

**Sustainability Report  
2022**

PEI ASSET MANAGEMENT S.A.S

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## 1. Letter from the President

At Pei Asset Management, as the real estate manager for PEI –Colombia’s top real estate investment vehicle–, we understand our impact on and responsibility toward all of our stakeholders. This is why, throughout 2022, we continued to work on the implementation of our Corporate Sustainability Model with an aim to increase our added value for the stakeholders. In this connection, we laid-down a sustainable roadmap that includes environmental, social, and governance-related issues to ensure the business’s sustainability in the long term.

The current global context poses great challenges, partly addressed by the ESG issues. A clear example of these challenges refers to the environmental matters that are unquestionably urgent worldwide, considering that the environment’s preservation compromises, among others, the future generations’ welfare and life quality. Similarly, changing processes such as energy transition increasingly concern organizations and companies, all of which are called to be zealous and active players in the fight against climate change, waste management, and the efficient use of resources.

According to a study by the International Finance Corporation (IFC), “an estimated 36% of the global energy consumption belongs to the real estate and construction sectors. Similarly, 38% of the carbon emissions are associated with the operation of buildings and real estate, highlighting the importance of a responsible consumption in our industry”, issue that Pei AM champions by incorporating “Eco-efficiency and Adaptation to Climate Change” into our Corporate Sustainability Model.

Through this front, we seek to optimize the consumption and waste management of the real estate assets we manage, developing a number of strategies to mitigate their carbon footprint and, in turn, generate operational efficiencies that translate into future savings.

### GREENING REAL ESTATE INVESTMENT PORTFOLIOS - IFC

For these purposes, we crafted an environmental strategy aimed at increasing PEI portfolio’s ecoefficiency through a number of work fronts. For the past two years, we conducted ecoefficiency diagnoses in connection with the assets, reaching 42 assets in 2022, corresponding to 61% of the leasable area and 711,000 square meters. The purpose of these diagnoses was to establish the water and energy demands and their sources.

Furthermore, in 2022 we also focused our efforts on clean energies to reduce the energy consumption from non-renewable sources. In regard, we successfully installed 3,789 solar panels in *Plaza Central* shopping center and *Ideo Cali*, reaching so far 12 optimized assets. The assets with solar panels amount to 15% of the portfolio’s gross leasable area (GLA).

This is how we are working to ensure that PEI’s real estate portfolio mitigates its carbon footprint year after year and the decarbonization process aligns with the global agreements on this matter.

In terms of governance, throughout 2022 we continued strengthening our practices in the different areas covered by this front, hand in hand with our different allies: operators, tenants, suppliers, among others, focusing on promoting the implementation of good labor practices and the protection of human rights in their operation.

2022 was also relevant in the social sphere, where we consolidated our Diversity, Equity ,and Inclusion (DEI) policy, which recognizes the importance of creating a safe and inclusive workplace.

Along these lines, we put to work our alliance with Best Buddies –an organization that promotes the social and labor inclusion of people with intellectual disabilities–, hiring “Soul Friends” for our portfolio assets’ work teams. By the end of 2022, both *Atlantis* shopping center and *CityU* student residences counted with a Soul Friend among their work teams. We are sure that a well-structured and clear sustainability strategy enables us to advance with the achievement of our goals, helps us become better corporate citizens, and increases both ours’s and PEI’s competitive advantages. We will continue to strive toward our goal of being a business model designed for the long run and sustainable over time, that benefits all our stakeholders and positively impacts our country’s development.

**Jairo Alberto Corrales Castro**

**President**

Pei Asset Management

## **2. ABOUT THIS REPORT**

**GRI 2-2, 2-3**

This report discloses information on Pei Asset Management, a company specialized in structuring and managing real estate investment portfolios in Colombia, and manager for *Estrategias Inmobiliarias* Trust - PEI.

The information provided corresponds to 2022 and is provided on an annual basis.

For more information, please contact Pei Asset Management's Legal and Corporate Affairs Department at telephone (+601) 744 8999 or email [Legal@pei.com.co](mailto:Legal@pei.com.co).

**3. ORGANIZATION'S PROFILE**

### 3.1. Organization

#### GRI 2-1 Organizational details

Pei Asset Management S.A.S. ("Pei AM" or the "Company") is a company specialized in structuring and managing real estate investment portfolios in Colombia. PEI AM has been awarded the highest Rating, G-AAA, for Portfolio Management Efficiency by BRC Standard & Poor's S&P Global since 2009.

Through a strategic and modern vision, the Company has managed to strengthen its knowledge of the real estate sector and the capital market, rising as a pioneer in the creation of real estate investment alternatives.

Pei AM continues to work on the professionalization and innovation of its services, striving to contribute to society's welfare, the democratization of investment opportunities, and the generation of physical spaces that benefit the community and leverage the growth of the asset's under management's tenants.

Moreover, Pei AM is tracing the route to become a comprehensive platform for several real estate investment vehicles, enduring as leader in Colombia and a relevant player in Latin America, being the preferred choice both by tenants and investors and, recognized for its commitment to sustainability and the development and attraction of the most experienced human talent in the region.

Currently, Pei AM is the real estate manager for *Estrategias Inmobiliarias Trust* – ("PEI"), being in charge of structuring the issuance of equity and debt securities in the capital market; the preparation, presentation, and execution of the investment pipeline; the conservation, maintenance, and operation of the real estate assets making up PEI's portfolio, and the commercialization of such assets for lease purposes.

Following the American REITs (Real Estate Investment Trusts) model, PEI was structured in 2007 as a securitization trust with an investment policy aimed at creating a diverse portfolio of assets. PEI's portfolio consists of real estate assets in the commercial, corporate, and logistics categories, and other specialized properties such as health centers, hotels, and student residences totaling 152 assets by the end of 2022 –corresponding to around 1.14 million square meters– in more than 32 cities and municipalities in Colombia, attracting over 5,400 investors and nearly 2,200 tenants.

#### The real estate investment vehicle (PEI)

##### GRI 2-6, 201-1

PEI's long-term call is a critical element of its investment nature. The income-generating assets' operation, along with the capitalization of the properties' stabilization and appreciation over time, is what makes PEI a vehicle with unique and attractive features for the market. Pei AM, through its work as real estate manager, strives to consolidate solid and long-term relations with investors and tenants.

PEI currently has almost 2,200 tenants in the different categories and manages around 3,062 lease agreements, reaching a tenant retention rate close to 96%.

At the end of 2022, the portfolio accounted for COP 8.5 billion in assets under management and a leasable area of 1,142,833 m<sup>2</sup>, divided as follows.



PEI's assets portfolio generated revenues close to COP 610 thousand million in 2022, corresponding to a 24% growth compared to 2021, mainly driven by the increase of the lease fees, indexed to the CPI, and the portfolio's vacancy decrease.

The vehicle's total operating expenses increased by 18% compared to 2021, reaching COP 107 thousand million. This resulted from the increase of the expenses associated with property taxes and the specialized operators' fees.

The accumulated net operating income ("NOI") for 2022 registered a 25% increase compared to 2021, reaching COP 503 thousand million, mainly associated with the NOI's growth by 50 thousand million in the commercial category, 20 thousand million in the specialized category, 13 thousand million in the corporate category, and 11 thousand million in the logistics category. Consistently, the NOI margin closed at 82.5%.

The "dividend yield" (value ratio of the securities distributed each year as dividends) paid in 2022 reached 3.5% after calculating it on the "average equity value" (portfolio assets' average book value).

**4. Structure and Corporate Governance**

GRI 2-9, 2-10, 2-12

## **4.1. Governance structure and composition**

### **Pei Asset Management S.A.S.'s company type**

Pei AM is a simplified stock company domiciled in Bogotá, Colombia. The Company's shares are not listed with the stock exchange.

### **Pei Asset Management S.A.S.'s Corporate Governance**

#### **GRI 2-9,2-12, 2-14**

The Company's bylaws determine the principal rights and obligations of Pei AM shareholders. One of their main rights is being aware of and inspecting the Company's managers work. For these purposes, the bylaws establish that Pei AM's primary governing body is the Shareholders General Assembly, where shareholders may, at least once a year, review and approve the financial results of the Company and the managers' work, as well as approve any relevant decisions, contracts, or designations that, in consideration to their nature, duration, or amount require it. Note that the Company must submit the financial and management-related information to the shareholders, sufficiently in advance, so that they can become familiar with and study it. On the other hand, because sustainability is one of the Company's strategic pillars, the management submits any progress in connection with the Corporate Sustainability Model's implementation to the Shareholders Ordinary Assembly, as part of its management's account rendering. The shareholders, as Pei AM's stakeholders, also receive and are consulted on the model's material topics.

The Shareholders General Assembly met six times to review and discuss the issues brought before it as provided under the laws and the bylaws. A chairperson is appointed for each session – this information is private.

The Company's Sustainability Committee was created in 2022 and consists of the President; the Corporate Affairs Legal Management Office; and the Strategy, Innovation, and Communications Management Office. The purpose of this committee is to support and steer the Company toward the creation, implementation, and execution of sustainable management practices on environmental, social, and governance matters in order to achieve and maintain a business model aligned with a sustainable development.

This committee met on a quarterly basis throughout 2022 to monitor the Company's compliance with the KPIs agreed to during the year on sustainability matters, which address the material topics established under the Corporate Sustainability Model.

### **Pei Asset Management's Management Team**

Pei AM's management team is made up by experts with extensive professional experience, responsible for the Company's administration. Its leadership team consists of an executive director, the president, the financial and investor relations vice-presidency, and the 6 management offices described below. The leadership team meets periodically under the different committees to review the Company's and PEI's progress, prioritize projects, and discuss general interest topics and any decisions relevant to the Company and PEI.

