of association and the effective recognition of collective bargaining;
- g) Contributing to the abolition of all forms of forced and compulsory labour that result from its activity;
- h) Ensuring freedom from discrimination at work.



## 6. PROMOTING ROAD SAFETY

**Challenges**

Road Safety:

- a) Promoting driving best practices through training and monitoring performance and rewarding good conduct;
- b) Ensuring adequate work conditions for drivers when it comes to ergonomics and driving and resting times;
- c) Guaranteeing the preventive maintenance of the vehicles.



## 7. PROMOTING OCCUPATIONAL HEALTH AND SAFETY

### Challenges

Occupational Health and Safety:

- a) Monitoring and mitigating the risks connected to the activity;
- b) Ensuring adequate means to promote health and safety in the work performed;
- c) Improving the ergonomics and environment of workplaces.



## 8. PROMOTING INTERNAL AND EXTERNAL CIVIC ENGAGEMENT

### Challenges

Internal social responsibility and Community Integration:

- a) Encouraging the civic engagement of its employees, promoting their health and investing in partnerships that benefit them;
- b) Promoting an increasingly closer rapport with the community, by supporting initiatives in the social sphere;
- c) Supporting public interest institutions, organizations and projects, providing technical capacity, human and financial resources.



## 9. PROMOTING INTERNAL AND EXTERNAL COMMUNICATION

### Challenges

Communication; Community Integration; Ethics and Compliance:

- a) Establishing communication channels and developing in-person activities for drivers and other employees;
- b) Fostering strategic communication and online platforms for operational communication with suppliers and customers;
- c) Communicating transparently with media, local and national authorities;
- d) Promoting tours of educational institutions, families of employees and/or other stakeholders to LS's sites.





LUIS SIMÕES' VALUE CHAIN

In Luís Simões' value chain assessment, the importance of subcontracting transport services was highlighted, as well as the importance of subcontracting in ensuring the quality of the service provided, as became clear after consulting stakeholders.

Transport providers are mostly small suppliers (small or micro enterprises) in both countries. This reality reflects the interdependency between enterprises, mostly in the financial, but also environmental and social level. The impact of employee training or fuel consumption/ emissions on the service provided to the customer put this type of providers at the top of Luis Simões' priorities as far as sustainability is concerned.



# GRI CONTENT INDEX

## STATEMENT OF USE

Luis Simões has reported the information cited in this GRI content index for the Year 2023 (1 January to 31 December) with reference to the GRI Standards.

## GRI 1 USED: GRI 1

GRI 1: Foundation 2021

## APPLICABLE GRI SETOR STANDARD(S)

No GRI Sector Standards applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
General disclosures				
Organisational Profile and its Reporting Practices				
GRI 2: General Disclosures 2021	2-1 Organizational details	Description of the Business Model	<p>LS - Luis Simões, S.G.P.S., S.A. (referred to as 'Grupo Luis Simões', 'LS Group' or 'LS')</p> <p>Luis Simões Logística Integrada, sociedad Unipersonal S.A. (referred to as 'LSLI ES') - Company covered by the obligation to report non-financial information (EINF) - Law 11/2018</p> <p>Chapter 'About this Report'</p> <p><a href="https://www.luis-simoes.com/en/the-company/about-us/">https://www.luis-simoes.com/en/the-company/about-us/</a></p>	
	2-2 Entities included in the organization's sustainability reporting	Description of the Business Model	<p>The following are the entities included in the Sustainability Report:</p> <p>LS - Luis Simões, S.G.P.S., S.A. (referred to as 'Grupo Luis Simões', 'LS Group' or 'LS')</p> <p>Luis Simões Logística Integrada S.A. (referred to as 'LSLI PT')</p> <p>Luis Simões Logística Integrada S.A. (referred to as 'LSLI ES')</p> <p>LS Frota, Lda. (referred to as 'LS Frota')</p> <p>Reta - Serviços Técnicos e Rent-a-Cargo, S.A. (referred to as 'RETA')</p> <p>Diagonal – Corretores de Seguros, S.A. (referred to as 'Diagonal')</p> <p>LS - Gestão Empresarial e Imobiliária, S.A. (referred to as 'LSG')</p> <p>Espaçotrans – Gestão de Entrepostos e Aduaneira, Lda. (referred to as 'Espaçotrans')</p> <p>Companies without direct employees:</p> <p>Patrimundus – Investimentos Imobiliários, S.A.</p> <p>Solmoninhos – Consultoria, Gestão e Execução Imobiliária, S.A.</p> <p>b. Companies included in the consolidated financial statements - see: Note 6.1 Annex Financial Statements (Consolidated Financial Statements - LS - Luis Simões, S.G.P.S., S.A.)</p>	
	2-3 Reporting period, frequency and contact point		<p>Annual reporting, Year 2023 (1 January to 31 December)</p> <p>Chapter 'About this Report'</p>	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	2-4 Restatements of information		<p>In indicator 305-2 – The GHG emission values were corrected, after recalculation for the SBTi:</p> <p>2021: Scope 1 emissions changed from 24 867 tCO<sub>2</sub>e to 23 498 tCO<sub>2</sub>e by rectification of inventory calculations and reconsiderations (SBTi alignment). The LSLI ES corresponds to a change from 4 693 tCO<sub>2</sub>e to 4 431 tCO<sub>2</sub>e.</p> <p>2021: Scope 2 emissions changed from 3 352 tCO<sub>2</sub>e to 3 182 tCO<sub>2</sub>e by rectification of inventory calculations and reconsiderations (SBTi alignment). The LSLI ES corresponds to a change from 1 733 tCO<sub>2</sub>e to 1 563 tCO<sub>2</sub>e.</p> <p>2022: Scope 1 emissions changed from 25 229 tCO<sub>2</sub>e to 23 835 tCO<sub>2</sub>e by rectification of inventory calculations and reconsiderations (SBTi alignment). The LSLI ES corresponds to a change from 4 704 tCO<sub>2</sub>e to 4 442 tCO<sub>2</sub>e.</p> <p>2022: Scope 2 emissions changed from 3 429 tCO<sub>2</sub>e to 3 245 tCO<sub>2</sub>e by rectification of inventory calculations and reconsiderations (SBTi alignment). The LSLI ES corresponds to a change from 1 896 tCO<sub>2</sub>e to 1 712 tCO<sub>2</sub>e.</p> <p>In the Energy Efficiency chapter, the age error of the own fleet was detected in 2022; the correct value was 4.6 years..</p>	
	2-5 External assurance		The external Assurance is only for the Non-Financial Information data applicable to the company Luis Simões Logística Integrada (Spain) (Checking of the Limited Warranty for the Non-Financial Report of Luis Simões SGPS S.A. and its subsidiaries for the reporting period of 2023, in accordance with Law 11/2018, of 28 December (Spain)).	
<b>Activities and Workers</b>				
	2-6 Activities, value chain and other business relationships	Description of the Business Model	Chapter “Discover our World - Types of Services” Luis Simões webpage: <a href="https://www.luis-simoes.com/">https://www.luis-simoes.com/</a>	
	2-7 Employees	Social - Social and staff-related topics Employment	<p>Chapter: LS people At Luis Simões, of the 2,431 workers, only 89 do not work full-time, employees with reduced working hours in Spain (28 men; 61 women);</p> <p>The reported figures reflect the Luis Simões Group overall. The data for Spain correspond to the company Luis Simões Logística Integrada sociedad unipersonal, S.A. The number of direct employees at 31 December 2023 was considered.</p>	
	2-8 Workers who are not employees		<p>At 31 December 2023, only employees with temporary work contracts are included in this category: 1 in Portugal and 1 in Spain.</p> <p>We only control, organise and direct the workers hired through temporary employment agencies. The most common type of contract is temporary (up to 3 months). In 2023, we significantly reduced this type of hiring. The most common profile in both countries is that of a warehouse operator, whose main tasks are to load and unload goods arriving at the warehouse, place the goods in the right place, prepare orders, and perform periodic counts of existing stock.</p> <p>In 2023, at LS, the hiring of employees from temporary work agencies was quite stable.</p>	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>Governance</b>				
	2-9 Governance structure and composition	<b>Organization Profile</b>  Description of the Business Model  Management Approach  Anti-corruption and Bribery	Chapters: Discover our World – GOVERNANCE   Discover our World – Compliance & Risk Management  Luis Simões' governance model has the Board of Directors as the management supervisory body, followed by five Executive Committees in the core businesses (Logistics, Transport, Real Estate, Reta and Diagonal) and a management meeting in the EspaçoTrans business (a company owned by LS), responsible for decision-making with an economic impact felt by people, and the environment. The company's support areas also have their management meetings in the form of a committee led by the respective Manager. There are also specific speciality committees that assist the Board of Directors in the management of specific topics, such as the Compliance Committee, the Decarbonisation Committee, and the Strategic Clients Committee.  <b>Composition of the highest governance body – Board of Directors (BoD)</b> Luis Simões' Board of Directors includes five executive directors and two non-executive directors, which ensures the supervision of the business (image governance chapter). Of these members, only two are women. The members of the Board of Directors have knowledge of LS's business, and training in business administration or an MBA. They represent the shareholder and employee stakeholders. The Compliance Committee reports to the Board of Directors, where compliance and risk management issues are prioritised (taking into account the risks known to LS and its level of risk and the status of ongoing mitigation measures), minimising the conflict of interest in the Board of Directors. Out of the seven directors who make up the Board of Directors, five have executive functions: - Director in charge of the Transport business - Director responsible for the Logistics business and the Innovation and Processes Department (Logistics business) - Director responsible for the Digital area and for Legal & Compliance - Director responsible for Business Development and other shared services areas of the Group - Director in charge of the Reta and Diagonal businesses.  The remuneration of senior management is taken into account in the allocation of the remuneration of Directors and Managers (see: Employment). None have Senior Management contracts.	
	2-10 Nomination and selection of the highest governance body	Management Approach	Luis Simões is a family-owned company and shareholders have the majority representation in its Board of Directors. Members are nominated by invitation, based on their technical expertise, knowledge of the business and vision for the sector and impacts on the organization.	
	2-11 Chair of the highest governance body	Management Approach	The most senior position in the Board of Directors, the Chair, performs functions as director of one of the businesses temporarily. While his role is not free of conflicts of interest, the risk is considered mitigated by the Compliance Committee and the delivery of the six-monthly report to the BoD, which adopts a position on every compliance risk that may impact LS's businesses and acts independently.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	2-12 Role of the highest governance body in overseeing the management of impacts	Management Approach	<p>It is the BoD's responsibility to approve the mission and the vision, the current ones having been in place since before 2015.</p> <p>In 2008, the BoD approved Luis Simões' Sustainability Strategy, which was subsequently revised in 2016, after consulting stakeholders (CSR reporting index). The policies of Luis Simões are subject to supervision by the compliance division and the required approvals.</p> <p>In 2023 stakeholders were heard regarding sustainability, as part of the Double Materiality assessment, which is still ongoing.</p> <p>With respect to the processes for identifying and managing the impacts of the organization, Luis Simões is certified in ISO 9001 (Quality), ISO 14001 (Environmental Management), several food safety standards and business ethics (Carregado LOC), monitored in an Integrated Management System. Every year, a document detailing the most relevant aspects in their performance of the different processes is prepared and approved by the Board.</p> <p>For stakeholder engagement, surveys are carried out with customers (twice a year) and employees (OHS), where actions are specified in the business plans to address the concerns raised. In addition, several legal compliance audits were performed by independent organizations and action plans were implemented to address the identified risk factors..</p>	
	2-13 Delegation of responsibility for managing impacts	Management Approach	<p>Chapter: Discover our World – GOVERNANCE</p> <p>The Board of Directors delegates the responsibility for the management of social, economic and environmental impacts to Executive Committees, lead by the general manager of the business area and its respective director.</p> <p>The decisions related to the strategy of the group, the policies of the group and the corporate structure are left to the Board of Directors alone.</p>	
	2-14 Role of the highest governance body in sustainability reporting		<p>The Board of Directors is in charge of the sustainability report, overseeing its preparation and approving this document. The report also includes the non-financial information that is mandatory in accordance with Law 11/2018.</p> <p>When materiality assessments are carried out, the approval of material topics is carried out by the Board of Directors.</p>	
	2-15 Conflicts of interest	Management Approach	<p>As established by LS's Code of Conduct and Ethics, every employee must avoid personal situations that could entail conflicts of interest, such as, for example, any situation in which an employee has a personal stake, in a circumstance where decision-making will negatively impact LS.</p>	
	2-16 Communication of critical concerns		<p>The communication of crucial concerns can be sent to the Board of Directors by the Executive Committees, by the Compliance Committee, and twice a year, by the Compliance and Risk Management area, through the 'Compliance, Risk Management and Internal Audit Semi-Annual Report'.</p> <p>The 'Compliance, Risk Management and Internal Audit Semi-annual Report' covers three types of crucial concerns:</p> <ul style="list-style-type: none"> <li># Risk Management</li> <li># Internal Audits</li> <li># Compliance incidents, such as: Fines; Client Debts; Attempts to instruct Information Systems; Level of legal compliance of the Carriers; Legal proceedings against LS; incidents reported to the Ethics Line; and incidents related to product shortages, damaged or stolen goods.</li> </ul>	
	2-17 Collective knowledge of the highest governance body		<p>The sustainability context focused on operational efficiency and energy efficiency is critical to the competitiveness of the sector, for which the members of the Board of Directors and of the Executive Committees are competent and responsible. The social context and environmental impact are reported in the sustainability report, on the sustainability assessment platforms and in the integrated management system. These tools are inputs for learning the challenges faced by the organization</p>	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	2-18 Evaluation of the performance of the highest governance body		For the Board, the evaluation of the performance is supported by 2 criteria: The first criterion, of a quantitative nature, aims to measure the level of achievement of the results obtained by LS globally and the results of the companies. The second criterion, of a qualitative nature, aims to measure the suitability to the position and the skills demonstrated in the performance of their function. Based on the results of this evaluation, an Individual Development Action Plan is defined jointly.	
	2-19 Remuneration policies	Management Approach	<p>Directors, General Managers and Executives in Portugal receive a fixed gross pay always higher than the salary defined for their category in accordance with labor regulations. In addition to fixed pay, they receive an annual variable bonus based on the results obtained that year by the company they work for, by their team and by the results obtained by each manager in their personal goals. They are further covered by health and life insurance paid by the company.</p> <p>Executives in Spain receive a fixed gross salary that is always higher than the salary defined for their professional category by the applicable collective bargaining agreement. In addition to fixed pay, they receive an annual variable bonus based on the results obtained during the year by the company they work for, by their team and by the results obtained by each executive in their personal goals. Additional, executives are covered by a health insurance paid by the company.</p>	
	2-20 Process to determine remuneration		<p>The remuneration process responds to legal requirements and collective bargaining agreements. It is the Board of Directors that decides on the maximum salary increase to be applied each year.</p> <p>LS consults labour guides or hires highly reputable external and independent consultants to provide market salary information for certain positions, with the aim of ensuring external equality with the labour market for positions of relevance to the organisation..</p>	
	2-21 Annual total compensation ratio		<p><b>Annual Compensation Ratio</b></p> <p>a. Ratio of the total annual compensation of the highest-paid individual in the organisation to the average total annual compensation of all employees (excluding the highest-paid): 7.83</p> <p>a. Ratio of the percentage increase in total annual compensation of the highest-paid individual in the organisation to the average percentage increase in total annual compensation of all employees (excluding the highest-paid): 27%</p> <p>The salary was calculated taking into account the annual fixed components. In 2023, the salary increases were those mandatory for CCTV (Collective Bargaining Agreements) and some retraining.</p> <p>In both Portugal and Spain, the salary of the majority of people occupying basic operational and administrative positions is based on the amount defined by the Portuguese minimum wage, by the Portuguese Collective Bargaining Agreements and by the Spanish provincial agreements, all of which are sectoral in nature.</p> <p>Not all Collective Bargaining Agreements and the applicable agreements at LS have updated their respective salary scales. In 2023 the following were updated:</p> <ul style="list-style-type: none"> <li>- In Portugal: The minimum wage in Portugal (7.8%); The Collective Bargaining Agreement applied at the companies LSLI PT and LS Frota and the Collective Bargaining Agreement applied at the company Diagonal.</li> <li>- In Spain: <ul style="list-style-type: none"> <li>The sectoral agreement of the province of Madrid.</li> <li>The sectoral agreement of the province of Guadalajara.</li> <li>The sectoral agreement of the province of Barcelona.</li> <li>The sectoral agreement of the province of Valencia.</li> <li>The sectoral agreement of the province of Gerona.</li> <li>The sectoral agreement of the province of Seville.</li> <li>The sectoral agreement of the province of Zaragoza.</li> </ul> </li> </ul>	
<b>Strategy Policies and Practices</b>				
	2-22 Statement on sustainable development strategy	Description of the Business Model	Chapter: Discover our World – Message from the President ESG Reporting Index: Stakeholder Engagement; Sustainability Strategy Compliance and Risk Management	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	2-23 Policy commitments	<p>Descrição do Modelo de Negócio</p> <p>Abordagem de gestão Medidas adotadas para prevenir a corrupção e o suborno Igualdade; Direitos Humanos</p>	<p>Chapter: Discover our World - Compliance and Risk Management</p> <p>The Code of Conduct and Ethics clearly states that as part of our corporate culture, all our internal and external relationships are based on mutual respect. Respecting Human Rights, as established in the Universal Declaration of Human Right and International Human Rights Law is a principle on which we stand firm. Discrimination, whether based on religion, sexual orientation, gender, ethnicity, socioeconomic status, age, marital status, physical, sensory, and mental health and condition, political orientation, or trade union membership, that undermines one's dignity is not tolerated.</p> <p>Public links from LS's webpage:  <a href="https://www.luis-simoes.com/a-empresa/compliance/?doing_wp_cron=1673524550.0680720806121826171875">https://www.luis-simoes.com/a-empresa/compliance/?doing_wp_cron=1673524550.0680720806121826171875</a>  <a href="https://www.luis-simoes.com/a-empresa/politicas/?doing_wp_cron=1673524610.3526430130004882812500">https://www.luis-simoes.com/a-empresa/politicas/?doing_wp_cron=1673524610.3526430130004882812500</a></p> <p>d) The Code of Conduct and Ethics was approved by the members of the Board of Directors.</p> <p>e) The Code of Conduct and Ethics applies both to the organizations' internal activities, and to the business relationships with our Customers.</p>	
	2-24 Embedding policy commitments	<p>Description of the Business Model</p> <p>Management Approach Actions taken to combat corruption and bribery Equality; Human Rights'</p>	<p>f) The Code of Conduct and Ethics is internally communicated to every Worker, as well as to Customers and Suppliers, and other stakeholders. The means of communication can take different forms, namely: Delivering a paper copy to every Employee; Release in the internal document manager; Including it in the Welcome and Integration Plan for new recruits; Release the communication and awareness raising video in corporate TVs, corporate media; release in the websites of Group companies; among others.</p> <p>Luis Simões has a Purchasing Policy (February 2022) which governs the relationship with suppliers and the environmental and social relationships to consider and respect, ensuring compliance with Luis Simões' Code of Ethics.</p> <p>The relationship with carriers is governed by the Sub-contractor Driver Manual, which covers topics related to transport service provision and the 'Letter of Commitment for Carriers' that governs the social and environmental terms of Luis Simões' Code of Ethics.</p> <p>Precautionary Principle Application The management system policy establishes prevention of pollution as one of the continuous improvement goals of the environmental management system. To this end, in addition to the obligation to comply with laws inherent to any potentially polluting activity, the acquisition of spill containment equipment (containment basins, spill kits) is established in the delegations that store products liable to cause spills (detergents, oils, etc.) as well as rules for sub-contractor drivers in the event of a spill in this area of activity (page 55 of the Sub-contractor Driver Manual).</p> <p>The sectoral challenges identified in the materiality analysis can be viewed in materiality (ESG information index - Stakeholder consultation)</p>	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	2-25 Processes to remediate negative impacts	Pollution	<p>In service of trust and transparency, every LS employee and other business partners should collaborate to comply with the rules set out in LS's Code of Conduct and Ethics, immediately reporting the occurrence of any act that constitutes or may constitute a breach of the provisions of said Code, particularly any situations of fraud, corruption, bribery, human or labor rights violations, environmental damage, and other unlawful or unethical practices.</p> <p>You may do so confidentially, by addressing the Compliance and Risk Management Department, through one of following means: via email to <a href="mailto:etica@luis-simoes.com">etica@luis-simoes.com</a>; or by calling the general contact number of the head office (00351) 263 858 700, which will forward the call to the Compliance and Risk Management Department.</p> <p>Every instance will be subject to independent and transparent analysis, so as to establish the facts and respond adequately. It is our duty to properly investigate any concerns that are communicated, safeguarding the privacy and the fundamental rights of anyone who reports an impact. We will not tolerate any reprisals against anyone that has in good faith raised concerns about a potentially inappropriate act. If you believe you have suffered any form of retaliation, contact the Compliance and Risk Management Department.</p> <p>With environmental certification, the management of environmental impacts is based on the matrices of environmental aspects</p>	
	2-26 Mechanisms for seeking advice and raising concerns	Actions taken to combat corruption and bribery	The Compliance and Risk Management area occasionally responds to requests for implementation of policies and practices for a responsible business conduct.	
		Equality	<p>We recognize that there may be doubts or concerns about the interpretation or application of the Code of Conduct and Ethics. In such a case, there are two options:</p> <ul style="list-style-type: none"> <li>· Contacting the Direct Superior; or</li> <li>· Contacting the LS's Compliance and Risk Management Department.</li> </ul> <p>LS employees are regularly informed about raising concerns about the business conduct of LS Group companies, through regular awareness raising actions.</p>	
	2-27 Compliance with laws and regulations	Management Approach  Environmental Topics	<p>One of the central components of the Compliance Management System is compliance with applicable legislation. As such there is an action strategy to ensure adequate knowledge of applicable legislation, as well as assessing legal compliance.</p> <p>Identification of applicable legislation and its requirements is made via an external entity which, on the basis of updated knowledge of our activities, is capable of identifying all legislation that applies internationally and locally at the scale of the Iberian Peninsula. Local visits are made to the main LS Logistics centres, in order to adapt the legislation applied to each centre.</p> <p>Assessment of Legal Compliance is carried out on the Ecogestor platform. Audits are carried out by external auditors who are specialists in Legal Compliance (NetEnvira).</p> <p># In 2023, eight Legal Compliance Audits were conducted.</p>	
	2-28 Membership associations	Organization Profile Commitments of the company to sustainable development	<p>ESG Reporting Index – Stakeholders Involvement</p> <p>Luis Simões participates in associations in the sector where it operates, as well as others relevant to local development or the community.</p> <p>The amount paid to associations with which the Luis Simões Group collaborated:</p> <p># 2022 – €58 632</p> <p># 2023 – €63 668</p>	
<b>Stakeholder engagement</b>				
	2-29 Approach to stakeholder engagement	Social and staff-related topics Social Relations	ESG Reporting Index - Stakeholders Engagement	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	2-30 Collective bargaining agreements	Social relations: how social dialogue is organized, including information procedures, consultation and negotiations with employees; percentage of workers covered by collective bargaining agreements per country; the balance of collective bargaining agreements, namely in the area of occupational health and safety.	<p>LS Total - 94,69% of employees are covered by collective bargaining agreements Spain - 100% Employees Portugal - 91% Employees</p> <p>Workers do not have legal representatives in every Luis Simões centre. This initiative depends exclusively on them. Regular meetings are held to communicate decisions that impact employees, follow up on accident prevention actions and measures, follow up on the agreements concluded, training plans or variable remuneration plans. As well as any issues that they are legally entitled to raise, any requests for information, and any suggestions to improve the organization of work that may interest or impact them.</p> <p>In the Guadalajara and Cabanillas del Campo centres, the company holds meetings with the health and safety committees, leaving proof in the form of minutes, and reserving the communication channels via email and phone for more urgent matters.</p> <p>In Portugal, namely in Espaçotrans and LSG, which are not covered by collective bargaining agreements, the provisions of the Labor Code apply, as well as any (non-negotiable) instruments of collective labor regulation (IRCT) that govern professions or professional categories of workers who provide services to these Companies.</p>	
<b>Material topics</b>				
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Management Approach	ESG Reporting Index   SUSTAINABILITY STRATEGY The topics identified as material are detailed in the Materiality matrix and Luis Simoes chose to report GRI indicators which are not materials because they are relevant for non-financial information reporting (EINF) pursuant to Law 11/2018 with respect to company LSLI SA (Spanish head office)	
	3-2 List of material topics		<p>GRI Index</p> <p>Energy Efficiency and Climate Change Service Quality Worker Training and Engagement Road Safety Management of Sub-contractors</p>	
<b>Economic performance</b>				
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Tax information	<p>Chapter 'Financial Soundness': 2023 i. <b>LS Group</b> 283 845 649 €   <b>LSLI ES</b> 140 844 409 € ii. <b>LS Group</b> 231 329 920 €   <b>LSLI ES</b> 135 290 089 € iii. <b>LS Group</b> 22 515 729 €   <b>LSLI ES</b> 5 554 320 €</p> <p>2022 i. <b>LS Group</b> 276,004,719 €   <b>LSLI ES</b> 134,595,718 € ii. <b>LS Group</b> 255,980,619 €   <b>LSLI ES</b> 128,109,933 € iii. <b>LS Group</b> 20,024,100 €   <b>LSLI ES</b> 6,485,785 €</p> <p>2021 i. <b>LS Group</b> 247,647,478 €   <b>LSLI ES</b> 118,401,204 € ii. <b>LS Group</b> 230,050,992 €   <b>LSLI ES</b> 115,705,570 € iii. <b>LS Group</b> 17,596,485 €   <b>LSLI ES</b> 2,695,633 €</p>	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	201-4 Financial assistance received from government	Tax information	<p><b>2023</b></p> <p>i. tax relief and tax credits: <b>LS Group</b> 510 186 €   <b>LSLI ES</b> 0 €</p> <p>ii. Subsidies: <b>LS Group</b> 497 154 €   <b>LSLI ES</b> 231 019 €</p> <p>iii. Investment grants <b>LS Group</b> 5 027 773 €   <b>LSLI ES</b> 5 027 773 €</p> <p>viii. other financial benefits received or receivable from any government for any operation: LS Group xxx €   LSLI ES xxx €</p> <p><b>2022</b></p> <p>i. tax relief and tax credits: <b>LS Group</b> 448,275 €   <b>LSLI ES</b> 44,604 €</p> <p>ii. Subsidies: <b>LS Group</b> 0 €   <b>LSLI ES</b> 0 €</p> <p>iii. Investment grants LS Group 0 €   LSLI ES 0 €</p> <p>viii. other financial benefits received or receivable from any government for any operation: LS Group 690,526 €   LSLI ES 447,796 €</p> <p>For viii., financial assistance to LSLI ES are included: FUNDAB training grants: 15,588 €; Financial assistance to the transport sector to offset fuel price increases resulting from the war in Ukraine: 145,000 €; Discount in fuel price 0,20 cent: 284,207 €. Note 14d) Financial Report</p> <p><b>2021</b></p> <p>i. tax relief and tax credits: LS Group 501,492 €   LSLI ES 0 €</p> <p>ii. Subsidies: LS Group 227,361 €   LSLI ES 46,873 € - Training</p> <p>iii. Investment grants LS Group 312,451 €   LSLI ES* 312,451 €</p> <p>(*Amounts not received. Proportional share of the writing off of investments with approved grant - Guadalajara LOC.</p>	
		<b>Environmentally Sustainable Economic Activities:</b> evaluation of the economic activity that contributes substantially to climate change mitigation or adaptation to it.(qualitative evaluation)	From the different activities carried out by the Luis Simões Group, the 'Freight Transport Services by Road' is, by nature, eligible according to the European Union taxonomy (H49.4.1). As one of the main activities carried out by the company and eligible both for the climate change mitigation goal and the climate change adaptation goal, it should be considered a key activity in the sustainability strategy of the Group, as determined by the 'Technical Expert Group on Sustainable Finance' appointed by the European Commission.The decarbonization strategy of the Company will take the mitigation targets and limits into account; considering the potential adaptation solutions to substantially reduce the risk of adverse climate effects in any spectrum of selectable activity	
<b>Procurement practices</b>				
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Subcontracting and suppliers	Luis Simões operates in the Iberian Peninsula (Portugal and Spain), over 80% of expenses are with Iberian Peninsula suppliers. Due to system impossibility, it is not possible to identify local suppliers	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>specific information</b>		<b>CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING</b>		
		<p><b>Subcontracting and suppliers:</b> the inclusion in the purchasing policy of social issues, gender equality and environmental issues; consideration in relations with suppliers and subcontractors of their social and environmental responsibility; supervision systems and audits and their results..</p>	<p>Chapter 'Service Quality and Innovation' and GRI Index In over 70 years of activity, Luis Simões has interacted directly with customers, suppliers and various other entities. The group's sustainability, in its economic, social and environmental spheres, is only possible by committing to an ethical and transparent management. Ensured by <a href="https://www.luis-simoes.com/a-empresa/politicas/">https://www.luis-simoes.com/a-empresa/politicas/</a></p> <p># Letter of Commitment for Carriers - Principles of ethical behavior and standards of conduct for a responsible and sustainable value chain</p> <p>Social and environmental criteria are to be included when defining requirements in the Contract Specifications of the most relevant consultations (&gt;100k €/year), so as to be gradually applied to all the consultations. Requirements are always defined together with the businesses (currently the most relevant on an environmental level are implemented). Control is done according to the applicable Supplier Assessment rules published in SE - DOC0000435 - Dirección Corporativa de Compras - Evaluación de Proveedores. Validation at the time of approval of Social Security debts.</p> <p>Control System For sub-contracting transport services, the company and the vehicle are subject to approval, the monthly Level of Service is evaluated and vehicle audits are performed (once/year). In 2022, 52 vehicle audits (PT + ES) were performed, the average evaluation of which was satisfactory. Random audits are performed to carriers by the Process &amp; Quality Assurance area. In total, 11 audits were performed to carriers and CrossDocking platforms and improvement actions were detected for all, none of which resulted in contract termination In 2023, 11 audits were carried out, three on carriers and eight on CrossDocking platforms, improvement actions were detected in all of them, none of which resulted in the termination of the contract.</p>	
<b>Anti-corruption</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office).	
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption		According to the Risk Management Methodology used by Luis Simões, in 2023 an Audit of the Personnel Cost Process was carried out, the primary goal of which was to optimise the process and mitigate risks, including possible risks of corruption..	
	205-2 Communication and training about anti-corruption policies and procedures	<b>Actions taken to combat corruption and bribery;</b> actions to combat money laundering, contributions to foundations and non-profit organizations	<p>As part of the onboarding process, employees receive and/or view the Luis Simões Code of Ethics. For Coordination or higher positions, a training session is held by the Compliance and Risk Management area.</p> <p>In 2023, Compliance training was offered within the scope of the Onboarding Plan for new employees holding the position of coordinator or higher: 10 People (3 Portugal + 7 Spain)</p> <p>In 2023, the need to make the LS Management Team aware of the importance of Compliance was identified. It was promoted in an innovative format, in which Managers could learn about Compliance issues, and also collaborate in the detection of risks, or situations of non-compliance that they might encounter in their areas of influence: 128 People (88 Portugal + 40 Spain)</p> <p>LS policies are communicated to 1,385 employees by e-mail via SoftExert software.</p> <p>In 2022, 540 employees viewed the code of ethics and seven hours of Compliance training were carried out in the employee onboarding process in Portugal and four hours in Spain..</p>	(16) Peace, justice and strong institutions
	205-3 Confirmed incidents of corruption and actions taken		In 2022 and 2023, no cases of corruption were recorded in Portugal or Spain	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
		<b>Anti-corruption and Bribery</b>	<p>Chapter: Compliance and Risk Management</p> <p>In the companies of the Luis Simões Group, we are committed to operating in accordance with the highest ethical and legal standards, in every business and work relationship, wherever we are. The integrity of all Employees is critical for our success. Civil society, as well as our stakeholders, can expect to find competent and trustworthy workers in the Luis Simões Group, who provide their services in the greater interest of our organization.</p> <p>We promote a culture of compliance and conformity and have a zero-tolerance policy towards corruption and bribery. Fraud will never be tolerated when committed by any Employee of a company in the Luis Simões Group or by any company with which we conduct business.</p> <p>Link: <a href="https://www.luis-simoes.com/wp-content/uploads/2018/12/Zero-Tolerance-Policy_EN.pdf">https://www.luis-simoes.com/wp-content/uploads/2018/12/Zero-Tolerance-Policy_EN.pdf</a></p> <p>The strategy plan of companies of Luis Simões Group and considering the national and international best practice, the Compliance and Risk Management area is responsible for compliance with Luis Simões' Risk Management Policy, which establishes its own methodology that ensures the awareness and evaluation of risks faced by the LS Group, and determines the need to adequately address those risks.</p> <p>One of the central components of the LS Compliance Management System is based on compliance with the Risk Management Policy, which establishes a methodology (COSO) that ensures the knowledge and assessment of the risks faced by LS, as well as a way of effectively responding to these risks. The Compliance and Risk Management Department is responsible for centralising existing risks, their categorisation (Strategic; Environmental; Legal; Technological; Fraud, Staff; Operational; and Financial) and assessment of the Severity and Probability of occurrence, thus keeping the Risk Management Matrix up to date.</p> <p>The Compliance and Risk Management Department also monitors the effectiveness of the implemented actions and monitors risks in the Compliance Committees. This Department is also responsible for preparing and submitting the report to the Board of Directors on the evolution of risks and respective mitigation plans on a regular basis, or when requested.</p>	(16) Peace, justice and strong institutions
<b>Tax</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office)..	
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Organization Profile Tax information	<p>While LS has no tax strategy formally recorded in writing, in practice, the principle of legal and tax compliance as provided for in the established code of conduct and ethics made available to the employees applies. Tax policies are described in points 3.9 and 3.22.4 of annex Financial Statements (consolidated financial statements). LS has updated the transfer price area.</p> <p>Tax affairs are managed by the tax officer and overseen by the Corporate Finance Director and the Chief Financial Officer.</p> <p>LS's annual accounts are audited by external auditors and comply with the evaluated tax criteria. Luis Simões selects large, reputed companies to audit its accounts, which was Deloitte in 2022.</p> <p>LS applies the principles of legal and tax compliance to every business, contributing to the sustainable development of its stakeholders.</p>	





