

Sustainability

Charting the future for robust real estate investments

2022 ANNUAL AND SUSTAINABILITY REPORT



FILRT•FR



SUSTAINABILITY
 Charting the future
 for robust real estate
 investments

FILRT is committed to sustainability, unlocking the value of eco-efficient assets and contributing as a productive asset class. It shares its growth and sustainability journey, enhances green-certified facilities, and maintains leadership as a sustainability-themed REIT. Backed by a strong sponsor and ESG principles, FILRT charts a future for robust real estate investments.

The pentagram symbolizes grace and enduring spirit in overcoming challenges.

OUR 2022 STORY

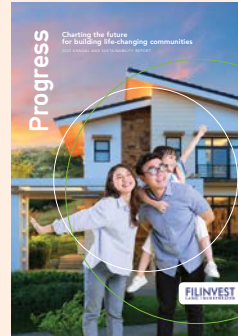
Charting the Future



GROWTH
 Charting the future
 for expansion and
 new possibilities

FDC is committed to charting the future with a growth mindset, scaling up, and diversifying to enable more Filipinos to achieve their dreams. It is building leadership capabilities and embracing new strategies inspired by ESG goals. Its Center of Excellence - a team of experienced talents - aims to guide and serve as catalysts for new businesses and accelerated growth.

Triangles layered on the image represent FDC's stable foundation and shared aspirations to excel.



PROGRESS
 Charting the future
 for building life-changing
 communities

FLI is committed to charting the future for progress by building life-changing communities, expanding geographically, and diversifying products. With our new leadership, it aims to explore innovative ways to deliver high-quality products and services to valued customers. FLI transforms land into thriving communities with residential enclaves and eco-efficient commercial spaces, building the dreams of the ordinary Filipino.

Circles layered on the image represent inclusivity, symbolizing the harmony in the communities served.



CONSUMER CENTRICITY
 Charting the future
 for new banking
 opportunities

East West Banking Corporation highlights its commitment to consumer-centricity and innovation for a future of financial inclusion. The bank's leadership team fine-tunes its sustainability framework, incorporating a social agenda alongside economic and governance practices. It is uniquely positioned to promote financial inclusion and drive long-term value.

Squares represent the bank's promise of stable and reliable service to its consumers who are at the heart of their business.

About this Annual and Sustainability Report

This combined Annual and Sustainability Report is the disclosure of Filinvest REIT Corp. (FILRT) on its financial and non-financial performance covering the calendar period ending December 31, 2022. It may contain "forward-looking statements" which are subject to a number of risks and uncertainties that could affect FILRT's business and results of operations. Any forward-looking statements are made based on current assessments. Although FILRT believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action or events.

The report on non-financial performance is published in compliance with the provisions of the Securities and Exchange Commission Memorandum Circular No. 4, Series

of 2019 (SEC MC 4), and aligns with the Sustainability Reporting Guidelines for Publicly Listed Companies (the SEC ESG Guidelines). It also uses the Global Reporting Initiative (GRI) Standard principles and reporting guidelines as reference.

Feedback on or inquiries about this report may be forwarded to ir@filinvestreit.com.

Feedback on or inquiries about this report or any matter concerning the EESG performance of Filinvest REIT Corp. may be forwarded to sustainability@filinvestgroup.com.

Vision

To grow a trusted portfolio of sustainable commercial properties that enriches the lives and well-being of our community.

Mission

- To enable the growth of our locators through dependable, redundant and sustainable environment
- To create and add value for our investors
- To build vibrant communities that enrich the lives of those who live and work in them
- To respect and protect the environment



One Tree. One Heart.
ONE FILINVEST

Core Values

- **Customer Centricity.**
Keep our customers top of mind.
- **Change for the Better.**
Innovation and agility rule our quest for operational excellence.
- **Filinvest Family.**
Invest in bringing out the best in ourselves and our team.
- **Entrepreneurial Mindset.**
Pursue new opportunities and take ownership of our decisions.
- **Shared Benefit.**
Grow hand in hand with our stakeholders.
- **Trustworthiness.**
Deserve and preserve trust.

Who We Are

Filinvest REIT Corp. (FILRT) is a real estate investment trust backed by Filinvest Land, Inc. (FLI), one of the largest property developers in the Philippines with an established portfolio of residential, office, retail and industrial developments around the country. FILRT was publicly listed on the Philippine Stock Exchange on 12 August 2021 as the first sustainability-themed REIT. As of 31 December 2022, 34.72% of the company is publicly traded while the balance is owned by its sponsor, FLI.