**Jairo Alberto Corrales Castro**

Title: President

YEARS OF EXPERIENCE: +22

YEARS AT PEI ASSET MANAGEMENT: 14

EDUCATION: Civil Engineer with a specialization in finance from *Universidad de los Andes*. Diploma in shopping centers management and marketing from the International Council Of Shopping Centers in Buenos Aires, Argentina.

**Andres Felipe Ruiz Vesga**

TITLE: Finance and Investor Relations Vice-president

YEARS OF EXPERIENCE: +18

YEARS AT PEI ASSET MANAGEMENT: 6

EDUCATION: Professional in Finance from the University of North Carolina. Value Investors Program at Columbia University. Executive MBA from Cornell University.

**Ana Maria Bernal Rueda**

TITLE: Legal and Corporate Affairs Manager

YEARS OF EXPERIENCE: +16

YEARS AT PEI ASSET MANAGEMENT: 6

EDUCATION: Lawyer with a Specialization in Capital Market Law from *Pontificia Universidad Javeriana* and a Specialization in Commercial Law from *Universidad de los Andes*. Master in Public Administration from Harvard University and Master of Laws from Cornell University.

**Jimena Maya Muñoz**

TITLE: Strategy, Innovation, and Communications Manager

YEARS OF EXPERIENCE: +21

YEARS AT PEI ASSET MANAGEMENT: 13

EDUCATION: Industrial Engineer from *Universidad de los Andes*. MBA from INALDE.

**Maria Alejandra Cardozo**

TITLE: New Business Investment Manager

YEARS OF EXPERIENCE: +11

YEARS AT PEI ASSET MANAGEMENT: 8

EDUCATION: Professional in Finance and International Relations from the *University Externado*. IE Business MBA.

**Alejandro Alzate Velasquez**

TITLE: Commercial Manager

YEARS OF EXPERIENCE: +14

YEARS AT PEI ASSET MANAGEMENT: 4

EDUCATION: Lawyer from *Universidad Externado de Colombia* with a Master in business law.

**Gina Castro**

TITLE: Human Talent Manager

YEARS OF EXPERIENCE: +14

YEARS AT PEI ASSET MANAGEMENT: 6

EDUCATION: Psychologist from *Universidad del Bosque* with a Specialization in Human Management and Organizational Development from *Universidad del Rosario* and a certification in Change Management

**Ivan Dario Parra**

TITLE: Asset Management Manager

YEARS OF EXPERIENCE: +12

YEARS AT PEI ASSET MANAGEMENT: 5

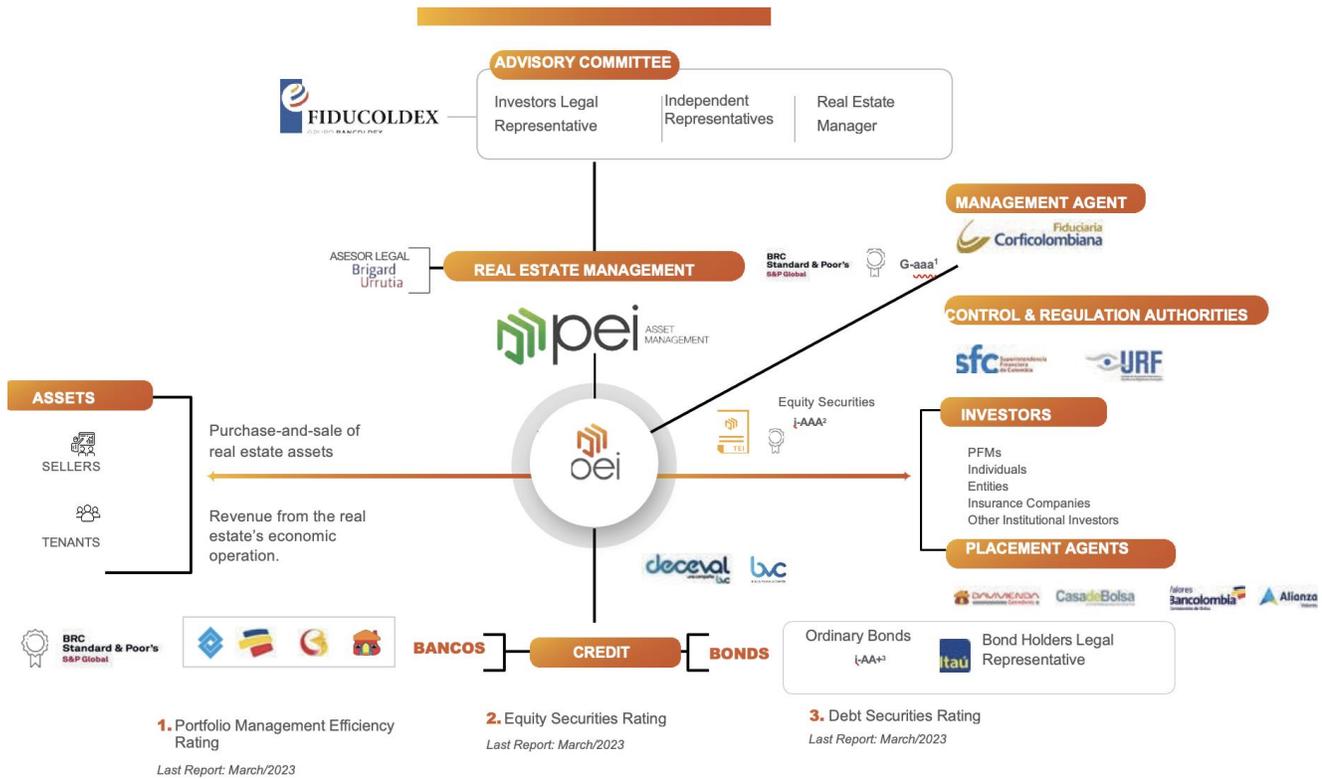
EDUCATION: Professional in Relations from the *University Jorge Tadeo Lozano* with a diploma in Financial Management and Administration and Real Estate Management.

**Internal audit**

An essential component of the Company in terms of corporate governance is its internal audit area, responsible for ensuring the risk management controls' implementation and evaluating their effectiveness. The internal auditor's job is to: (i) Plan, direct, and conduct internal audits on the Company's processes and operations; (ii) Disclose the findings and propose actions and monitoring plans in connection with any implementation of improvements; (iii) Actively and continuously contribute to the comprehensive control system's improvement. The internal audit area periodically designs an audit plan consistent with the best market practices, whereby certain Company processes are selected or prioritized for review each year. The internal audit area has monitored the different areas of the Company for the last three years, as well as a number of PEI assets' operators and tenants under the different categories, enabling the implementation of improvements and a minimizing of the existing operational, legal, contractual and financial risks, among others. Throughout 2022, the Company focused on the procurement processes' audit and in 2023 will continue to support the strengthening of all the Company's processes.

## PEI'S corporate governance structure

As mentioned, PEI was established as a real estate securitization trust. The following entities are involved in its management and operation: (i) *Fiduciaria Corficolombiana S.A.* - Management Agent, (ii) Pei AM - Real Estate Manager; (iii) Advisory Committee - the investment and financing decision-making body, among others; (iv) *Fiduciaria Colombiana de Comercio Exterior – Fiducoldex* - the Investors Legal Representative; (v) Investors General Assembly; (vi) *Banco Itaú* - the Bondholders Legal Representative; and (vi) *Davivienda, Alianza Fiduciaria, Casa de Bolsa, and Valores Bancolombia* - placement agents.



## Advisory Committee

### GRI 2-15

Is the body responsible for deciding on PEI's investments, issuance program, purchase and sale of real estate assets, financial indebtedness, distribution of returns to investors and, in general, monitoring the vehicle's performance. The Advisory Committee meets every month to approve investment or divestment opportunities, financing structures and, in general, learn about and evaluate the vehicle's performance, among others. The Advisory Committee holds extraordinary meetings on a quarterly basis to discuss and review the implementation progress of PEI's strategic plan.

PEI's Advisory Committee consists of nine principal members chosen for their business track-record, reputation, and experience. The following are the Advisory Committee's current members:

#### INDEPENDENT MEMBERS

##### **Sol Beatriz Arango Mesa:**

Production Engineer and specialist in Finance from Eafit University. Former president for *Servicios Nutresa S.A.S.*, Sustainable Development vicepresident for *Grupo Nutresa*, and General Director for *Fundación Nutresa*. Member of *Protección* and *Crystal's* boards of directors.

##### **Julio Manuel Ayerbe Muñoz:**

Economist from *Universidad de Los Andes*. Former president for *Corporación Financiera del Valle* and *Organización Corona*, and consultant and advisor for different companies. Former member of Fondo de Garantías de Instituciones Financieras, ING Pensiones y Cesantías, CMR Falabella Compañía de Financiamiento, Compañía Colombiana de Cerámica, Inversiones Mundial, Almacenes Corona, and Electroporcelana Gamma's boards of directors. Current partner at *Ayerbe Abogados* and member of *Banco Scotiabank Colpatría* and *Amalfi's* boards of directors.

##### **María Victoria Riaño Salgar:**

Business manager from *Pontificia Universidad Javeriana*, with an MBA from *Universidad de los Andes*. Former president for *Equión Energía Limited* and current member of *Fundación Juanfe*, *Seguros Allianz*, and *CAEM's* boards of directors.

##### **Roberto Holguín Fety:**

Economist from Georgetown University and specialist in Finance from *Universidad de los Andes*. Former president for *Delta Bolívar Compañía de Financiamiento*, Credit Vicepresident for *Banco Davivienda*, Financial and Commercial Assistant Manager for *Empresa de Energía Eléctrica de Bogotá*, and partner and Manager at *Profesionales de Bolsa*. Current member of *Davivienda Corredores*, *Fiduciaria Davivienda*, *Constructora Bolívar*, *Finagro*, and *XM Market Experts's* Boards of Director. Mr. Holguín is also a current member of *Banco Davivienda's* corporate credit committee and *Grupo Bolívar's* investment committee.