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	207-2 Tax governance, control, and risk management	Organization Profile Tax information	<p>Risk Management   Chapter Compliance and Risk Management</p> <p>The Board of Directors (BoD) oversees compliance with all the tax obligations of the companies in the Luis Simões Group. The Corporate Finance Division is the one who holds this responsibility, promoting awareness of tax obligations and their implementation in the organization. Tax compliance is delegated to the taxation officer and overseen by the Corporate Finance Director and the Chief Financial Officer.</p> <p>The Corporate Finance Division implements the actions necessary to comply with the company's tax obligations and, using the information given by tax auditors, makes improvements in the process every year.</p> <p>The accounting director regularly refreshes their general tax knowledge as well as tax knowledge applied to LS's businesses. For cases of higher technical complexity, the Group contracts tax consultants to support the positions/decisions taken.</p> <p>The Process and Compliance Management via the Compliance and Risk Management Department, and according to different internal and external sources of information, makes an inventory of the risks for LS. These risks have been expanded in scope and improved in terms of systematization of the level of residual risk that they pose to LS. Tax risks are included in this scope, and as primary source the annual external financial audit report, where all the risks are analyzed and mitigation, transfer or acceptance proposals are established, as the case may be. The Compliance and Risk Management department ensures follow up of all risks included in said report, promoting mitigation actions and periodically reporting the status of such actions to the Compliance Committee and Board of Directors.</p> <p>Risk monitoring is the conducted by the Compliance Committee headed by Compliance and Risk Management area, but which is formed by members of different business areas, giving this body a multilateral nature, which aids the BoD in its obligation to oversee LS's activities.</p> <p>From 2020, the scope of the risks was expanded to include matters resulting from criminal offenses committed by any employee in the company according to Portuguese and Spanish laws.</p> <p>b. The Luis Simões group has an ethics helpline (see chapter Compliance and Risk Management)</p> <p>Each topic reported is investigated by an independent team, in compliance with the procedure for this topic and which is especially cautious with of potential fraud reports. The indicators of the ethics helpline are reported to the Compliance Committee (4 times a year) and the Board of Directors (2 times a year)..</p>	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>Energy</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		<p>Energy Efficiency and Climate Change</p> <p>a. Energy efficiency is part of the company's environmental strategy and the applicable environmental impacts are measured within the Environmental Management System, the most significant being fuel and power consumption, for which operational controls are established in the centres for monitoring and control purposes; additionally, potential environmental risks, resulting from emergency situations, such as fires, spills and gas leaks, and its recurrence are measured on an annual basis.</p> <p>The Luis Simões Group is covered by energy consumption laws: in the transport sector in Portugal and as an energy-intensive unit (Carregado LOC), and in Spain by energy consumption, which includes all the activities performed. In compliance with the energy consumption laws, there are 2 Energy Efficiency Plans for the current Portuguese fleet and a Rational Energy Consumption Agreement for the Carregado LOC. In Spain, there is a Rational Energy Consumption Plan that includes the fleet and the larger logistics centres.</p> <p>Environmental risk management complies with ISO 14001. The Process and Quality Assurance team manages the environmental topics in the company and is distributed by region (5 people). The environmental impacts are managed with the help of the Environmental Aspects Matrix. Tax compliance risks are managed in Envira's 'Ecogestor' platform through team audits and compliance assessments.</p> <p>b. The primary sources of energy consumption (fuel for trucks and power for warehouses) are regularly monitored with a view to identifying optimization or reduction opportunities.</p> <p>c. In 2021, the company made a commitment to the SBTi (Science Based Targets) Platform to set decarbonization targets and submitted its proposal in 2023.</p> <p>d. During 2023, the initiatives to be promoted to reduce GHG emissions were identified, according to the goals proposed to the SBTi – Scope 1 – Fleet; Scope 2 – Electricity; Scope 3 Transport subcontracting. Follow-up indicators were defined with the heads of the Own Fleet (Fleet Management Department) and of the other areas. In 2023, photovoltaic panels were implemented at four facilities in Portugal: LOC Carregado, Headquarters (Moninhos) and at the RETA facilities (Carregado and Gaia).</p> <p>e. The quarterly control of consumption (electricity and fuel) has been established. Despite having been controlled, in most cases, consumption has not fallen within the targets set at the beginning of the year, either because of delayed implementation of actions with investment (electricity consumption) or because the targets have been more aggressive than what is actually feasible (fuel consumption).</p> <p>f. Energy efficiency initiatives have been communicated in the sustainability report and in meetings with customers.</p>	
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Environmental IssuesSustainable use of Resources	<p>Chapter 'Energy Efficiency'</p> <p>a. Non-renewable Fuels: Year 2023: Diesel: LS - 330.080 GJ; PT - 268.206 GJ; ES - 61.875 GJ Natural Gas: LS - 727 GJ; PT- 727 GJ; ES - 0 J Year 2022: Diesel: LS - 39.940 GJ; PT- 275,951 GJ; ES - 63.989 GJ Natural Gas: LS - 511 GJ; PT- 511 GJ; ES - 0 J</p> <p>b. Renewable Fuels: Year 2023: HVO: LS - 854 GJ; PT - 0 GJ; ES - 854 GJ</p> <p>c i. Electricity Consumption Year 2023: Electricity - LS - 53.283 GJ; PT- 23.185 GJ; ES - 30.097 GJ Year 2022: Electricity - LS - 59 130 GJ; PT- 28 475 GJ; ES - 31 713 GJ Note: there is only cooling consumption of electric energy in the LOCs where there are controlled-temperature areas, and the power consumption is not disaggregated. Energy consumption pertains to the LS Group and corresponds to total energy data, the same scope as the GHG emissions calculations</p>	(7) Affordable and clean energy (12) Responsible consumption and production (13) Climate action

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	302-2 Energy consumption outside of the organization		The logistics-related energy consumption were considered in scope 2 (rented premises or where LS is not in charge of the energy contracts). Only indirect non-material consumptions remained to be counted in scope 3.	(7) Affordable and clean energy (12) Responsible consumption and production (13) Climate action
	302-3 Energy intensity	Environmental IssuesSustainable use of Resources	<p>Chapter 'Energy Efficiency' Indicator of Energy Efficiency - Logistics Operation centres with ISO 14001 Certification 2023 (kwh / sales – storage) – see Energy Efficiency chapter 2022: (Kwh/Palette Capacity): PT 30.78 kWh/Cap pallet   ES 24.62 Kwh/Pallet cap</p> <p>Specific fuel consumption of LS's Own Fleet Year 2023: LS Group 299,7 goe/VK (grams of oil equivalent/vehicle km travelled) España goe/VK (grams of oil equivalent/vehicle km travelled) Portugal goe/VK (grams of oil equivalent/vehicle km travelled)</p> <p>Specific fuel consumption of LS's Own Fleet Year 2022: LS Group 297.5 goe/VK (grams of oil equivalent/vehicle km travelled) Spain 312 goe/VK (grams of oil equivalent/vehicle km travelled) Portugal 294 goe/VK (grams of oil equivalent/vehicle km travelled)</p>	(7) Affordable and clean energy (12) Responsible consumption and production (13) Climate action
	302-4 Reduction of energy consumption		For the indicators reported in GRI indicator 302-3; More details on chapter 'Energetic Efficiency'.	(7) Affordable and clean energy (12) Responsible consumption and production (13) Climate action
<b>Water and effluents</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		Non-material, reported only the information relevant for purposes of non-financial information disclosure.	
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Environmental Issues Sustainable use of Resources	<p>RETA Carregado and Gaia - Technical Support centres Total groundwater withdrawn - RETA - 0.234 ML RETA uses withdrawn underground water only for external washing of heavy vehicles; the withdrawals are licensed. The remaining facilities-related consumption is from the municipal water supply system.</p> <p>Portugal: In the Technical Support centres, water withdrawn from the municipal water supply system and from underground is used, in the Logistic Operations centres water from the municipal water supply system is used (for human consumption, sanitary use and cleaning), and only in the Carregado LOC is underground water used for irrigation. Spain: Water is always withdrawn from the municipal water supply system from the municipality of the premises, never withdrawn from underground. Its use is reserved to human consumption, as well as sanitary uses in toilets and changing rooms, and as a cleaning tool.</p>	(6) Clean water and sanitation

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	303-2 Management of water discharge-related impacts	Environmental Issues Sustainable use of Resources	Portugal: Wastewater is discharged into public drainage and treatment systems, with the exception of the Azambuja LOC, where it is subjected to biological treatment and discharged into the water line.At RETA's premises, contaminated wastewater undergoes pre-treatment (hydrocarbon separator) and are discharged into a collector. At RETA Carregado's premises, dressing room and toiler water undergoes a treatment and are discharged into a collector. In both situations in Portugal, analyses are carried out to monitor the treatment and ensure compliance with discharge parameters in accordance with to the applicable law. Risk assessment is performed according to the matrix of environmental aspects linked to the Environmental Management System (ISO 14001), which includes water discharges and is reviewed every year.  Spain: Wastewater is always discharged into public drainage systems for subsequent treatment.	
	303-3 Water withdrawal		Groundwater is used only at facilities in Portugal, at RETA sites and at the LOC Carregado facilities. <b>Total groundwater used</b>  2023   Portugal   Groundwater (borehole) = 15,259 ML (megalitres) 2022   Portugal   Groundwater (borehole) = 13,337 ML (megalitres)  2023   Spain   Groundwater = 0 ML (megalitres) 2022   Spain   Groundwater = 0 ML (megalitres)	
	303-5 Water consumption		Water consumed in the facilities is intended for human consumption, sanitary use, and cleaning, with the exception of RETA, which operates 2 heavy vehicle washing units. Total consumption in 2023 was 26.33 ML (Portugal + Spain), since there are no activities in water stress areas, there is no consumption in that area. For those locations where it is not possible to measure unit water consumption, estimates are made based on the number of people working at said location.  Portugal: Underground water (borehole) = 15,259 ML Supply system water = 5.55 ML  Spain: Underground water (borehole) = 0 ML Supply system water = 5.51 ML	
Specific information		CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING		
		Sustainable use of Resources	Energy, be it diesel or electricity, is the consumable in Luis Simões' operations. We do not have an effective control of other consumables, their impact is managed in the environmental matrices based on the average of products consumed.	
Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office)..	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Biodiversity	This topic is not relevant to the company. It was not identified in the consultation on materiality or with stakeholders. See 'Sustainability Strategy'	
	304-2 Significant impacts of activities, products and services on biodiversity			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>Emissions</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Environmental Issues Climate Change	<p>Energy Efficiency and Climate Change</p> <p>Energy efficiency is part of the Company's environmental strategy. Under the Environmental Management System, fuel and electricity consumption are the most significant environmental aspects.</p> <p>In 2017, Greenhouse Gases (GHG) were inventoried and counted for all the companies of the Luis Simões Group was implemented (direct and indirect sources - scopes 1 and 2). Defined as base year, it helped drive the identification of energy efficiency emission reduction initiatives. The evolution in the reduction of emissions has made it possible to communicate the impact of the initiatives and to promote internal awareness on the importance of energy efficiency.</p> <p>In 2021, Luis Simões committed to decarbonization by participating in the Science Based Targets (SBTi), in order to implement, throughout 2022, counting project for scope 3 emissions and prepare a decarbonization roadmap.</p> <p>GHG emissions are a result of the energy efficiency achieved in transport and logistics operations.</p> <p>Some examples include: The implementation of temperature-controlled chambers with low carbon emissions (NH3 and ethylene glycol) GWP=0 in Guadalajara. The implementation of an automated warehouse in Guadalajara, which allows for greater efficiency in logistics operations.</p> <p>In 2023, Luis Simões submitted the GHG emissions reduction targets with the SBTi platform, with a commitment to reduce emissions by 2032 by 50.2% in scopes 1 and 2, and 9% in scope 3 with regard to transport subcontracting compared to 2021.</p>	(13) Climate action
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Environmental Issues Climate Change	<p>Emissions Year 2023 - Scope 1 - LS Group 22 818 ton CO2e   LSLI ES 4 293 ton CO2e Emissions Year 2022 - Scope 1 - LS Group 23 835 ton CO2e   LSLI ES 4 442 ton CO2e Emissions Year 2021 - Scope 1 - LS Group 23 498 ton CO2e   LSLI ES 4 431 ton CO2e Emissions Year 2020 - Scope 1 - LS Group 26 180 ton CO2e   LSLI ES 4 778 ton CO2e</p> <p>Methodology used GHG Protocol (March 2017) – IPCC Guidelines (2016) Base year for the GHG emissions inventory (scopes 1 and 2) was 2017. Once LS submitted science-based objectives (SBTi), the base year was redefined as 2021 (scopes 1 + 2 + 3).</p>	(13) Climate action
	305-2 Energy indirect (Scope 2) GHG emissions		<p>Emissions Year 2022 - Scope 2 - LS Group 3,429 ton CO2e   LSLI ES 1,896 ton CO2e Emissions Year 2021 - Scope 2 - LS Group 3,352 ton CO2e   LSLI ES 1,733 ton CO2e Emissions Year 2020 - Scope 2 - LS Group 2,723 ton CO2e   LSLI ES 1,152 ton CO2e Emissions Year 2019 - Scope 4 - LS Group 2,737 ton CO2e   LSLI ES 1,166 ton CO2e Emissions Year 2018 - Scope 2 - LS Group 4,702 ton CO2e   LSLI ES 885 ton CO2e</p> <p>The base year for the GHG emissions inventory was 2017. Method used GHG Protocol (March 2017) - IPCC Guidelines (2016)   Market-based.</p>	(13) Climate action
	305-3 Other indirect (Scope 3) GHG emissions		<p>Scope 3 - Luís Simões carried out the inventory/calculation of scope 3 GHG emissions for the year 2021 and 2022. Due to its complexity, the calculation of 2023 Scope 3 emissions is not yet available and will be made available in the CDP.</p> <p>2021 and 2022 data –Energy Efficiency and Climate Change chapter</p>	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	305-4 GHG emissions intensity		<p>Scope 1 and 2 Emissions for the whole Luis Simões Group (Portugal and Spain):  Ton CO<sub>2</sub>e/Turnover: 2023 LS Group 0.00009   LSLI ES 4,0 x 10<sup>-5</sup> (there was a slight decrease compared to the previous year)  Ton CO<sub>2</sub>e/Turnover: 2022 LS Group 0.00010   LSLI ES 5 x 10<sup>-5</sup> (there was a slight increase compared to the previous year, resulting from a 3% increase in the company's S1+S2 emissions)  Ton CO<sub>2</sub>e/Turnover: 2021 LS Group 0.00012   LSLI ES 4.9 x10<sup>-5</sup> (there was a slight decrease compared to the previous year).  Ton CO<sub>2</sub>e/Turnover: 2020 LS Group 0.00013   LSLI ES 5.7 x10<sup>-5</sup> (there was a slight decrease compared to the previous year).  Ton CO<sub>2</sub>e/Turnover: 2019 LS Group 0.00015   LSLI ES 6.15x10<sup>-5</sup> (there was a slight decrease compared to the previous year).  Chapter 'Energy Efficiency':  Own Fleet Emissions (kgCO<sub>2</sub>e/1000 km) 2023: 854.5 (increased slightly compared to 2021) - Chapter 'Energy Efficiency'  Own Fleet Emissions (kgCO<sub>2</sub>e/1000 km) 2022: 912.5 (increased slightly compared to 2021) - Chapter 'Energy Efficiency'  Own Fleet Emissions (kgCO<sub>2</sub>e/1000 km) 2021: 898.3 (increased compared to 2020) - Chapter 'Energy Efficiency'  Own Fleet Emissions (kgCO<sub>2</sub>e/1000 km) 2020: 898 (increased compared to 2019) - Chapter 'Energy Efficiency'</p>	(13) Climate action
	305-5 Reduction of GHG emissions	Environmental Issues Climate Change	<p>Energy Efficiency chapter</p> <p>In 2023, the definition of science-based emission reduction targets (SBTi) for 2032 allowed for the start of an emissions reduction roadmap.</p> <p>In 2023, photovoltaic solar panels were implemented at LS's own facilities in Portugal (LOC Carregado, headquarters and Technical Assistance Centres in Carregado and Gaia), enhancing the reduction of emissions resulting from electricity consumption.</p> <p>In addition to the science-based targets defined, LS also has targets associated with the reduction of energy and fossil fuel consumption, determined by energy audits and consequent Energy Efficiency Plans in Portugal and Spain. In Portugal, the Carregado 1 and Gaia 1 Centres are covered by the energy audit (4% reductions), along with the heavy vehicle fleet (5% reductions). In Spain, the Guadalajara and Cabanillas Centres and the heavy fleet are covered.  In Portugal, the headquarters building is covered by the Energy Performance Plan..</p>	
	305-6 Emissions of ozone-depleting substances (ODS)		Not applicable; Luis Simões does not produce, import or export ODS.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		There are no fixed sources liable of causing air pollution other than CO <sub>2</sub> , for mobile sources (transportation), the equivalent conversion of these emissions into CO <sub>2</sub> is established (GHG Protocol), and they are therefore managed in an integrated manner. There are no sources of light pollution and the noise is inherent to the activity and the vehicle itself, and no additional sources are generated.	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>Waste</b>				
<b>GRI 306: Waste 2020</b>	306-3 Waste generated	Environmental Issues  Sustainable use of Resources Circular Economy and waste management	<p>Due to the nature of Luís Simões' activity, the amount and types of waste produced are strongly associated with our clients' businesses (type of goods, preparation rules, etc.), making it impossible to reduce or reuse waste. The focus, therefore, is on waste separation to maximise recycling. It is tracked monthly on a specific KPI per warehouse.</p> <p>Luís Simões sends all its waste for treatment and recycling through authorised waste operators. Waste management is geared towards waste separation to maximise recycling.</p> <p>In 2023, LS produced 2,420 tonnes of waste in Portugal and Spain. (2,883 tonnes in 2022 and 2,722 in 2021)  Portugal 2023: 1 251Tons   95% Non-hazardous waste; Recycling 90%; Landfill 5%; Treatment 5%  Portugal 2022: 1 443 Tons   97% Non-hazardous Recycling 95%; Landfill 3%; Treatment 2%  Portugal 2021: 1,332 Tonnes   99% Non-hazardous waste; Landfill 50 Tonnes; RDF (Refuse-Derived Fuel) 25 Tonnes; Recycling 1,228 Tonnes; Treatment 29 Tonnes</p> <p>Spain 2023: 1 169 tons   100% Non-hazardous waste: Landfill 6%; Recycling 62%; Composting 32%  Spain 2022: 1,437 tons   100% Non-hazardous waste: Landfill 4%; Recycling 57%; Composting 39%  Spain 2021: 1,390 tons   100% Non-hazardous waste: Landfill 511 tons; Recycling 879 tons  Spain 2020: 1,240 tons   100% Non-hazardous waste: Landfill 337 tons; Recycling 904 tons</p> <p>There was a 8% increase in waste generation, in Spain (7%) and in Portugal (10%).  The small increase in waste production is due to peaks in activity, and some increase in activity.</p> <p>Service of vehicles in Luís Simões' own fleet is performed at own-brand workshops (when covered by the warranty) or at specialized workshops. For this reason, we do not manage the service waste generated by the Luis Simões fleet. In Portugal, the fleet that is subject to service at RETA's facilities has its waste management reflected here.</p>	(11) Sustainable cities and communities
	306-4 Waste diverted from disposal		<p>In 2023, LS produced 2,420 tonnes of waste in Portugal and Spain.  Portugal 2023: 1,251 tonnes   90% Recycling; 5% Treatment  Spain 2023: 1,169 tonnes   Recycling 62%; Composting 32%</p>	
	306-5 Waste directed to disposal		<p>In 2023, LS produced 2,420 tonnes of waste in Portugal and Spain.  Portugal 2023: 1,251 tonnes   5% Landfill;  Spain 2023: 1,169 tonnes   100% Non-Hazardous Waste: Landfill 6%</p>	
<b>Supplier environmental assessment</b>				
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria		Fleet procurement is a purchase category tied to environmental requirements, and while it took place in 2023, no new suppliers were selected..	(12) Sustainable production and consumption