Its original portfolio consists of 17 Grade A and LEED Gold certified office buildings which include green and sustainability-themed features. Totalling over 300,000 square meters of gross leasable area, 16 of the buildings are in Northgate Cyberzone in Filinvest City Alabang. Filinvest City is a 244-hectare mixed-use and integrated city that is the first and only central business district in the Philippines to receive LEED® v4 Gold for Neighborhood Development Plan certification as well as a three-star Berde certification. Another building is Filinvest Cyberzone Cebu Tower 1 located in the gateway of Cebu IT Park in Lahug, Cebu City. Rounding up the portfolio is 2.9 hectares of land that is being leased to the owner and operator of Crimson Resort & Spa Boracay.

The company's growth will be driven by assets that conform to its investment criteria. FILRT's strategy is to expand in key central business districts in Metro Manila and towards major regional hubs in the Philippines with high and stable occupancy from income-generating grade A real estate properties, and deliver additional value by driving more efficient and sustainable cost of operations. New asset acquisitions will continue to focus on Grade A commercial properties and will expand beyond office leasing to include retail, leisure, residential and industrial properties into its portfolio.

FILRT operates as a Real Estate Investment Trust in compliance with Republic Act No. 9856, otherwise known as the REIT Act of 2009.

Table of Contents

- 02 Financial and Operating Highlights
- 03 Our Portfolio
- 06 Joint Message from the Chairperson and the President and CEO
- 12 Business Review
- 14 Board of Directors
- 16 Management Team
- 18 Tribute to Mercedes T. Gotianun
- 20 Sustainability
- 24 Environmental Performance
- 29 Social Performance
- 32 Corporate Governance
- 40 Risk Management
- 42 EESG Performance Metrics and SEC Content Index
- 52 Financial Review


	2022	2021
STATEMENT OF INCOME (P MILLIONS)		
Total Revenues	3,240	3,442
Net Income	1,305	1,855
STATEMENT OF FINANCIAL POSITION (P MILLIONS)		
Cash and Cash Equivalents	1,702	2,587
Total Assets	14,167	13,972
Bonds Payable	6,000	5,987
Total Liabilities	8,855	7,989
Stockholders' Equity	5,312	5,984
STATEMENT OF CASHFLOWS (P MILLIONS)		
Net Cashflow provided by Operating Activities	1,832	2,140
Net Cash provided by Investing Activities	-432	1,002
Net Cash used in Financing Activities	-2,286	-1,425
FINANCIAL RATIOS		
Current Ratio	0.36	2.58
Debt-to-equity ratio	1.13	1.01
STOCK INFORMATION (END OF PERIOD)		
Market Capitalization (P millions)	26,910	36,207
Stock Price (P)	5.50	7.40
Outstanding Shares (millions)	4,893	4,893
Earnings per Share (P)	0.27	0.53
OPERATING HIGHLIGHTS		
Total GLA ('000 sqm)	330,449	301,362
Average Occupancy	89%	89%

PROPERTY	DESCRIPTION	YEAR COMPLETED	TOTAL GLA (sqm)
Commercial Buildings			
Axis Tower I	Grade A, LEED Gold, PEZA-accredited	March 2018	40,869
Filinvest One	Grade A, PEZA-accredited	June 2013	19,637
Filinvest Two	Grade A, PEZA-accredited	September 2015	23,784
Filinvest Three	Grade A, PEZA-accredited	January 2015	23,784
Vector One	Grade A, EDGE-certified, PEZA-accredited	May 2011	17,764
Vector Two	Grade A, EDGE-certified, PEZA-accredited	September 2014	17,889
Vector Three	Grade A, LEED Gold, PEZA-accredited	January 2017	36,345
Plaza A	Grade A, PEZA-accredited	October 2007	10,860
Plaza B	Grade A, PEZA-accredited	March 2001	6,488
Plaza C	Grade A, PEZA-accredited	March 2001	6,540
Plaza D	Grade A, PEZA-accredited	June 2007	10,860
Plaza E	Grade A, PEZA-accredited	February 2014	14,859
iHub1	Grade A, PEZA-accredited	February 2015	9,480
iHub2	Grade A, PEZA-accredited	February 2016	14,181
5132 Building	Grade A, PEZA-accredited	February 2017	9,409
Capital One	Grade A, PEZA-accredited	February 2018	18,000
Cebu Tower I	Grade A, PEZA-accredited	February 2019	20,612
Commercial Lot			
Boracay Resort Lot	Leased to 5-star Crimsort Resort & Spa Boracay	January 2023 (start of 40-year lease)	29,086