A representative for *Fiduciaria Corficolombiana S.A.*, the management agent, also attends the Advisory Committee with voice but without a vote.

The Advisory Committee is governed by the provisions under *Estrategias Inmobiliarias Trust's* Equity Securities Issuance and Placement Prospectus, which establishes its duties and powers. The Advisory Committee is also governed by an internal regulation that details its operation and is subject to PEI's Good Governance Code.

The steps that the Advisory Committee's members must follow in case of any a potential conflict of interest are referred to in the Good Governance Code. In these events, the members in conflict must refrain from discussing and voting on the relevant situation. PEI is also subject to the transactions with related-parties policy, aimed at ensuring the Advisory Committee members' objectivity upon making any decisions.

The Advisory Committee's governing documents are available for consult at [www.pei.com.co](http://www.pei.com.co)

#### MEMBERS FROM THE REAL ESTATE MANAGER

##### **Carlos Angulo Ladish:**

Economist from *Universidad de los Andes*, with an MBA from J.L. Kellogg School of Management at Northwestern University. He also participated in *Universidad de los Andes's* High Government program. Mr. Angulo worked in corporate banking at Citibank and Goldman, Sachs & Co. in New York, where he structured financing operations in international markets for companies and governments in Latin America, and consumer goods, telecommunications, energy and oil, industry, and finance-related transactions for the M&A area. Mr. Angulo was involved in Terranum group's creation and is currently a partner at *Estrategias Corporativas*, Pei Asset Management's Executive Director, and PEI's Advisory Committee chair.

##### **Jairo Alberto Corrales Castro:**

Civil Engineer with a specialization in Finance from *Universidad de los Andes*. Pei Asset Management's President since 2009, structuring the acquisition of over 500,000 square meters of real estate from the commercial, corporate, logistics, and specialized-use categories. Mr. Correa was part of *Isagen's* Corporate Headquarters in Medellín, *Plaza Central Shopping Center*, and *Torre Atrio's* structuring, among others.

##### **Carlos Fradique-Mendez:**

Attorney, graduated with honors from *Universidad del Rosario*, Master in International Banking and Finance from Boston University, Master in International Business from University of Ottawa, and specialist in Financial Law from *Universidad de los Andes*. Managing Partner at *Brigard Urrutia*, with over 30 years of experience advising various companies on Capital Markets, Banking and Finance, Exchange Law, Derivatives and Structured Products, and Customs, Foreign Trade and Tax issues.

##### **Ana María Bernal Rueda:**

Attorney from *Universidad Javeriana* with an LLM from Cornell University, Master in Public Administration (MPA) from Harvard University, specialist in Capital Markets Law from *Universidad Javeriana*, and Commercial Law from *Universidad de los Andes*. Ms. Bernal led the the Financial Superintendency of Colombia's Regulation team, worked as in-house counsel for Holcim in Colombia, and in the Capital Markets, Banking, Finance, and M&A areas of law firms *Philippi Prietocarrizosa Ferrero DU & Uría* and *Dentons Cardenas & Cardenas*, where she advised financial entities, private equity funds, international investors, and securities issuers.

## **Investors Legal Representative**

To ensure the investors participation in PEI's governance, an independent third party is selected by a special majority of the Investors Assembly to represent them. The Investors Assembly designated *Fiduciaria Colombiana de Comercio Exterior - Fiducoldex*, as the Investors Legal Representative

The Investors Legal Representative primary duty is to ensure that PEI investors' rights and common interests are duly respected and protected. The Investors Legal Representative is a member with voice and vote of the Advisory Committee, also attends to and chairs the Investors General Assemblies, and submits reports to investors on its management and PEI's status and performance.

## **Investors General Assembly**

This body is made up by all of PEI's equity securities holders. The Investors General Assembly meets at least once a year to review and approve PEI's annual report, as submitted by the Company, and approve the vehicle's strategic plan, among others. It is also in charge of the Investors Assembly, where any modification to the prospectus by which PEI was created and other relevant decisions are subject to special majorities. Pei AM submitted its management report, the strategic plan for 2022, the Management Agent's management report, and the year-end results during the ordinary Investors General Assembly held at the end of March 2022.

An extraordinary assembly was held on June 15 to approve certain amendments to the Prospectus and the PEI Trust Agreement, necessary to implement the vehicle's liquidity strategy, mainly consisting of: (i) The equity securities migration to the equities trading session; (ii) The equity securities split by a factor of 1:100; (iii) The equity securities reacquisition by the Trust; and (iv) The hiring of a liquidity provider.

## **PEI's governance assessments**

The members of the Advisory Committee conduct an annual self-assessment on their tasks and duties over the year, aimed at identifying improvement opportunities. Pei AM is in charge of presenting the results of the assessments to the Advisory Committee, as well as any work plan proposals opportunities for improvement.

Similarly, assessments on the governance practices are conducted on a regular basis through an external evaluator, to review compliance with good corporate governance practices and make any suggestions and recommendations deemed appropriate for the real estate vehicle to always remain at the forefront.

A training program for the Advisory Committee's members was prepared and carried out in 2022 –as a result of the self-assessments and third-party evaluator's recommendations on good corporate governance practices– on issues relevant and of interest for the business's development and evolution.

## **IR Recognition**

Consistently with its commitment to transparency, Pei AM has made significant efforts to disclose the relevant information to investors and other PEI stakeholders. As a result, in 2022, PEI was the first real estate investment vehicle issuing equity securities to be awarded the "IR Recognition" ("Investor Relations Recognition") by the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). This recognition is awarded only to those security issuers that satisfy high standards on the public disclosure of information to their investors, mainly in terms of governance, sustainability, and the issuer's performance. PEI's information is available at [www.pei.com.co](http://www.pei.com.co).

*The Issuer IR Recognition, awarded by the Colombian Stock Exchange S.A., is not a certification on the benefits of the registered securities or the issuer's solvency.*

### 3.2 Transparency and Business Ethics Program - TBEP

#### GRI 2-23, 2-24

Pei AM has rules of conduct applicable to all its employees and stakeholders to promote impartial, transparent, trustworthy, equitable, and legal relations, ensuring its collaborators' ethical behavior both within the Company and in their relations with third parties, to always protect and maintain the Company's goodwill and actions within the law.

<p><b>Internal audit</b> Area in charge of the independent and objective assurance of the governance's and risk management effectiveness.</p>	<p><b>Code of Conduct</b> Set of values, standards, and principles part of Pei AM's culture.</p>	<p><b>Ethical Mailbox</b> Complaints channel set up by Pei AM and operated by a third party to maintain transparency, confidentiality, and promote the development of a control environment.</p>
<p><b>Compliance officer</b> Person in charge of ensuring the effective, efficient, and timely compliance with the SAGRILAFT and the TBEP, among others.</p>		<p><b>Conflicts of Interest Policy</b> Contains the guidelines to properly manage, handle, and solve any conflicts of interest arising within the Company.</p>
<p><b>Ethics Committee</b> Corporate body responsible for reviewing the guidelines, policies, and procedures ensuring compliance with the SAGRILAFT and the TBEP. The committee is made up by the Executive Director, the President, the Legal and Corporate Affairs Manager, the Human Talent Manager and, from time to time, the Compliance Officer as a guest with voice but without a vote.</p>	<p><b>Anti-corruption Policy</b> Guidelines to avoid bribery and corruption within the Company or the Company's relations with stakeholders.</p>	<p><b>Data Processing Policy</b> Regulates the procedures for the collection and processing of personal data in accordance with the law.</p>

## **Code of Conduct**

Pei AM demands ethics to permeate and prevail on any activity or relationship that the Company is a part of. Accordingly, it has defined the values and behaviors expected from its employees, both in their day-to-day actions and interactions with Pei AM's and PEI's stakeholders. Pei AM expects its employees to behave honestly, transparently, respectfully, and helpfully, and to perform their duties rigorously.

The above behaviors and values are illustrated in the Code of Conduct, which also refers to the procedures and bodies in charge of dealing with any ethical dilemmas or situations that may give rise to conflicts of interest. The Code of Conduct also provides the rules to handle confidential information, safeguard intellectual property, correctly process personal data, and the obligation to use transparent and accurate communications with internal and external audiences.

## **Anti-Corruption Policy**

As part of the Transparency and Business Ethics Program ("TBEP"), Pei AM has an Anti-Corruption Policy aimed at establishing the guidelines and rules that any persons subject thereto must comply with in their relations with the Company's various stakeholders. This, in order to avoid and prevent any conduct prohibited under the law and establish specific responsibilities to prevent, detect, investigate, respond to and, in general, mitigate all risks associated therewith.

## **Ethics Committee**

Pei AM's Ethics Committee was formally organized in 2020 and is made up by the Executive Director, the President, the Human Talent Management Office, the Legal and Corporate Affairs Management Office, and the Compliance Officer. The Compliance Officer is in charge of supervising and managing the complaints raised by any person in concern with Pei AM through the ethics mailbox on actual or apparent breaches of the Code of Conduct, the ML/TF Risk Prevention and Control Manual, the Anti-Corruption Policy, or the TBEP.

The Ethics Committee's regulations govern its operation in order to preserve the due process whenever any situation must be addressed thereby and establishes the guidelines, directives, and procedures to manage complaints, the frequency of its meetings, the specific functions to fulfill, and how any proceedings need to be handled.

The Company restated the Ethics Committee's regulations in 2022 to align them with the modifications made to the TBEP.

## **Conflicts of Interest**

### **GRI 2-15**

Addressing the conflicts of interest that may arise between the Company, its employees, and any third parties representing it is part of the high ethical standards that the Company is committed to, formalized under the TBEP. Accordingly, the Company started to prepare its Conflicts of Interest Policy –as an integral part of the Code of Conduct and the TBEP– in 2022, to establish clear guidelines for the identification of any conflicts of interest and the procedure to manage them.