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
Informação Específica		CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING		
		<p>Employment: total number and distribution of employees by sex, age, country and professional classification, total number and distribution of work contract modalities, annual average of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification, number of dismissals by sex, age and professional classification, average remunerations and their evolution disaggregated by sex, age and professional classification or equal value, salary gap, remuneration of equal or average positions in society, the average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payment to long-term savings forecast systems and any other perception disaggregated by sex, implementation of employment disconnection policies, employees with disabilities. Organization of work: organization of working time; number of hours of absenteeism; measures aimed at facilitating the enjoyment of conciliation and encouraging the co-responsible exercise of these by both parents.</p>	<p><b>Employee Data in Chapter: LS Staff.</b></p> <p>Salaries are regulated by collective agreements in Spain and by collective bargaining agreements (CCT-Vs) and general rules in Portugal. Most people in the organization in operational positions are paid the salary defined by these legal regulations, depending on their professional category, country and, in the case of Spain, provincial location, as they are governed by provincial sectoral collective agreements. The salary variations that can be found in these types of positions are mainly due to the variable remuneration that affects each of them. In technical, middle management, management and executive positions, the salary ranges are not very wide, but they are affected by labor market valuation, and therefore adjusted to the industry average.</p> <p><b>Average Remuneration 2023</b> Total: in Portugal (20,352 € men, 18,140€ women) and in Spain (26,256€ men, 25,125€ women). Variation 7% higher in men's pay in Spain and 5% in Portugal. Women's pay rose by 6% in Spain and 8% in Portugal.</p> <p><b>Average remuneration by age and gender 2023</b> under 30 years old - Portugal (13,684 € men, 13,761 € women)   Spain (22,850 € men, 22,931 € women) between 30 and 50 years old - Portugal (19 795€ men, 18 383€ women)   Spain (25 852€ men, 25 308€ women) over 50 years old - Portugal (24 706 € men, 22 327€ women)   Spain (30 474€ men, 25 625€ women)</p> <p><b>Average remuneration by professional classification and gender 2023:</b> Director – Portugal (€109,075 men, €108,093 women)   Spain (Not applicable) Senior Manager – Portugal (€81,598 men, €62,663 women)   Spain (€83,008 men, – women) Manager – Portugal (€44,990 men, €39,749 women)   Spain (€52,427 men, €46,026 women) Coordinator – Portugal (€30,806 men, €27,447 women)   Spain (€37,805 men, €31,647 women) Technician – Portugal (€20,233 men, €17,130 women)   Spain (€26,944 men, €25,598 women) Office Worker – Portugal (€19,437 men, €16,260 women)   Spain (€26,455 men, €24,883 women) Team Leaders – Portugal (€17,300 men, €16,781 women)   Spain (€26,257 men, €27,405 women) Drivers – Portugal (€19,970 men, €17,059 women)   Spain (€23,865 men, – women) Warehouse Operators – Portugal (€12,997 men, €12,825 women)   Spain (€22,405 men, €22,738 women) Workshop Operators – Portugal (€15,843 men – women)   Spain (Not applicable) Note: Top management remuneration is considered for Directors and Officers. None has a 'Senior Executive' contract.</p> <p><b>Wage Gap 2023</b> Spain: 4,3%   Portugal: 10,9% * Average wage used</p> <p><b>Employee turnover in 2023:</b> Office workers – under 30 years old – Portugal (– men, – women)   Spain (– men, – women) Assistants – under 30 years old – Portugal (5 men, 3 women)   Spain (– men, – women) Assistants – between 30 and 50 years old – Portugal (7 men, 4 women)   Spain (– men, – women) Assistants – over 50 years old – Portugal (1 man, 1 woman)   Spain (– men, – women) Assistants – between 30 and 50 years old – Portugal (1 man, – women)   Spain (– men, – women) Managers – over 50 years old – Portugal (1 man, 1 woman)   Spain (– men, – women) Operators – under 30 years old – Portugal (34 men, 6 women)   Spain (22 men, 3 women) Operators – between 30 and 50 years old – Portugal (66 men, 14 women)   Spain (38 men, 9 women) Operators – over 50 years old – Portugal (8 men, 2 women)   Spain (6 men, 2 women) Coordinators – over 50 years old – Portugal (– men, – women)   Spain (1 man, – women) Technicians – under 30 years old – Portugal (– men, 1 woman)   Spain (2 men, 2 women) Technicians – between 30 and 50 years old – Portugal (5 men, 9 women)   Spain (1 man, 1 woman) Technicians – over 50 years old – Portugal (1 man, 1 woman)   Spain (– men, – women) Dismissals in Spain are strongly influenced by the end of the contract during a trial period (by LS). This is related to the quality that is desired in the execution of the tasks.</p>	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
			<p>At Luis Simões there is no programme for promoting and receiving people with disabilities, but 11 people with disabilities work in Spain, 1.1% of the workers. There are 14 employees with disabilities working in Portugal.</p> <p>At LS we promote the hiring of Special Employment Services, companies whose workforce is essentially made up of people with some type of recognised disability. Essentially, we rely on these companies for co-packing tasks. In the centres where we have the collaboration of the Special Employment Services, our facilities have been designed for easy access.</p>	
			<p>Since 2007, there has been an automatic entry and exit control system for staff (Millenium), which records the working hours of each worker. This system records the working hours through a company card for personal use only or the fingerprint of an employee, or even through the online version from a laptop. Since the implementation of teleworking in the context of the COVID-19 pandemic, which applies to non-operational functions, there has been an adjustment and teleworking was adopted in 2022 with rules more attuned to the reality. In this transition, the adoption of teleworking is adjusted by function. The operational positions (excluding drivers) generally work in continuous shifts according to the operations in the centre. Therefore, not all centres have all three shifts (morning/afternoon/evening). Most administrative staff work split shifts. This is based on the needs of the service or the specifics/reductions in work hours requested by employees. At LSLI ES, employees work overtime, mainly in central operational and administrative positions. These overtime hours are paid according to current legislation or compensated with time off, depending on the needs of the employee and the needs of the workplace.</p>	
		<p><b>Organization of work:</b> organization of working time; number of hours of absenteeism; measures aimed at facilitating the enjoyment of conciliation and encouraging its co-responsible exercise by both parents.</p>	<p><b>Absenteeism:</b> Total hours in 2023: Portugal: 161.444 hours   Spain: 219.988 hours. Total hours in 2022: Portugal: 203.890 hours   Spain: 187.277 hours. In Spain, there were 17% more hours of absenteeism than in 2022. In Portugal, there were 20% fewer hours of absenteeism than in 2022.</p> <p>Absenteeism includes all the work hours in which an employee is absent from work, excluding: Vacations, national, regional and local holidays, 'days off for personal matters'* and hours of overtime included in the agreement or in accordance with the RLT or days off or hours off granted by the company ('tolerância de ponto'); Disciplinary penalties; Union credit hours and hours of meetings with the company at its request; Training hours; Hours travelling and hours of service provided outside of Luis Simões' premises, when this is required. * only applicable in Spain</p> <p><b>Reconciliation</b> We have a teleworking policy that applies to roles whose nature and tasks allow employees to work from home, which allows for the reconciliation of work and the personal lives of the employees who perform those duties. Working from home enables a greater reconciliation of work and family life. Christmas Holidays: the company voluntarily allows all employees to take 1 day or 2 afternoons off on 24/12 and/or 31/12, so that employees can enjoy time with their families, or travel with their families</p>	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
		Equality: actions taken to promote equal treatment and opportunities for women and men; equality plans (Chapter III of Organic Law 3/2007, of 22 March, for effective gender equality), actions taken to encourage employment, protocols against sexual and gender harassment, integration and universal accessibility for people with disabilities; the policy against all forms of discrimination and, where appropriate, management of diversity..	<p>LS has a code of ethics and conduct that regulates the relations between the company and its employees, as well as the relations between the employees themselves, based on the terms contained in the Declaration of Human Rights, the ILO standards and suggestions, and the legislation in force in the countries where we are present. This code of ethics is communicated to 100% of new LS employees, is available to all members of the organisation through Softexpert (LS website), and periodic training is carried out to disseminate knowledge of it. An e-mail address or phone number is available for use by all employees to report situations of abuse, harassment, discrimination or fraudulent or unethical behaviour of any nature, practised by anyone in the organisation. They are strictly anonymous. All complaints are dealt with, investigated and their resolution communicated to the complainant (if identified). The Compliance Department records and monitors how they are handled and what steps are taken to correct the complaint and ensure that it does not happen again. To this end, we have a specific procedure that addresses how these situations should be handled, how they should be investigated and what measures should be applied, guaranteeing the rights of the whistleblower and the accused at all times. This includes sexual or sex-based harassment.</p> <p>At LS, historically, diversity has been a differential value in the composition of our workforce. Reflecting on the diversity of people based on their nationality, gender, religion, personal orientation, disability, etc. Everyone has something to contribute to the project.</p> <p>The LS Code of Ethics expressly states our commitment to non-discrimination on the basis of gender in all areas of the company. To date, we have not received any complaints about discriminatory or differential treatment between men and women, taking into account that, due to the nature of our activity, the sector in which we operate is very male-dominated, a sector that is not very attractive with regard to women's professional development.</p> <p>In 2023, in Spain, the salary audit on 2022 salaries was carried out. In Portugal, the Gender Pay Gap Assessments were carried out at LSG and LSLI PT. In both countries, it was found that these differences were not significant and were not due to issues related to gender difference. In 2024 we will look at this issue in relation to 2023 wages.</p> <p>Due to the COVID pandemic, we had to postpone the start of the negotiation process for the Equality Plan in Spain. We are now continuing this process. The following phases have already been carried out: Diagnosis of Equality, the Protocol on Harassment and Intervention in Sexual and/or Gender-Based Harassment was approved, in addition to the Salary Audit and the Remuneration Register being carried out, the latter two being in the negotiation phase.</p> <p>In Portugal, the companies LSG and LSLI PT have prepared the Plans for Assessment of the Wage Gap between Men and Women in 2023 specific to each of the companies. They were communicated to the Labour Authority (ACT), on 7 September 2023 and 29 August 2023, respectively.</p> <p>Centres where services are subcontracted to 'special employment centres' whose workers are persons with some degree of physical, mental or functional disability, are architecturally adapted for accessibility and functionality for persons with certain degrees of physical or functional disability.</p> <p>Protocols on sexual/gender-based harassment</p> <p>At LSLI ESP, the Protocol against sexual and gender-based harassment was approved with workers' representatives and came into force on 31 October 2023. Its communication is pending the overall approval of the Equality Plan.</p> <p>In Portugal, it was applied to Espaçotrans. The Harassment Protocol was communicated to employees and posted on the bulletin boards of the centres on 31 March 2023. In 2024, we hope to extend this protocol to the other LS companies in Portugal.</p>	



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
			<p>Due to the COVID pandemic, we had to postpone the start of the negotiation process for the Equality Plan in Spain. We are now continuing this process. The following phases have already been carried out: Diagnosis of Equality, the Protocol on Harassment and Intervention in Sexual and/or Gender-Based Harassment was approved, in addition to the Salary Audit and the Remuneration Register being carried out, the latter two being in the negotiation phase.</p> <p>In Portugal, the companies LSG and LSLI PT have prepared the Plans for Assessment of the Wage Gap between Men and Women in 2023 specific to each of the companies. They were communicated to the Labour Authority (ACT), on 7/9/2023 and 29/8/2023, respectively.</p> <p>Centres where services are subcontracted to 'special employment centres' whose workers are persons with some degree of physical, mental or functional disability, are architecturally adapted for accessibility and functionality for persons with certain degrees of physical or functional disability.</p> <p><b>MEASURES TAKEN TO PROMOTE EMPLOYMENT</b> At LS there are several channels for job promotion: WEB channel: on the LS website we publish the job offers available at all times. In addition, vacancies are published on the main job sites in Portugal and Spain.</p> <p><b>EDUCATIONAL AGREEMENTS:</b> In both countries, we have collaboration agreements with educational institutions so that young graduates can enjoy their first experience in the job market. These institutions are vocational training institutes, universities located in the vicinity of our centres and prestigious business schools in each country.</p> <p><b>AGREEMENTS WITH THE PUBLIC ADMINISTRATION:</b> We also have agreements with the employment areas of some municipalities and territorial administrations where our work centres are located, promoting employment in these locations.</p> <p><b>AGREEMENTS WITH BUSINESS ASSOCIATIONS:</b> We also have collaboration agreements with the job exchanges of the professional associations to which we belong or with which we maintain some kind of relationship.</p> <p><b>PARTICIPATION IN TRADE FAIRS:</b> At the trade fairs in which LS participates, we have a booth where we receive CVs from people interested in working at LS.</p>	
		<p><b>Human Rights</b> Application of due diligence procedures; prevention of risks of breach of human rights and, where appropriate, actions to mitigate, manage and repair potential abuses; complaints regarding cases of human rights violations; promotion and compliance with the provisions of fundamental conventions on freedom of association and the right to organize and collective bargaining of the International Labor Organization; elimination of workplace and occupational discrimination; elimination of forced labor or modern slavery; effective abolition of child labor.</p>	<p>The Code of Conduct and Ethics clearly states that as part of our corporate culture, all our internal and external relationships are based on mutual respect. Respecting Human Rights, as established in the Universal Declaration of Human Right and International Human Rights Law is a principle on which we stand firm. Discrimination, whether based on religion, sexual orientation, gender, ethnicity, socioeconomic status, age, marital status, physical, sensory, and mental health and condition, political orientation, or trade union membership, that undermines one's dignity is not tolerated.</p> <p>Our workers and suppliers have access to our Code of Ethics through our webpage, as well as our ethics online channel, from which they can report incidents.</p> <p>In 2022 and 2023, no complaints of human rights violations were received against any LS company in either country. Despite having a whistleblowing line accessible to any employee (ethics line), no complaints have been received on this matter.</p> <p>LS links the contracting of products and services to compliance with our Code of Ethics.</p>	
<b>Employment</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office).	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover		Chapter LS PEOPLE	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		<p>Luis Simões provides protocols to access services at a discount for permanent employees in the areas of healthcare and well-being, leisure, education, health insurance and life insurance. It applies to Portugal and Spain.</p> <p>In Spain, access to health insurance is only allowed to workers with permanent contracts. The company only pays health insurance for people who hold positions from Coordinator to Manager</p> <p>In 2021, Luis Simões made available to all employees an application with corporate information 'SO-MOS LS', supported by a discount application, which allows employees in Portugal and Spain to enjoy discounts in stores, healthcare, sports and leisure. It is primarily an employee integration measure, where it is also possible to share initiatives or donate to institutions.</p>	
	401-3 Parental leave	<p>Social and staff-related topics</p> <p>Organization of Work</p>	<p>'LS People' Chapter</p> <p>a. Total number of employees entitled to parental leave, by gender 2023 – Portugal: 18 men and 13 women, Spain: 36 men and 18 women – Total 85 people 2022 – Portugal: 19 men and 14 women, Spain: 34 men and 10 women – Total 77 people 2021 – Portugal: 44 men and 23 women, Spain: 30 men and 21 women – Total 118 people</p> <p>b. Total number of employees who took parental leave, by gender 2023 – Portugal: 18 men and 13 women, Spain: 36 men and 18 women – Total 85 people 2022 – Portugal: 19 men and 14 women, Spain: 34 men and 10 women – Total 77 people 2021 – Portugal: 44 men and 23 women, Spain: 30 men and 21 women – Total 118 people</p> <p>c. Total number of employees who returned to work in the reporting period after parental leave, by gender 2023 – Portugal: 18 men and 13 women, Spain: 36 men and 18 women – Total 85 people 2022 – Portugal: 19 men and 14 women, Spain: 34 men and 10 women – Total 77 people 2021 – Portugal: 44 men and 23 women, Spain: 30 men and 21 women – Total 118 people</p> <p>d. Total number of employees who returned to work after parental leave ended and were still employed 12 months after returning to work, by gender 2023 – Portugal: 16 men and 11 women, Spain: 32 men and 17 women – Total 76 people 2022 – Portugal: 19 men and 12 women, Spain: 30 men and 9 women – Total 70 people 2021 – Portugal: 37 men and 19 women, Spain: 28 men and 18 women – Total 102 people</p> <p>e. Return to work and retention rates of employees who took parental leave, by gender</p> <p>Return-to-work rate<sup>1</sup> 2023 – Portugal: 100% of men and 100% of women; Spain: 100% of men and 100% of women 2022 – Portugal: 100% of men and 100% of women; Spain: 100% of men and 100% of women 2021 – Portugal: 100% of men and 100% of women; Spain: 100% of men and 100% of women</p> <p>Retention rate<sup>2</sup> 2023 – Portugal: 84% of men and 79% of women; Spain: 94% of men and 170% of women 2022 – Portugal: 43% of men and 52% of women; Spain: 100% of men and 43% of women 2021 – Portugal: 71% of men and 100% of women; Spain: 97% of men and 129% of women</p> <p>The people who did not remain at the company after their return from paternity/maternity leave in Spain were, in the case of men, at the end of their fixed-term contract and, in the case of women, requested leave to take care of their children. In Portugal, it was due to the end of an employment contract.</p> <p>1Return to Work Rate = [(total number of employees who returned to work after parental leave/total number of employees who should have returned return to work after parental leave) x 100] 2Retention rate = [(Total number of employees retained 12 months after they returned to work after parental leave/Total number of employees who returned from parental leave in the previous reporting period) x 100]</p>	(5) Gender equality

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>Labor/Management relations</b>				
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Social relations	<p>LS respects the deadlines legally established or agreed upon in collective bargaining or with workers' representatives to consult or communicate operational changes, shifts, centres, etc. that affect employees. Depending on the type of change, the time periods may differ, but changes are generally communicated 15 days in advance of the date of their execution.</p> <p>LS holds regular meetings with the company councils or trade union representatives of the workers of the different centres where there is legal representation of the workers, to discuss issues affecting the workers of each centre or to agree on labour flexibility measures, wage agreements, preventive measures against accidents, etc. All these meetings and possible agreements are recorded in the minutes of each of the meetings.</p>	
<b>Occupational health and safety</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office).	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Social and worker-related topics Health and Safety Social relations	<p>The system was implemented in compliance with legal requirements, based on regulations on the Prevention of Occupational Risks, and was carried out in both countries by an external consulting firm, in Spain by Caultis, and in Portugal by Safemode.</p> <p>It applies to 100% of LS employees, all facilities, workstations, machines and tools used by employees.</p> <p>Occupational health and safety coverage is ensured in accordance with Law 31/95 for Spain and for Portugal, occupational health and safety coverage is ensured in accordance with Law 102/2009, September 10.</p> <p>The management system is implemented in compliance with each country's legal requirements, for which the following documents are compiled: Information and training is provided to all LS employees, the Personal Protective Equipment supplied to employees is controlled, the medical surveillance of employee health is managed and the annual report on the prevention activities carried out is concluded.</p>	
	403-2 Hazard identification, risk assessment, and incident investigation		<p>Risk assessments are performed for all workstations, facilities and machines used at LS. To this end, the FINE method is used, which does not give a figure for the exposed risk factor, but is based on consequence-probability-exposure values. These risk assessments are carried out by technical experts in the prevention of occupational risks, with the 3 specialties required to carry them out. Within the company, preventive safety observations are made when unsafe acts by workers are detected. In November 2022, the company's own prevention service was set up in Spain. In Portugal, risk assessments are performed by an external supplier. The method used is the Matrix of Hazard Identification, Risk Assessment and Risk Control (MHIRARC).</p> <p>There is no written procedure, but all workers can approach their team leaders, coordinators, and worker representatives to alert them to the risks and hazards. This procedure is explained in the training sessions.</p> <p>The workers' representatives conduct regular inspections in the Guadalajara centres and in the larger centres in Spain. There are no reprisals, because the company welcomes the engagement. Regular warehouse reviews are performed by team leaders and coordinators. With respect to the investigation of incidents, all accidents occurred at Luis Simões facilities, whether caused by employees or external personnel, are investigated using the method established in the assessment and the results are included in the planning of preventive activities. From the investigation, the causes are analyzed and actions are defined and the parties responsible for completing each action are identified. In Spain, accident investigations are reviewed in collaboration with representatives of the health and safety committee.</p>	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	403-3 Occupational health services		<p>The risks to which LS' direct workers and non-employee workers are exposed are identified through risk assessment. The risks to which they are exposed are minimized or eliminated in the planning of preventive activities.</p> <p>All Luis Simões' direct employees are informed of the risks to which they are exposed and, for indirect employees, the company carries out the Coordination of Business Activities in Spain, as required by the regulations of Royal Decree 171/2004, and in accordance with the laws covering service providers in Portugal.</p>	
	403-4 Worker participation, consultation, and communication on occupational health and safety		<p><b>Luis Simões has a procedure for worker consultation and participation in Occupational Health and Safety.</b> Surveys are conducted annually, in an online format to all employees, where they are asked about: Condition of the premises and machines, compliance of the company in terms of prevention, and risk prevention training. The results of the surveys will be made known through the internal communication channels. For workers who are not employees of Luis Simões, the risks of the LS installations will be sent to them.</p> <p>In the Guadalajara, Cabanillas and Lliça de Vall centres, a health and safety committee has been set up for each centre, which meets quarterly, with equal participation between company members and union representatives. In these centres, consultation and feedback on these issues can also be carried out in the committee.</p>	
	403-5 Worker training on occupational health and safety		<p>In 2023, 1,673 hours of training were carried out in the area of Occupational Risk Prevention: training for the workplace, training in accident prevention, training in emergency and prevention resources, good loading and unloading practices, spill containment and capacity building training, such as: Training for working at height, use of lifting platforms and use of forklifts.</p> <p>In 2022, 1,807 hours of training were carried out in the field of Occupational Risk Prevention, including job training, training in accident prevention, emergency training and training courses involving the following: Training for working at height, use of lifting platforms and use of forklifts, etc.</p>	
	403-6 Promotion of worker health		<p>Annual medical exams are mandatory, as per applicable regulations. The company has agreed to give out the seasonal flu vaccine to its employees. Blood drives were held by setting up mobile units within Luis Simões' facilities. During the COVID-19 health emergency, masks, hydroalcoholic gel and gloves were supplied to employees and teleworking was implemented for those employees who could work remotely. This last measure is still currently in force.</p>	(3) Good health and well-being
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		<p>At Luis Simões, negative impacts on operations are mitigated by making improvements in its facilities and equipment.</p> <p>When employees suffer from medical complications that may affect their health due to the performance of their work duties, the company provides a medical check-up and an adaptation of their workstation. If the adaptation is not possible, their moving to another job is facilitated.</p>	
	403-8 Workers covered by an occupational health and safety management system		<p>The organization has an occupational health and safety management system. In Spain, in November 2022, it created its own Prevention Service in mixed mode and in Portugal it has an External Prevention Service.</p> <p>In Spain, all employees are controlled by the occupational health and safety system, and external employees are controlled by the coordination of business activities.</p> <p>In Portugal, employees are monitored by the company's occupational health and safety system. Workers hired through outsourcing have been excluded from this analysis.</p>	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
	403-9 Work-related injuries	<p>Chapter 'Occupational and Road Safety'" Tables: Work-related accidents; Frequency index; Severity index.</p> <p>- No. of Work Accidents / Business LSLI Spain (2023): 115 accidentes   83 men and 32 women (Logistics: 81H + 32M; Transport: 2H) LSLI Spain (2022): 144 accidents   105 men and 39 women (Logistics: 99H + 39M; Transport: 6H) LSLI Spain (2021): 90 accidents   60 men and 30 women (Logistics: 57H + 30M; Transport: 3H)</p> <p>- Accident Severity Index (SI) LSLI Spain (2023): 385   289 men and 643 women (Logistics: 423; Transport: 69) LSLI Spain (2022): 447   389 men and 621 women (Logistics: 469; Transport: 261) LSLI Spain (2021): 241   157 men and 449 women (Logistics: 279; Transport: 22)</p> <p>- Accident Frequency Index (FI) LSLI Spain (2023): 66   65 mens and 71 women (Logistics: 73; Transport: 11) LSLI Spain (2022): 80   78 men and 86 women (Logistics: 86; Transport: 32) LSLI Spain (2021): 44   33 men and 16 women (Logistics: 56; Transport: 11)</p> <p>a.i. The number and rate of fatalities resulting from an injury arising from an accident at work – Zero (LS Group) a.ii. The number and rate of serious work-related injuries (excluding fatalities) – Zero (LS Group) a.iii. The rate of work-related injuries that can be recorded (1,000,000h) - Rate of 23.33 LS Group   Rate 37.5 – LSLI Spain a. vi. Main types of work-related injuries: Overexertion a.v. The number of hours worked: LS Group (2023) 4,734,692 hours worked   LSLSI Spain (2023) 1,737,919 hours worked c. i. Work-related hazards that pose a risk of serious accident: Falling objects due to collapse or deterioration (determined in risk assessments) c.iii. The following actions were taken to eliminate other risks at work: training in occupational risk prevention for workers, improvement of the quality and use of PPE, improvements in the maintenance of the Luis Simões facilities, damage to which could cause accidents. d. Any action taken or underway to eliminate other risks related to work and minimise risks: Periodic maintenance of machines and facilities, as well as training of employees in the prevention of occupational risks and malfunctions in the use of PPEs.</p> <p>The data are calculated per 1,000,000 hours worked for the FI and 1,000 for the SI.</p>		(3) Good health and well-being
	403-10 Work-related ill health	None registered.		



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>Training and education</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	2021 Social and worker-related topics Training Luis	<p>Luis Simões is committed to the training and development of its employees with a view to improving their skill sets with an impact on company outcomes and viability.</p> <p>Training our employees allows us to remain competitive and operate in compliance with the applicable laws, as well as to answer the needs of our customers which, in turn, answer the demanding needs of society.</p> <p>These are the indicators we use to check implementation: Implementation rate of training plan: There are KPIs for certain profiles which, when met, indicates whether the training was effective or not. Similarly, there are different indicators (by centre) to evaluate the efficacy of training, identifying the need to take corrective actions.</p> <p>The positive impacts on training are reflected on the personal growth of each employee as well as in their professional skills, which enables them to meet the goals defined by the company.</p> <p>The organization also enjoys positive impacts in the way their workers respond to the needs of the company, making it more productive and efficient in individual and group activities they perform.</p> <p>One of our concerns is sustainability, which is why employees are also trained in this to ensure that their actions and/or decisions are sustainable and responsible.</p> <p>There are also risks that need to be considered.</p> <p>1) We may have well-trained employees, however</p> <p>1.1) The employee decides to leave LS, and the return on investment does not go to our organization.</p> <p>1.2) It may also be the case that the knowledge of this employee 'escapes' LS because of poor knowledge management or identification of back ups.</p> <p>2) Decentralizing employees makes it difficult to establish training methods for everyone to receive training in the areas deemed necessary to properly perform their functions.</p> <p>3) Similarly, the large number of operators makes it difficult to have in-person training sessions.</p> <p>To safeguard against these situations, a process of identification of safety backups (first in the operations of a given customer) was implemented to define processes, risks and training and ensure that knowledge is not lost when an employee leaves LS. In this way, we reduce training times of new hires in these positions to a minimum.</p> <p>We develop an online training program that helps us facilitate training by enabling employees to plan their own training.</p> <p>Operational training is planned according to active service and peaks in activity.</p> <p>Our training and development policies are identified in G-404-2, translated into training plans per business.</p>	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee		<p>Chapter LS PEOPLE</p> <p>Average number of training hours/worker (2023): 7.52 LS Group   9.55 Hours Portugal   8.54 hours Spain</p> <p>18.276 training hours in 2023: 53% Portugal and 47% Spain   81% Men   19% Women</p> <p>14.488 training hours in 2022: 55% Portugal and 45% Spain   74% Men   26% Women</p> <p>21.386 training hours in 2021: 25% Portugal and 75% Spain   71% Men   24% Women   5% Unspecified</p> <p>11.024 training hours in 2020: 40% Portugal and 60% Spain   73% Men   27% Women</p>	(4) Quality education
	404-2 Programs for upgrading employee skills and transition assistance programs		<p>Chapter LS PEOPLE"</p> <p>LS designs, plans and implements a training plan that involves a group of actions created to update, recycle and renew employee qualifications and skills, with the aim of increasing their professional skills in response to business needs. The Performance Appraisal Programme also includes action plans that aim to improve employees' skills through the development of an action plan that includes activities aimed at improving professional performance.</p>	
	404-3 Percentage of employees receiving regular performance and career development reviews		<p>In 2022, the performance review process in Luis Simões recorded:</p> <p>2023 - Portugal 24% employees; Espanha 9% employees;</p> <p>2022 - Portugal 24% employees; Spain 9% employees. This recorded review is connected to the integration of the driver function in this performance review process.</p> <p>2021 - Portugal 10% of workers received a performance review; Spain 9% of workers received a performance review;</p>	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>Diversity and equal opportunity</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Equality	<p>This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office).</p> <p>Code of Conduct and Ethics (<a href="https://www.luis-simoes.com/wp-content/uploads/2018/11/codigo_etica_conducta_LS.pdf">https://www.luis-simoes.com/wp-content/uploads/2018/11/codigo_etica_conducta_LS.pdf</a>)</p> <p>In Luis Simões, there is currently no program to promote and welcome people with disabilities, but there are 15 people with disabilities employed in Spain.</p>	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Equality	The Board of Directors is composed by 7 members, 5 men (71%) and 2 women (29%). As for age, 4 members are aged between 30 and 50, the remaining 3 being over 50 years old.	(5) Gender equality
<b>Non-discrimination</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics			
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Equality	A complaint of alleged workplace harassment was received related to the failure to assign a fixed vehicle to a driver with seniority and some physical limitations. The situation was investigated and clarified through the internal procedures established for this purpose, and the situation has been duly resolved. (Portugal)	
<b>Forced or compulsory labor</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office).	
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights	This assessment is not performed. Our suppliers have access to our Code of Ethics through our webpage, from which they can report incidents	
<b>Local communities</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office).	
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	<p>Organization Profile</p> <p><b>Commitments of the company to sustainable development:</b> the impact of the company's activity on employment and local development; the impact of the company's activity on local populations and territories; the relationships with local community actors and forms of dialogue with them; association or sponsorship actions.</p>	<p>Luis Simões engages with its stakeholders, identified in 'Stakeholder Engagement'. The forms of communication with Stakeholder groups are identified. Also identified are the associations in which Luis Simões participates.</p> <p>All charitable activities in which LS participates are implemented in the countries where it operates, i.e. Portugal and Spain.</p> <p>Whenever possible, LS attempts to involve the nearest fire departments in our drills. All charitable activities to which LS is associated are implemented in the countries where it operates, i.e. Portugal and Spain. Contributes to job creation in various locations where it has facilities.</p> <p>In Spain, we collaborate with Fundación Madrina in the Guadalajara LOC, providing a space to store food received by the Red Cross, managing the arrival, unloading and storage of food pallets and overseeing pallet preparation and loading for their subsequent transfer to distribution points.</p> <p>Luis Simões contributes to job creation in various locations where it has facilities.</p> <p>ii. environmental impact assessment and continuous monitoring - Luis Simões has matrices for the assessment of environmental impacts in certified ISO 14001 locations.</p>	(16) Peace, justice and strong institutions
<b>Supplier social assessment</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office).	

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	CONTENTS OF LAW 11/2018 ON NON FINANCIAL REPORTING	LOCATION or COMMENT	ODS
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Organization Profile Sub-contracting and suppliers	LS involves subcontracted carriers through the Carriers' Letter of Commitment. Quality of Service and Innovation chapter All purchasing processes presuppose compliance with the law and agreement with our code of ethics and conduct.	
<b>Public policy</b>				
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions		0 €	
<b>Customer health and safety</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics		This is a non-material topic but it is relevant for non-information reporting pursuant to Law 11/2018 for company LSLI SA (Spanish head office).	
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Organization Profile Consumers	Over 70% of the services provided are connected to consumer foods or personal care and healthcare products. In these operations, there are controls inherent to specific legal requirements (INFARMED licensing, Health Registry, Medical Devices Warehouse, etc.) and risk analysis to detect critical points and establish controls over them to prevent them from having a potential impact on consumer health.	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		There have been no incidents that have led to a failure to comply with a regulation resulting in a fine or sanction. Non-conformances with a regulation or voluntary code were not caused as a result of a warning. Minor deviations regarding compliance with voluntary codes were identified in internal audits and were resolved in a period of less than three months in most cases. None of these deviations pose a real risk of impact on the health and safety of the services provided.	
<b>Información Específica</b>				
		Consumers: actions for the health and safety of consumers; complaint system, complaints received and resolved	As part of the supply chain involved in ensuring the health and safety of consumers, we have a complaint-handling system in which complaints are registered, the causes of complaints are analysed, and actions are taken to resolve them and prevent them from happening again. These complaints (in 2023 there were 59) are mostly associated with our clients, as we are no longer visible to the consumer. At the same time, there are complaints from other injured parties that usually originate from driver incidents on the road and which are dealt with in a specific way, alerting the driver to the situation.	
<b>Customer privacy</b>				
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		In 2022, there were no complaints regarding client privacy violations, received from third parties or complaints from regulatory bodies in Portugal or Spain.  In 2023 due to the cyberattack, there were: a. Total number of substantiated complaints received regarding violation of client privacy: i. Complaints received from third parties and substantiated by the organisation – 19 ii. Complaints from regulatory bodies - 0 b. Total number of identified client data leaks, thefts, or losses – 2  <b>All group responsibilities under the Data Protection Regulation were correctly fulfilled.</b>	



## **Declaración de Verificación Independiente del Estado de Información No Financiera de Luís Simões Logística Integrada, S.A. y sociedades dependientes del ejercicio 2023**

Al órgano de administración de **Luís Simões Logística Integrada S.A.:**

De acuerdo con el artículo 49 del Código de Comercio, hemos realizado la verificación, con alcance de seguridad limitada del Estado de Información No Financiera (en adelante EINF) correspondientes al ejercicio anual finalizado el **31 de diciembre 2023**, de **Luís Simões Logística Integrada S.A.** (en adelante "la organización") y sus sociedades dependientes que forma parte de su **Informe de Gestión consolidado** del mismo ejercicio.

