

# **ESG Strategy Territoria.**

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## 1. Context

Territoria, comprised of El Olivar SpA, Territoria SpA, Territoria Asset Management SpA, Territoria Apoquindo S.A., Territoria Santa Rosa SpA, SIR Desarrollo Inmobiliario II SpA and Fondo de Inversión Privado Apoquindo, is a privately owned real-estate development and management firm that was founded in 2012 in Santiago, Chile, with ThUS\$600 million of investment assets under management and 180,000 m<sup>2</sup> of developed assets of its own.

In a world that has been significantly changing, Territoria strives to be a team that understands, deepens, and expands knowledge on the relationship between architecture, human life, and nature. Territoria develops people-oriented urban projects.

The Company has extensive investment experience across the risk spectrum and all property types, as well as a strong commitment to ESG (environmental, social, and governance) integration.

### 1.1. Mercado Urbano Tobalaba (MUT) at a Glance<sup>1</sup>

- ThUS\$600 million of investment assets under management
- 180,000 m<sup>2</sup> of assets under our own management in portfolio
- 60 team members

### 1.2. Incorporating Sustainability into Territoria

Territoria works to create long-term value and allows people to benefit from the spaces that are built for them and their communities. The ESG approach helps to achieve this goal.

MUT is part of Territoria Apoquindo SpA. It has worked to integrate ESG management into its construction stage and is now working on the operation stage as a team-wide effort to accelerate its commitments to and progress in sustainability.

MUT's approach to ESG integration involves a strategic framework based on policies, practices, and processes to guarantee and advance GRESB requirements and industry best practices. The disclosures and commitments can be found in the Sustainability Reports and on the Territoria website.

The Company strives to be a leader by relying on the areas of focus in its ESG strategic pillars, and these are fundamental in bringing together the objectives of investors, creditors, visitors, tenants, the community, and society in general.

The Company's business model includes three key pillars that all feature innovation as a strategic part:

- a) **Long-term vision:** Territoria defines itself as a real-estate developer and operator of mixed-use projects by partnering with funds that share the vision of developing and operating long-term projects.
- b) **Scale designed for balanced integration:** Territoria aims to integrate its projects in balance (beauty is balance) with the urban fabric and to satisfy people's multiple needs. Thus, the central focus of its endeavors is to integrate indoor and outdoor public spaces with mixed-use buildings that can meet the needs of their users and neighbors.

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<sup>1</sup> All data is current as of December 2022.

- c) **Care for natural resources and the environment:** Territoria reinforces the resilience of its projects to climate change in the construction and in the use phases. To achieve this objective, it incorporates initiatives that enable the efficient use of resources, the reduction of waste and emissions, and which contribute to the betterment of urban ecosystems and improvement of people's quality of life.

## 2. ESG Management at MUT

Integration of sustainability into MUT has been classified into three main dimensions:

- a) **Environmental (E):** this dimension focuses on reducing water consumption and the reuse of water, reducing carbon emissions, using clean energy, and reducing and reusing waste. This translates into a Circular Economy Model, which incorporates a series of measures to minimize the impact of the project on the environment. Our vision is to be the best real-estate partner and manager, and we work to benefit people and our communities by investing, developing and managing MUT and bringing about a real sense of belonging. This includes partnership, which contributes to sustainable development by helping to create ties with strategic allies who share MUT's environmental goals.
- b) **Social (S):** this area seeks to increase the comprehensive wellbeing of the people who come into contact with the project, in a collaborative environment that takes ownership of caring for the environment. We place our focus on people and on improving their experiences in our workforce, as well as on contractors, suppliers, visitors, tenants, and the community. We want to be part of and play a primary role in doing sustainable business. As such, we are pushing forward and driving this work through the ESG approach.

Our Commitment to Diversity, Equity, and Inclusion (DEI) features a drive for excellence, integrity, and innovation. Our team is crucial to our success and we are dedicated to attracting, developing, and promoting a talented and diverse workforce. We take care to provide an inclusive environment where differences are valued and where everyone can reach their full potential.

- c) **Governance (G)** involves including the highest level of ethical standards with robust corporate government to ensure that these standards are met.