## **Complaints Management Procedure**

### **GRI 2-26**

The main objective of the complaints management procedure is to provide clear guidelines on the reception and management of any complaints raised through the Company's ethics mailbox or the other channels available therefor: (i) The Compliance Officer; (ii) The complainant's immediate superior; and (iii) The Ethics Committee.

In 2022, the Company updated the complaint management procedure and decided to replace the ethical mailbox service provider. An expert third party was hired to manage the Company's ethics mailbox from anywhere in the world 24 hours a day, 7 days a week. The service channels made available are the following:

Toll Free: 01-800-752-2222. Option 1: operator; Option 2: recorded message.

Email: [buzonetico.peiam@resguarda.com](mailto:buzonetico.peiam@resguarda.com)

Web site: [www.resguarda.com/peiam](http://www.resguarda.com/peiam)

WhatsApp: +57 1 7868154

## **TBEP's Update**

Through the work of the Company's Legal and Corporate Affairs Management Office and the Compliance Officer, supported by external advisors, in 2022, Pei AM implemented the regulatory changes on compliance matters referred to under the Superintendency of Companies' Basic Legal Circular, updating the Company's TBEP.

### **4.3 Comprehensive ML/TF/MDWPF – SAGRILAFT Risk Self-Control and Management System**

In 2022, Pei AM continued to execute the communications and training plan to raise awareness among employees and managers and inform them about the ML/TF/MDWPF risks. As part of this plan, several awareness-raising communications were released within the Company and training provided to employees.

#### **SAGRILAFT policy and manual**

Pei AM has a SAGRILAFT policy whose main objective is to define the guidelines on and directions to prevent and control the risks of money laundering, financing of terrorism, and any financing for the proliferation of weapons of mass destruction in the Company's activities, businesses, operations and contracts.

In this same line, the Company has the SAGRILAFT procedure manual, which establishes the procedures and controls aimed at preventing and mitigating the ML/TF/FPWMD risks within the Company.

**5. SUSTAINABILITY STRATEGY**

GRI 2-22

**Sustainability Strategy**

In 2020 and 2021, Pei AM focused on the design and structuring of the Company's Corporate Sustainability Model ("CSM"), aware that the business's long-term sustainability depends on managing its environmental impact and meeting its stakeholder' expectations. Based on the above and guided by international sustainability standards, Pei AM and PEI's Advisory Committee identified the vehicle's material topics and their stakeholders.

In 2022, Pei AM moved forward with the CSM's implementation, establishing initiatives aligned with its material topics. These initiatives were incorporated as functional objectives of each of the Company's areas and their evolution periodically reviewed by the Sustainability Committee, a body created in 2022.

The CSM's pillars are the Sustainable Development Goals and the Principles of Responsible Investment - PRI, as well as the national and international regulatory standards on the disclosure of information and the environmental, social, and governance factors' ("ESG"), management, as follows:

		<b>5</b> Pei AM and PEI's differentiators on ESG issues			Eco-efficiency	Development through education and inclusion	Trust and transparency	
		<b>4</b> Supervision of Pei AM and PEI's performance		Sustainability initiatives and KPIs	Periodic sustainability reports	Sustainability certifications	Sustainability committee	
		<b>3</b> Pei AM and PEI's materiality	Eco-efficiency and adaptation to climate change	Risk management and digital innovation	Profitable growth	Responsible investments	Human talent's development and wellbeing	Contribution to the community's, tenants', and suppliers' welfare
<b>14 initiatives supporting the material topics</b>								
<b>2</b> Alignment with Pei AM and PEI's strategy	<b>Superior Purpose</b> Contribute to society. Generate spaces that benefit the community.			<b>Vision</b> Being recognized for our commitment with sustainability.		<b>Superior Purpose</b> Creating awareness among all employees. Development of enabling capacities. Review and inclusion of the sustainability model within the processes.		
<b>1</b> Normative and aspirational references								

In 2022, the CSM was communicated to align all of the Company's employees and allies with the strategy and aspirations outlined in terms of sustainability. In addition, Pei AM participated in different events, among them, the meeting of the PRI signatories and the V Sustainability Summit, where the Company's and PEI's progress on sustainability matters were discussed and the signatories' network strengthened in Colombia.

Below is a description of the stakeholders identified by the Company, the materiality matrix, and the actions and progress achieved in 2022 for each of the material topics part of the CSM.

**6. STAKEHOLDERS**

**GRI 2-29**

## **Identification of stakeholders**

GRI 2-29

### **Identification of stakeholders**

Pei AM listed the universe of audiences interacting with it and PEI, or somehow impacted by their operation. The people, groups, entities, and other audiences identified are the following: (i) Those whose decisions or opinions impact the business; and/or (ii) Those impacted by Pei AM's or PEI's actions.

### **Investors**

- Investors of the vehicles managed by Pei AM

### **Capital providers**

- Pei AM's shareholders
- Financial entities that have loaned funds to Pei AM and the vehicles managed by Pei AM
- Sellers of assets for vehicles managed by Pei AM

### **Strategic allies**

- Bodies and entities with a permanent relation with PEI's management, such as PEI's Advisory Committee, *Corficolombiana*, *Fiducoldex*, *BU*, and *BVC*.

### **Employees and their families**

- All of Pei AM's employees and their family members.

### **Communities**

- Visitors to the assets of the vehicle managed by Pei AM
- Tenants' employees
- Tenants' providers
- Residents of the cities where the assets are located
- Suppliers' employees

### **Entities and guilds**

- Government entities
- Guilds and regional associations
- Multilateral entities

### **Project Partners**

- Persons sharing the ownership of assets with Pei AM's managed vehicles or who may carry out their operation.

### **Suppliers and operators**

- Suppliers of goods and services for Pei AM and PEI
- Operators of assets of the vehicles managed by Pei AM

### **Tenants and concessionaires**

- Tenants and concessionaires of assets of the vehicles managed by Pei AM.

**7. MATERIALITY**

**GRI 3-1**

## Materiality

The following steps were carried out to define Pei AM's and PEI's materiality:

### Steps

#### 01 STAKEHOLDERS

Identification of Pei AM's and PEI's stakeholders.

#### 02 CHARACTERIZATION

Stakeholders' characterization exercise and knowledge.

#### 03 IDENTIFICATION OF GAPS

Benchmark of good practices according to assessments and international references

#### 04 MATERIALITY MATRIX

Development of a materiality matrix and prioritization Pei AM's and the PEI's material topics.

#### 05 ASPIRATIONS AND GOALS

Definition by the Company and PEI's Advisory Committee of the aspirations and goals for those prioritized material topics.

The materiality matrix was a result of the above steps, making it possible to group and prioritize six material topics supported on the various initiatives where Pei AM and PEI focus their efforts to appropriately manage them:

<b>Ecoefficiency and Adaptation to Climate Change</b>	<b>Risk Management and Digital Innovation</b>	<b>Profitable Growth</b>	<b>Human Talent's Development and Wellbeing</b>	<b>Contributing to the Community's, Tenants', and Suppliers' Wellbeing</b>	<b>Responsible Investments</b>
1. Renewable and clean energies 2. Carbon Footprint 3. Water Management 4. Waste Management	5. Risk Management 6. Corporate Governance, compliance, and corporate ethics 7. Innovation, digitalization, and information security	8. Economic development and contribution to the capital market's growth.	9. Talent's wellbeing and engagement. 10. Professional development and career plan 11. Diversity, equity, and inclusion	12. Development of tenants and suppliers. 13. Social impact (donations, territory's development, and civic commitment).	14. Integration of ESG factors in the assets' selection.

Based on the above, Pei AM worked on the mentioned material topics, achieving the results and progress presented in this report.

**8. PROFITABLE GROWTH**

**GRI 3-3**

## Profitable growth

### Content 3-3 Management of material topics

#### GRI 201-1

**Why is this a material issue for the CSM?** Continuing to manage the Company and the vehicle so that they generate economic value to shareholders, investors, and other stakeholders, depends on the market's continued growth and the capacity to adapt to changes in the environment.

**What SDG does it contribute to?** Decent Work and Economic Growth - Note: See goals in page 21 of the report.

**Which of the CSM's initiatives support it?** Economic development and contribution to the capital market's growth.

Economic growth in the different spheres is essential to Pei AM's and PEI's sustainability, as it contributes to the continuity of their business. Strengthening the human talent's capabilities, contributing to the communities' and region's growth, promoting the capital market's growth and modernization, and leveraging the growth of the companies that pursue their activities in or for the benefit of the properties making up the portfolio under management, are key aspirations to maintain Pei AM's and PEI's stability and growth.

To address this material issue, Pei AM is continuously working on the following fronts:

Active participation in the capital market's modernization process, through presence in guilds and associations with similar interests.	Support to tenants and suppliers with the implementation of good sustainability practices, thus promoting their development and sustainable growth.	Contribution to the economic development of the regions where the investment vehicle's assets are present, impacting the community and the development of sustainable cities.	Implementation of digital innovation strategies to propose disruptive changes that generate new business ideas and sources of income.
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#### Participation in the capital market's modernization

Pei AM, aware of the global economic circumstances that impacted the dynamics of the capital market in 2022, designed and implemented a strategy aimed at promoting the liquidity of PEI's equity securities. The strategy consisted of a set of mechanisms, starting with the migration of the equity securities to the equities trading session so that the real estate investment vehicle's variable nature could be reflected. Pei AM worked hand in hand with the competent authorities to achieve a proper and visible price liquidity, where investors were able to observe the offering and bidding positions; furthermore, the securities acquired a greater visibility from international investors through global trading platforms.

In parallel, a stock brokerage firm was hired to provide services as a liquidity provider and the equity securities were split by a ratio of 1 to 100, resulting in one security divided into several securities of a lower value, maintaining the capital's full value. The purpose of the above was to expand PEI's investors base and, accordingly, continue with the mission of democratizing the investment.