El contenido del Informe de Gestión consolidado incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información identificada en el **Índice de contenidos GRI** (páginas 57 a la 83) incluida en el citado Estado de Información no Financiera.

### **Responsabilidad de la Dirección**

La dirección de la organización es responsable de la preparación, del contenido y de la presentación del EINF, según la Ley 11/2018, de 28 de diciembre. Esta responsabilidad incluye el diseño, la implementación y el seguimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente, seleccionados de acuerdo con lo mencionado para cada materia en **Índice de contenidos GRI** (páginas 55 a la 81), del citado EINF.

Asimismo, la dirección de la organización es responsable de definir, implementar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF, así como para el seguimiento del grado de cumplimiento de requisitos exigidos en la Ley 11/2018, de 28 de diciembre.

### **Independencia y Competencia**

El equipo auditor ha cumplido los requerimientos de independencia, imparcialidad y demás exigencias de ética, basando sus actuaciones en los principios fundamentales de integridad, objetividad, competencia y diligencia profesional, confidencialidad y comportamiento profesional.

EQA es un prestador independiente de servicios de verificación tal y como se contempla en la Ley 11/2018.

**Número: 12093**

Fecha de Verificación:

**03 / 06 / 2024**

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## Objetivo de la verificación

El objetivo de la verificación es asegurar que la información reportada en el **INFORME ANUAL SOSTENIBILIDAD Y CUENTAS 2023** por la organización en el Estado de Información No Financiera de **Luis Simões Logística Integrada S.A.**, es precisa, completa, transparente y libre de errores u omisiones.

## Nuestra responsabilidad

La responsabilidad de EQA se circunscribe en expresar nuestras conclusiones en una declaración de verificación independiente de seguridad limitada, basada en los procedimientos realizados y en las evidencias que se han obtenido. El encargo se ha realizado de acuerdo con una metodología propia y los requisitos de la Norma Internacional UNE-EN ISO/IEC 17029 "Evaluación de la conformidad. Principios generales y requisitos para los organismos de validación y verificación".

El alcance de un encargo de seguridad limitada es sustancialmente inferior al de un encargo de seguridad razonable y, por lo tanto, la seguridad proporcionada es menor.

Los procedimientos realizados se basan en el juicio profesional de los expertos que han intervenido en el proceso e incluyen consultas, observación de procesos, evaluación de documentación, procedimientos analíticos, y pruebas de revisión por muestreo que, con carácter general, se describen a continuación:

- ✓ Reuniones con el personal de los diversos departamentos de la Organización involucrados para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener información necesaria para la revisión.
- ✓ Comprobación de los procesos de los que dispone la organización para determinar cuáles son los aspectos materiales en relación con sus actividades.
- ✓ Análisis de los procedimientos utilizados para recopilar y validar los datos e información presentada en el EINF.
- ✓ Análisis de la adaptación del EINF a lo señalado en Ley 11/2018.
- ✓ Comprobación de datos, en base a la selección de una muestra, y realización de pruebas sustantivas de la información cuantitativa y cualitativa contenida en el EINF.

**Número: 12093**

Fecha de Verificación:

**03 / 06 / 2024**

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## Conclusiones de la Verificación

Como resultado de los procedimientos que se han realizado y de las evidencias obtenidas, no ha llegado a nuestro conocimiento ninguna cuestión que nos lleve a pensar que la información contenida en el EINF de **Luís Simões Logística Integrada S.A. y sociedades dependientes** correspondiente al ejercicio anual finalizado el **31 de diciembre de 2023**, no está presentada de manera adecuada, ni que existan desviaciones ni omisiones materiales que nos haga pensar que el informe no cumple los requisitos de la Ley 11 del 2018 recogidos en **Índice de contenidos GRI** (páginas 55 a la 81), del citado EINF.

## Uso y distribución

La presente Declaración de Verificación se emite a la dirección de **Luís Simões Logística Integrada S.A.**, de acuerdo con los términos del contrato suscrito entre ambas partes.

Esta declaración ha sido preparada en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.



Esperanza Martínez García  
Directora de Certificación

**Número: 12093**

Fecha de Verificación:

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# ACCOUNTS

## 2023



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## CONSOLIDATED MANAGEMENT REPORT

### 1. MACROECONOMIC CONTEXT

#### 1.1. WORLD AND EUROPEAN BACKDROP

In 2023, the world economy continued to recover from the impact of the pandemic, the military conflicts, mainly between Ukraine and Russia, and now also in the Middle East, along with the increase in the cost of living caused by inflation, which in 2022 reached 9.2% worldwide, and the consequent response of the Central Banks through a restrictive monetary policy with a sharp increase in interest rates.

Over the course of 2023, the US Federal Reserve and the European Central Bank raised key interest rates to 5.5% and 4% respectively. The restrictive monetary policy allowed inflation to fall over the course of 2023, ending the year at 4.1% in the United States and 5.6% in the Eurozone.

Despite the adverse backdrop and the very restrictive monetary policy, compared to the expansionist policy followed in the last decade, the world economy has shown some resilience, growing 3.0% globally, with the United States growing 2.1% in 2023 and the Eurozone 0.7%, thus avoiding a recession. Germany was unable to avoid a recession, with GDP growth of -0.3% in 2023, mainly due to a slowdown in industry.

The trend is therefore towards a slowdown, with growth in the world economy expected to fall to 2.9% by 2024, growth in the United States to fall to 1.5%, and in the Eurozone to increase slightly to 1.2%. The world economy is managing to make positive progress amid the shocks it has been subjected to and inflationary pressure, albeit with difficulties and regional asymmetries, and still below the pre-pandemic level of activity.

In this regard, the United States has made a faster recovery and is already above the pre-pandemic level of activity, also due to the fiscal stimuli introduced. The Eurozone saw more modest growth due to the military conflict in Ukraine, as well as the need to find alternatives to some countries' previous dependence on fuel from Russia. China showed growth of 5.0% in 2023, after 3.0% in 2022, as a result of a later opening in the post-pandemic period. Even so, growth in China is lower than it has been in the last decade, it has not yet recovered from the pre-pandemic

level of activity and there are some risks in its property activity.

Unemployment rates are at an all-time low. In the United States, unemployment reached 3.6% in 2023, while the Eurozone posted a rate of 6.6%. The current account balance in the Eurozone returned to positive territory in 2023, reaching 1.2% of GDP, after falling to -0.7% in 2022. Debt levels continue to recover from the considerable increase in 2020 that resulted from the response to the pandemic. The Eurozone recorded a net debt of 89.6% of GDP in 2023, and the United States 123.3%.

For 2024, according to the IMF, inflation rates are expected to continue their downward cycle, potentially reaching 2.8% in the United States and 3.3% in the Eurozone by the end of the year, while the central banks of the most advanced economies are expected to start cutting interest rates. The Federal Reserve announced at the beginning of the year that it would not be lowering interest rates for the time being to ensure that the inflation rate continues on its downward trend, but it has announced that rate rises are over and that it may lower its key interest rate over the course of 2024. In some emerging economies, this lowering of interest rates has already begun. Inflation and global growth are expected to continue to fall, while there continues to be some instability and a number of risks that could affect the current backdrop.

In Europe, the Recovery Fund totalling 750 billion euros is still being implemented, having been created subsequent to the pandemic, and should be an important factor in continuing economic recovery and modernising business sectors.

## 1.2. PORTUGAL

The macroeconomic environment in Portugal has also seen a slowdown in economic recovery in the post-pandemic period. Portugal nevertheless recorded growth of 2.2% in 2023, higher than the Eurozone average of 0.7%.

The slowdown in growth was due to a significant reduction in private and public consumption, but also in exports, as a result of the restrictive monetary policy at a global level, which also impacted the domestic market.

In contrast, Portugal has seen a positive evolution in terms of its current account balance and is expected to record a surplus by 2023. This good performance in its external accounts is related to the recovery in world tourism, and also to Portugal's positive performance as a tourist destination, also benefiting from the geopolitical tensions in other countries and from the transfers of funds from the European Union.

In terms of public accounts, Portugal will also record a budget surplus in 2023 and 2024, as well as a considerable reduction in debt to 98.7%. These good results benefited from the effect of inflation on GDP growth and tax revenues, but also from a special buy-back operation of

public debt at the end of the year, so this reduction in the public debt indicator may not yet be permanent. Despite these good results, over the next few years Portugal will have to continue its fiscal consolidation efforts, avoiding budget deficits and continuing to reduce public debt, keeping in mind that the target set in the Maastricht Treaty is 60%, while the Eurozone average is 89.6%. The good performance of public accounts was reflected in the interest rates on 10-year government bonds, which stood at 2.8% at the end of 2023, down from 3.6% at the end of 2022.

The political crisis that broke out at the end of 2023 and resulted in elections being scheduled for March 2024 could have a negative impact on Portugal's macroeconomic indicators. This impact will depend on Portugal's ability to quickly find a political governance solution that offers stability, guarantees economic growth and budgetary convergence of public accounts.

A more modest GDP growth of 1.3% is forecast for 2024, based on a balanced current account and a tendency to reduce public debt. This scenario will depend very much on the political stability that can be found and the implementation of European funds, as well as the international context of lower inflation and interest rates, the ability of the world economy to avoid recession, and the evolution of geopolitical tensions that currently exist.

Macroeconomic Indicators	2017	2018	2019	2020	2021	2022F	2023				2023F	2024F
Portugal							Mar	Jun	Sept	Dec		
GDP Growth <sup>(1)</sup>	3.5%	2.8%	2.7%	-8.3%	5.5%	6.8%	2.5%	2.6%	1.9%	n/a	2.2%	1.3%
Inflation Rate <sup>(2)</sup>	1.4%	1.0%	0.3%	0.0%	1.3%	7.8%	8.0%	4.4%	3.5%	1.7%	4.3%	3.4%
Treasury Bonds Interest Rates	1.9%	1.7%	0.5%	0.1%	0.5%	3.6%	3.2%	3.1%	3.6%	2.8%	2.8%	n/a
Unemployment Rate <sup>(4)</sup>	8.9%	7.1%	6.6%	6.5%	6.6%	6.0%	6.9%	6.4%	6.4%	6.6%	6.6%	6.5%
Current Account Balance <sup>(1)</sup>	0.4%	0.4%	-0.1%	-1.1%	-1.2%	-1.2%	1.5%	2.2%	2.2%	n/a	n/a	1.1%
Budget Deficit <sup>(1)</sup>	-3.0%	-0.6%	0.3%	-5.6%	-2.7%	-0.4%	1.2%	2.3%	2.5%	n/a	n/a	0.1%
Public Debt <sup>(4)</sup>	126.2%	122.2%	117.7%	133.7%	127.5%	112.4%	112.3%	110.0%	107.5%	98.7%	98.7%	98.9%

Sources: OECD, Bank of Portugal, Statistics Portugal, Portuguese Government, IMF

Notes:

(1) Quarterly amounts correspond to the monthly average for the quarter and annual amounts correspond to the average of the quarters; (2) Quarterly year-on-year rate of change;

(3) Spot rate on the last day of each quarter; (4) Accumulated at the end of each quarter in % of GDP

## 1.3. SPAIN

In 2023, Spain's GDP grew 2.5%, which is above the European average. Spain is one of the Eurozone countries that has seen the greatest use of European funds to support recovery from the pandemic.

In line with the global trend, the inflation rate fell during the year to 3.5%, after reaching 8.4% in 2022. Indeed, the rise in interest rates in the Eurozone, in addition to the government's measures to combat inflation, have had the positive effect of controlling prices.

Spain continues to have a positive current account balance, with a significant contribution from tourism income in 2023. In terms of public accounts, there is room for improvement. Spain continues to record a public accounts deficit and a public debt of 111.2%, in line with the previous year. Spain needs to

consolidate its public accounts, also taking into account the objectives set by the Maastricht Treaty, namely the target of 60% of public debt.

The unemployment rate continues its downward trend, having reached 12.1% in 2023. The interest rate on 10-year government bonds stood at 3.0% at the end of the year, reflecting some misalignment in the public accounts, despite favourable GDP growth.

For 2024, GDP growth of 1.5% is forecast, with a continued reduction in the inflation rate and improvement in the current account balance. In terms of public accounts, no significant improvement is expected in 2024, although there may be a slight reduction in public debt to 107%. This scenario will depend very much on the international context of lower inflation and interest rates, the ability of the world economy to avoid recession, and the evolution of geopolitical tensions that currently exist.

Macroeconomic Indicators	2017	2018	2019	2020	2021	2022	2023				2023F	2024F
Spain							Mar	Jun	Sept	Dec		
GDP Growth <sup>(1)</sup>	3.1%	2.6%	2.0%	-11.0%	5.1%	5.8%	4.1%	2.0%	1.9%	2.0%	2.5%	1.5%
Inflation Rate <sup>(2)</sup>	2.0%	1.7%	0.7%	-0.3%	3.1%	8.4%	5.1%	3.1%	2.8%	3.3%	3.5%	n/a
Treasury Bonds Interest Rates (10 years) <sup>(3)</sup>	1.5%	1.4%	0.5%	0.1%	0.6%	3.6%	3.3%	3.4%	4.0%	3.0%	3.0%	n/a
Unemployment Rate <sup>(4)</sup>	17.2%	15.3%	14.1%	16.1%	14.8%	12.9%	12.8%	12.0%	11.9%	11.8%	12.1%	11.2%
Current Account Balance <sup>(1)</sup>	1.8%	1.9%	2.1%	0.8%	0.9%	0.6%	5.5%	1.4%	1.9%	n/a	n/a	2.0%
Budget Deficit <sup>(1)</sup>	-3.1%	-2.5%	-2.8%	-11.0%	-6.9%	-4.7%	-0.2%	-2.4%	-1.7%	n/a	n/a	-3.5%
Public Debt <sup>(4)</sup>	98.3%	97.1%	95.5%	120.0%	118.4%	111.6%	111.2%	111.2%	109.8%	111.2%	111.2%	107.0%

Sources: OECD, Bank of Spain, IMF

Notes:

(1) Quarterly amounts correspond to the monthly average for the quarter and annual amounts correspond to the average of the quarters;

(2) Quarterly year-on-year rate of change; (3) Spot rate on the last day of each quarter; (4) Accumulated at the end of each quarter in % of GDP.



## 2. ANALYSIS BY SECTOR

### 2.1. THE ROAD FREIGHT TRANSPORT AND LOGISTICS SECTOR

#### 2.1.1. PORTUGAL

According to DBK, the business of supplying Road Freight Transport services in Portugal grew 11.3% in 2022 to reach a total of 3.45 billion euros, a substantial increase of more than 10% compared to the pre-pandemic period of 2019. This increase seen in 2022 is related to the rise in inflation that led to a significant increase in costs and a consequential repercussion in the price of transport services rendered. Outsourcing of logistics services also saw a significant rise of 16.4% in 2022 to 780 million euros due to the overall increase in prices. By 2023 this growth dropped by around 4%, also reflecting the slowdown in the economy and greater control over the inflation rate.

Road transport continues to be the most common form of freight transport in the country, accounting for 61% of transported tonnage. After the drop seen up until 2017, during which road transport fell from 80% of transported tonnage to close to 60%, the relative weight of road transport of freight in relation to other transport methods, has stabilised. Maritime transport continues to account for 36% of transported tonnage, rail continues to account for a mere 4.0%, while air transport accounts for a residual amount.

As of yet, there are no data available regarding trends in financial indicators for 2023 for Road Freight Transport and Logistics companies in Portugal. Nevertheless, we expect a fresh increase in turnover due to the 2023 inflation rate with a knock-on effect with respect to increases in the prices of transport services, although to a lesser degree than in 2022. As regards 2022 data, the last year with available data, the corporate landscape continues to be significantly fragmented, although with a greater tendency toward consolidation. In terms of corporate concentration, the five largest companies in the Road Freight Transport and Logistics sector in Portugal account for 20%-25% of total market turnover.

Focusing on the 60 largest companies in the Road Freight Transport and Logistics market, we can see that their turnover grew 18.3% in 2022 and it is likely to increase once again in 2023 due to the overall increase in prices, although at a predictably lower rate.

Notwithstanding the increase in turnover, sector margins remained stable in 2022, with the 60 largest companies recording an average operating margin (EBIT) of 4.1% of turnover (in 2021 it was also 4.1%). This profitability reflects the high level of competition in the sector and represents a slight increase compared to the last decade.

Turnover is expected to continue to rise in 2024 due to continued inflationary pressure on costs, although at a lower rate, and also due to stabilisation in current profitability. However, the sector is facing challenges and opportunities from the point of view of technological and energy innovation, which should lead to increased investment and a corresponding increase in debt levels, while also seeing a greater tendency toward consolidation in the sector. We will need to wait in order to understand the role that is to be played by European Union aid with regard to the modernisation required in the sector.

#### 2.1.2. SPAIN

According to DBK, the business of supplying Road Freight Transport services in Spain grew 8.1% in 2021 to reach a total of 16.8 billion euros and is now some 6% above the pre-pandemic numbers of 2019. This increase seen in 2022 is related to the rise in inflation that led to a significant increase in costs and a consequential repercussion in the price of transport services rendered. Outsourcing of logistics services totalled 5.7 billion euros in 2022, increasing 9.6% due to inflationary pressure. By 2023 this growth dropped to 4%, also reflecting the slowdown in the economy and greater control over the inflation rate.

Road transport continues to be the most common form of freight transport in the country (76% of transported tonnage). Maritime transport, which had continued to grow up until 2014, dropped slightly as of 2015, and is now stable at 23% of transported tonnage (in 2004 it accounted for 16%). Rail transport continues to account for only 1.2% of transported tonnage.

As of yet, there are no data available regarding trends in financial indicators for 2023 for Road Freight Transport and Logistics companies in Spain. Nevertheless, we expect a fresh increase in sales, similar to what occurred in 2022, but this time caused by the 2023 inflation rate and a knock-on effect with respect to increases in the prices of transport services, although less significant than in



2022. As regards 2022 data, the last year with available data, the corporate landscape continues to be significantly fragmented, although with a growing tendency toward consolidation. In terms of corporate concentration, the five largest companies in the Road Freight Transport and Logistics sector in Spain account for less than 20% of total market turnover.

Focusing on the 60 largest companies in the Road Freight Transport and Logistics market, we can see that their turnover grew 16.0% in 2022 and it is likely to increase once again in 2023, although at a predictably lower rate.

The increase in turnover in Spain was accompanied by some recovery in profitability in 2022, with the 60 largest companies recording an average operating margin (EBIT) of 4.0% of turnover (in 2021 it was 3.7%). This profitability reflects the high level of competition in the sector and represents a slight increase compared to recent years.

Turnover is expected to continue to rise in 2024 due to continued inflationary pressure on costs, although at a slower rate, and due to stabilisation in current profitability. However, the sector is facing challenges and opportunities from the point of view of technological and energy innovation, which should lead to increased investment and a corresponding increase in debt levels, while also seeing a greater tendency toward consolidation in the sector. We will need to wait in order to understand the role that is to be played by European Union aid with regard to the modernisation required in the sector.

### 2.1.3. CUSTOMS LOGISTICS

Customs logistics consists mainly of supply warehousing services in customs warehouses or export warehouses, consolidating and deconsolidating containers, transport services during collection and delivery of containers, and consulting and advisory services during the entire goods import and export process from and outside of the European Union.

Customs warehouses are instruments that facilitate and add flexibility to the customs procedures, and can essentially be classified as public or private, the public being usable by any private entity for warehousing third party goods,

while the private ones can only be used by the depositary for that same purpose.

After the increase in international trade and in trade between Portugal and other countries, exports fell 1.0% and imports fell 4.1% in 2023. Even so, if fuels and lubricants are excluded, exports grew 1.0% and imports 1.6% in 2023. In terms of exports, according to AICEP, the main destination continues to be Spain at 25.8%, followed by France at 13.0% and Germany at 10.8%. The United States, at 6.7%, was the main destination outside the European Union and fourth overall, followed by the United Kingdom at 4.7%. Exports maintained their relative weight between EU and non-EU countries, at 70% and 30% respectively. Imports followed a similar pattern, although with an even greater weight in terms of European Union partners - 75% versus 25%. Spain accounts for 33.8% of total imports, Germany 11.6% and France 7.0%, making them the top three trading partners in terms of imports. In terms of non-EU partners, China stands out with 5.0% of total imports.

The most recent data (January-October 2023) from AMT point to a year-on-year decrease of 2.6% in the volume of transported tonnage in the ports of mainland Portugal. Lisbon, Setúbal and Faro were the only ports to grow, with increases of 7.0%, 4.2% and 38.4% respectively. Conversely, the ports of Viana do Castelo, Figueira da Foz, Sines and Leixões saw a reduction of -26.7%, -10.9%, -5.5% and -2.5% respectively. Container cargo continues to be the most transported cargo in Portuguese ports, accounting for 38.9% of tonnage.

The Container segment, which Espaçotrans is part of, saw a 1.7% drop in 2023 (up to October). Container cargo is concentrated more in the ports of Sines (56.5%), influenced by transshipment, Leixões (23.6%) and Lisbon (13.7%). The drop seen in 2023 was mainly due to a contraction in the Port of Sines (-3.0%), Sines (-2.2%) and Setúbal (-9.0%), while container transport in terms of tonnes increased 3.6% in Lisbon.

### 2.2. RENTAL, SALE AND MAINTENANCE OF HEAVY VEHICLES SECTOR

The Freight Transport and Logistics Operators sector, which is of great importance to the Company's business, seeing as it depends on this sector, is very fragmented and based on approximately eight thousand companies, many of them exhibiting economic and financial weaknesses. Nevertheless and

according to consultant DBK, the five largest companies account for 20%/25% of business in this sector.

According to DBK, the business of supplying Road Freight Transport services in Portugal grew 11.3% in 2022 to a total of 3.45 billion euros, compared with the 3.1 billion recorded in 2021, a growth of 9.5%.

As of yet, there are no data available regarding trends in financial indicators for 2023 for Road Freight Transport and Logistics companies in Portugal. Nevertheless, we expect a fresh increase in turnover due to the 2023 inflation rate with a knock-on effect with respect to increases in the prices of transport services, although to a lesser degree than in 2022.

The year 2023 was thus marked by rising sales prices for new vehicles, which drove up the price of used vehicles, high interest rates and wage pressure, while the average cost of fuel (standard diesel) fell compared to 2022 (-11.7), but higher than in 2021 (+12.0%). Consequentially, we noticed that small/medium-sized transport companies continue to be receptive to acquiring used vehicles in order to counter the rising prices of new ones, reducing the amount of their investment and debt, given the negative impact of rising interest rates.

**Annual average price per liter of road diesel**



Source: <https://precoscombustiveis.dgeg.gov.pt/estatistica/preco-medio-diario/> (average price of standard diesel)

In 2023, the number of registered heavy goods vehicles was 6,923 units, compared to the 4,733 units registered in 2022, a significant increase of 46.3%. The semi-trailer segment saw a registration of 2,108 new vehicles in 2023, compared with 2,173 registered in the previous year, a drop of 3.0% (-65 new semi-trailers). However, if all new registrations in Portugal are taken into account, there was an increase of 1.3% compared to 2022 (+44 units).

	Units		
Type of Vehicle	2022	2023	Change
Lightweight Passenger Vehicles	157,295	199,623	26.9%
Lightweight Goods Vehicles	23,637	28,523	20.7%
<b>Total Lightweight</b>	<b>180,932</b>	<b>228,146</b>	<b>26.1%</b>
Heavy Goods Vehicles	4,733	6,923	46.3%
Heavy Passenger Vehicles	1,496	984	-34.2%
<b>Heavy Vehicles</b>	<b>6,229</b>	<b>7,907</b>	<b>26.9%</b>
<b>Total Automobile Market</b>	<b>187,161</b>	<b>236,053</b>	<b>26.1%</b>

## Sales trend for heavy vehicles

	Units						
	2017	2018	2019	2020	2021	2022	2023
Trailers and Semi-trailers	2,575	2,740	2,056	1,782	2,379	2,173	2,108
<i>Change</i>	-14.7%	6.4%	-25.0%	-13.3%	33.5%	-8.7%	-3.0%
Trailers and Semi-trailers*	3,418	3,620	3,087	2,856	3,709	3,285	3,329
<i>Change</i>	-10.9%	5.9%	-14.7%	-7.5%	29.9%	-11.4%	1.3%

\*New and Used Imported Vehicles

Source: ACAP and ARAN

<https://aran.pt/pt/publicacoes/estatisticas>

The bus maintenance and repair segment is another sector in which Reta has been increasing its market share. This sector was severely affected in 2020-2021 as a result of the pandemic, especially with respect to tourism-related companies (occasional passenger transport). As a result, many of them were forced to stop their fleet, disinvest and ended up facing economic and financial difficulties. Consequentially, the need for maintenance and repair services also fell drastically. However, as the economy got back to normal and tourism grew in 2022 and 2023, and the number of transported passengers increased, this sector saw significant improvement, and, consequentially, an increase in demand for maintenance and repair services for this type of vehicles.

However, the high level of competition in the provision of maintenance and repair services, from branded workshops and independent workshops, many of which are small, and the lack of qualified staff, has hampered the growth of Reta's activity in this area.

Turnover is expected to continue to rise in the Road Freight Transport and Logistics sector in Portugal in 2024, as a result of persistent inflationary pressure on costs, although at a lower rate, and also due to stabilisation in current profitability. However, the sector is facing challenges and opportunities from the point of view of technological and energy innovation, which should lead to increased investment and a corresponding increase in debt levels, while also seeing a greater tendency toward consolidation in the sector. We will need to wait in order to understand the role that is to be played by European Union aid with regard to the modernisation required in the sector.

Also for 2024, Passenger Transport activity is expected to continue to benefit from the growth in tourism, which broke records in 2023, and from the increase in the number of passengers carried.

To sum up, despite the limitations and uncertainties ensuing from the effects of the Russia-Ukraine war, the conflict in Palestine, inflation and high interest rates, we can affirm that economic growth in Portugal positively influenced expansion of Reta's business, taking into account the increase in the maintenance and repair business, the increased importance of the used vehicle market and increased demand for hiring as an alternative to investing and immediate availability of vehicles.

Reta continues to be characterised by its ability to successfully overcome difficulties, adapting to the realities of each moment and taking advantage of the opportunities that arise, based on the following guiding principles:

- Customer focus, i.e. finding and offering structured solutions that bring our customers added value that they can see;
- Focus on the shareholder, i.e. adding value that will enable a return on investments made and the future sustainability of the business;
- Focus on solutions, because it is these that allow us to take advantage of opportunities, overcome the constraints and adversities induced by markets and unfavourable circumstances, and sustain our future in a competitive market that is constantly evolving and changing.

## 2.3. INSURANCE MARKET

Trends in the national insurance sector reflect trends in the Portuguese economy, given that the purchase of personal or corporate insurance depends highly on disposable income of families and on the growth of corporate activity in general. In the case of Life Insurance, which includes Retirement Savings Plans and capitalisation products, their purchase also depends on the attractiveness of the interest rates employed in the financial markets.

Provisional data from the *Autoridade de Supervisão de Seguros e Fundos de Pensões* (ASF) (Insurance and Pension Funds Supervisory Authority) point to a 2.0% drop in the insurance market in comparison with 2022, when it dropped 9.7%. However, the insurance market has evolved differently in terms of the Life and Non-Life segments. The Life segment is expected to fall 14.3% in 2023, while Non-Life is expected to grow 10.2%.

The Life segment has proven to be very volatile over the years, trending either heavily upward or heavily downward, which impacts the insurance market as a whole. In 2023, according to provisional figures from the ASF, life insurance is expected to fall by 14.3% compared to 2022, due to the decline in insurance linked to investment funds (-53.9%), which was not offset by growth in life insurance (+28.5%).

### Trends in direct insurance production in Portugal by type of insurance

Millions of euros

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023**
Life	9,248	10,439	8,671	6,677	7,089	8,123	6,994	4,585	7,728	6,021	65,159
Change	33.6%	12.9%	-16.9%	-23.0%	6.2%	14.6%	-13.9%	-34.4%	68.5%	-22.1%	-14.3%
Non-Life	3,855	3,849	3,993	4,194	4,494	4,825	5,209	5,366	5,622	6,035	6,651
Change	-3.2%	-0.2%	3.8%	5.0%	7.1%	7.4%	8.0%	3.0%	4.8%	7.4%	10.2%
Total Market	13,104	14,288	12,664	10,872	11,582	12,948	12,203	9,951	13,350	12,056	11,810
Change	20.2%	9.0%	-11.4%	-14.2%	6.5%	11.8%	-5.8%	-18.5%	34.2%	-9.7%	-2.0%

\*\* Provisional amounts

Source: ASF

In the Non-Life segment, which is the preferred business area of Diagonal and of most brokers, the market trended favourably and is expected to grow 10.2% in 2023 over the previous year, thus recording the highest value of premiums ever. The Non-Life market is known for its stability, showing constant and consistent growth since 2015, between 3.0% and 10.2%, which is a hugely important factor for the sector and for Diagonal.

Growth of Non-Life in 2023 was spurred by growth in the largest categories that make up Non-Life. Those that grew the most and have a significant weight in the Non-Life segment were Accident and Illness (+13.1%), Fire and Other (+10.1%), and Miscellaneous (+21.2%). The Automobile category, which represents 31.6% of Non-Life insurance, grew only 5.8% and lost 1.3% of its weight in this segment, similar to what occurred in 2022.