Axis Tower 1
 Grade A, LEED Gold, PEZA-accredited
 Year Completed: March 2018
 GLA: 40,869 sqm



Filinvest One
 Grade A, PEZA-accredited
 Year Completed: June 2013
 GLA: 19,637 sqm



Filinvest Two
 Grade A, PEZA-accredited
 Year Completed: Sept 2015
 GLA: 23,784 sqm



Filinvest Three
 Grade A, PEZA-accredited
 Year Completed: January 2015
 GLA: 23,784 sqm



Vector One
 Grade A, EDGE-certified PEZA-accredited
 Year Completed: May 2011
 GLA: 17,764 sqm



Vector Two
 Grade A, EDGE-certified PEZA-accredited
 Year Completed: September 2014
 GLA: 17,889 sqm



Vector Three
 Grade A, LEED Gold, PEZA-accredited
 Year Completed: January 2017
 GLA: 36,345 sqm



Plaza A
 Grade A, PEZA-accredited
 Year Completed: October 2007
 GLA: 10,860 sqm



Plaza B
 Grade A, PEZA-accredited
 Year Completed: March 2001
 GLA: 6,488 sqm



Plaza C
 Grade A, PEZA-accredited
 Year Completed: March 2001
 GLA: 6,540 sqm




Plaza D

Grade A, PEZA-accredited
Year Completed: March 2007
GLA: 10,860 sqm

11



Plaza E

Grade A, PEZA-accredited
Year Completed: February 2014
GLA: 14,859 sqm

12



iHub1

Grade A, PEZA-accredited
Year Completed: June 2008
GLA: 9,480 sqm

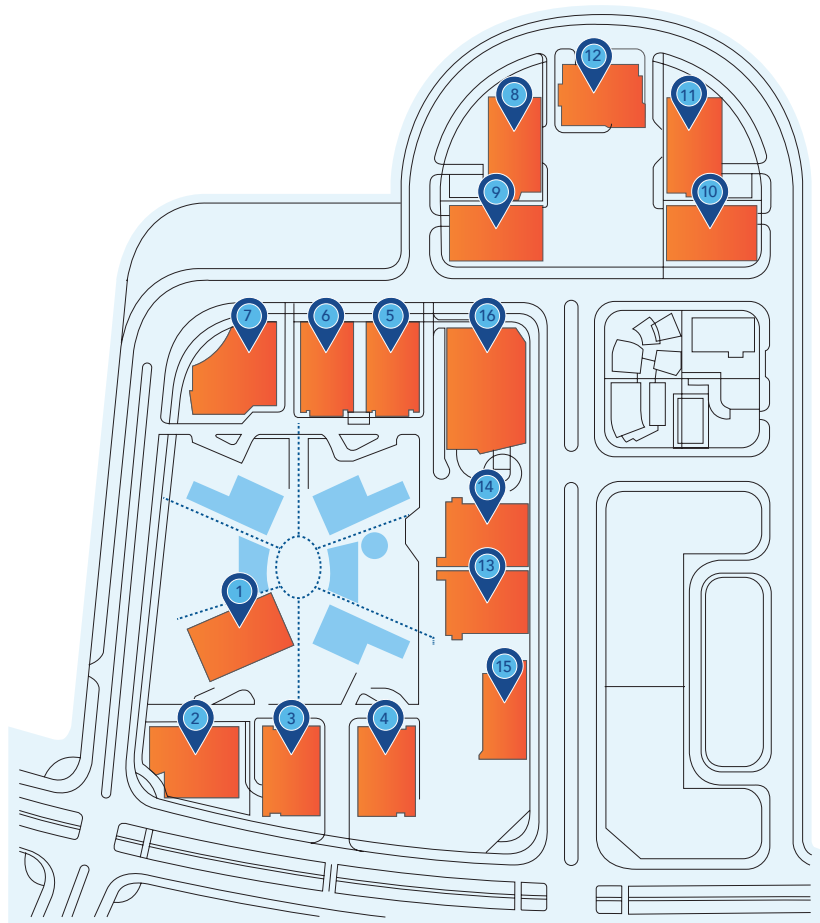
13



iHub2

Grade A, PEZA-accredited
Year Completed: August 2009
GLA: 14,181 sqm

14



5132 Building

Grade A, PEZA-accredited
Year Completed: November 2007
GLA: 9,409 sqm

15



Capital One

Grade A, PEZA-accredited
Year Completed: October 2005
GLA: 18,000 sqm

16



Cebu Tower 1

Grade A, PEZA-accredited
Year Completed: June 2015
GLA: 20,612 sqm

17



Boracay Resort Lot

Start of 40-Year Lease: January 2023
GLA: 29,086

18



Charting the Future



LOURDES JOSEPHINE GOTIANUN-YAP
Chairperson

Charting the future of FILRT involves a steadfast commitment to regularly inject assets into the portfolio.