Lastly, Pei AM designed and obtained the trust's authorization to engage in reacquisition transactions through the BVC's system or other independent mechanisms.

## Profitable Growth

### Membership associations

#### GRI 2-28

Pei AM continued to be part of several guilds and associations where it promotes the Company's and PEI's interests, along with other relevant industry players. In 2022, the Company became a part of Women in Connection, a space to strengthen female leadership and empower women in the business sector. Also, different representatives of the Company participated in guilds as *Asofiduciarias*, *Camacol*, and *Colcapital* to share their knowledge, learn about the industry trends, and promote the sector's growth. In this connection, it is worth highlighting that the Company is a member of *Colcapital's* Board of Directors.

### Support to suppliers and tenants

In order to promote good contracting and decent work practices among its stakeholders, in 2022 the Company and PEI included number of obligations on the compliance with and respect for the Universal Declaration of Human Rights –proclaimed by the United Nation– in all of their new contracts with suppliers and tenants. Certain labor and environmental-related obligations were also included, particularly on waste management.

Furthermore, the Company consolidated an offer of value-added products and services for the vehicle's tenants under a strategy called "*Metros a la 4*" (Meters to the Power of 4), aimed at providing additional and supplementary services to the physical spaces, so that tenants can dedicate their concentration and efforts to their main business activity. In 2022, more than 36,000 m<sup>2</sup> from the corporate, logistics, and commercial categories were sold under this strategy.

**Note:** see digital innovation in section 8.2

### Financial Results

#### GRI 201-1

The Company's balance sheets registered COP 108,600 million in assets, and liabilities for COP 50,116 million. PEI remained as the Colombian real estate market's leader, reaching COP 8.5 billion in assets under management, corresponding to a gross leasable area (GLA) of 1.14 million m<sup>2</sup>, whose operation generated COP 610 thousand million in revenues for the whole year 2022. This corroborates the strength of the business's fundamentals.

**9. RISK MANAGEMENT AND DIGITAL INNOVATION**

**GRI 3-3**

## Management of Material topics

**Why is this a material issue for the CSM?** Timely identifying, measuring, managing, and monitoring risks makes it possible to mitigate their impact and prepare both the Company and the vehicle to appropriately face any events that may pose a risk, preserving the business's risk profile and sustainability.

The ability to rapidly adapt to changes in the environment and maintain a competitive position in the market, makes it possible to close the gaps upon the emergence of any risks connected with the businesses under management or its operation, regulation, and digital transformation.

**What SDGs does it contribute to?** Peace, Justice, and Solid Institutions - Note: See goals in the SDG table on page 21 of the report

**Which of the CSM's initiatives support it?** Risk management, corporate governance, compliance and business ethics, innovation, digitalization, and information security

### 9.1. Risk management

#### 9.1.1 Risk identification

##### GRI 2-16

Governed by integrity and excellence values, Pei AM carries out its operations within the framework of an internal control system. Pei AM manages risks comprehensively to adequately support decision-making.

In 2022, the Company focused on prioritizing certain processes for review by the internal audit, to identify the gaps between their actual dynamics and the best practices and so mitigate the risks associated therewith. The internal audit results are submitted to the Audit Committee, which is in charge of designing a work plan to improve any processes where shortcomings or opportunities for improvement are identified.

### **9.1.2 Risk identification**

#### **GRI 2-16**

Pei AM periodically assesses the risks associated with the business to keep the risk matrices updated and thus implement any relevant mitigation and control mechanisms timely.

Based on Pei AM's risk management scheme, a strategic risk update was conducted in 2021. The identification of the initial risks and classification under certain categories allowed an understanding of their sources and clustering them in groups subject to action plans for their management.

In 2022, the strategic risks materiality was subject to follow up in accordance with the assessment made in 2021, making it possible to understand the risks, their causes, and consequences under the current environment, and identify the new risk scenarios to prioritize.

Additionally, Pei AM made efforts throughout 2022 to supplement the risk management, structuring mechanisms to identify and assess PEI's operational and cybernetic-related risks, understanding the relationship of Pei AM's systems with their management, and focusing on the processes required to maintain the businesses' continuity.

Finally, as a transversal part of PEI's risk management, a work plan focused on sustainability was put forward and structured to characterize any climate change risks that the vehicle may be exposed to, thus aligning the risks and controls identified with the strategy and climate action plan. The characterization was carried out under the TCFD's proposed methodology and, in the coming years, the climate change risk management system will be implemented under said methodology.

### **9.1.3 Risk control and mitigation**

As a result of PEI's risk assessment by Pei AM in 2021, the 2022 follow-up highlighted that management controls were implemented for 100% of the strategic and emerging risks. Additionally, along with the strategy's development and update we have worked on a plan to identify and assess the controls currently in place and design new controls to improve the risk management measures.

**9.2. Digital Innovation**

Pei AM’s digital transformation plan aims at driving the Company toward an agile and collaborative environment with completely digital and automated processes, using data and information as a pillar of the business and a source for decision-making purposes, and technology as an enabling ally. The projects defined within the plan’s framework are crafted to optimize the real estate portfolio’s management and strengthen the offer of products and services while promoting sustainability and affording added value to the Company's business model.

**Boosting Capabilities through digital innovation**

<p>DIGITALIZATION OF THE PROSPECTS’ MANAGEMENT PROCESS Implementation and automation of the workflow, integrating the commercial management of opportunities and the execution of new contracts under a 100% digital environment.</p>	<p>SELECTION OF THE NEW ERP Technical-economic evaluation for the new ERP application’ selection, for the vehicle’s transactional operation and back office.</p>	<p>MANAGEMENT OF THE TENANTS’ REQUIREMENTS Implementation of the basic service tool to manage and take care of the tenants, and standardization and digitalization of the process.</p>
<p>DIGITALIZATION OF THE TECHNICAL VISITS PROCESS Implementation of the tool supporting the work of technical visits to the properties, assemblies, and councils, optimizing the collection of information, the generation of reports, and the follow up of each property’s action plans.</p>	<p>DATA ECOSYSTEM Design and implementation of the vehicle’s data structure with a defined architecture, ensuring the information’s availability to the business.</p>	<p>GEOGRAPHICAL ANALYTICS TOOL Supporting the business decision-making process through the implementation of a territorial analysis platform that allows a modeled loading of any information associated with PEI’s assets: urban, market, demographic, psychographic-related, among others.</p>

**10. HUMAN TALENT’S DEVELOPMENT AND WELLBEING**  
GRI 3-3

## **Human Talent's Development and Wellbeing**

### **Why is this a material issue for the CSM?**

The talent's development is essential to promote innovation, engagement, and attracting and retaining the best. For people to achieve efficiency in performance of their duties, it is essential that the Company promotes their physical, mental, and emotional health care.

**What SDGs does it contribute to?** 8. Decent Work and Economic Growth; 5. Gender Equality.

**Which of the CSM's initiatives support it?** Talent's wellbeing and engagement; professional development and career plan; diversity, equity, and inclusion.

Note: See goals in the SDG table on page 21 of the report

Pei AM's strategy on human talent consists of retaining and attracting people with the best preparation and experience. Accordingly, PEI AM recognizes the importance of promoting and encouraging people's development and wellbeing.

In 2022, Pei AM continued to work on the consolidation of 3 initiatives aimed at managing this material issue:

Talent's wellbeing and engagement - Professional development and career plan - Diversity, equity, and inclusion.

In this sense and, as detailed below, Pei AM maintained and affirmed its employees' benefits program. This program promotes a comprehensive development of all areas of life, understanding the context and moment of each generation.

The Company also recognizes the importance of generating a safe and inclusive workspace for the work team through mechanisms that promote freedom of thought, gender equality, and the inclusion of people in their diversity. With this commitment, Pei AM increases innovation and moves forward in the consolidation of an organizational culture whose strength emerges from the people's differences. This was one of the central axes that Pei AM focused on during 2022, establishing the pillars of the Company's Diversity, Equity, and Inclusion Policy. The Company worked with several focus groups to (i) Study, learn, and understand the scope of what diversity, equity, and inclusion mean; (ii) Define the standards that the Company intends to achieve and promote in this connection; and (iii) Establish the action plan for the policy's implementation.

Pei AM will begin to raise awareness on this issue and implement it throughout 2023, defining the criteria and methodology to replicate these good practices with part of its stakeholders.

## **10.1. Talent's wellbeing and engagement**

### **10.1.1 Employees benefits plan**

GRI 401-2

Pei AM's benefits plan encompasses the following 4 categories, seeking a balance between work and life: (i) Time for you; (ii) Education and development; (iii) Health and wellbeing; and (iv) Quality of life. Each of these categories includes a series of programs, activities, and benefits designed and oriented to support the development and comprehensive wellbeing of the Company's employees. Below is a description of each of the categories:

Time for you: reduced Fridays, flexible hours, additional vacation days, family time, marriage leave, extended maternity and paternity leaves, half birthday day, graduation.

Education and development: education benefit, English program, E-learning platform.

Health and wellbeing: Prepaid health care insurance, life insurance policy, gym, *Emermédica*, sports culture, snacks and coffee machine.

Quality of life: Parking, VIP Services, agreements with banks and other third parties.

Employees with a direct contract with Pei AM will have available the above-described benefits.

### **10.1.2 Occupational Health and Safety Management System**

**GRI 403-1, 403-9, 403-10.**

Pei AM fosters a culture of safety and health for its employees; therefore, the Company's programs focus on the prevention of work-related accidents and occupational diseases, assesses the risks that employees may face while performing their duties, and permanently strives to improve the Occupational Health and Safety Management System (MS-SHW) based on the PDVA cycle (plan, do, verify, and act). The Occupational Health and Safety Policy stems from the MS-SHW, which points out the senior management's commitment therewith and the guidelines for the definition of the objectives and monthly metrics to evaluate the MS-SHW's structure, process, and results.