According to various analysts and insurers, an important part of the growth of the Non-Life market in 2023 is directly related to the increase in the wage bill and the increase in tariffs/prices, due to claims, the increase in the cost of reinsurance in some branches and the increase in costs with service providers.

There were no relevant transactions that took place in the insurance sector with regard to acquisitions. Even so, it should be noted that the acquisition of Liberty (Portugal, Spain and Ireland) by the Generali Group, which owns the Tranquilidade, Açoreana and Logo brands, will be completed in 2024. With this acquisition, Generali strengthens its position in the Non-Life segment and moves closer to leader Fidelidade.

As indicated by ASF numbers for 2022, the insurance distribution segment (brokerage), continues to operate in a highly fragmented market that consists of 14,146 individual or corporate brokers (including brokers from other countries who operate within an establishment framework or within a freedom to provide services framework), but with a tendency toward a progressive reduction (-2,346 agents in 2022 compared to 2021). Part of this reduction is due to the requirements imposed by the new insurance brokerage legislation

and the increased trend toward aggregation of brokers (integration, acquisition and merger).

In the past years, the brokerage market has been very active through the acquisition of various brokers and agents by others, some related to international transactions. However, we are witnessing a growing tendency toward developing networks of agents, due to the strategy adopted by most insurance companies (reduction in the number of small agents) in order to withstand the pressure from brokers on other brokers because of the need for growth, and by establishing partnerships as a means of withstanding competition in the sector.

In 2024, we believe that the Non-Life segment will continue to grow at a rate that is similar to that of the past two years, taking into account the forecast for continued economic growth pointed out in the previous point, together with rising inflation. As regards the Life segment, we expect that insurance companies will launch financial insurance with income and principal guarantee, thus seeking to improve the competitiveness of current products as a means of attracting client savings. However, the continued war between Russia and Ukraine, the conflict in Palestine, inflation, high interest rates and instability in the price of energy products (oil, gas and electricity), bring a degree of uncertainty with respect to economic, financial, social and political trends in Europe, including Portugal. In Portugal, there is also the possibility of political instability that could result from the elections on 10 March 2024.



### 3. DESCRIPTION OF THE BUSINESS

#### 3.1. THE LUÍS SIMÕES GROUP

The business of LS - Luís Simões, SGPS, S.A. (LS-SGPS together with its subsidiaries Luís Simões) was established in 1948, initially supplying transport services mainly for agricultural products and construction materials. In 1968 the company Transportes Luís Simões, Lda. was established in Loures.

In the 1970s the company specialised further in the construction materials transport business segment and expanded its geographic area of operation to Porto.

The 1980s saw the company invest in the training of its management team and it diversified to include road transport of freight from other business sectors, especially consumer products, significantly reducing its presence in the transport of agricultural products and construction materials. In 1986 Luis Simões expanded its services to Spain and in 1989 it diversified its businesses, establishing a vehicle maintenance company for maintaining heavy vehicles and an insurance brokerage company.

The following decade it recorded exponential growth upon establishing the company Distribuição Luís Simões, S.A. in 1990, a company that supplies logistics services, and a company in Spain headquartered in Madrid. In 1991 it established Reta - Serviços Técnicos e Rent-A-Cargo, S.A. (Reta), a company that sells and rents heavy vehicles and which also currently includes the activity of maintaining and repairing heavy vehicles, and LS- Gestão Empresarial e Imobiliária, S.A. ("LSG"), whose initial business purpose was management of Luís Simões real estate assets, but gradually began to include support services for operations businesses. In 1993 Luís Simões expanded its activity to Spain when it opened a delegation in Barcelona and in the following year in Seville. In 1995 the company inaugurated its Vila Nova de Gaia facilities and in 1997 it

inaugurated its first warehouse in Carregado with an area greater than 30 000 m<sup>2</sup>.

In 2001 it acquired a logistics company in Spain. In 2002 it entered into the positive cold logistics business in Portugal. In 2004 it merged the two companies it held in Spain and created Luís Simões Logística Integrada, S.A. 2008 was marked by the inauguration of the automated warehouse in Carregado with an area of over 20 000 m<sup>2</sup> and a warehousing capacity of over 50,000 palletes, which today continues to be a leader in the business on an Iberian scale, due to its implementation of innovation with respect to automation and processes.

In 2010 the road freight transport and logistics companies in Portugal were merged and gave way to Luís Simões Logística Integrada, S.A.. Between 2013 and 2014 Luís Simões acquired Diagonal - Corretores de Seguros, S.A. and Espaçotrans - Gestão de Entrepósitos Aduaneiros, Lda. in those respective years, their main business activity being customs logistics via management of customs warehouses and export warehouses. 2015 saw the inauguration of the new Leixões Logistics Operations Centre, which because of its proximity to the Port of Leixões, helps illustrate Luís Simões' commitment to the import and export business, which is so vital to the Portuguese economy. Also in 2015, it undertook renovation of the Gaia logistics Operations Centre. In 2017 it began its operations at the new Centre in Cabanillas del Campo, which brings together the business activity that until then had been spread out among four smaller warehouses around Madrid, incorporating differentiating factors and automating the process of preparing and shipping goods.

During the first quarter of 2021 Luís Simões began its operations at the largest and most modern Logistics Centre in Guadalajara with an area of 89,000 m<sup>2</sup> and a capacity for 178,000 palletes, consisting of two conventional warehouses that began operating in 2020 and an automated warehouse that began operating in 2021, which service important Clients in the Consumer Packaged Goods business area with long term relationships.

In the road freight transport and logistics sector, Luís Simões currently manages a certified fleet of approximately 1,712 trucks, which includes the first time use of Gigaliners in Portugal and Spain, while in the logistics sector a warehouse space with a warehousing area of approximately 403,371 m<sup>2</sup>, has helped give Luís Simões the status of integrated logistics operator with complete coverage of the Iberian Peninsula, with over 101 million kilometres travelled per year and 1,744 distribution routes per day.

## ECONOMIC AND FINANCIAL ANALYSIS

### ECONOMIC AND FINANCIAL INDICATORS

LS-LUÍS SIMÕES, SGPS, S.A. (CONSOLIDATED)			
	2023	2022	2021
<b>Turnover</b>	<b>277,152,057</b>	<b>269,277,852</b>	<b>241,826,146</b>
Sale of goods	6,070,289	7,210,659	5,561,491
Supply of services	271,081,768	262,067,193	236,264,655
% Growth (Turnover)	2.9%	11.4%	6.8%
<b>EBITDA</b>	<b>22,498,229</b>	<b>20,024,100</b>	<b>17,377,325</b>
% Turnover	8.1%	7.4%	7.2%
<b>EBIT</b>	<b>10,075,727</b>	<b>8,836,226</b>	<b>7,081,129</b>
% Turnover	3.6%	3.3%	2.9%
<b>EBT</b>	<b>6,512,048</b>	<b>7,407,882</b>	<b>5,972,850</b>
% Turnover	2.3%	2.8%	2.5%
<b>Net income for the year (1)</b>	<b>5,605,633</b>	<b>6,929,951</b>	<b>4,480,086</b>
% Turnover	2.0%	2.6%	1.9%
<b>Total assets</b>	<b>180,103,398</b>	<b>173,125,527</b>	<b>160,233,122</b>
<b>Equity</b>	<b>59,234,784</b>	<b>55,501,582</b>	<b>52,182,048</b>
<b>Net financial debt (2)</b>	<b>30,427,818</b>	<b>35,209,078</b>	<b>27,618,883</b>
Net debt/EBITDA	1.4 x	1.8 x	1.6 x
<b>Net financial debt (including loans to shareholders)</b>	<b>45,071,545</b>	<b>49,852,805</b>	<b>41,282,610</b>
Net debt/EBITDA	2.0 x	2.5 x	2.4 x

(1) Excludes minority interests;

(2) Includes bank loans and suppliers of fixed assets, deducted by cash and equivalents;

In 2023 Luis Simões recorded a consolidated turnover of 277 million euros, an 2.9% rise over 2022.

In 2023, Luís Simões recorded EBIT that was 1.2 million euros higher than in 2022, reaching a total of 10 million euros.

EBT fell by some 900,000 euros as a result of the rise in the Euribor rate over the course of 2023.

Luís Simões undertook structural investments in Logistics in cycles of 10 years: conventional warehouse with an area of 30 thousand m<sup>2</sup> in 1997 and an automated warehouse with a capacity for 55 thousand palettes in 2008, both in Carregado; Warehouses in the New Centre of Cabanillas and Guadalajara within the 2017-2019 period. While in the past, investments in 1997 and 2008 spurred growth and market dominance by Luís Simões in Portugal, during the next decades we believe that the new investments in modern and innovative logistics platforms in the Madrid region will put Luís Simões logistics in the lead of the consumer packaged goods logistics market in Spain during the next decade.

In June 2023, the LS Group was the target of a cyberattack that led to the application of previously designed contingency plans. The cyberattack had no significant impact on the company's ability to provide contracted services to its clients.

LSLI Portugal and LSLI Spain, which include the Transport and Logistics businesses (except Espaçotrans), recorded very noteworthy results, together recording EBT of 4 million euros.

At Reta, 2023 was marked by a slight increase in sales of 1.8% and a historic net income of 1.6 million euros, based on capital gains from the sale of used vehicles in the fleet.

In the property business, the year was marked by the continued development of support work as regards the group's premises.

Espaçotrans, which specialises in customs logistics, recorded a turnover of 4,768,000 euros, a decrease of 3% compared to 2022. However, EBITDA continues to perform excellently, accounting for 17.3% of turnover. This indicator enabled Espaçotrans to achieve a net income for the year of 582,000 euros, corresponding to 12% of turnover, an increase of 2.2% over the previous year.

At Diagonal, 2023 is notable for its 6.5% growth in sales, although this will be penalised by the reduction in incentives from insurance companies compared to 2022, and by the strengthening of the agent network and the sales team, which is essential to sustain the growth of the business.

## 4. OUTLOOK FOR 2024

### 4.1. TRANSPORT AND LOGISTICS ACTIVITIES:

Main initiatives to highlight for 2024:

- The focus on increasing turnover and income, improving the profitability of current operations and concluding new business opportunities and new operations with current clients. Customer service will continue to be the cornerstone of our growth.
- Focus on the profitability of logistics operations through efficient use of resources, while also improving implemented processes. Continued focus on customer service levels;
- Introduction and consolidation of new operations with Gigaliners in the national and Iberian distribution business, making the routes more efficient and profitable;
- Focus on growth in the Iberian transport operation;
- Consolidation of new logistics operations centres in Azambuja and the Algarve; and
- Continued investment in innovation and digitalisation projects that add value to our clients and help us improve processes.

### 4.2. CUSTOMS LOGISTICS ACTIVITY

Main initiatives to highlight for 2024:

- Adapt the business to the panorama of uncertainty internationally;
- Create loyalty among current clients and obtain new business in order to offset any drop in consumption in customs logistics;
- Optimisation of internal costs to cover the impact of inflation;
- Maintain business profitability.

### 4.3. RENTAL, SALE AND MAINTENANCE OF HEAVY VEHICLES ACTIVITIES

Main initiatives to highlight for 2024:

- Continue to implement the strategy as a reinforcement of our position in our preferential markets, where we are leaders or have a relevant position;
- Continue to develop and consolidate the business in our more recent markets;
- Be mindful of innovations and technological trends, in order to adapt to market requirements in a timely manner;
- Continue to innovate and format products and services that correspond to client needs;
- Keep an eye out for any opportunities that may arise, with the aim of growing the business and adding value to the organisation;
- Continually investing in human resources, through training and reinforcement of the operations and business support team, which is so indispensable to the organisation's forecasted growth.

### 4.4. INSURANCE BROKERAGE ACTIVITIES

The outlook for 2024 is for continued and sustained growth in this line of business, despite the uncertainty caused by the Russia-Ukraine conflict, the conflict in Palestine, inflation, high interest rates and possible political instability in Portugal following the elections on 10 March 2024.

The Group is currently investing in new technological tools with the aim of updating its information systems, increasing productivity and improving the quality of service supplied to agents and clients.

### REAL ESTATE ACTIVITY

Main initiatives to highlight for 2024:

- Continue to develop support works involving new installations so that companies can develop activities in the regions where they are located;

- Active participation in the Block Plan of the Azambuja Urban Front that permits development of the projects planned for the location;
- Development of management and maintenance at own centres and those rented via the IT tool;
- Day-to-day management of existing assets;
- Audits and inspections of installations/spaces for developing the activities of Luís Simões companies.
- The promotion of the expansion of residential areas to be placed on the rental market;
- Carrying out valuations of property assets.

#### 4.5. CORPORATE SUPPORT ACTIVITIES

Main initiatives to highlight for 2024:

- Continue with the strategy of developing, simplifying and digitising cross-company processes;



## 5. RISK MANAGEMENT POLICY

As part of the strategic plan of the Grupo Luís Simões companies and in line with good national and international practices, the Compliance and Risk Management area is responsible for compliance with the Luís Simões Risk Management Policy, which establishes its own methodology that ensures knowledge of and assessment of the risks faced by Grupo LS, and it is also responsible for determining the need for effectively responding to those same risks.

As part of the strategic plan of the Grupo Luís Simões companies and in line with good national and international practices, the Compliance and Risk Management area is responsible for compliance with the Luís Simões Risk Management Policy, which establishes its own methodology that ensures knowledge of and assessment of the risks faced by Grupo LS, and it is also responsible for determining the need for effectively responding to those same risks.

Due to their importance, we would like to highlight some of the actions undertaken in 2023, with a view to mitigating the risks for LS Group companies:

- a) Within the current context, which has led to a significant increase in the occurrence of cyberattacks, we have drawn up Business Continuity Plans to ensure that LS can continue to carry out its critical activities, even without access to systems or with restricted access;
- b) We have implemented a Compliance Incentive Model, which involves the inclusion of the 'Legal Compliance' KPI in the Senior Management performance bonuses, thus guaranteeing a strategy centred on compliance for the LS group, where Senior Management must ensure legal compliance in their areas of influence;
- c) In order to obtain as many credibility indicators as possible in the selection processes for new employees, we have implemented a background checking system prior to hiring for certain positions. Accordingly, LS will be able to minimise its legal risks, protect its reputation and avoid possible future litigation;
- d) We have developed an improvement methodology to ensure control of compliance with ADR (International Carriage of Dangerous Goods by Road) legislation;
- e) We identified the need to make the LS Management Team aware of the importance of compliance, in an innovative format, based on fictional stories in

which risk behaviours are illustrated, and the impacts of the employees' attitudes on their areas of influence; and

d) As a result of new Spanish legislation relating to Legionnaires disease\*, it was necessary to carry out an analysis to determine the classification of LS, assess the current level of risk and guarantee the implementation of the necessary actions to ensure legal compliance. (\* ROYAL DECREE 487/2022, of 21 June, which establishes health requirements for the prevention and control of Legionnaire's disease).

In 2023, the underlying risk of the constant legislative changes was deemed under control, as shown by the results obtained following the Legal Compliance Audits. In order to keep this risk under supervision, Grupo LS has been working with an external partnership that provides legislative changes alerts, with an impact on support and business areas and on the various geographical locations where they operate.

It is also worth highlighting the internal audit carried out in 2023 on the personnel costs process, in which a representative sample of the different types of employee costs of all the LS Group companies was analysed. This made it possible to update knowledge on the state of the process, identify potential associated risks and strengthen the measures needed to keep the process under control.

The management of financial risk, including credit risks, interest rate risks and treasury risks, is the responsibility of Corporate Finance Department, which implements action plans that seek to mitigate these risks.

The Compliance and Risk Management Department monitors the efficacy of the actions that are implemented and also prepares and submits a half-yearly report to the Board of Directors that includes:

- a) The state of implementation of the annual Compliance Programme, which includes all initiatives to mitigate relevant risk;
- b) The result of the Internal Process Audits that seek to verify compliance of the processes and the efficacy of controls; and
- c) Compliance incidents, which include the points in which the processes and controls failed and in which an incident occurred that was contrary to LS interests.

## 6. GOVERNING BODIES

### Board of Directors

José Luís Soares Simões	Chairperson/Managing Director
Leonel Fernando Soares Simões	Member
Jorge Manuel Soares Simões	Member
Fernanda Maria Oliveira Simões	Member
Daniela Alexandra Lopes Simões	Member
Rui Miguel Marcos Simões	Member
Miguel Roquette Rocha Martins	Member

### Committee of the General Meeting

Clara Maria Campos Monteiro Ribeiro	Chairperson
Isabel Maria Blazquez Pereira Silva	Secretary

### Auditor

Deloitte & Associados, SROC S.A.	Permanent
João Carlos Henriques Gomes Ferreira	Alternate

Moninhos, 27 March 2024.

Management:	Signature
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEETS

LS-LUÍS SIMÕES, SGPS, S.A. (CONSOLIDATED)

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2023 AND 2022

Euros

ITEMS	NOTES	DATES	
		31/12/2023	31/12/2022
<b>ASSETS:</b>			
<b>NON-CURRENT ASSETS</b>			
Tangible fixed assets	8	92,654,412.04	84,692,299.77
Investment properties	10	1,018,383.53	818,839.37
Intangible assets	7	2,029,864.28	1,803,927.31
Other financial investments	18.1	1,216,959.58	1,109,494.20
Receivables	18.1	2,642,721.65	7,222,677.72
Deferred tax assets	17	3,154,818.49	2,985,992.76
		102,717,159.57	98,633,231.13
<b>CURRENT ASSETS</b>			
Inventory	11	1,750,723.53	1,497,719.98
Clients	18.1	59,619,179.66	59,963,179.20
State and other public entities	21.4	1,861,255.97	2,308,069.81
Other receivables	18.1	6,313,198.39	5,427,931.42
Deferrals	21.1	2,013,058.25	1,478,838.73
Cash and bank deposits	4 and 18.1	5,828,822.57	3,816,557.02
		77,386,238.37	74,492,296.16
<b>Total assets</b>		180,103,397.94	173,125,527.29
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Subscribed capital	18.4	30,000,000.00	30,000,000.00
Legal reserve	21.2	1,207,489.66	861,136.83
Other reserves	21.2	4,132,131.47	4,129,237.21
Unappropriated earnings	21.2	14,603,247.49	9,734,392.24
Adjustments/other changes in equity	21.2	3,315,397.56	3,540,021.28
		53,258,266.18	48,264,787.56
Net income for the period		5,605,633.49	6,929,950.95
Non-controlling interests	21.3	370,884.28	306,843.66
<b>Total equity</b>		59,234,783.95	55,501,582.17
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	175,458.84	327,395.22
Financing obtained	18.2	40,116,691.33	37,800,569.42
Deferred tax liabilities	17	1,690,673.03	1,988,051.00
Other payables	18.2	11,630,989.21	7,213,241.00
		53,613,812.41	47,329,256.64
<b>CURRENT LIABILITIES</b>			
Suppliers	18.2	29,826,018.10	31,655,403.08
State and other public entities	21.4	6,009,695.36	6,139,162.16
Financing obtained	18.2	10,738,676.43	15,823,792.48
Other payables	18.2	20,251,311.17	16,225,298.62
Deferrals	21.1	429,100.53	451,032.14
		67,254,801.59	70,294,688.48
<b>Total liabilities</b>		120,868,613.99	117,623,945.12
<b>Total equity and liabilities</b>		180,103,397.94	173,125,527.29

The notes to the accounts are an integral part of these consolidated financial statements.

The Chartered Accountant:	Signature
Vitor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

## CONSOLIDATED FINANCIAL STATEMENTS BY NATURE

LS-LUÍS SIMÕES, SGPS, S.A. (CONSOLIDATED)

CONSOLIDATED FINANCIAL STATEMENTS BY NATURE

PERIODS ENDED AT 31 DECEMBER 2023 AND 2022

Euros

ITEMS	NOTES	DATES	
		2023	2022
Sales and services rendered	12	277,152,057.03	269,277,852.34
Operating subsidies	14	497,154.37	1,507,701.33
Own works	21.5	260,304.54	233,357.82
Purchases of goods for resale	11	(9,869,610.88)	(9,864,676.45)
External supplies and services	21.6	(169,443,596.63)	(171,055,305.75)
Staff costs	19	(80,157,155.20)	(73,229,899.67)
Inventory impairment (losses/ reversals)	11	304,528.08	(47,740.57)
Impairment on receivables (losses/reversals)	18.1	(176,822.09)	18,015.91
Provisions (increases/reductions)	13	(103,070.96)	(34,626.98)
Other income	21.7	5,916,668.33	4,985,807.48
Other costs	21.8	(1,882,227.35)	(1,766,385.18)
<b>Earnings before interest, taxes, depreciation and amortisation</b>		<b>22,498,229.24</b>	<b>20,024,100.28</b>
Costs/reversals of depreciation and amortisation	21.9	(12,422,502.66)	(11,190,582.56)
Impairment on depreciable/amortisable investments (losses/reversals)	10	-	2,708.62
<b>Operating income (before interest and taxes)</b>		<b>10,075,726.58</b>	<b>8,836,226.34</b>
Interest and similar income obtained	21.11	17,499.67	-
Interest and similar costs paid	21.10	(3,581,178.33)	(1,428,343.96)
<b>Income before taxes</b>		<b>6,512,047.92</b>	<b>7,407,882.38</b>
Income tax for the period	17	(731,745.43)	(330,426.93)
<b>Net income for the period</b>		<b>5,780,302.49</b>	<b>7,077,455.45</b>
<b>Net income for the period attributable to:</b>			
Holders of parent company capital		5,605,633.49	6,929,950.95
Non-controlling interests	21.3	174,669.00	147,504.50
<b>Basic earnings per share</b>	<b>21.13</b>	<b>0.93</b>	<b>1.15</b>

The notes to the accounts are an integral part of these consolidated financial statements.

The Chartered Accountant:	Signature
Vitor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

## CONSOLIDATED CASH FLOW STATEMENTS

LS-LUIS SIMÕES, SGPS, S.A. (Consolidated)

### CONSOLIDATED CASH FLOW STATEMENTS

PERIODS ENDED AT 31 DECEMBER 2023 AND 2022

Euros

ITEMS	NOTES	Periods	
		2023	2022
<b><u>Cash flow from operating activities</u></b>			
Accounts receivable		344,213,332.71	335,646,564.52
Payments and suppliers		(220,353,945.42)	(229,397,253.65)
Staff payments		(59,421,478.29)	(44,584,423.21)
Cash generated from operations		64,437,909.00	61,664,887.66
Payment/receipt of income tax		(587,535.84)	(1,669,329.33)
Other receipts/payments		(47,437,367.22)	(51,178,519.11)
Cash flow from operating activities (1)		16,413,005.94	8,817,039.22
<b><u>Cash flow from investment activities</u></b>			
Payments pertaining to:			
Tangible fixed assets		(14,712,097.23)	(15,030,684.76)
Intangible assets		(134,229.31)	(270,067.85)
Financial investments		(150,000.00)	(325,000.00)
Receipts from:			
Tangible fixed assets		3,401,055.11	2,513,301.84
Financial investments		41,770.95	8,171.75
Other assets		-	300,000.00
Investment subsidies	21.2	5,076,970.45	-
Interest and similar income		15,416.67	-
Cash flow from investment activities (2)		(6,461,113.36)	(12,804,279.02)
<b><u>Cash flow from financing activities</u></b>			
Receipts from:			
Financing obtained		9,922,000.00	6,599,200.00
Payments pertaining to:			
Financing obtained		-	(6,881,080.50)
Interest and similar costs		(5,957,012.40)	(1,268,475.13)
Dividends	21.2	(1,822,476.99)	(3,451,910.07)
Cash flow from financing activities (3)		(827,935.64)	(5,002,265.70)
<b>Change in cash and cash equivalents (1)+(2)+(3)</b>		9,123,956.94	(8,989,505.50)
Cash and cash equivalents at the start of the period	4	(5,988,831.93)	3,000,673.57
Cash and cash equivalents at the end of the period	4	3,135,125.01	(5,988,831.93)

The notes to the accounts are an integral part of these consolidated financial statements.

The Chartered Accountant:	Signature
Vitor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

## CONSOLIDATED FINANCIAL STATEMENTS OF CHANGES IN EQUITY

LS-LUIS SIMÕES SGPS, S.A.

CONSOLIDATED FINANCIAL STATEMENT OF CHANGES IN EQUITY

FOR THE 2022 PERIOD

Euros

		Equity attributed to holders of parent company capital						Non-controlling interests	Total equity	
	Note	Subscribed capital	Legal reserve	Other reserves	Unappropriated earnings	Adjustments to financial assets	Net income for the period	Total		
Position at the start of the 2022 period		30,000,000.00	638,059.75	4,110,692.37	8,842,083.90	3,804,906.04	4,480,086.49	51,875,828.55	306,219.49	52,182,048.04
Changes during the period:										
Other recognised changes in equity:										
Distribution of Income										
Transfer to Reserves and Unappropriated earnings	21.2	-	223,077.08	18,544.84	892,308.34	-	(1,133,930.26)	-	-	-
Dividend distribution	21.2	-	-	-	-	-	(3,346,156.23)	(3,346,156.23)	(146,880.33)	(3,493,036.56)
Adjustments to financial assets		-	-	-	-	(264,884.76)	-	(264,884.76)	-	(264,884.76)
		30,000,000.00	861,136.83	4,129,237.21	9,734,392.24	3,540,021.28	-	48,264,787.56	159,339.16	48,424,126.72
Net income for the period							6,929,950.95	6,929,950.95	147,504.50	7,077,455.45
Comprehensive income							6,929,950.95	6,929,950.95	147,504.50	7,077,455.45
Position at the end of the 2022 period		30,000,000.00	861,136.83	4,129,237.21	9,734,392.24	3,540,021.28	6,929,950.95	55,194,738.51	306,843.66	55,501,582.17



LS-LUIS SIMÕES SGPS, S.A.

CONSOLIDATED FINANCIAL STATEMENT OF CHANGES IN EQUITY

FOR THE 2023 PERIOD

Euros

		Equity attributed to holders of parent company capital						Non-controlling interests	Total equity	
	Note	Subscribed capital	Legal reserve	Other reserves	Unappropriated earnings	Adjustments to financial assets	Net income for the period	Total		
Position at the start of the 2023 period		30,000,000.00	861,136.83	4,129,237.21	9,734,392.24	3,540,021.28	6,929,950.95	55,194,738.51	306,843.66	55,501,582.17
Changes during the period:										
Other recognised changes in equity:										
Distribution of Income										
Transfer to Reserves and Unappropriated earnings	21.2	-	346,352.83	2,894.26	4,868,855.25	-	(5,218,102.34)	-	-	-
Dividend distribution	21.2	-	-	-	-	-	(1,711,848.61)	(1,711,848.61)	(110,628.38)	(1,822,476.99)
Adjustments to financial assets	21.2	-	-	-	-	(224,623.72)	-	(224,623.72)	-	(224,623.72)
		30,000,000.00	1,207,489.66	4,132,131.47	14,603,247.49	3,315,397.56	-	53,258,266.18	196,215.28	53,454,481.46
Net income for the period							5,605,633.49	5,605,633.49	174,669.00	5,780,302.49
Comprehensive income							5,605,633.49	5,605,633.49	174,669.00	5,780,302.49
Position at the end of the 2023 period		30,000,000.00	1,207,489.66	4,132,131.47	14,603,247.49	3,315,397.56	5,605,633.49	58,863,899.67	370,884.28	59,234,783.95

The notes to the accounts are an integral part of these consolidated financial statements.

The Chartered Accountant:	Signature
Vitor José Caetano de Sousa	
Management:	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

**NOTES TO THE ACCOUNTS**

(Amounts expressed in euros)

**1. IDENTIFICATION OF THE ENTITY**

Grupo Luís Simões (“Group”) consists of LS - Luís Simões, SGPS, S.A. and its subsidiaries (Note 6.1).

LS - Luís Simões, SGPS, S.A. (“Company”), public limited company with head office in Moninhos, Loures, was established on 5 August 1996 and its business purpose is the management of capital holdings in other companies as an indirect form of performing economic activities.

The Company’s headquarters is located at Rua Fernando Namora in Moninhos, municipality of Loures.

The Group operates in the following business areas:

- 1- The road freight transport business, which accounts for some 37% of Group turnover, leads the national transport market and the road transport market on the Iberian Peninsula.
- 2- The logistics business, which accounts for some 57% of Group turnover, is the leader in Logistics and Distribution of consumer packaged goods in Portugal, supplying integrated transport services, warehousing, shipment preparation, inventory control and distribution, in addition to other added value services. In Spain, this business activity is also specialised in Logistics and Distribution of consumer packaged goods.
- 3- The other business activities that account for some 6% of overall Group sales work toward two essential goals: support the Group’s main business activities and develop independent businesses in their specific markets.

The parent company goes by the name of LS - Luís Simões, SGPS, S.A..

The Company is held by the entities described in the following table:

Shareholders	No. of shares held	% Voting Power	% Stake
Leonel Simões & Filhas, SGPS,S.A.	1,999,700	33.33%	33.33%
Varanda do Vale, SGPS, S.A.	1,999,700	33.33%	33.33%
Mira Serra, SGPS, S.A.	1,999,700	33.33%	33.33%
José Luís Simões	300	0.01%	0.01%
Leonel Fernando Simões	300	0.01%	0.01%
Jorge Manuel Simões	300	0.01%	0.01%
	6,000,000	100.00%	100.00%

These consolidated financial statements were approved by the Board of Directors at the meeting held on 27 March 2024. The Board of Directors is of the opinion that these consolidated financial statements truly and appropriately reflect the Group's operations, along with its consolidated financial position, financial performance and consolidated cash flows.