At FILRT, we value our ability to adapt and transform as we navigate the growth path of the company. As a newly-listed Real Estate Investment Trust (REIT) at the Philippine Stock Exchange since August 2021, FILRT was able to expand the portfolio on its first full year of operations in 2022.

Charting the future of FILRT involves a steadfast commitment to regularly inject assets into the portfolio. Our investment strategy is designed to support the expansion of the portfolio and ensure investors receive stable and competitive returns.

Together with our fund and property management companies, FREIT Fund Managers, Inc. and ProOffice Work Services, Inc. we aspire to consistently grow FILRT, with the ultimate objective of increasing its size and enhancing liquidity. This will allow the wider capital market to participate in the new and growing Philippine commercial REIT sector.

Building a Sustainable Portfolio

The Filinvest Group's flagship commercial REIT is comprised of 17 Grade A office assets totaling over 300,000 square meters of gross leasable area (GLA) of

prime office space with a diverse and globally recognized tenant base.

Geographically, the portfolio is strongly focused on Metro Manila, in particular, the Alabang central business district where Filinvest, the Sponsor of FILRT, is the market leader with almost half of the market share. Alabang is a strong commercial business district (CBD) market that has seen higher rental rate growth relative to Makati and Metro Manila over the last decade.

Sixteen of the 17 buildings are in Northgate Cyberzone, a PEZA Special Economic Zone and IT park situated



MARICEL BRION-LIRIO
President and Chief Executive Officer

within Filinvest City in Alabang. Filinvest City is an award-winning integrated and master-planned township in the Alabang CBD in southern Metro Manila. The remaining assets: Cebu Tower 1 building, plus a property in Boracay.

To differentiate FILRT from the growing REIT market in the Philippines, we positioned our portfolio as the first sustainability-themed REIT given its many green features. Filinvest City, where majority of the buildings are located, is the first CBD in the Philippines to receive LEED® v4 Gold for Neighborhood Development Plan certification for its township-wide green and sustainability



features. Two of these buildings are LEED Gold-certified. In 2022, two other buildings passed the criteria for Level 1 certification on EDGE (Excellence in Design for Greater Efficiencies) developed by the International Finance Corporation. These green building certifications confirm our commitment to sustainability, particularly on energy, water and resource efficiency.

Filinvest City has excellent connectivity to major CBDs and neighboring regions, boosting its attractiveness to the locators of FILRT. The portfolio also has access to a wide range of supporting amenities and infrastructure such as the 1400 KVA truck-mounted PEZA-approved mobile genset as additional backup to the in-building gensets.

Our building designs have provisions for natural and LED lighting, natural ventilation where feasible, and the use of variable frequency drives. What



The Boracay property infusion is a step towards a more diversified portfolio for FILRT.

makes us stand out from the rest is the District Cooling System, the biggest in the country so far; that saves as much as 40% in energy consumption.

Portfolio Expansion

In the fourth quarter of 2022, FILRT acquired a prime property with a GLA of 29,086 square meters in the island of Boracay in the province of Aklan. As a result of this acquisition, FILRT was able to increase its portfolio GLA by 9.65% from 301,363 square meters to 330,449 square meters.

The Boracay property is leased to the multi-awarded Crimson Resort & Spa Boracay that is located at Station Zero which is in the more exclusive section of Boracay and has its own private beach front. The Crimson Resort & Spa Boracay was recently recognized by Conde Nast Johanssen as an "excellent resort for families" and was also named by Time Magazine in their "50 Best Places to Visit" list.

The infusion is a step towards a more diversified portfolio for FILRT, which adds a high-grade asset outside of Alabang and Cebu, where most of the assets are located.

It also broadened the income profile mix beyond office leasing and into the growing Philippine hospitality and leisure segment. The deal structure allows FILRT to participate in the upside in line with the expected rapid growth of Philippine tourism and thereby provide an added boost in dividends for its shareholders.