Pei AM permanently works with the ARL [*Aseguradora de Riesgos Profesionales* (Professional Risks Insurer)] in developing the activities required under the MS-SHW plan. In 2022, 257 hours were invested in training programs, document updates, and prevention activities.

Pei AM also renewed the Harmonic Work Committee and the Joint Committee on Safety and Health at Work (JCSHW) in 2022. Through these committees, employees can actively participate to continuously improve the MS-SHW. Additionally, in 2022 the ARL carried out trainings on the committees' duties and responsibilities, aimed at providing them greater visibility within the Company.

The total number of people covered by the MS-SHW in 2022 were 121 employees and 12 outsourced collaborators working in our offices. The outsourced collaborators work in the general services and correspondence area.

## **Identification of occupational hazards and work incidents**

### **GRI 403-9, 403-10**

Pei AM has in place a procedure to handle any work-related accidents and incidents within the Company and, together with the JCSHW, conducts their investigation, generating the relevant corrective measures and recommendations to prevent them and avoid their recurrence.

Two (2) work-related accidents happened in 2022, with a total 10 days of disability, resulting from a sporting event and an informational sign that was missing. Each of these events was subject to an investigation and the relevant measures were adopted to prevent recurrences. No reports on occupational diseases existed at the end of 2022.

Currently, all of Pei AM's employees can report any unsafe or risky actions through the JCSHW's email (JCSHW@Pei.com.co). There is also a direct communication line with the Human Talent area to report any news on work-related safety and health risks. On the identification of risks, Pei AM –along with the ARL– updated in 2022 the hazard matrix in accordance with the latest regulations issued by the National Government.

In addition to the above, Pei AM's ARL has a platform where compliance with the minimum required standards can be validated and recommendations issued, if necessary.

### **10.1.3 Employees Wellness Plan**

Pei AM has in place an employees' wellness plan focused on their care and wellbeing, which promotes their physical, mental, and emotional health. A number of activities aimed at celebrating mental and physical health, and certain special dates, were carried out in 2022. Some of these activities were:

Mother's Day: Talk focused on harmony and balance, as matter of co-responsibility.

Father's Day: Conversation on the father's role within families.

Mixed football tournament: Integration of the work team through a soccer-5 championship.

Races: Sponsorship of running races in Bogotá - half marathon, the *Allianz* race, and the Women's Race.

Valentines: Bowling tournaments per area to foster the relevant working team's integration.

End-of-year integration: The entire team was part of the end-of-year celebration to generate bonds of trust and integration.

## **10.2. Human talent's training and education**

### **GRI 404-1, 404-2**

#### **Training and education programs**

To manage one of the CSM's material topics on the human talent's development, Pei AM is committed with strengthening its work team's technical and managerial capacities, particularly in whatever serves them to better fulfill their duties and/or adapt to the new technologies and trends.

#### **E-learning**

One of the tools available to Pei AM's employees to strengthen and potentiate the Company's profiles is an e-learning or online learning platform with a catalog of over 600 courses on soft and technical skills on topics such as leadership, sales, and digital marketing, among others. A minimum content was determined for study by each employee according to their profile and regardless of their choice to voluntarily access the entire course catalog. The online tool facilitates access to its contents by each employee, who may simply adjust the intensity to their schedule and preferences.

#### **Annual training plan**

Each year the Company organizes, with the leaders of each area, a program on the topics or trainings required by their work teams. In 2022, the Company's employees benefited from 1,567 hours of training, 944 of which were aimed at women and 623 to men.

Additionally, the Company provides executive coaching sessions for the team leaders to develop their skills and, in 2022, 13 people received them with an average of 71 hours of training. The Company's tactical leaders also received mentoring sessions.

In terms of sustainability, specifically, the Company's staff participated in different sessions aimed at raising awareness on the subject and the methodologies to incorporate it into the Company's strategy and operation.

Two (2) employees from the Legal and Corporate Affairs Management Office completed the program certification on "Sustainability: Strategies and Opportunities for the Industry".

One (1) employee from the Legal and Corporate Affairs Management Office received a certified training on this reporting methodology.

Two (2) employees from the Legal and Corporate Affairs Management Office and the Asset Management Office took the course "Ministry of Environment’s Colombian Carbon Neutral Strategy".

Two (2) employees from the Legal and Corporate Affairs Management Office and the Financial and Administrative Vice presidency, attended the training workshop "Building the TCFD roadmap”, aimed at supporting companies in their process of building the TCFD roadmap.

**Condonable Education Benefit**

Because training and learning is key to the professional development and growth of the Company’s employees, Pei AM counts with a condonable education program.

**Performance assessment**

**GRI 404-3**

The Company conducts an annual performance assessment. In 2022, the performance assessment for 2021 encompassed 106 employees, equivalent to 100% of the persons subject to assessment in the year. The 2022 performance assessment will be conducted in March 2023.

The methodology used consists of three components:

**Organizational objectives:** Strategies implemented by Pei AM that reflect the organizational performance.

**Functional objectives:** Assigned to each work area to comply with the organizational goals.

**Competencies:** Individual performance, promoting the integration of work-related capacities with values, motivations, features, and abilities that reflect on conducts.

**10.3 Diversity, equity, and inclusion**

**GRI 405-1, 405-2**

Because Pei AM deems it fundamental to develop mechanisms ensuring equality, equity and inclusion are material topics within the Company's strategic framework.

In 2022, the Company set the goal of structuring the Diversity, Equity, and Inclusion (DEI) policy with the advice of an expert third party. A number of awareness workshops were held for different groups of employees to explain DEI concepts, their impact on the talent management processes, and establish the relevant policy guidelines.

**Gender equality**

57 men	65 women	Total employees
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At the end of 2022, balance between men and women remained in all positions within the Company. Furthermore, we evidenced that most of the labor force is between 30 and 50 years of age, followed by employees between 18 and 30 years of age. The table below describes the employee’s distribution:

Position Level	18-30 years of age		30-50 years of age		50+ years of age	
	Female	Male	Female	Male	Female	Male
<b>Directors</b>	1		4	3		1
<b>Directors: Senior/Junior</b>	3		15	10		
<b>Managers / Coordinators / Senior Analysts</b>	12	6	10	11		1
<b>Professional / JR Analysts Accountants</b>	5	12	12	6		1
<b>Assistants/Interns</b>	21	6		1	1	
<b>Totals</b>	1	24	41	31	0	3

The following table shows the distribution of the team by region and type of contract:

Type of Contract	Bogota		Cali	Medellin	
	Female	Male	Female	Female	Male
<b>Indefinite term</b>	55	52	2	1	1
<b>Fixed term</b>	3	3			
<b>Interns/ Apprentices</b>	2	2			
<b>Totals</b>	60	57	2	1	1

Pei AM makes no difference in its employees' compensation and currently applies Hay Group's scores methodology.

**Inclusion:**

Aligned with SDG 8 - Decent Work and Economic Growth and supporting Pei AM's commitment to equity and inclusion, the Company began to work with Best Buddies in 2022, with the operators hiring two "Friends of the Soul" to assist with and support *Atlantis Shopping Center's* and *City U's* customer service areas.

**11. ECO-EFFICIENCY AND ADAPTATION TO CLIMATE CHANGE**

**Content 3-3 Management of material topics**

## Ecoefficiency and adaptation to climate change

**Why is this a material issue for the CSM?** Managing the environmental impact of the assets under management is important to preserve the environment and people's health.

**What SDGs does it contribute to?** 7. Affordable and Clean Energy - 11. Sustainable Cities and Communities - 12. Responsible Production and Consumption.

**Which of the CSM's initiatives support it?** Renewable and clean energy – Carbon footprint – Water management – Waste management

Pei AM has stated that achieving ecoefficiency in the assets under management is a priority. With this in mind, in 2022 Pei AM put forward a management strategy aimed at reducing the environmental impact of the properties under management. To start, PEI's portfolio assets energy and water consumption and waste generation were measured for two purposes: 1) Establish a work plan to improve the measurement results and adopt actions or technologies to improve the assets' ecoefficiency; and 2) Adhere to the National Roadmap for Net Zero Carbon Buildings of Colombia, drawn up by the Ministry for the Environment and Sustainable Development in June 2022, which seeks to achieve net emissions equal to zero in all buildings by 2050.

Throughout 2022, the strategy focused on:

1. Consolidating the information on water and energy consumption, and waste generation.	2. Beginning the design of a climate management plan to achieve the measurement of the whole portfolio and a future reduction of its carbon footprint
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To consolidate this strategy, the manner how PEI's assets are managed and operated under different schemes –through participants intervening as co-owners, specialized operators, tenants, and horizontal property managers– needs to be considered. Therefore, Pei AM's environmental strategy considers not only the guidelines to improve PEI's assets ecoefficiency, but a complete partnering and awareness plan to align the abovementioned third parties with the strategy's implementation.

In furtherance of the proposed strategy and, hand in hand with an expert third party, throughout 2021 Pei AM continued to conduct ecoefficiency diagnoses on 24 assets (representing 32% of the leasable area, i.e., 376,000 m<sup>2</sup>), completing a total of 42 assets corresponding to 61% of the leasable area.

The goal of this diagnosis is to establish the assets' water and energy consumption levels and sources. Also, to learn the amount of waste generated and supervise the practices used to dispose it; and, finally, to evaluate the assets' climatic and light comfort. These diagnoses not only facilitate the consolidation of the information on consumption but provide recommendations on possible alternatives to adopt in the short, medium, and long terms to improve the properties' ecoefficiency.

Pei AM continued measuring the carbon footprint of its corporate facilities and 4 additional assets of PEI's portfolio in 2022, as explained below. Based on the results, Pei AM will adopt a climate action plan aimed at strengthening the organization's capacities and knowledge to deploy a carbon footprint measurement and management methodology.