These consolidated financial statements shall be submitted for approval at the General Meeting of Shareholders

## 2. ACCOUNTING PRINCIPLES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1. BASIS OF PREPARATION

These consolidated financial statements were prepared in accordance with the Financial Reporting Accounting Standards (NCRF) in force at the present date.

Preparation of the consolidated financial statements in accordance with the Accounting Standards System (SNC) requires use of estimates, presuppositions and judgements critical to the process of determining the accounting policies that are to be adopted by the Group, with a significant impact on the book value of the assets and liabilities, as well as on the income and costs for the period under review.

Although these estimates are based on the best experience of the Board of Directors and on their best expectations in relation to current and future events and actions, current and future results may differ from these estimates. Areas that involve a greater degree of judgement or complexity, or areas in which presuppositions and estimates are significant to the consolidated financial statements are stated in Note 3.22.

Management proceeded to assess the Group's capacity to operate on a going concern basis, on the basis of all the relevant information, facts and circumstances of a financial, commercial or other nature, including events that occurred after the date of the financial statements, available regarding the future. As a result of the

assessment undertaken, Management concluded that the Group possesses adequate resources to maintain its business activities, there being no intention to cease such business activities in the short term, considering therefore the going concern principle to be appropriate to the preparation of the consolidated financial statements.

### 3. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the attached consolidated financial statements are those described below. These policies were consistently applied to all the financial years presented, barring indication to the contrary.

#### 3.1. BASIS OF CONSOLIDATION

The Group's corporate universe consists of the subsidiaries described in Note 6.

In compliance with Article 6 of Decree-Law no. 158/2009 of 15 July, republished via Decree-Law 98/2015 of 2 June, which approved the SNC, the Company has presented the consolidated accounts of the Group that consists of the Company and all the subsidiaries in which:

- Regardless of the ownership of capital, it is the case that, as an alternative:
  - It may exercise, or effectively exercises, dominant influence or control; and
  - It undertakes management as if the two consisted of a single entity.
- If it owns the capital:
  - It has a majority of the voting rights, except if it is demonstrated that those rights do not grant control;
  - It has the right to appoint or dismiss most of the members of the management body of an entity with powers to manage the financial and operating policies of that entity;
  - It exercises a dominant influence over an entity by virtue of a contract signed with it or by virtue of another clause of the memorandum of association of that entity;
  - It holds at least 20% of voting rights and a majority of the members of the management body of an entity with the power to manage the financial and operating policies of that entity, which have been in power during the financial year that pertains to the consolidated financial statements, as well as during the previous financial year and up until the time when the consolidated financial statements are drafted, and which have been exclusively appointed as a consequence of it exercising its voting rights; and
  - It holds, on its own or via an agreement with other shareholders of that entity, a majority of voting rights of the shareholders of that entity.

The existence and effect of potential voting rights that can currently be exercised or converted are considered when an assessment is made to determine whether or not there is control.

The subsidiaries are consolidated using the comprehensive method, from the date when control is transferred to the Group, and shall be excluded from the consolidation from the date when control ceases.

The purchase method is used to record the acquisition of subsidiaries. The cost of an acquisition is valued at the fair value of the assets that are delivered, capital instruments that are issued and the liabilities that are incurred or accepted at the acquisition date, accrued by costs that are directly attributable to the acquisition.

Excess of acquisition cost in relation to the fair value of the share of the Group in the Assets and Liabilities that are acquired is recognised as goodwill.

If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is stated directly in the consolidated income statement for the year when it is recognised.

During the process of consolidation, transactions, balances and unrealised gains in intragroup transactions and dividends distributed between group companies are eliminated. Unrealised losses are also eliminated, except when the transaction reveals evidence of impairment in the assets that have been transferred but not yet disposed of.

Accounting policies used by Subsidiaries to prepare their individual financial statements have been changed, whenever necessary, in order to ensure consistency with the policies adopted by the Group.

The temporary differences that ensued from elimination of the results of intragroup transactions were subject to NCRF 25 - Income Tax.

Equity and Net Income of Subsidiaries that are held by third parties from outside the Group are stated under Non-controlling interests on the Consolidated Balance Sheet (independently as part of Equity) and in the Consolidated Income Statement, respectively.

### 3.2. FOREIGN EXCHANGE

Group financial statements and the respective notes to the accounts are stated in euros, which is the currency used by the Group, barring explicit indication to the contrary.

### 3.3. TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at cost or at deemed cost (for assets acquired before the date of transition to NCRF), deducted by accumulated depreciation and any impairment losses that may exist.

Acquisition cost includes the price of the purchase of the asset, expenses that are directly attributable to its acquisition and the charges paid as a result of preparation of the asset so that it can be ready for use.

Costs related to substitutions and major repairs are capitalised whenever the useful life of the fixed asset in question increases and they are depreciated during the remainder of the useful life of that fixed asset or during its own useful life, if the latter is the lesser of the two.

Maintenance and repair costs (subsequent expenses) that do not generate future economic benefits are recorded as costs during the period in which they are incurred.

Costs pertaining to dismantling or removing assets installed in third party properties shall be considered as part of the initial cost of the respective assets when they translate into significant amounts.

Depreciation rates as a percentage, resulting from the establishment of estimated useful lives for tangible fixed assets are as follows:

Asset	2023	2022
	(%)	(%)
Buildings and other constructions	2.00 - 33.33	2.00 - 33.33
Basic equipment	5.00 - 33.33	5.00 - 33.33
Transport equipment	10.00 - 33.00	10.00 - 33.00
Office equipment	8.33 - 33.33	8.33 - 33.33
Other tangible fixed assets	10.00 - 33.00	10.00 - 33.00

Depreciation is calculated on a duodecimal basis once the asset is in a condition to be used, in accordance with the estimated useful life period for each group of assets.

Depreciation cost is recognised in the income statement under Costs/reversals of depreciation and amortisation.



Whenever there are indications of a loss in the value of tangible fixed assets, impairment tests are conducted in order to estimate the recoverable value of the asset, and when necessary, record an impairment loss. The recoverable value is determined as the higher one between the net sale price and the value in use of the asset, the latter being calculated on the basis of the current value of estimated future cash flows, ensuing from continued use and disposal of the asset at the end of its useful life.

Useful lives of assets are reviewed during each financial reporting period, so that the depreciation applied complies with the expected consumption patterns for the assets. Changes in useful lives are treated as a change in an accounting estimate and are applied prospectively, thus affecting the results for the period.

Gains (or losses) resulting from disposing of or writing off a tangible fixed asset are recorded as the difference between the amount received from the transaction and the book value of the asset, and the gain (or loss) is recognised under income or loss for the period during which the disposal took place.

Tangible fixed assets under construction pertain to assets that are still in the construction or development phase and are valued at acquisition cost, and are only depreciated when available for use.

#### 3.4. LEASING

Financial leasing is capitalised at the start of the lease at the lesser value between the fair value of the leased asset and the current value of the minimum payments of the lease, each one determined at the start date of the lease. The debt resulting from a financial leasing contract is recorded net of financial charges under Financing obtained. Financial charges included in the lease payment and the depreciation of the leased assets are recognised in the financial statements during the period that they pertain to, under Interest and similar costs

Tangible fixed assets acquired through financial leasing are depreciated at the lower value between the period of useful life of the asset and the lease period (when the Group does not have a purchase option at the end of the Contract) or for the estimated period of useful life when the Group intends to acquire the assets at the end of the contract.

In leases that are considered operating leases the payments are recognised as cost in the income statement on a straight line basis during the lease period.

### 3.5. INVESTMENT PROPERTIES

Investment properties are real estate properties (land, buildings or parts of buildings) held with the aim of increasing their capital value, obtaining rental income or both. Investment properties have been valued at cost or at deemed cost (corresponding to fair value at the date of transition to the SNC), deducted by accumulated depreciation and impairment losses.

Determination of the useful lives of investment properties, along with the applicable depreciation method is essential to determining the value of the depreciation recognised in the income statement of each year.

These two parameters are defined according to the best judgement of Management with respect to the assets in question, always taking into account, whenever possible, the practices adopted by sector companies.

The fair value of investment properties is calculated in accordance with the nature of each asset. When determining fair value, the greater value between the sale value and the value in use of the asset was considered, corresponding to the best estimate of the Board of Directors for said assets.

The fair value of other land and financial years are determined on the basis of valuations conducted by external valuers, taking into account the conditions of their use or better use.

### 3.6. INTANGIBLE ASSETS

Initial recognition

The cost of tangible assets acquired separately generally reflects the expected future economic benefits and includes:

- The purchase price, including costs pertaining to intellectual property rights and taxes on non-reimbursable purchases, after deducting commercial discounts and write-offs; and
- Any cost that is directly attributable to preparing the asset for its intended use.

The Group values its tangible assets, after initial recognition, on the basis of the cost model, as stipulated in NCRF 6 - Intangible Assets, which stipulates that an intangible asset must be recorded at cost value, deducted by accumulated amortisation and any accumulated impairment losses.

The Group determines the useful life and method for amortising intangible assets on the basis of estimated consumption of the future economic benefits associated with the asset.

Intangible assets are amortised on a systematic basis from the date when they are available for use, during their estimated useful life.

Amortisation cost is recognised in the income statement under Costs/reversals of depreciation and amortisation.

The useful lives and method of amortisation of the various intangible assets are revised annually.

The effect of any change in these estimates is recognised in the consolidated income statement prospectively.

Amortisation rates as a percentage, resulting from the establishment of estimated useful lives for intangible assets are as follows:

Asset	2023	2022
	(%)	(%)
Computer software	16.66 - 33.33	16.66 - 33.33
Other intangible assets	10.00 - 20.00	10.00 - 20.00

### 3.7. IMPAIRMENT OF ASSETS

At each reporting date the book values of Group assets are revised in order to determine whether or not there is an indicator of their impairment.

Whenever the book value of the asset or the unit that generates cash is greater than its recoverable value an impairment loss is recorded. Impairment losses are immediately recorded in the consolidated income statement, unless such a loss offsets a revaluation surplus recorded in equity. In the latter case, such a loss shall be treated as a decrease in revaluation.

The recoverable value is the higher between the fair value of the asset deducted by sale costs and its value in use. In order to determine the existence of impairment, assets are allocated at the lowest level for which there is identifiable separate cash flow (units that generate cash).

Non-financial assets, other than goodwill, for which impairment losses have been recognised are valued at each reporting date taking into account a possible reversal of impairment losses.

Reversal of impairment losses recognised in previous years are recorded when there is evidence that the recognised impairment losses no longer exist or have been diminished. Reversal of impairment losses are recognised in the income statement. Reversal of impairment losses is undertaken up until the limit of the amount that would have been recognised (net of depreciation) if the loss had not been recorded.

When there is an impairment to record or reverse, the amortisation and depreciation of the assets are recalculated prospectively according to the recoverable value.

### 3.8. FINANCIAL HOLDINGS - OTHER METHODS

The Group employs the cost model when initially recognising financial holdings in entities in which it is not obliged to use the equity method and for which there are no conditions for using fair value, namely financial holdings in non-listed companies.

According to the cost model, financial holdings are initially recognised at acquisition cost, which includes transaction costs, and its value shall subsequently be reduced by impairment losses whenever they occur.

### 3.9. INCOME TAX

Income tax corresponds to the sum of current tax plus deferred tax. Current tax and deferred tax are recorded under income, except when they pertain to items recorded directly under equity. In such cases, current tax and deferred tax are also recorded under equity.

Current tax: payable current tax is based on taxable profit for the year for the various entities included in the consolidation perimeter. Taxable profit differs from the accounting result, given that it excludes various costs and income that can only be deductible or taxable in other years. Taxable profit also excludes costs and income that will never be deductible or taxable.

Deferred taxes: deferred taxes refer to temporary differences between the amounts of the assets and liabilities for the purpose of accounts reporting and the respective amounts for the purpose of taxation.

Deferred tax assets and liabilities are valued by applying tax rates that are expected to be in force at the date of reversal of the corresponding temporary differences, on the basis of the taxation rates (and tax legislation) that have been formally or substantially established at the reporting date.

Deferred tax assets are recognised to the extent of a likelihood of future taxable profits available in order to use the temporary difference. Deferred tax liabilities are recognised in relation to all the temporary taxable differences.

Deferred tax assets are reviewed annually and reduced whenever it is no longer likely that they may be used.

### 3.10. INVENTORY

Inventory is recorded at acquisition cost and the weighted average cost is the costing method that is used for outgoing inventory.

Whenever the net realisable value is less than acquisition or production cost, the inventory value shall be reduced, subject to recognition of an impairment loss, which is reversed when the reasons for creating it no longer exist.

As such, the net realisable value is the estimated sale price during the ordinary course of business activity deducted by the estimated finishing costs and the costs necessary to undertake the sale. Estimates have taken into account changes related to events that have occurred after the end of the period to the extent that such events confirm conditions that exist at the end of the period.

### 3.11. FINANCIAL ASSETS AND LIABILITIES

The Board of Directors determines the classification of financial assets and liabilities at the date of initial recognition in accordance with NCRF 27 - Financial instruments.

Financial assets and liabilities may be classified/valued as follows:

- (a) At amortised cost deducted by any loss or impairment; or
- (b) At fair value with the changes in fair value recognised in the earnings statement.

The Group classifies and values financial assets and liabilities at amortised cost:

- i) that in terms of time period, are on demand or have a set maturity;
- ii) whose return consists of a fixed amount, fixed interest rate or variable interest rate tied to a market index; and
- iii) that do not possess any contractual clause from which may result the loss of the nominal value and accumulated interest (in the case of assets) or change in the responsibility for reimbursement of the nominal value and payable accumulated interest (in the case of liabilities).

For assets and liabilities recorded at amortised cost, the interest to be recognised for each period is determined in accordance with the effective interest rate method, which corresponds to the rate that exactly deducts future cash receipts and payments estimated during the expected life span of the financial instrument

The following are recorded at amortised cost:

- i) financial assets that constitute loans granted, accounts receivable (clients, other debtors, etc.) and equity instruments, along with any associated derivatives contracts that are not negotiated on the active market or whose fair value cannot be determined in a reliable manner and
- ii) financial liabilities that constitute financing obtained, accounts payable (suppliers, other debtors, etc.) and equity instruments, along with any associated derivatives contracts that are not negotiated on the active market or whose fair value cannot be determined in a reliable manner.

The Group classifies and values at fair value financial assets that do not meet the conditions to be valued at amortised cost, as described above. Financial assets that constitute equity instruments listed on the active market, derivatives contracts and financial assets held for trading. Changes in fair value are recorded as earnings for the year, except with regard to derivatives that qualify as cash flow hedges.

At each financial reporting date, the Group assesses the existence of value loss indicators for financial assets that are not valued at fair value under earnings. If there is objective evidence of impairment, the Group recognises an impairment loss in the earnings statement.

Financial assets are derecognised when the rights to receive the cash flows originated by those investments expire or are transferred, along with all risks and benefits associated with their possession. An entity shall derecognise a financial liability (or part of a financial liability) only when it is extinguished, i.e., when the obligation established in the contract is paid, cancelled or expired.

### 3.12. CASH AND CASH EQUIVALENTS

The amounts included in the item Cash and bank deposits correspond to the amounts of bank deposits maturing in less than three months and which can be immediately liquidated with insignificant risk of changing their value.

For the purpose of the cash flow statement, the item Cash and cash equivalents includes, in addition to Cash and bank deposits, all bank overdrafts included in the balance sheet item Financing obtained.



### 3.13. FINANCING OBTAINED

Financing obtained is initially recognised at fair value, net of transaction and assembly costs. Financing is subsequently stated at amortised cost and the difference between the nominal value and the initial fair value is stated in the consolidated earnings statement over the course of the loan period, using the effective interest rate method.

Financing obtained is classified under current liabilities, except if the Group possesses an unconditional right to defer payment of the liability for more than 12 months after the balance sheet date, in which case it shall be recorded under Non-current liabilities.

Costs related to interest regarding financing obtained are recorded under financing costs and losses under income for the year, except for interest pertaining to financing of investments in tangible fixed assets under construction, which are capitalised during the construction period.

### 3.14. GOVERNMENT SUBSIDIES

Government subsidies are only recognised when there is a degree of reasonable certainty that the Group will comply with the conditions for granting the subsidies and that the subsidies will be received.

Government subsidies associated with acquisition or production of non-current assets (Investment Subsidies) are initially recognised under equity, deducted by the corresponding deferred tax liability and are subsequently recognised on a systematic basis (in proportion to the amortisation of the underlying assets) as income for the year during the useful lives of the assets they are related to.

Other government subsidies (Operating Subsidies) are generally recognised as income in a systematic manner during the periods necessary for balancing them against the costs that they are supposed offset. Government subsidies that are supposed to offset losses that have already been incurred or that have no associated future costs are recognised as income for the period during which they become receivable.

Government aid in the form of reimbursable financing at a subsidised rate must be deducted on the date of initial recognition and the amount of the deduction shall be the amount of the subsidy that is to be amortised for the financing period.

### 3.15. PROVISIONS

Provisions are only recognised when the Group has a present obligation (legal or constructive) resulting from a past event, it is more likely than not that in order to liquidate that obligation resources shall be outlaid and the amount of the obligation can be reasonably estimated.

The amount that is recognised in the provisions consists of the current value of the best estimate at the date of the report of the resources necessary for liquidating the obligation. Such an estimate is determined by taking into account the risks and uncertainties associated with the obligation, as known and assessed by Management at the date of the report.

### 3.16. ACCRUALS BASIS OF ACCOUNTING

Costs and income are recorded during the period that they pertain to, regardless of their payment or receipt, in accordance with the accruals basis of accounting. The differences between the amounts received and paid and the corresponding revenue and costs are recognised as assets or liabilities, if they qualify as such in the Balance Sheet under Other receivables, Other payables, and Deferrals.

### 3.17. REVENUE

Revenue is measured at fair value of the consideration received or receivable. Revenue that is to be recognised is deducted from the estimated amount of the returns, deductions and other write-offs. Recognised revenue does not include VAT and other taxes paid in relation to the sale.

Revenue from the sale of assets is recognised when all of the following conditions have been met.

- All significant risks and advantages pertaining to the ownership of assets have been transferred to the purchaser;
- The Group does not maintain any control over sold assets;
- The amount of revenue can be reliably measured;
- It is likely that future economic benefits associated with the transaction will come to the Group;
- The costs incurred or to be incurred with the transaction can be reliably measured.

Revenue from the supply of services is recognised in relation to the finishing phase of the transaction at the date of the report, as long as all of the following conditions have been met:

- The amount of revenue can be reliably measured;
- It is likely that future economic benefits associated with the transaction will come to the Group;
- The costs incurred or to be incurred with the transaction can be reliably measured;
- The finishing phase of the transaction at the report date can be reliably measured.

### 3.18. FINANCIAL CHARGES FROM LOANS OBTAINED

Financial charges related to loans obtained are generally recognised as costs as they are incurred, in the Income Statement under Interest and similar costs paid, or they are capitalised under Tangible fixed assets of the Balance Sheet when they pertain to financing on investments in tangible fixed assets.

### 3.19. CONTINGENT ASSETS AND LIABILITIES

A contingent asset is a possible asset that is the result of past events and the existence of which shall only be confirmed through the occurrence or lack thereof of one or more future, uncertain events that are not entirely under the entity's control.

Contingent assets are not recognised in the financial statements so that there is no recognition of income that may never be realised. However, they are disclosed when it is likely that there will be a future influx.

A contingent liability is:

- A contingent liability is a possible obligation that is the result of past events and the existence of which shall only be confirmed through the occurrence or lack thereof of one or more future, uncertain events that are not entirely under the entity's control;

or

- A present obligation that ensues from past events, but has not been recognised because:
  - It is not likely that an outlay of resources will be required in order to liquidate the obligation; and
  - The amount of the obligation cannot be measured in a sufficiently reliable manner,

Contingent assets are not recognised in the financial statements so that there is no recognition of costs that may never become effective. However, they are disclosed whenever there is a non-remote likelihood of future outflows.

### 3.20. EQUITY

Ordinary actions are classified under equity. Costs that are directly attributable to the issuance of new shares or options are stated under equity as a deduction, net of taxes, from the issued amount.

Own shares acquired through a contract are recognised under equity in their own item. According to the Commercial Companies Code, the Company must guarantee at all times the existence of equity reserves in order to cover the value of own shares, limiting the value of reserves available for distribution.

Own shares are recorded at acquisition cost for spot purchases or at estimated fair value if the purchase is deferred.

Distribution of dividends to shareholders is recognised as a liability via a reduction in equity at the date when the decision is approved by the shareholders.

### 3.21. ENVIRONMENTAL MATTERS

Provisions for environmental matters are recognised whenever the Group has a legal or constructive obligation stemming from past events, in relation to which it is likely that an outlay of resources will become necessary to liquidate the obligation and a reliable estimate can be made regarding the amount of that obligation.

The Group incurs environmental expenses that, depending on their characteristics, are capitalised or recognised as a cost under Operating income for the period.

As such, expenses related to equipment and operating techniques that ensure compliance with applicable legislation and regulations, along with a reduction in the environmental impact down to levels that do not exceed the levels corresponding to a viable application of the best available technologies that include those pertaining to minimising energy consumption, atmospheric emissions, and waste and noise production, are capitalised when they are used to serve the activity of the Group and relate to future economic benefits, thus helping to prolong useful life, increase capacity or improve the safety or efficiency of other assets held by the Group.

### 3.22. MAIN ESTIMATES AND JUDGEMENTS

Estimates and judgements that impact the consolidated financial statements of Grupo Luís Simões are continuously assessed, representing at the date of each report, Management's best estimate, taking into account historical performance, accumulated experience and expectations regarding future events, which under the circumstances in question, are believed to be reasonable.

The intrinsic nature of the estimates may result in the reality of the situations that were subject to an estimate, for financial reporting purposes, differing from the estimated amounts. The estimates and judgements that pose a significant risk of leading to a material adjustment in the book value of assets and liabilities over the course of the following year are as follows:

#### 3.22.1. TANGIBLE AND INTANGIBLE FIXED ASSETS AND INVESTMENT PROPERTIES

Determination of the useful lives of assets, along with the applicable depreciation/amortisation method is essential to determining the value of the depreciation/amortisation recognised in the consolidated income statement of each year.

These two parameters are defined according to the best judgement of Management with respect to the assets in question, always taking into account, whenever possible, the practices adopted by sector companies.

#### 3.22.2. IMPAIRMENT LOSSES FROM CLIENTS AND DEBTORS

Determination of an eventual impairment loss can be triggered by the occurrence of various events, many of which are outside the Group's sphere of influence, such as: future availability of financing, the cost of capital or any other changes, internal or external to the Company.

Identification of the impairment indicators, estimated future cash flow and determination of the fair value of assets entail a high degree of judgement on the part of the Board of Directors as regards identification and assessment of the various impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

In particular, periodic analyses of receivable balances may result in the need to record impairment losses, these being determined on the basis of available information and estimates made by the Group with respect to cash flows that are expected to be received.

#### 3.22.3. PROVISIONS

The Group periodically analyses all obligations that result from past events and that should be recognised or disclosed.

Inherent subjectivity in determining the probability and amount of resources necessary for payment of obligations may lead to adjustments in the recorded values, namely with respect to the processes underway and the contingencies.

#### 3.22.4. RECOVERY OF DEFERRED TAXES

Deferred tax assets are only recognised when it is highly likely that there will be future taxable profits available in order to use the temporary differences or when

there are deferred tax liabilities that are expected to be reversed during the same period in which the deferred tax assets are reversed. Assessment of deferred tax assets is undertaken by Management at the end of each year, taking into account expected future performance.

### 3.23. SUBSEQUENT EVENTS

Events that took place after the balance sheet date that provide additional information regarding conditions that exist at the balance sheet date (adjusting events) are reflected in the financial statements. Events that took place after the balance sheet date that provide information regarding conditions that are in place after the balance sheet date (non-adjusting events) are disclosed in the financial statements if they are considered to be materially significant.

### 3.24. MANAGEMENT OF FINANCIAL RISKS

The Company is essentially exposed to the following financial risks:

#### (a) Interest rate risk

The Company is exposed to interest rate risk essentially related to interest paid on financing obtained from the shareholder and from financial institutions, which are exposed to changes in market interest rates.

#### (b) Liquidity risk

Liquidity risk may occur if the financing sources, such as operating cash flow and cash flow from financing operations, do not meet financing needs such as debt repayment.

#### (c) Credit risk

The Company is exposed to credit risk that is essentially related to accounts receivable resulting from operations. This risk is monitored on a regular basis with the aim of:

- limiting the credit extended to clients on the basis of their profiles and seniority of accounts receivable;
- monitor the changes in the amount of credit extended;
- analyse the recoverability of accounts receivable on a regular basis.



Impairment losses on accounts receivable are calculated taking into account:

- an analysis of the seniority of accounts receivable;
- the client's risk profile;
- the client's financial condition.

## 4. CASH AND CASH EQUIVALENTS

At 31 December 2023 and 2022 Cash and cash equivalents breaks down as follows:

	2023	2022
Cash	1,670.00	11,562.02
Demand Deposits	827,152.57	3,804,995.00
Term Deposits	5,000,000.00	-
Total cash and bank deposits	5,828,822.57	3,816,557.02
Bank Overdrafts (Note 18.2)	(2,693,697.56)	(9,805,388.95)
Total cash and cash equivalents	3,135,125.01	(5,988,831.93)

The total balance of Demand deposits represents cash and cash equivalents given that there are no deposits with movement restrictions.

During 2023 and 2022 no significant transactions were identified that do not generate cash flow.

## 5. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

During the year ended 31 December 2023, the Group did not identify any materially significant errors, nor did it change accounting policies or make any significant changes to estimates in comparison with those considered in the preparation of the consolidated financial information as at 31 December 2022.

## 6. RELATED PARTIES

For the purpose of these financial statements, all subsidiaries of LS - Luís Simões, SGPS, S.A. are considered related parties and key elements in their management.

### 6.1. GROUP ENTITIES

Group Companies included in the consolidation at 31 December 2023 and 2022 are as follows:

Subsidiaries	Head Office	Activity	% Stake 2023	% Stake 2023	Effective control 2023	Effective control 2023	(Special Regime for Taxation of Corporate Groupings (*))
LS - Luís Simões, SGPS, S.A. (Holding Company)	Moninhos - Loures	Holding company	Parent Company	Parent Company	n/a	n/a	Yes
Luís Simões Logística Integrada, S.A. (Portugal)	Moninhos - Loures	Logistics and transport	100%	100%	100%	100%	Yes
Luís Simões Logística Integrada, S.A. (Spain)	Madrid - Spain	Logistics and transport	100%	100%	100%	100%	No
LS Frota, Lda.	Carregado - Alenquer	Transport	100%	100%	100%	100%	Yes
Reta - Serviços Técnicos e Rent-a-Cargo, S.A.	Moninhos - Loures	Rental, sale and maintenance of vehicles	100%	100%	100%	100%	Yes
Diagonal - Corretores de Seguros, S.A.	Moninhos - Loures	Insurance brokerage	100%	100%	100%	100%	Yes
LS - Gestão Empresarial e Imobiliária, S.A.	Moninhos - Loures	Group support services	100%	100%	100%	100%	Yes
Patrimundus - Investimentos Imobiliários, S.A.	Carregado - Alenquer	Real Estate	100%	100%	100%	100%	Yes
Solmoninhos - Consultoria, Gestão e Execução Imobiliária, S.A.	Moninhos - Loures	Real Estate	100%	100%	100%	100%	Yes
Espaçotrans - Gestão Entrepostos Aduaneiros, Lda.	Quebradas de Cima - Póvoa Santa Iria	Management of customs warehouses	70.00%	70.00%	70%	70%	No

(\*) RETGS - Special Regime for Taxation of Corporate Groupings

No subsidiaries have been excluded as part of the full consolidation process.

## 6.2. REMUNERATION OF KEY MANAGEMENT STAFF

Over the course of the years ended 31 December 2023 and 2022 the following remunerations were paid to key management staff:

Remuneration	2023	2022
Short term benefits of employees	930,134.74	923,930.57
	930,134.74	923,930.57

The Board of Directors of the Group was considered to be the only key management staff member, in accordance with NCRF 5.