Our 2022 Financial Performance

What challenged FILRT and the office leasing segment in 2022 was brought about by the globally changing workplace environment. Even while the world has opened up and is no longer operating under a pandemic, the effects lingered in the labor market such that many preferred to keep working from home. The implementation of hybrid work set-ups in PEZA Special Economic Zones like our Northgate Cyberzone property affected our leasing patterns. Amidst this challenge, FILRT showed resilience and demonstrated a stable performance for the year.

FILRT recorded a net income of ₱1.31 billion in 2022. This was achieved on the back of rental and other revenues of P



₱3.24 billion. Average occupancy for the year was 89%, including the newly infused Boracay property that was added to the portfolio in December 2022.

FILRT's occupancy rates and rental rates per square meter performed better than industry. In Alabang where 16 buildings are located, FILRT's 2022 average occupancy stood at 87% against the 70% industry average based on Colliers International's Q4 2022 Property Market Briefing. In Cebu, FILRT's Cyberzone Cebu was 100% occupied on year-end against the 78% industry average. FILRT's rental rates for Alabang and Cebu remained to be at the higher end of industry ranges.

New leases of 5,087 square meters were signed in 2022 while FILRT renewed 22,891 square meters or 96% of expiring leases during the year, thereby maintaining our strong history of lease renewals. Weighted Average Lease Expiry or WALE is 6.9 years, and is forecasted to increase in 2023 as new leases and renewals for the year set in.

FILRT's balance sheet remained healthy, with total assets increasing by 1.4% after utilizing cash and retained earnings to pay dividends and the purchase of the Boracay lot. FILRT is conservatively levered, with debt of ₱6 billion in the form of existing bonds as of the end of 2022. The bonds have since matured and were fully paid in January 2023. This puts loan-to-value ratio at 11.85% which is well below the 35% regulatory limit.

FILRT has declared seven dividends since its IPO. In 2022, FILRT declared and paid dividends totaling P0.404 per share that translates to a dividend yield of 7.35% based on the 2022 closing price of ₱5.50 per share. FILRT is focused on diversifying its portfolio to boost dividends for its shareholders while improving the revenues of its existing prime office assets.

Charting the future

We expect our portfolio to benefit from intrinsic and organic growth as building occupancy improves. Contractual escalation terms are built into about 90% of our office leases, averaging 5% per annum rental escalation overall. In 2023, as early as February, new Letters of Intent have been signed by traditional and BPO multinational companies to lease almost double the size of the previous year's new leases.

Our inorganic growth potential is backed by the right of first refusal (ROFR) that sponsor Filinvest Land Inc. (FLI) has granted to FILRT. This covers all significant commercial properties owned by FLI and its wholly owned subsidiaries. FLI has about 465,000 square meters of office and mall gross GLA in key CBDs that are potential acquisitions for FILRT. Other asset classes may also be added to FILRT coming from the commercial projects of the Filinvest group.

Our sponsor FLI is fully committed to grow FILRT's portfolio with regular asset infusions. We are guided by a clear

investment strategy in order to sustain the portfolio expansion and provide a stable and competitive return to investors, with focus on dividend yield protection.

In closing, we would like to thank our shareholders, creditors, tenants and customers for their trust and confidence. We also wish to acknowledge our fellow Board of Directors for their guidance and support, and the team behind FILRT for continuously building a robust REIT portfolio. We are fully committed to expanding our assets, providing stable returns, and delivering value to our shareholders. Our every day will be about charting a sustainable path towards providing our market with an exceptional real estate investment experience.

Thank you.



JOSEPHINE GOTIANUN-YAP
Chairperson



MARICEL BRION-LIRIO
President and CEO



We are guided by a clear investment strategy in order to sustain the portfolio expansion and provide a stable and competitive return to investors, with focus on dividend yield protection.

Building a Sustainable Portfolio



Portfolio

The Filinvest group's flagship commercial REIT is comprised of 17 Grade A office assets totaling over 300,000 square meters of gross leasable area (GLA). Geographically, 16 of the 17 buildings are in Northgate Cyberzone in Filinvest City in Alabang, Metro Manila, a PEZA Special Economic Zone and IT park. Another building is located in the gateway of Cebu IT Park in Lahug, Cebu City.