## 11.1.

### Energy management

#### GRI 302-1, 302-2

Throughout 2022, Pei AM continued with the installation of solar panels in PEI's assets portfolio, completing a total of 12 with this technology, equivalent to 15% of the portfolio's GLA. In addition to reducing the environmental impact of the asset's operation, the solar panels are expected to provide benefits or savings for the tenants in the long term through a reduction of their energy consumption from traditional sources.

Pei AM considers ecoefficiency factors upon evaluating the properties that may become part of the vehicle. As a result, up to date, 23% of the portfolio assets have a LEED certification in the Core & Shell and Edge category. The certified assets are *Plaza Central Shopping Center, Atrio, Elemento, Isagen, One Plaza, Cittium, Rivana, Hotel Calablanca, Nutresa's logistics portfolio, and Sanitas Toberin.*

The Company also monitors its own energy consumption and that of PEI's portfolio under the different categories to identify any practices, events, or situations generating high consumption. This information is expected to support the structuring of initiatives to reduce energy consumption in the coming years.

#### **Pei AM energy consumption (Kw/h)**

Consumption according to ENEL's electricity bills for the Company

#### **2022's average monthly energy consumption (Kw/h) – PEI's Portfolio**

Commercial – Logistics – Corporate - Specialized

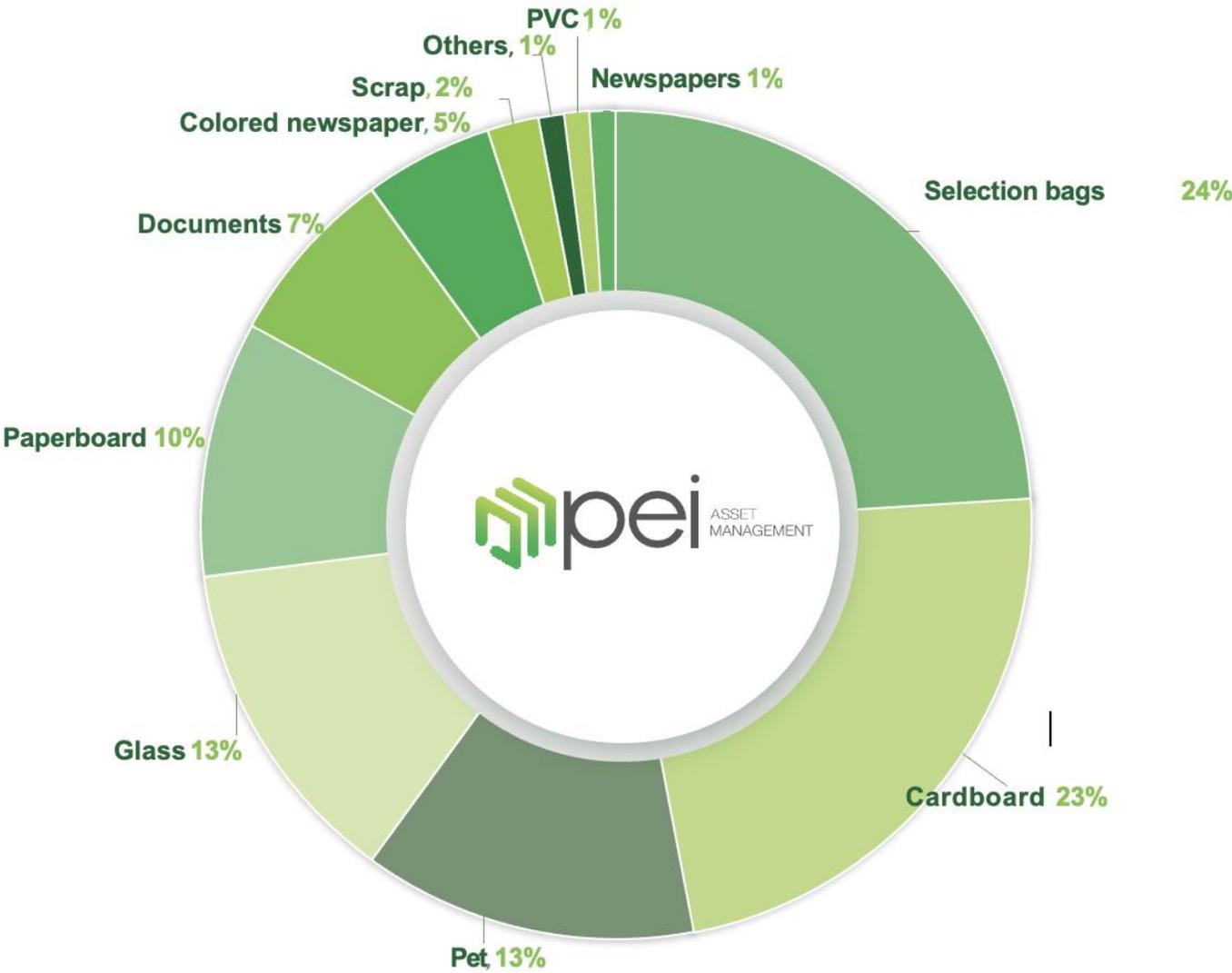
The increase in energy consumption was driven by the country's businesses and work force reactivation after the pandemic, which entailed a return to working in the Company's offices.

**11.2. Waste management**

**GRI 306-2**

A proper waste management contributes to mitigating the environmental impact of any activity. The horizontal property where Pei AM’s corporate offices is located, receives support from *Asociación de Recicladores Puerta de Oro*, a waste pickers association that recycles and reuses some of the Company’s waste material.

In addition, the revenues obtained from the sales of these materials, benefit *Puerta de Oro’s* associates, who mostly engage in recycling activities. For example, in January and February 2022, the Company delivered 1,457 kilograms (Kg) of Potentially Recyclable Materials (PRM), as follows:



**Certificate delivered by the *Asociación de Recicladores Puerta de Oro* - Bogota**

Regarding PEI’s real estate portfolio, Pei AM promotes the assets’ operators compliance with the applicable environmental regulations on water discharges and waste disposal. In this connection, certain operators collect the waste to later classify it between reusable and non-reusable and donate the reusable waste to recycling foundations.

### 11.3. Carbon footprint

#### GRI 305-1, 305-2, 305-3, 305-5

Pei AM continued to measure the carbon footprint of its corporate facilities and 4 of the abovementioned portfolio assets –which represent 14% of the leasable area, that is, 163,000 m<sup>2</sup>– throughout 2022. Methodological levels 1 and 2 were used to consolidate the calculations in accordance with the good practices suggested under the Intergovernmental Panel of Experts on Climate Change of 2006 (IPCC, 2008) Guidelines for each of the categories identified as emission sources.

Pei AM currently prioritizes its operational activities to generate the least possible impact on the environment, as follows:

**In 2022, the Company increased its emissions by 81.42% compared to 2019 (base year), mainly due to an increase of air and land travels.**

**Summary of emissions (Tons of CO<sub>2</sub>e from GHG emissions)**

Scope	Reach type	Type of emissions	Type of source	Base year (2019)	Current year (2022)	Base year - Current year	Tons CO <sub>2</sub> e 2022/ m <sup>2</sup>
1	Mandatory	Direct	Mobile	2.23	5.66	153.40%	0.005
2	Mandatory	Indirect	Purchased energy (third parties - SIN)	10.45	7.37	-29.44%	0.006
3	Optional	Indirect	Mobile	13.73	34.88	154.10%	0.033
<b>26.41</b>					<b>47.92</b>	<b>81.42%</b>	<b>0.045</b>

Pei AM generated a total of 47.92 tons of equivalent CO<sub>2</sub> (tCO<sub>2</sub>e) in 2022, 34.88 tCO<sub>2</sub>e of which resulted from air travels. Emissions grew, compared to 2019, mainly due to an increase in the number of air and land travels (154%) in 2022, following the country's economy reactivation after the COVID-19 pandemic and the consequent increase of air travels.

In line with the above, to offset the Company's carbon footprint for 2021, PEI AM carried out a tree planting day in 2022 –with the employees' participation–, reaching 240 different trees species planted and thus mitigating its greenhouse gases for the previous year.

Regarding PEI's portfolio, its greenhouse gases are being measured since 2019 (mandatory for scopes 1 and 2; optional for scope 3, depending on the data's availability and emission factors, based on the use of secondary information) –in their original units and equivalent tons of CO<sub>2</sub>– at 4 portfolio assets, with the following results:

#### EMISSIONS YEARS (Tons CO<sub>2</sub>e)

Base year                  Current year                  -                  Scope 1    Scope 2

The 35% decrease of the greenhouse gases in scopes 1 and 2 was mainly driven by the solar panels commissioning at *Plaza Central Shopping Center* and *Cittium Industrial Park's* eastern side's energy separation.

The purpose of the greenhouse gases' (GHG) measurement in recent years is to structure an improvement plan in the four assets' operation aimed at reducing their carbon footprint.

## **11.4. Water management**

### **GRI 303-1, 303-5**

Pei AM corporate offices' water consumption in 2022 averaged 564 m<sup>3</sup> from January to July. The Company increased consumption by 1.6% compared to 2021, driven by the employees return to work in the office.

Water was supplied by the Bogota Water Utility Company from its Treatment Plant.

PEI portfolio's water consumption measurement in 2022 showed the following:

PEI portfolio assets' water consumption in 2022 (m3)

Commercial

Logistics

Corporate

Specialized

The above will constitute the baseline of a plan to monitor and reduce the portfolio assets' water consumption in the coming years.

**12. CONTRIBUTION TO THE COMMUNITY’S, TENANTS’, AND SUPPLIERS’ WELLBEING**

Content 3-3 Management of material topics

## Contribution to the community's, tenants', and suppliers' wellbeing

**Why is this a material issue for the CSM?** Because tenants and concessionaires are an essential part of PEI's business, supporting their growth and development is critical to Pei AM.

Considering that suppliers have a permanent relation with the operation of the assets under management, it is ideal for their practices to be aligned with Pei AM and PEI's aspirations. Moreover, we want good sustainability practices to permeate the value chain in order to generate greater value and a major impact.