## 6.3. TRANSACTIONS WITH RELATED PARTIES

### a) Nature of the relationship with related parties

	Nature of the relationship (Services provided)	Nature of the relationship (Services received)
Other related parties:		
Leonel Simões & Filhas, SGPS, S.A.	Loans	Dividends
Varanda do Vale, SGPS, S.A.	Loans	Dividends
Mira Serra, SGPS, S.A.	Loans	Dividends
Other shareholders	Loans	Dividends

b) Number of pending transactions and balances with related parties

	Year 2023			Year 2022		
	Loans obtained	Interest paid	Other payables	Loans obtained	Interest paid	Other payables
	(Note 18.2)	(Note 21.10)	(Note 18.2)	(Note 18.2)	(Note 21.10)	(Note 18.2)
<b>Shareholders:</b>						
Leonel Simões & Filhas, SGPS, S.A.	1,460,800.00	68,418.40	68,418.40	1,080,800.00	34,564.55	34,564.55
Varanda do Vale, SGPS, S.A.	1,597,800.00	75,840.60	75,840.60	1,127,800.00	33,049.61	33,049.61
Mira Serra, SGPS, S.A.	903,800.00	43,841.17	43,841.17	903,800.00	23,612.63	23,612.63
Individual shareholders	13,081,327.04	838,053.89	-	12,981,327.04	450,146.36	-
<b>Total</b>	<b>17,043,727.04</b>	<b>1,026,154.06</b>	<b>188,100.17</b>	<b>16,093,727.04</b>	<b>541,373.15</b>	<b>91,226.79</b>

## 7. INTANGIBLE ASSETS

During the years ended 31 December 2023 and 2022 the changes in the book value of intangible assets, along with their respective accumulated amortisation and impairment losses was as follows:

	Computer software	Other intangible assets	Intangible assets under construction	Total
<b>Amounts at 01.01.2022</b>				
Gross book values	9,856,753.87	2,688,222.00	95,975.00	12,640,950.87
Accumulated amortisation and impairment losses	(7,911,416.47)	(2,596,158.74)	-	(10,507,575.21)
Net book values	1,945,337.40	92,063.26	95,975.00	2,133,375.66
Additions	310,609.02	-	63,198.73	373,807.75
Transfers	-	-	88,822.64	88,822.64
Divestment, losses and write-offs				
Gross book values	-	(1,997,745.88)	-	(1,997,745.88)
Accumulated amortisation and impairment losses	-	1,997,745.88	-	1,997,745.88
Amortisation for the year (Note 21.9)	(723,031.10)	(69,047.64)	-	(792,078.74)
<b>Amounts at 31.12.2022</b>				
Gross book values	10,167,362.89	690,476.12	247,996.37	11,105,835.38
Accumulated amortisation and impairment losses	(8,634,447.57)	(667,460.50)	-	(9,301,908.07)
Net book values	1,532,915.32	23,015.62	247,996.37	1,803,927.31
Additions	298,437.60	-	748,508.20	1,046,945.80
Transfers	181,206.04	-	(183,355.73)	(2,149.69)
Amortisation for the year (Note 21.9)	(795,843.52)	(23,015.62)	-	(818,859.14)
<b>Amounts at 31.12.2023</b>				
Gross book values	10,647,006.53	690,476.12	813,148.84	12,150,631.49
Accumulated amortisation and impairment losses	(9,430,291.09)	(690,476.12)	-	(10,120,767.21)
Net book values	1,216,715.44	-	813,148.84	2,029,864.28

In the year ending 31 December 2023, the Group began a project to implement two new software packages to support warehouse and distribution management. This

project was called the GOLD project (abbreviation for Optimised Logistics and Distribution Management, in Portuguese) and aims to provide the Group with modernised management tools with a view to simplifying processes, improving efficiency and creating value in the supply chain. The main additions in 2023 relate to the acquisition of licences and developments for the aforementioned GOLD project and, in 2022, relate to the acquisition of software licences.

The item Other intangible assets also includes an insurance portfolio that was acquired in 2013. This intangible asset is being amortised over a period of 10 years, corresponding to the useful life estimated by the Board of Directors.

Computer software programmes are not owned by the Group as it is limited to having the respective rights of use pursuant to the contract signed with the supplier.

No intangible assets have been pledged as liability guarantees.

There are no future commitments for acquiring intangible assets.



## 8. TANGIBLE FIXED ASSETS

During the years ended 31 December 2023 and 2022 the changes in the book value of tangible fixed assets, along with their respective accumulated depreciation and impairment losses was as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets under construction	Totals
<b>Amounts at 01.01.2022</b>								
Gross book values	12,239,216.51	46,587,492.63	85,020,082.67	374,176.39	12,293,961.07	3,446,853.81	2,701,833.68	162,663,616.76
Accumulated depreciation and impairment losses	-	(34,103,813.48)	(32,204,650.82)	(229,700.68)	(10,775,170.03)	(2,846,747.17)	-	(80,160,082.17)
Net book values	12,239,216.51	12,483,679.15	52,815,431.85	144,475.71	1,518,791.04	600,106.65	2,701,833.68	82,503,534.59
Additions	-	4,778,687.65	7,517,734.77	2,000.00	393,492.69	89,366.89	1,614,605.07	14,395,887.07
Transfers	-	-	631,694.21	-	3,571.43	31,994.58	(756,082.86)	(88,822.64)
Divestment, losses and write-offs								
Gross book values	-	(20,635.88)	(3,479,267.93)	(109,139.10)	(11,492.00)	(66,807.89)	(16,801.61)	(3,704,144.41)
Accumulated depreciation and impairment losses	-	19,053.52	2,132,642.83	109,139.10	-	64,691.52	-	2,325,526.97
Depreciation for the year (Note 21.9)	-	(1,846,011.78)	(7,632,368.09)	(19,531.32)	(635,891.50)	(252,151.19)	-	(10,385,953.88)
Other adjustments	-	-	-	-	-	-	(353,727.93)	(353,727.93)
<b>Amounts at 31.12.2022</b>								
Gross book values	12,239,216.51	51,345,544.40	89,690,243.72	267,037.29	12,679,533.19	3,501,407.39	3,189,826.35	172,912,808.85
Accumulated depreciation and impairment losses	-	(35,930,771.74)	(37,704,376.08)	(140,092.90)	(11,411,061.53)	(3,034,206.84)	-	(88,220,509.08)
Net book values	12,239,216.51	15,414,772.66	51,985,867.64	126,944.39	1,268,471.66	467,200.56	3,189,826.35	84,692,299.77
Additions	-	103,166.17	12,252,160.05	1,182.00	554,192.90	337,790.48	1,610,924.16	14,859,415.76
Transfers	-	-	1,281,883.66	-	90,732.57	48,480.81	(1,418,947.02)	2,150.02
Other changes								
Gross book values	-	-	7,657,648.00	-	-	-	-	7,657,648.00
Accumulated depreciation and impairment losses	-	-	(1,660,860.00)	-	-	-	-	(1,660,860.00)
Divestment, losses and write-offs								
Gross book values	-	(59,203.21)	(3,657,164.64)	-	(16,197.50)	(69,000.00)	-	(3,801,565.35)
Accumulated depreciation and impairment losses	-	1,391.20	2,622,110.38	-	16,009.94	69,000.00	-	2,708,511.52
Depreciation for the year (Note 21.9)	-	(1,881,446.56)	(9,178,511.37)	(20,391.12)	(499,079.57)	(223,759.06)	-	(11,803,187.68)
<b>Amounts at 31.12.2023</b>								
Gross book values	12,239,216.51	51,389,507.36	107,224,770.79	268,219.29	13,308,261.16	3,818,678.68	3,381,803.49	191,630,457.28
Accumulated depreciation and impairment losses	-	(37,810,827.10)	(45,921,637.07)	(160,484.02)	(11,894,131.16)	(3,188,965.90)	-	(98,976,045.24)
Net book values	12,239,216.51	13,578,680.26	61,303,133.72	107,735.27	1,414,130.00	629,712.79	3,381,803.49	92,654,412.04

The main additions that occurred in 2023 and 2022 pertain to acquiring IT equipment, shelves, vehicles and various types of equipment for the logistics centres in Guadalajara and Centralidad.

The main transfers in 2023 and 2022 involve vehicles and equipment for the Guadalajara logistics centre.

The divestment that took place in 2023 and 2022 essentially pertain to the sale of vehicles.

As at 31 December 2023, the properties in Carregado and Gaia 2 remain pledged as collateral to third parties. No other tangible fixed assets have been pledged as liability guarantees, nor have any land or buildings been mortgaged that are the property of the Group during the years ended 31 December 2023 and 2022.

The amount of expenses recognised under tangible fixed assets under construction breaks down as follows:

	31-12-2023	31-12-2022
Azambuja Terminal	1,575,221.27	1,575,221.27
Guadalajara Logistics Centre	-	525,000.00
Photovoltaic Panels	740,711.21	-
Works on facilities	62,559.64	53,118.11
Other	511,471.59	248,286.97
Vehicles undergoing Preparation	491,839.78	788,200.00
	<u>3,381,803.49</u>	<u>3,189,826.35</u>

The tangible fixed asset pertaining to the Azambuja Terminal refers to two plots of land, which shall be used by the Group in the near future as part of its business activity.

Over the course of 2021 the building was appraised and its value is higher than its book value. The appraisal is based on licensing projects that are awaiting final approval from Azambuja City Council and which is expected to be obtained in the near future in accordance with the commitments established between City Council and the Company. These licenses pertain to the development of a logistics project that will be developed by the Company in the future. The Board of Directors believes that in 2023 there were no changes in the real estate market that impacted market value and as such, at the present date there are no indications of impairment with regard to the building.

Over the course of 2020 the Block Plan for the Azambuja Urban Front (PPFUA) was published in the Government Gazette.

It was ascertained during the year ended 31 December 2022 that some sub-projects that were under construction with a value of 353,727.93 euros would not be

executed, and as such they were recognised as costs for the year.

During 2022, the amount of 20,225.02 euros was recognised under income pertaining to compensation received from insurance companies from claims pertaining to the total loss of a vehicle that was written off in 2022. During 2023 no amount was recognised.

## 9. LEASING

### Operating leases

Uncancellable future minimum payments pertaining to operating leases at 31 December 2023 and 2022 break down as follows:

On behalf of the Lessor:

2023

	Income for the year	Minimum future payments		
		Up to 1 year	1 year and 5 years	Over 5 years
Vehicle leasing	5,434,311.00	3,245,989.84	3,062,092.74	-
	5,434,311.00	3,245,989.84	3,062,092.74	-

2022

	Income for the year	Minimum future payments		
		Up to 1 year	1 year and 5 years	Over 5 years
Vehicle leasing	4,364,686.97	1,526,471.30	123,012.42	-
	4,364,686.97	1,526,471.30	123,012.42	-

On behalf of the Lessee:

31-12-2023	
Cost for the	Minimum future payments

	year	Up to 1 year	1 year to 5 years	Over 5 years
Real estate leasing	15,544,245.73	16,253,496.79	47,979,295.41	32,398,142.94
Lightweight vehicle leasing	765,185.55	901,327.40	2,675,818.45	7,566.84
Heavy vehicle leasing	3,660,292.47	2,231,466.05	1,251,571.05	-
Forklift leasing	3,101,068.69	3,375,586.08	552,226.34	-
	23,070,792.44	22,761,876.32	52,458,911.25	32,405,709.78

	31-12-2022			
	Cost for the year	Minimum future payments		
		Up to 1 year	1 year to 5 years	Over 5 years
Real estate leasing	13,867,426.38	12,765,188.48	44,185,864.65	33,899,287.14
Lightweight vehicle leasing	675,910.82	476,781.99	767,111.77	-
Heavy vehicle leasing	4,626,901.72	3,919,119.67	3,193,978.34	-
Forklift leasing	3,114,301.95	3,630,411.45	1,250,524.77	-
	22,284,540.87	20,791,501.58	49,397,479.53	33,899,287.14

## Financial leasing

Uncancellable future minimum payments pertaining to financial leases at 31 December 2023 are broken down as follows:

	31-12-2023		
	Minimum lease payments		
	Up to 1 year	1 year to 5 years	Over 5 years
Heavy vehicle leasing	961,480.57	4,492,962.12	-
	961,480.57	4,492,962.12	-

## 10. INVESTMENT PROPERTIES

Investment properties consist of land and buildings that are not used in the Group's business activity and break down as follows:

	31-12-2023	31-12-2022
<b>At 1 January</b>		
Gross value	1,238,340.30	1,441,340.30
Accumulated depreciation and impairment losses	(419,500.92)	(425,873.94)
Accumulated depreciation	(154,460.89)	(158,125.29)
Accumulated impairment losses	(265,040.03)	(267,748.65)
<b>Nate value</b>	<b>818,839.37</b>	<b>1,015,466.35</b>
<b>Divestments</b>		
Gross amount	-	(203,000.00)
Accumulated depreciation	-	16,214.34
Depreciation for the year (Note 21.9)	(10,076.56)	(12,549.94)
Reversal of impairment losses	209,620.72	2,708.62
<b>At 31 December</b>		
Gross value	1,238,340.30	1,238,340.30
Accumulated depreciation and impairment losses	(219,956.76)	(419,500.92)
Accumulated depreciation	(164,537.45)	(154,460.89)
Accumulated impairment losses	(55,419.31)	(265,040.03)
<b>Nate value</b>	<b>1,018,383.53</b>	<b>818,839.37</b>

The purpose of investment properties is to cede their operation to external entities.

The fair value of assets at the balance sheet date is greater than the amounts stated in the Group financial statements at the date of the financial statements.



During the years ended 31 December 2023 and 2022, changes in accumulated impairment losses break down as follows:

	2023	2022
Initial balance	265,040.03	267,748.65
Increases		-
Reversals	(209,620.72)	(2,708.62)
Final balance	<b>55,419,31</b>	265,040.03

During 2023, the Group proceeded to appraise the investment properties, having accordingly updated the recorded accumulated impairment losses.

At 31 December 2023 there were no investment properties stated as guarantees to third parties.

At 31 December 2023 there were no significant contractual obligations for purchase, construction or development of investment properties.

The Group recognised the amount of 31,924.03 euros (38,773.97 euros in 2022) pertaining to rent from Investment Properties (Note 21.7) in the Consolidated Income Statement by Nature under Other income.



During the years ended 31 December 2023 and 2022 the inventory amounts recognised as costs were as follows:

	Goods	Raw Materials, Subsidiary and for consumption	Total
Inventories at 1 January 2022	1,938,786.38	428,657.44	2,367,443.82
Purchases	4,348,215.80	5,536,174.95	9,884,390.75
Inventory adjustments	-	(358,739.08)	(358,739.08)
Inventories at 31 December 2022	1,539,819.49	488,599.55	2,028,419.04
Purchases of goods for resale	4,747,182.69	5,117,493.76	9,864,676.45
Inventories at 1 January 2023	1,539,819.49	488,599.55	2,028,419.04
Purchases	4,974,117.53	5,604,079.09	10,578,196.62
Inventory adjustments	-	(560,585.78)	(560,585.78)
Inventories at 31 December 2023	1,773,746.85	402,672.15	2,176,419.00
Purchases of goods for resale	4,740,190.17	5,129,420.71	9,869,610.88

The aforementioned amounts pertaining to Purchases of goods for resale include 2,207,595.06 euros (2,579,071.32 euros in 2022) relative to the cost of purchased and subcontracted fuel.

The item Inventory adjustments includes, respectively at 31 December 2023 and 2022, the amounts of 514,552.07 euros and 295,178.21 euros pertaining to the refund for professional diesel.

During the years ended 31 December 2023 and 2022 the amounts recognised as impairment losses were as follows:

	2023			2022		
	Goods	RM, subsid. consumption	Total	Goods	RM, subsid. consumption	Total
Initial balance	470,731.11	59,967.95	530,699.06	422,990.54	59,967.95	482,958.49
Increase	29,484.86	13,378.54	42,863.40	61,278.96	-	61,278.96
Reversal	(300,691.48)	(46,700.00)	(347,391.48)	(13,538.39)	-	(13,538.39)
Final balance	199,524.49	26,646.49	226,170.98	470,731.11	59,967.95	530,699.06

During the years ended 31 December 2023 and 2022 impairment losses to the value of 347,391.48 euros were reversed and net losses of 47,740.57 euros were recorded, respectively, within the scope of a critical analysis of obsolescence and goods rotation, and as a result of the property appraisals conducted on the land classified as inventory, as concluded in February 2024.

## 12. REVENUE

Revenue recognised by the Group in 2023 and 2022 breaks down as follows:

	2023	2022
Sale of goods		
Goods	6,091,454.62	7,235,009.92
Return of sales	-	(22,393.47)
Deductions and write-offs	(21,166.04)	(1,957.51)
	<u>6,070,288.58</u>	<u>7,210,658.94</u>
Supply of services		
Services	271,107,713.11	262,077,945.84
Deductions and write-offs	(25,944.66)	(10,752.44)
	<u>271,081,768.45</u>	<u>262,067,193.40</u>
	<u>277,152,057.03</u>	<u>269,277,852.34</u>

Revenue distributed according to business and geographic markets breaks down as follows:

	2023	2022
Logistics	159,056,588.69	155,348,853.92
Transport	100,988,676.01	96,901,889.81
Fuel	1,720,390.85	2,001,651.18
Other	15,386,401.48	15,025,457.43
	<u>277,152,057.03</u>	<u>269,277,852.34</u>

	2023	2022
Domestic market (Portugal)	130,775,916.88	131,648,569.42
Foreign market	146,376,140.15	137,629,282.92
	<u>277,152,057.03</u>	<u>269,277,852.34</u>

## 13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 13.1. PROVISIONS

Amounts recorded under Provisions refer to the best estimate by the Board of Directors in view of covering losses that have been estimated as likely because of legal proceedings underway.

Changes in Provisions during the years ended 31 December 2023 and 2022 are stated in the following table:

	Provisions for legal proceedings underway
At 1 January 2022	448,939.51
Uses during the year	(156,171.27)
Reversals for the year	(37,687.94)
Increases for the year	72,314.92
At 31 December 2022	327,395.22
At 1 January 2023	327,395.22
Uses during the year	(255,007.34)
Reversals for the year	(6,859.31)
Increases for the year	109,930.27
At 31 December 2023	175,458.84

During the years ended 31 December 2023 and 2022, the Group recorded costs to the value of 103,070.96 euros and 34,626.98 euros, respectively.

## 13.2. CONTINGENT LIABILITIES

There are two court cases currently underway against the Group in which compensation has been petitioned, for which it was not possible to estimate the amount of possible expenses to incur. The maximum contingency for these court cases totals 1,136,968.10 euros, which corresponds to the maximum amount of petitioned compensation.

On the basis of the opinion of its legal counsel, the Board of Directors believes that the risk of loss is reduced and has not recorded any provision for such purpose.

## 13.3. CONTINGENT ASSETS

Subsidiaries Luís Simões Logística Integrada, S.A. (Portugal) and Luís Simões Logística Integrada, S.A. (Spain) proceeded to claim *Impuesto sobre las Ventas Minoristas de Determinados Hidrocarburos* (IVMDH) from both the Autonomous Communities and the State Agency for Taxation Administration (AEAT) pertaining to fiscal years 2002 to 2012.

IVMDH violates Community law on the harmonisation of special taxes, specifically Article 3, number 2 of Council Directive 92/12/EEC of 25 February 1992 regarding the general regime, mandate, circulation and control of the products that are the object of the Special Taxes. On 27 February 2014 the Court of Justice of the European Union ruled that IVMDH runs counter to the Directive on Special Taxes, which allows companies to claim the amount from the respective public administrations.

During 2023, no amount was received. During 2022, additional interest to the value of 19,073.09 euros pertaining to previous years was returned. The amounts claimed have not been recorded in the accounts as at the closing date, namely 908,631.94 euros accrued by the respective penalty interest; they shall be recorded when the Spanish Taxation Authority confirms that the amounts will be returned.

The amount indicated in the previous paragraph includes the sum of 907,101 euros claimed under *Responsabilidad Patrimonial del Estado (español)*, in February of 2015, as regards the periods that had already prescribed (first quarter of 2002 to third quarter of 2004 and the first to third quarters of 2009).

## 14. SUBSIDIES AND GOVERNMENT AID

The nature and extent of the government subsidies recognised in the consolidated financial statements have been itemised in the following table:

	2023	2022
State subsidies		
Internships	-	10,786.44
Employment incentives	3,731.32	3,846.47
Compensation for increase in the monthly minimum wage (RMMG)	-	50,008.00
COVID-19 social security incentive	-	362.34
Road freight transport incentive Portugal	-	242,121.57
Road freight transport incentive Spain	467,255.47	1,181,987.75
FUNDAE incentive	25,076.21	18,588.76
Other	1,091.37	-
	<u>497,154.37</u>	<u>1,507,701.33</u>

In 2023 and 2022 the Group did not directly benefit from any other forms of government aid.

## 15. FOREIGN EXCHANGE DIFFERENCES

Over the course of the years ended 31 December 2023 and 2022 there was no income or costs recorded with respect to favourable and unfavourable foreign exchange differences.

## 16. EVENTS AFTER THE BALANCE SHEET DATE

No other events took place after 31 December 2023 that are materially relevant enough to require adjustment or disclosure, as described in Note 3.21.



## 17. INCOME TAX

In Portugal the Group is subject to Corporate Income Tax (IRC) at a rate of 21% of the tax base. Taxation is accrued by a Surtax up until a maximum of 1.5% on taxable profit, resulting in an aggregate tax rate of a maximum of 22.5%. In Spain, the Group is subject to corporate tax at the rate of 25%.

In addition, over the course of the year ended 31 December 2023, taxable profits that exceed 1,500,000 euros are subject to state surtax, pursuant to Article 87-A of the Corporate Income Tax Code, at the following rates:

-3% for taxable profits from 1,500,000 to 7,500,000 euros;

-5% for taxable profits from 7,500,000 to 35,000,000 euros;

-9% for taxable profits in excess of 35,000,000.

Pursuant to Article 88 of the Corporate Income Tax Code (CIRC), the Company is subject to autonomous taxation on a group of charges at the rates stipulated in the aforementioned article.

Some Group companies, subsidiaries in Portugal, fall within the scope of the Special Regime for Taxation of Corporate Groupings (RETGS), pursuant to Article 69. and subsequent of the CIRC, led by shareholder LS - Luís Simões, SGPS, S.A., as such, taxes that have been individually calculated are reflected in the balance of the shareholder included under the item Shareholders/Partners. The foreign subsidiary is taxed in accordance with the tax rules that are in force in the respective country of origin.

Companies that are included in the RETGS are listed in the following table:

Company	Start date
LS - Luís Simões, SGPS, S.A.	01/01/2007
Luís Simões Logística Integrada, S.A. - Portugal	01/01/2007
Reta - Serviços Técnicos e Rent-a-Cargo, S.A.	01/01/2007
Diagonal - Corretores de Seguros, S.A.	01/01/2007
LS - Gestão Empresarial e Imobiliária, S.A.	01/01/2011
LS Frota, Lda.	01/01/2016
Patrimundus - Investimentos Imobiliários, S.A.	01/01/2017
Solmoninhos - Consultoria, Gestão e Execução Imobiliária, S.A.	01/01/2019

LS - Luís Simões, SGPS, S.A., as the dominant company, is responsible for calculating the group's taxable profit through the algebraic addition of taxable profit and tax losses stated in the income tax statement of each of the controlled companies that belong to the RETGS.

The amount of payable tax for the year is calculated at each of the companies that are part of the Group, in accordance with the respective taxable profit. Any gains or losses ensuing from RETGS shall be recognised by each of the companies that are part of the Tax Group.

In accordance with applicable legislation, tax returns are subject to revision and correction by the tax authorities for a period of four years (five years for social security), except when there have been tax losses or inspections, complaints or challenges are underway, in which case, depending on the circumstances, the time periods are extended or suspended. As such, the Company's tax returns for the years 2020 to 2023 may as yet be subject to revision and correction. The Board of Directors believes that any corrections resulting from revisions/inspections on the part of the tax authorities regarding those tax returns will not have a limitative effect on the financial statements under review.

The time period applicable to tax loss carryover (TLC) in Portugal up until 31 December 2022 was as indicated in the table below:

Carryover period	Taxation periods
12 years	2020 and 2021
5 years	2022
5+2 years	2017 to 2019
12+2 years	2014 to 2016

As of 1 January 2023, in Portugal there is no longer any time limit for carryover of tax losses that have not expired at that date.

In Spain, deduction of TLC has no time limit; however, it is limited to 25% of taxable profit, starting from the established minimum of one million euros.

Deduction of a tax loss carryover (TLC) is limited to 65% of taxable profit (70% until 2022); this rule is applicable to the deductions made during the tax periods initiated on or after 1 January 2014, except in the case of tax losses calculated for the 2020 and 2021 tax periods, where the limit is extended to 10% of taxable profit.

## 17.1. SEPARATE DISCLOSURE OF THE FOLLOWING MAIN COMPONENTS OF TAX COST (INCOME)

Tax cost (income) is stated in the following table:

	2023	2022
Current tax		
Corporate income tax for the year	1,123,074.56	1,186,275.73
Deferred tax		
Originating from and the object of reversal due to temporary differences	(391,329.13)	(855,848.80)
	731,745.43	330,426.93

The amount of deferred tax cost (income) related to the origin and reversal of the temporary differences is indicated in the table below:

## Deferred tax assets

	Base			
	31-12-2022	Increases	Reductions	31-12-2023
Impairment of assets:				
Impairment losses on inventories	136,512.85	199,524.49	(32,529.88)	303,507.46
Losses from impairment on receivables (Note 18.1)	120,063.38	149,686.91	(224,045.99)	45,704.30
Limitation on deduction of depreciation and amortisation 2013 and 2014	224,797.70	-	(112,398.86)	112,398.84
Impairment losses on Investment properties (Note 10)	265,040.03	-	(209,620.72)	55,419.31
Other adjustments:				
Tax Benefits - RCCS/ICE	-	1,134,505.67	-	1,134,505.67
Other temporary differences	56,500.00	31,000.00	(56,500.00)	31,000.00
Tax losses	10,793,255.95	1,077,860.27	(1,081,692.97)	10,789,423.25
	11,596,169.91	2,592,577.33	(1,716,788.41)	12,471,958.83
Consolidation adjustments	333,867.72	-	-	333,867.72
Total base	11,930,037.62	2,592,577.33	(1,716,788.41)	12,805,826.54
Tax benefits	28,618.62	-	(28,618.62)	-
Deferred tax assets	2,985,992.76	567,162.00	(398,336.27)	3,154,818.49

## Deferred tax assets

	31-12-2021	Increases	Reductions	31-12-2022
Impairment of assets:				
Impairment losses on inventories	88,772.28	61,278.96	(13,538.39)	136,512.85
Losses from impairment on receivables (Note 18.1)	154,716.52	74,119.87	(108,773.01)	120,063.38
Limitation on deduction of depreciation and amortisation 2013 and 2014	337,196.56	-	(112,398.86)	224,797.70
Impairment losses on Investment properties (Note 10)	267,748.65	-	(2,708.62)	265,040.03
Other adjustments:				
Other temporary differences	22,500.00	56,500.00	(22,500.00)	56,500.00
Tax losses	7,793,255.95	4,194,505.91	(1,194,505.91)	10,793,255.95
	8,664,189.96	4,386,404.74	(1,454,424.79)	11,596,169.91
Effects of change in corporate income tax rate	-	-	(41,587.58)	(41,587.58)
Consolidation adjustments	333,867.72	-	-	333,867.72
Total base	8,998,057.67	4,386,404.74	(1,496,012.37)	11,888,450.04
Tax benefits	-	28,618.62	-	28,618.62
Deferred tax assets	2,267,017.95	1,112,623.72	(393,648.91)	2,985,992.76

## Deferred tax liabilities

	Base			31-12-2023
	31-12-2022	Increases	Reductions	
Differences between the accounting base and the tax base of tangible fixed assets:				
Asset revaluation	4,037,135.13	-	(990,659.81)	3,046,475.32
	4,037,135.13	-	(990,659.81)	3,046,475.32
Differences between the accounting base and the tax base of equity:				
Subsidies granted by the public administration (Note 21.2)	4,362,142.49	-	(299,498.28)	4,062,644.21
	4,362,142.49	-	(299,498.28)	4,062,644.21
Deferred tax liabilities	1,988,051.00	-	(297,377.97)	1,690,673.03

## Deferred tax liabilities

	Base			31-12-2022
	31-12-2021	Increases	Reductions	
Differences between the accounting base and the tax base of tangible fixed assets:				
Asset revaluation	4,647,219.70	-	(610,084.57)	4,037,135.13
	4,647,219.70	-	(610,084.57)	4,037,135.13
Differences between the accounting base and the tax base of equity:				
Subsidies granted by the public administration (Note 21.2)	4,715,322.17	-	(353,179.68)	4,362,142.49
	4,715,322.17	-	(353,179.68)	4,362,142.49
Deferred tax liabilities	2,213,219.91	-	(225,168.91)	1,988,051.00

Tax losses for which Deferred tax assets were recognised break down as follows:

	Value	AID	Deadline
Luís Simoes Logística Integrada, S.A. (Spain)			
Tax losses 2017	1,366,940.00	341,735.00	Unlimited
Tax losses 2018	5,422,483.18	1,355,620.80	Unlimited
Tax losses 2019	3,303,912.66	825,978.17	Unlimited
Tax losses 2020	672,115.81	168,028.95	Unlimited
Tax losses 2021	23,971.53	5,992.85	Unlimited
	<u>10,789,423.18</u>	<u>2,697,355.77</u>	

In Spain, the recoverability of tax loss carryover has no time limit. These tax losses cannot be used by the Tax Group under the RETGS, given that this company is not included in it, and the Group has prepared projections that support its expectation and recovery regarding those amounts.

In 2023 there were no changes in the tax rate and as such no amount was recorded related to such a fact.