### 3. ESG Commitments at MUT

Pillars of the strategy by area:

Environmental	Social	Governance
A1. Net zero energy	S1. Employee health and wellness program	G.1 Ethics and integrity
A2. Carbon neutrality	S2. Diversity, equity, and inclusion program	G2. Act 20,393 Crime Prevention Model
A3. Certifications	S3. Community Relations	G3. Sustainability standards (GRESB / SASB / GRI)
A4. Water management	S4. ESG integration in tenants	G4. ESG reporting
A5. Zero waste program	S5. Human rights	G5. Policies, standards, and procedures
	S6. Sustainable value chain	G6. Corporate Governance

#### 3.1. Commitments in Environmental Management (E)

We strive to incorporate international best practices and participate in sustainability benchmarking (such as GRESB) on a voluntary basis as a way to measure and advance ESG integration, while also establishing KPIs, targets, and commitments with strong governance that allows us to raise the bar for the industry. The following are our main commitments:

##### **A1. Energy efficiency**

- Direct energy consumption of our operations coming 100% from renewable energy sources
- Establishing a target for the reduction of energy consumption per square meter in the operation stage, using 2024 as the baseline

##### **A2. Carbon neutrality**

- Establishing a Net Zero baseline for MUT and future commitments for Scopes 1 and 2
- Promoting the use of electric vehicle, bicycle and subway travel by visitors to mitigate Scope 3 emissions
- Establishing emission offset measures
- Decongesting of 80,000 - 100,000 people per day at the Tobalaba Metro station
- Steel made from 97.7% recycled materials
- + 20,000 m<sup>2</sup> of public spaces and green areas
- + 2,000 bicycle parking spots

##### **A3. Certifications**

- Maintaining international building certifications
- Conducting research on indoor air quality (IAQ) and noise and light pollution, and integrating innovation and continuous improvement

##### **A4. Water management**

- 100% of bathrooms with a water saving system

- 100% irrigation with recycled water
- Building cooling without water evaporation
- Rainwater recovery for irrigation
- Condensation of air moisture captured for irrigation
- 50% reduction in potable water consumption
- Reduction in the consumption of 7,000 m<sup>3</sup> of irrigation water per year

#### **A5. Zero waste program**

- Zero waste sent to landfills in the operational phase

### **3.2. Commitments in Social Management (S)**

Our diversity, equity, and inclusion approach considers the entire talent ecosystem: access, recruitment, belonging, and community.

#### **S1. Employee health and wellness program**

- 58% of the workforce trained in innovation
- ESG training for at least 70% of the staff each year

#### **S2. Diversity, equity, and inclusion program**

- Maintaining gender balance within the executive team and staff
- Advancements in hiring individuals with disabilities
- Creation, approval, and publication of a Diversity and Inclusion Policy

#### **S3. Community Relations**

- 2023 Materiality survey and approval

#### **S4. ESG integration in tenants**

- Communication of the ESG strategy to tenants

#### **S5. Human rights**

- Publication of the Human Rights Policy

#### **S6. Sustainable value chain**

- Communication of the ESG strategy to tenants

### **3.3. Commitments in Governance Management (G)**

#### **G1. Ethics and integrity**

- MUT Code of Ethics by 2024
- Reporting channel open to all stakeholders

#### **G2. Act 20,393 Crime Prevention Model**

- MUT's Crime Prevention Model Certification by 2024

#### **G3. Sustainability standards (GRESB / SASB / GRI)**

- Include SASB materiality in the materiality study
- Respond to GRESB questionnaire annually with a goal to reach five stars

- Guiding the construction of indicators to be included in the sustainability report based on GRI

#### **G4. ESG reporting**

- Expanding and improving ESG data management
- Annual Sustainability Report

#### **G5. Policies, standards, and procedures**

- Publishing the Corporate Governance Policy in 2023
- Publishing the Environmental Policy in 2023
- Publishing the Social Policy in 2023
- Publishing the Diversity, Equity, and Inclusion Policy in 2023

#### **G6. Corporate Governance**

- Creation of Sustainability Committee