On the other hand, the positive impact on the communities surrounding the assets generates benefits for the tenants and their workers, development, and a sense of belonging, ensuring PEI's projects success.

**What SDG does it contribute to?** 8. Decent work and economic growth – 11. Sustainable cities and communities

**Which of the CSM's initiatives support it?** Tenants' and suppliers' development - Social impact (donations, territory's development, and civic commitment).

\* Departments with more than 10 assets

\* Departments with 1- 10 assets

\* Departments with no PEI assets

At the end of 2022, PEI had a consolidated a portfolio made up by 152 assets representing 1,142,833 m2 in more than 32 cities and municipalities of Colombia.

PEI's portfolio has the following four real estate categories supporting its diversification: commercial, corporate, warehouses, and specialized use assets that include health centers and student residences, thus constituting a portfolio with over 2,200 tenants.

Aware of its potential impact on tenants, suppliers, and the communities surrounding the assets, this material issue of Pei AM's CSM seeks to achieve partnering and synergies with the different stakeholders to generate a positive impact in the areas where the portfolio properties are. The following activities were carried out in 2022, in connection with this material issue:

### Tenants:

Tenants are critical stakeholders to the business continuity. Consequently, Pei AM is an ally contributing to the stabilization, performance, and development of their businesses. In this regard, the Company initiated the implementation of commercial strategy "*Metros a la 4 - (m<sup>4</sup>)*" [Meters to the Power of 4], as described in the Profitable Growth section hereof.

Additionally, PEI AM worked throughout 2022 to learn about the different tenants' labor practices and accordingly identify what they are working on, common points, and improvement opportunities to generate a collaborative action plan on very relevant issues such as diversity, equity, and inclusion; working conditions; and best labor practices.

### Suppliers:

In mid-2022, the new supplier portal was launched. All data creation and update procedures are carried out through this portal for greater visibility of the competing processes ongoing. The new portal allows a better management of the information related to the SAGRILAFI program and includes a chapter on the suppliers' corporate governance.

As mentioned earlier, with an aim to ensure that Pei AM's and PEI's suppliers protect and safeguard the human rights of their employees, contractors and, in general, any person that they may relate to in furtherance of their economic activities or corporate purpose, certain contractual clauses in this connection were included in the new contracts.

Along the same lines and, in order to learn about and promote the implementation of good ESG practices by suppliers, in 2022 Pei AM conducted a series of surveys on their Sustainable practices to discover future synergies and encourage the ESG factors' integration to promote a sustainable development.

Furthermore, Pei AM twice a year assesses its suppliers to provide them feedback on their strengths and opportunities for improvement.

### Community:

With support from its shareholders and managers, Pei AM has recurrently supported the education of youngsters under *Universidad de los Andes's "I Want to Study Program"*. Additionally, in 2022 Pei AM designed and implemented a mentoring program –with the Company's senior management contribution– to strengthen their training.

The Company also supported Propacífico, WWF Colombia, and the Bogotá Museum of Modern Art (MAMBO) throughout 2022, with the execution of programs related to each of these entities' purpose.

**13. RESPONSIBLE INVESTMENT**

**Content 3-3 Management of material topics, GRI 203-1,**

## Responsible Investment

**Why is this a material issue for the CSM?** Decision-making on investment-related matters must encompass an analysis of the economic, social, and environmental impact to ensure that they will be aligned with the different stakeholders' expectations, the pillars critical to the sustainability of the business over time, and the Corporate Sustainability Model.

**What SDG does it contribute to?** 5. Gender Equality – 7. Affordable and Clean Energy – 8. Decent Work and Economic Growth – 11. Sustainable Cities and Communities – 12. Responsible Production and Consumption – 16. Peace, Justice, and Solid Institutions

**Which of the CSM's initiatives support it?** Integration of the ESG factors upon selecting the assets that will be part of PEI's portfolio.

In line with its sustainability commitment and as a member of the Principles for Responsible Investment – PRI, Pei AM counts with a "Responsible Investment Policy" establishing the guidelines to incorporate the ESG factors in the real estate investments' selection process for the vehicles under management.

Following these guidelines, Pei AM incorporated a sustainability matrix in its analysis of the investment opportunities, which includes the ESG assessment criteria applicable to any investment opportunities.

Pei AM worked throughout 2022 in strengthening this matrix, including the definition of more specific assessment criteria depending on the different categories of assets under management and the status of the relevant assets under study.

**14. GRI CONTENT INDEX**

## GRI content index

Statement of Use	Pei AM has reported in accordance with the GRI Standards for the period between January 1 to December 31, 2022
GRI 1 used	GRI 1: Fundamentals 2021
Applicable Sector Standards	Not Applicable

Omissions						
GRI standards / Other sources	Contents	Place	Omitted requirements	Reason	Explanation	Sustainable Development Goal
<b>General contents</b>						
GRI 2: General contents 2021	2-1 Organizational details	P. 3				
	2-2 Entities included in the organization's sustainability report	P. 3				
	2-3 Reporting period, frequency, and contact point	P. 3				
	2-4 Restatement of information	There is no restatement				
	2-5 External assurance	This report has no external assurance				
	2-6 Activities, value chain, and other business relationships	P. 4				
	2-7 Employees	P. 36				
	2-8 Workers who are not employees	P. 28				
	2-9 Governance structure and composition	P. 6 and 9				
	2-10 Nomination and selection of the highest governance body	P. 6				

Omissions						
GRI standards / Other sources	Contents	Place	Omitted requirements	Reason	Explanation	Sustainable Development Goal
<b>General contents</b>						
GRI 2: General contents 2021	2-11 Chair of the highest governance body		No requirement is reported	Confidential information		
	2-12 Role of the highest governance body in overseeing the management impacts	P. 7				
	2-13 Delegation of responsibility for managing impacts		No requirement is reported	This aspect is being restructured and will be reported on in the next report		
	2-14 Role of the highest governance body in sustainability reporting	P. 7				
	2-15 Conflicts of interest	P. 11 and 15				
	2-16 Communication of critical concerns	P. 23				
	2-17 Collective knowledge of the highest governance body	P. 36	No requirement is reported	This aspect is being restructured and will be reported on in the next report		
	2-18 Evaluation of the performance of the highest governance body	P. 28	No requirement is reported	Confidential information		
	2-19 Remuneration Policies	P. 32				
	2-20 Process to determine remuneration	P. 32				
	2-21 Annual total compensation ratio		No requirement is reported	Confidential information		
	2-22 Statement on sustainable development strategy	P. 17				
	2-23 Policy commitments	P. 14	The requirement focused on human rights is not reported	This aspect is being restructured. We are working on the commitment's incorporation and will reported it in the next report		
	2-24 Embedding policy commitments	P. 14				
	2-25 Processes to remediate negative impacts	Described in the different chapters				

Omissions						
GRI standards / Other sources	Contents	Place	Omitted requirements	Reason	Explanation	Sustainable Development Goal
<b>General contents</b>						
GRI 2: General contents 2021	2-26 Mechanisms for seeking advice and raising concerns	P. 16	No requirement is reported	Confidential information		
	2-27 Compliance with laws and regulations	Described in the different chapters				
	2-28 Memberships associations	P. 22	No requirement is reported	This aspect is being restructured and will be reported on in the next report		
	2-29 Approach to stakeholder engagement	P. 18				
	2-30 Collective bargaining agreements	As of today, Pei AM has not entered into collective bargaining agreements with any union				
<b>Material topics</b>						
GRI 3: Material topics 2021	3-1 Process to determine material topics	P. 19				
	3-2 List of material topics	P. 20				
<b>Material topic: Profitable growth</b>						
GRI 3: Material topics 2021	3-3 Management of material topics	P. 20	No requirement is reported	Confidential information		
GRI 3: Material topics 2021	201-1 Direct economic value generated and distributed	P. 4, 5, and 22				
<b>Material topic: Risk management and digital innovation</b>						
GRI 3: Material topics 2021	3-3 Management of material topics	P. 23				

Omissions						
GRI standards / Other sources	Contents	Place	Omitted requirements	Reason	Explanation	Sustainable Development Goal
<b>Material topic: Human talent's development and wellbeing</b>						
GRI 3: Material topics 2021	3-3 Management of material topics	P. 26				
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 27				
GRI 403: Occupational health and safety management system 2018	403-1 Occupational health and safety management system	P. 27				
	403-9 Work-related injuries	P. 28				
	403-10 Work-related ill health	P. 28				
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	P. 29				
	404-2 Programs for upgrading employee skills and transition assistance programs	P. 28 and 29				
	404-3 Percentage of employees receiving regular performance and career development reviews	P. 31				
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	P. 30	No requirement is reported	Confidential information		
	405-2 Ratio of basic salary and remuneration of women to men	P. 31				
<b>Material topic: ecoefficiency and adaptation to climate change</b>						
GRI 3: Material topics 2021	3-3 Management of material topics	P. 32 and 33				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	P. 33				
	302-2 Energy consumption outside of the organization	P. 34				

Omissions						
GRI standards / Other sources	Contents	Place	Omitted requirements	Reason	Explanation	Sustainable Development Goal
<b>Material topic: Human talent's development and wellbeing</b>						
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	P. 39				
	303-5 Water consumption	P. 40				
305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P. 38 and 39				
	305-2 Energy indirect (Scope 2) GHG emissions	P. 38 and 39				
	305-3 Other indirect (Scope 3) GHG emissions	P. 38 and 39				
	305-5 Reduction of GHG emissions	P. 35				
GRI 306: Effluents and waste 2020	306-2 Management of significant waste-related impacts	P. 41				
<b>Material topic: Contribution to the community's, tenants', and suppliers' welfare</b>						
GRI 3: Material topics 2021	3-3 Management of material topics	P. 44				
	203-1 Infrastructure investments and services supported	P. 44				