## 17.2. TAX COST (INCOME) TO ACCOUNTING PROFIT RATIO:

The numerical reconciliation between the average effective tax rate and the applicable tax rate is indicated in the table below:

	Tax base		Tax rate	
	2023	2022	2023	2022
Income before taxes	6,512,047.92	7,407,882.38		
Nontaxable income				
Reversal of impairment losses taxed during previous years.	466,196.63	511,237.13		
Accounting gains	2,347,565.07	1,432,421.01		
Tax benefits (a)	1,332,216.93	551,765.65		
Other nontaxable income	304,877.52	202,784.13		
	4,450,856.15	2,698,207.92		
Non-deductible costs for tax purposes				
Unaccepted depreciation and amortisation	551,082.51	597,114.53		
Tax gains	1,268,925.36	846,237.85		
Recording of impairment losses (Note 17.1)	349,211.40	521,615.94		
Other non-deductible costs for tax purposes	429,065.50	334,754.55		
	2,598,284.76	2,299,722.87		
Tax losses for the year not recorded in the Group	(366,718.16)	-		
Use of tax losses	147,668.06	1,079,688.89		
Taxable profit	4,878,526.64	5,929,708.44		
Income tax rate	21.00%	21.00%		
Municipal Surtax Rate	1.50%	1.50%		
Calculated corporate income tax	1,024,490.59	1,245,238.77	15.73%	16.81%
Municipal surtax	83,170.43	84,520.65		
State surtax	63,038.68	52,132.87		
Autonomous taxation	104,743.49	127,927.03		
Tax benefits used (b)	(152,368.63)	(302,685.21)		
Other itemised deductions	-	(41,587.58)		
Effects of the existence of tax rates different from those that exist in Portugal	-	20,729.19		
Tax for the year	1,123,074.56	1,186,275.73	17.25%	16.01%
Deferred taxes (Note 17.1)	(391,329.13)	(855,848.80)		
Income tax for the period	731,745.43	330,426.93	11.24%	4.46%

- (a) Tax benefits essentially pertain to: i) net job creation; ii) scaling up of donations; iii) scaling up of contributions; iv) scaling up of professional diesel, v) scaling up salary increase incentives; and vi) conventional remuneration of share capital/company capitalisation incentives.

During the years under review, the Group used the tax incentive pertaining to Conventional Remuneration of Share Capital, replaced as of the 2023 financial year by the Company Capitalisation Incentive, provided for under Article 41-A of the Tax Benefits Statute. This benefit consisted of the deduction from taxable income of part of the capital contributions made by shareholders to the companies and, from 2023 onwards, the net increase in equity.

In the current year the Group utilised a tax benefit of 211,891.74 euros (139,370 euros in 2022). The total amount of this tax benefit to be utilised in the coming years amounts to 255,263.78 euros.

- (b) The tax benefits used during the year ended 31 December 2023 pertain to the benefit associated with the contribution to investment fund Lince Capital, Lince Innovation III, (Note 18.1) used to finance companies that are dedicated to R&D, as part of the System of Tax Incentives for Corporate Research and Development II (SIFIDE II). This tax benefit, totalling 123,750 euros, falls under Articles 35 to 42 of the Investment Tax Code.

#### 17.3. EXPLANATION OF CHANGES IN THE APPLICABLE TAX RATE COMPARED WITH THE PREVIOUS ACCOUNTING PERIOD;

Between the years 2023 and 2022 there were no changes in the Corporate Income Tax rate.

## 18. FINANCIAL INSTRUMENTS

### 18.1. FINANCIAL ASSETS

Financial assets valued at amortised cost are as follows:

	31-12-2023	31-12-2022
<b>Non-current</b>		
Other financial investments		
Capital holdings in non-listed companies	3,795.86	3,795.86
Work Compensation Fund (FCT)	238,163.72	280,698.34
Stakes in Funds	975,000.00	825,000.00
	<u>1,216,959.58</u>	<u>1,109,494.20</u>
Receivables		
Other debtors (a)	-	5,027,773.32
Sureties	2,642,721.65	2,194,904.40
	<u>2,642,721.65</u>	<u>7,222,677.72</u>
<b>Current</b>		
Clients c/a	59,619,179.66	52,662,591.84
Other receivables		
Accrued income debtors	2,969,390.29	2,332,305.73
Advances to suppliers	14,274.01	388,171.42
Staff	32,216.58	22,102.07
Other debtors - insurance brokerage business	120,777.80	101,698.14
Other debtors - divestment of tangible fixed assets	427,753.04	467,899.33
Other debtors - taxes paid by clients (b)	1,507,430.43	1,351,179.50
Other debtors	1,241,356.24	764,575.23
	<u>6,313,198.39</u>	<u>5,427,931.42</u>
Cash and bank deposits (Note 4)		
Cash	1,670.00	11,562.02
Other bank deposits	5,827,152.57	3,804,995.00
	<u>5,828,822.57</u>	<u>3,816,557.02</u>
	<u>75,620,881.85</u>	<u>77,539,839.62</u>

(a) At 31 December 2022 the balance pertains to a non-repayable investment subsidy granted by *Junta de Castilla la Mancha*, which was received during the course of 2023 (Note 21.2).

(b) At 31 December 2023 and 2022 the balance pertains to Special Consumption Taxes receivable from clients and payable to the State, as indicated in Note 21.4.

Financial Assets valued at amortised cost for which impairment was recognised are described in the table below:

	31-12-2023	31-12-2022
Clients		
Gross amount	62,273,683.59	62,643,942.72
Accumulated impairment	(2,654,503.93)	(2,680,763.52)
Net book value	59,619,179.66	59,963,179.20
Other debtors - insurance brokerage business		
Gross amount	128,276.11	101,971.93
Accumulated impairment	(7,498.31)	(273.79)
Net book value	120,777.80	101,698.14
	59,739,957.46	60,064,877.34

The amount of impairment losses recognised in each of the classes of financial assets is indicated in the following tables:

Year 2023	Initial balance	Increase	Use	Reversal	Final balance
Financial assets valued at amortised cost deducted by impairment					
Clients c/a	2,680,763.52	195,880.47	(195,857.64)	(26,282.90)	2,654,503.45
Other debtors	273.79	7,224.52	-	-	7,498.31
	2,681,037.31	203,104.99	(195,857.64)	(26,282.90)	2,662,001.76
Year 2022	Initial balance	Increase	Use	Reversal	Final balance
Financial assets valued at amortised cost deducted by impairment					
Clients c/a	2,920,093.23	131,005.42	(221,313.80)	(149,021.33)	2,680,763.52
Other debtors	4,780.39	-	(4,506.60)	-	273.79
	2,924,873.62	131,005.42	(225,820.40)	(149,021.33)	2,681,037.31

The impact on income caused by net impairment losses in 2023 and net reversals in 2022 was 176,822.09 euros and 18,015.91 euros, respectively.

## 18.2. FINANCIAL LIABILITIES

Financial liabilities valued at amortised cost are indicated in the table below:

	31-12-2023	31-12-2022
Non-current		

Financing		
Bank loans	23,072,964.29	21,706,842.38
Shareholders (Note 6.3)	17,043,727.04	16,093,727.04
	<u>40,116,691.33</u>	<u>37,800,569.42</u>
Other payables		
Investment suppliers	4,492,962.00	-
Other accrued costs (a)	7,138,027.21	7,213,241.00
	<u>11,630,989.21</u>	<u>7,213,241.00</u>
<b>Current Suppliers</b>	<b>29,826,018.10</b>	<b>31,655,403.08</b>
Financing obtained		
Bank loans	8,044,978.87	6,018,403.53
Bank overdrafts (Note 4)	2,693,697.56	9,805,388.95
	<u>10,738,676.43</u>	<u>15,823,792.48</u>
Other payables		
Investment suppliers	2,606,208.23	1,215,921.33
Accrued costs creditors		
Accrual for holiday and holiday allowance	5,846,628.34	4,975,975.04
Bonuses and daily allowances	1,282,880.48	1,194,256.53
Subcontracting accruals	4,945,534.97	3,694,445.90
Other accrued costs - related parties (Note 6.3)	188,100.17	91,226.79
Other accrued costs	4,785,278.45	4,371,868.62
Staff	48,133.60	34,525.21
Other creditors - insurance brokerage business	121,571.96	181,977.72
Other creditors	426,974.97	465,101.48
	<u>20,251,311.17</u>	<u>16,225,298.62</u>
	<u>112,563,686.23</u>	<u>108,718,304.60</u>

(a) At 31 December 2023 and 2022 the non-current component of Other accrued costs refers to the linearization of the recognition of the costs ensuing from long term operating lease agreements.

The maturity of the non-current component of the financing obtained is as follows:

a) Bank loans:

	2023	2022
Bank loans		
Between 1 and 5 years	16,698,848.13	12,371,077.47
Over 5 years	6,374,116.16	9,335,764.91
	23,072,964.29	21,706,842.38

During the first quarter of 2020 the Group obtained a loan from Novo Banco in the amount of 20,000,000.00 euros, maturing on 21 February 2033, which is subject to compliance with certain financial ratios, which are being complied with at 31 December 2023. The classification of the financing is conducted in accordance with the degree of compliance with these ratios.

During the years ended 31 December 2023 and 2022, Financing obtained and respective maturity breaks down as follows:

Subscriber	Issue date	Maturity	Nominal value 2023		Balance sheet value 2023	
			Non-current	Current	Non-current	Current
BPI	16/07/2019	16/07/2024	-	1,039,629.38	-	1,039,629.38
BPI	17/12/2018	17/12/2024	-	841,981.84	-	841,981.84
Novo Banco	21/02/2020	21/02/2033	14,449,348.14	1,433,668.52	13,747,178.65	2,278,850.13
BPI	06/09/2022	30/09/2032	4,500,000.00	500,000.00	3,864,294.67	648,069.57
CGD	10/03/2023	10/03/2028	2,800,000.00	800,000.00	2,696,066.77	937,241.19
Caixa Bank	28/09/2023	30/09/2028	3,750,000.00	1,250,000.00	2,765,424.20	2,299,206.76
<b>Total</b>			<b>25,499,348.14</b>	<b>5,865,279.74</b>	<b>23,072,964.29</b>	<b>8,044,978.87</b>

Subscriber	Issue date	Maturity	Nominal value 2022		Balance sheet value 2022	
			Non-current	Current	Non-current	Current
ABanca	16/07/2018	13/07/2023	-	526,813.26	-	526,813.26
BPI	17/12/2018	17/12/2024	837,943.78	812,397.22	837,943.78	812,397.22
BPI	16/07/2019	16/07/2024	1,035,302.92	1,012,801.16	1,035,302.92	1,012,801.16
BPI	30/12/2019	30/12/2023	-	1,279,696.81	-	1,279,696.81
Novo Banco	21/02/2020	21/02/2033	14,449,348.14	1,433,668.52	15,489,686.55	1,721,197.62
BPI	06/09/2022	30/09/2032	4,500,000.00	500,000.00	4,343,909.13	665,497.46
<b>Total</b>			<b>20,822,594.84</b>	<b>5,565,376.97</b>	<b>21,706,842.38</b>	<b>6,018,403.53</b>

b) Shareholders:

	2024	2025	2026	2027	2028	2032	2033	2045	2047	Total
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Equity participants	375,000.00	400,000.00	605,000.00	4,586,137.67	850,000	300,000.00	200,000.00	9,000,000.00	727,589.37	17,043,727.04
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At the end of 2023, the value of credit lines obtained was 55,000,000.00 euros (53,000,000.00 euros in 2022), available in the amount of 52,318,157.68 euros (43,202,391.52 euros in 2022).

The lines of credit with movement up to 1 year are automatically renewable in accordance with what was contractually agreed with the credit institutions.

Interest paid by the Group during 2023 and 2022 related to loans and lines of credit obtained and approved from credit institutions is largely tied to the Euribor index, accrued by the market spread.

## 18.3. NATE GAINS AND NET RECOGNISED LOSSES

In the years ended 31 December 2023 and 2022, income, costs, gains and losses related to financial instruments breaks down as follows:

	2023		2022	
	Income	Costs	Income	Costs
Financial assets at amortised cost:				
Interest (Note 21.11)	17,499.67	-	-	-
Impairment losses (Note 18.1)	-	203,104.99	-	131,005.42
Reversal of impairment losses (Note 18.1)	26,282.90	-	149,021.33	-
	43,782.57	203,104.99	149,021.33	131,005.42
Financial liabilities at amortised cost:				
Interest paid (Note 21.10)	-	3,581,178.33	-	1,428,343.96
Cash discount obtained (Note 21.7)	1,049,823.89	-	949,006.48	-
	1,049,823.89	3,581,178.33	949,006.48	1,428,343.96
	1,093,606.46	3,784,283.32	1,098,027.81	1,559,349.38

## 18.4. EQUITY INSTRUMENTS

The book value of share capital issued by the Group at 31 December 2023 and 2022 breaks down as follows:

	31-12-2023	31-12-2022
Capital		
Nominal value	30.000.000.00	30.000.000.00
	30.000.000.00	30.000.000.00

The number of shares representing share capital are indicated in the table below:

	Value	Quantity
Shares issued		
Ordinary shares at 5 euros each	30.000.000.00	6,000,000
	30.000.000.00	6,000,000

## 19. STAFF COSTS

Staff costs breaks down as follows in the table:

	2023	2022
Staff remuneration	61,527,106.76	56,436,018.04
Compensation	401,000.84	379,776.34
Charges applied to remuneration	16,804,188.43	15,110,298.07
Work accident and occupational illness insurance	529,773.44	492,555.85
Social action costs	69,091.30	69,600.71
Other	825,994.43	741,650.66
	80,157,155.20	73,229,899.67

The average number of workers employed by the Group in 2023 was 2,453 (in 2022 it was 2,443).

**20. INFORMATION REQUIRED BY LAW**

Of the information legally required by other legislation, namely Articles 66., 324., 397., 447. and 448. of the Commercial Companies Code (CCC), the legal provisions of Decree-Law no. 328/95 of 9 December and the provisions of Decree-Law no. 411/91 of 17 October, it is important to point out that:

- I. In compliance with No. 2 of Article 324. of the CCC, the Group hereby informs that it does not possess any own shares and up to now has not undertaken any dealing that involves securities of that nature.
- II. In compliance with No. 4 of Article 397. of the CCC, the Group hereby informs that no business dealings were conducted between the Group and members of its governing bodies over the course of 2023;
- III. In compliance with No. 1 of Article 21. of Decree-Law no. 411/91 of 17 October, the Group hereby informs that it does not have any overdue contributions owed to any pension fund, and the accounting balances at 31 December 2023 come from withholding tax deductions and contributions for the month of December, payment of which was made in January 2024 within the legally applicable timeframes.
- IV. The members of the Board of Directors indicated below hold the following shares in the Company:

José Luís Soares Simões:	300
Jorge Manuel Soares Simões:	300
Leonel Fernando Soares Simões:	300

As legally required, the Board of Directors hereby states that the Group has no outstanding debts to the State and that the situation of the Group in relation to Social Security has been settled within the legally applicable time periods.

## 21. OTHER INFORMATION

### 21.1. DEFERRALS

At 31 December 2023 and 2022 the items recognised as Deferrals under Current assets and Current liabilities break down as follows:

	2023	2022
Deferred assets		
Deferred costs - insurance	127,847.62	110,742.06
Deferred costs - external supplies and services	1,885,210.63	1,368,096.67
	<u>2,013,058.25</u>	<u>1,478,838.73</u>
Deferred liabilities		
Other Deferred Income	429,100.53	451,032.14
	<u>429,100.53</u>	<u>451,032.14</u>

## 21.2. RESERVES, INCOME AND OTHER CHANGES IN EQUITY

### Distribution of Income

Changes in reserves and other equity items at 31 December 2023 and 2022 as a result of distribution of income break down as follows:

#### Year 2023

By decision of the General Meeting of 17 April 2023, Consolidated net income for the period ended 31 December 2022 in the amount of 6,929,950.95 euros was distributed as follows:

- Other reserves:	2,894.30
- Legal Reserve:	346,352.83
- Dividend Distribution:	1,711,848.56
- Unappropriated Earnings:	4,868,855.26

#### Year 2022

By decision of the General Meeting of 22 April 2022, Consolidated net income for the period ended 31 December 2021 in the amount of 4,480,086.49 euros was distributed as follows:

- Other reserves:	18,544.84
- Legal Reserve:	223,077.08
- Dividend Distribution:	3,346,156.23
- Unappropriated Earnings:	892,308.34

The difference between the amount of approved dividends and the amount of net dividends paid as indicated in the Cash Flow Statement refers to tax withheld at the source.

### Legal reserve

The legal reserve is not available for distribution and can only be used to increase capital or cover losses. Under the law, a legal reserve is increased annually by at

least 5% of net income up until reaching the minimum of 20% of share capital. This reserve cannot be distributed except in the event of liquidation of the company, but it may be used to cover losses after all other reserves have been used up or it can be incorporated into capital.

At 31 December 2023 ad 2022 the legal reserve totalled 1,207,489.66 euros and 861,136.83 euros, respectively.

## Adjustments/Other changes in equity

In 2023 and 2022 the balance of Adjustments to financial assets breaks down as follows:

Project	Balance at 31.12.2022	Increased subsidies	Recognition under income (Note 21.7)	Realisation of deferred taxes	Balance at 31.12.2023
Guadalajara	3,540,021.28	36,897.85	(348,695.43)	87,173.86	3,315,397.56

Project	Balance at 31.12.2021	Increased subsidies	Recognition under income (Note 21.7)	Realisation of deferred taxes	Balance at 31.12.2022
Guadalajara	3,804,906.04	-	(353,179.68)	88,294.92	3,540,021.28

During the 2023 financial year, the investment subsidy to the value of 5,076,970.45 euros, granted by the *Junta de Castilla la Mancha* to the Luís Simões Group Company Logística Integrada, S.A. (Sociedad Unipersonal) - Spain, for the Guadalajara project, was received.

## Other reserves

The item Other reserves corresponds to free reserves.

At 31 December 2023 and 2022 Other reserves totalled 4,132,131.47 euros and 4,129,237.21 euros respectively.



## 21.3. NON-CONTROLLING INTERESTS

In 2023 and 2022 the balance of non-controlling interests breaks down as follows:

	2023	2022
Balance at 1 January	306,843.66	306,219.49
Profit for the period	174,669.00	147,504.50
Dividends issued	(110,628.38)	(146,880.33)
Balance at 31 December	370,884.28	306,843.66

Non-controlling interests at 31 December 2023 and 2022 breaks down as follows:

	2023	2022
Espaçotrans - Gestão Entrepósitos Aduaneiros, Lda.	370,884.28	306,843.66
	370,884.28	306,843.66

## 21.4. STATE AND OTHER PUBLIC ENTITIES

At 31 December 2023 and 2022 State and other public entities breaks down as follows:

	31-12-2023		31-12-2022	
	Assets	Liabilities	Assets	Liabilities
Corporate Income Tax				
Payments on account	1,509,521.64	(129,387.00)	1,913,123.64	(128,952.00)
Estimated tax (Note 17.2)	(947,114.52)	175,960.04	(963,072.03)	153,808.27
Tax Withheld at the Source	38,738.78	-	51,807.72	-
Personal Income Tax	110,461.95	753,339.85	-	674,231.38
Value Added Tax				
VAT recoverable - Portugal	443,968.21	-	233,370.18	-
VAT recoverable - Spain	529,432.12	-	675,357.68	-
VAT recoverable - other countries	-	-	226.93	-
VAT requested refunds - Spain	-	-	356,825.30	-
VAT payable - Portugal	-	1,207,972.83	-	1,204,473.81
Social Security Contributions	-	1,723,391.71	-	1,729,391.52
Special Consumption Tax	-	2,263,092.86	-	2,478,750.90
Refund professional diesel Portugal	137,887.24	-	27,761.92	-
Refund professional diesel Spain	38,360.55	-	12,668.47	-
Other taxes	-	15,325.07	-	27,458.28
	1,861,255.97	6,009,695.36	2,308,069.81	6,139,162.16

## 21.5. OWN WORKS

This item breaks down as follows in the table below:

	2023	2022
Own works		
Tangible fixed assets	47,489.90	233,357.82
Intangible assets	212,814.64	-
	<u>260,304.54</u>	<u>233,357.82</u>

The amounts recorded under this item pertain to the repair of Group-acquired used vehicles undertaken at own repair shops upon their acquisition and their preparation for use, as well as pertaining to developments in the GOLD project. In accordance with Note 7, during the year ending 31 December 2023, the Company began a project to implement two new software packages to support warehouse and distribution management. This project was called the GOLD project (abbreviation for Optimised Logistics and Distribution Management, in Portuguese) and aims to provide the Group with modernised management tools with a view to simplifying processes, improving efficiency and creating value in the supply chain.

## 21.6. EXTERNAL SUPPLIES AND SERVICES

External supplies and services in the years ended 31 December 2023 and 2022 breaks down as follows:

	2023	2022
Subcontracts	112,836,401.41	111,583,829.49
Rents and Leases	25,472,815.44	23,848,439.63
Fuel	7,003,089.25	9,691,231.83
Conservation and Repair	5,338,593.22	5,458,495.09
Specialised works	3,788,994.08	2,954,647.77
Warehouse consumables	3,299,514.83	3,304,119.95
Cleaning, hygiene and comfort	2,494,077.08	2,064,785.00
Insurance	1,516,596.65	1,379,307.33
Surveillance and Security	1,378,390.24	1,346,703.85
Electricity	1,341,165.15	3,141,505.90
Road tolls	1,027,045.25	958,035.35
Commissions	728,623.71	643,246.20
Communication	455,793.71	452,564.28
Travel and Accommodation	320,375.39	277,286.52
Advertising	104,065.54	42,378.78
Other	2,338,055.68	3,908,728.78
	<u>169,443,596.63</u>	<u>171,055,305.75</u>

Expenses recognised as environmental costs are included under Cleaning hygiene and comfort and totalled 574,390.74 euros at 2023 (396,010.95 euros in 2022).

## 21.7. OTHER INCOME

Other income in the years ended 31 December 2023 and 2022 breaks down as follows:

	2023	2022
Additional income:		
Recycled waste	54,642.83	362,810.33
Vehicle conservation and repair	338,019.90	273,903.97
Sale of fuel	204,826.85	144,882.73
Ceding of staff	11,259.34	113,834.99
Security and surveillance services	24,381.92	80,895.30
Ceding of equipment	187,515.28	59,875.68
Ceding of operations	50,314.97	42,549.39
Condominium services	-	37,134.96
Insurance	-	2,268.63
Other additional income	321,936.19	522,302.79
Gains from tangible fixed assets	2,363,936.97	1,431,572.90
Cash discounts obtained (Note 18.3)	1,049,823.89	949,006.48
Investment subsidies (Note 21.2)	348,695.42	353,179.68
Fee for initiating tyres contract	211,021.16	199,047.43
Surplus	139,618.36	108,127.17
Compensation from insurance claims	280,809.58	106,728.29
Gains from other financial instruments	4,034.36	3,975.25
Overestimation for tax purposes	-	340.71
Rental income investment properties (Note 10)	31,924.03	38,773.97
Other interest obtained	315.25	19,643.24
Income from rental contracts	-	7,533.72
Recovery of receivables	988.68	1,493.17
Tax refunds	99,173.91	-
Other	193,429.44	125,926.70
	<u>5,916,668.33</u>	<u>4,985,807.48</u>

Other interest obtained refers mainly to penalty interest pertaining to the amounts returned from *Cêntimo Sanitário*, the reimbursement of taxes having originated from the complaints filed by the Group, as mentioned in Note 13.3..

## 21.8. OTHER COSTS

Other costs in the years ended 31 December 2023 and 2022 breaks down as follows:

2023	2022
------	------

Taxes and Fees	793,522.19	767,130.24
Insurance claims	714,137.70	549,491.26
Inventory losses	117,368.15	68,999.36
Donations	107,550.30	157,809.43
Fines	96,276.19	112,966.74
Cash discounts granted	13,069.48	10,717.44
Contributions	6,855.81	21,834.96
Other	33,447.53	77,435.75
	<u>1,882,227.35</u>	<u>1,766,385.18</u>

## 21.9. DEPRECIATION/AMORTIZATION

Costs/reversals of depreciation and amortisation breaks down as follows for the years ended 31 December 2023 and 2022:

	2023	2022
Intangible assets (Note 7)	818,859.14	792,078.74
Tangible fixed assets (Nota 8)	11,803,187.68	10,385,953.88
Investment properties (Note 10) (a)	(199,544.16)	12,549.94
	<u>12,422,502.66</u>	<u>11,190,582.56</u>

(a) The amount includes the effect of the reversal made during the 2023 financial year as a result of the valuation of investment properties that the Group carried out, having accordingly updated the accumulated impairment losses recorded.

## 21.10. INTEREST AND SIMILAR COSTS PAID

Interest and similar costs paid in the years ended 31 December 2023 and 2022 breaks down as follows:

	2023	2022
Interest paid		
From financing obtained	1,387,010.32	510,725.85

From financing obtained - Other related entities (Note 6.3)	1,026,154.06	541,373.15
From bank overdrafts	293,070.28	78,810.07
From confirming	874,274.09	297,142.27
Other	100.99	292.63
	<u>3,581,178.33</u>	<u>1,428,343.96</u>

## 21.11. INTEREST AND SIMILAR INCOME OBTAINED

Interest and similar income obtained in the years ended 31 December 2023 and 2022 is broken down as follows:

	2023	2022
Interest obtained		
From deposits	17,499.67	-
	<u>17,499.67</u>	<u>-</u>



## 21.12. GUARANTEES PLEDGED AND FUTURE OBLIGATIONS

The responsibility for guarantees pledged by the companies included in the consolidation totals 6,008,746.76 euros (4,544,541.60 euros in 2022) and essentially refers to bank guarantees.

In addition, the Group states promissory notes issued to third parties as guarantees for debt payment, which at 31 December 2023 totalled 33,542,566.03 euros (37,619,248.85 euros at 31 December 2022).

Some financing obtained is subject to compliance with certain covenants and are classified as current or non-current, depending on their compliance. At 31 December 2023 all covenants were being complied with.

At 31 December 2023, the Group was party to a contract for the operating lease of 130 semi-trailers, which provides for a right of first refusal for the Group to purchase said equipment at the end of the contract, between 2025 and 2026, at a total purchase price of approximately 1,300,000 euros. The exercising of this right of first refusal will be a decision to be taken by the Board of Directors on the aforementioned dates.

## 21.13. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2023 and 2022 breaks down as follows:

	2023	2022
<b>Income/loss:</b>		
Net income for the period allocated to shareholders of the parent company	5,605,633.49	6,929,950.95
<b>Number of shares</b>		
Weighted average number of shares (Note 18.4)	6,000,000.00	6,000,000.00
<b>Basic earnings per share</b>	0.93	1.15

The Chartered Accountant:	Signature
Vítor José Caetano de Sousa	
<b>Management:</b>	
José Luís Soares Simões - Chairperson	
Leonel Fernando Soares Simões - Voting Member	
Jorge Manuel Soares Simões - Voting Member	
Fernanda Maria Oliveira Simões - Voting Member	
Daniela Alexandra Lopes Simões - Voting Member	
Rui Miguel Marcos Simões - Voting Member	
Miguel Roquette Rocha Martins - Voting Member	

## CERTIFICAÇÃO LEGAL DAS CONTAS

### RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS CONSOLIDADAS

#### Opinião

Auditámos as demonstrações financeiras consolidadas anexas da LS – Luís Simões, SGPS, S.A. (“a Entidade”) e suas subsidiárias (“o Grupo”), que compreendem o balanço consolidado em 31 de dezembro de 2023 (que evidencia um total de 180.103.398 Euros e um total de capital próprio consolidado de 59.234.784 Euros, incluindo um resultado líquido consolidado atribuível aos acionistas da Entidade de 5.605.633 Euros), a demonstração consolidada dos resultados por naturezas, a demonstração consolidada das alterações no capital próprio e a demonstração consolidada dos fluxos de caixa relativas ao ano findo naquela data, e o anexo às demonstrações financeiras consolidadas que inclui um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras consolidadas anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira consolidada da LS – Luís Simões, SGPS, S.A. em 31 de dezembro de 2023 e o seu desempenho financeiro e fluxos de caixa consolidados relativos ao ano findo naquela data de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística.

#### Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção “Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas” abaixo. Somos independentes das entidades que compõem o Grupo nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

#### Responsabilidades do órgão de gestão pelas demonstrações financeiras consolidadas

O órgão de gestão é responsável pela:

- preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira consolidada, o desempenho financeiro e os fluxos de caixa consolidados do Grupo de acordo com as Normas Contabilísticas e Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística;



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- elaboração do relatório de gestão consolidado nos termos legais e regulamentares;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras consolidadas isentas de distorção material devido a fraude ou a erro;
- adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- avaliação da capacidade do Grupo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

## **Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas**

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras consolidadas como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança, mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras consolidadas.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras consolidadas, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Grupo;
- avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Grupo para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras consolidadas ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Grupo descontinue as suas atividades;
- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras consolidadas, incluindo as divulgações, e se essas demonstrações financeiras consolidadas representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- obtemos prova de auditoria suficiente e apropriada relativa à informação financeira das entidades ou atividades dentro do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela orientação, supervisão e desempenho da auditoria do Grupo e somos os responsáveis finais pela nossa opinião de auditoria;



- comunicamos com o órgão de gestão, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificado durante a auditoria.


A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de gestão consolidado com as demonstrações financeiras consolidadas.

## RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

### Sobre o relatório de gestão consolidado

Dando cumprimento ao artigo 451.º, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o relatório de gestão consolidado foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações financeiras consolidadas auditadas e, tendo em conta o conhecimento e apreciação sobre o Grupo, não identificámos incorreções materiais.

Lisboa, 15 de abril de 2024

  
\_\_\_\_\_  
Deloitte & Associados, SROC S.A.  
Representada por Luís Pedro de Freitas Roldão, ROC  
Registo na OROC n.º 1716  
Registo na CMVM n.º 20161326



Ir mais longe -- até onde for o futuro!

 *Luis Simões*

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