In the fourth quarter of 2022, FILRT acquired a 29,086 square meter land located in the most prime section of Boracay, Aklan from its ultimate parent company, Filinvest Development Corporation (FDC), with a valuation of ₱1.077 billion. This brought total valuation of the portfolio to ₱47.4 billion as of end-2022, as valued by an independent appraisal company.

The portfolio is strongly focused on Metro Manila, in particular the Alabang Central Business District (CBD), where the Filinvest group is the market leader

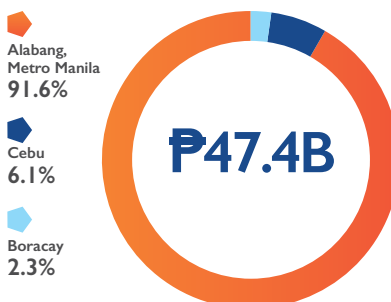
with almost half of the market share. Alabang is a strong CBD market that has seen higher rental rate growth than Makati and overall Metro Manila over the last decade.

Filinvest City is an integrated township with excellent connectivity to major CBDs and neighboring regions such as CALABARZON. The township features superior workforce accessibility with five major thoroughfares like the Skyway,

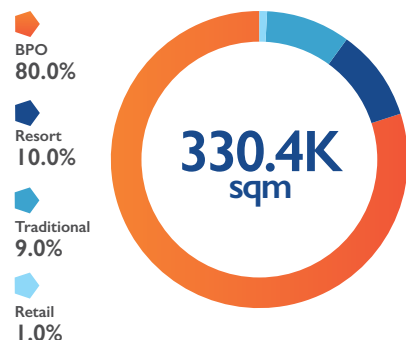
South Luzon Expressway and Alabang-Zapote Road, and one of South Metro Manila's largest multi-modal transport hubs for the workforce.

BPO tenants contribute 80% of occupied GLA. With the infusion of the Boracay property, resort takes up 10%. Traditional office tenants take up 9% and the small remainder is leased to retail tenants. FILRT has zero POGO exposure.

Portfolio geographical breakdown by valuation



Tenant sector by occupied GLA





Overall, the portfolio had an average occupancy of 89 percent in 2022 and a weighted average lease expiry (WALE) of 6.9 years as of end-2022. The office assets have well spread out lease expiries, with the bulk of the leases expiring in 2025 and beyond.

The office assets are on land held on leasehold basis. FILRT has secured long lease terms of 75 years for the Metro Manila assets from its Sponsor, Filinvest Land, Inc. (FLI).

Financial Performance

FILRT recorded a net income of ₱1.31 billion in 2022 achieved on the back of rental and other revenues of ₱3.24 billion. FILRT is conservatively levered with debt of ₱6.0 billion at the end of 2022 in the form of bonds. This put the loan-to-value ratio at 11.85% which is well below the 35% regulatory limit. The bonds matured and were fully paid on January 7, 2023.

Dividends

To date, FILRT has distributed seven dividends since its IPO. In 2022, FILRT declared and paid dividends totaling ₱0.404 per share, delivering a yield of 7.35% based on its 2022 closing price of ₱5.50 per share. FILRT's dividend yield is higher compared to the 2022 average and end of period yield of 10-year government bonds.

Growth Prospects

FILRT's Sponsor, FLI, is fully committed to grow the REIT portfolio with regular asset infusions. With the guidance of FILRT's fund management company, the common goal is to expand the portfolio and provide a stable and competitive return to investors, with focus on dividend yield protection.

The investment strategy in acquiring assets is clear. It should be: one, located in key CBDs in Metro Manila and

major regional hubs or key cities in the Philippines; two, should have a high and stabilized occupancy; and three, of Grade A quality that may be related to other types of real estate properties such as retail, residential, leisure and industrial.

The acquisition of the Boracay property a key step towards the aim of diversification. It not only expanded the asset-type but also broadened the income profile mix beyond office leasing and into the hospitality sector.

A pipeline of possible commercial assets has been identified for potential asset infusion. FLI has about 465,000 square meters of office and mall gross GLA in key CBDs that are potential acquisitions for FILRT. There are also other asset classes within the Filinvest group that are under consideration, the details of which will be announced in due course.



LEFT TO RIGHT:

LOURDES JOSEPHINE GOTIANUN-YAP
Chairperson

MARICEL BRION-LIRIO
Director, President and Chief Executive Officer

FRANCIS NATHANIEL C. GOTIANUN
Director



LEFT TO RIGHT:

VAL ANTONIO B. SUAREZ
Independent Director

GEMILO J. SAN PEDRO
Independent Director

VIRGINIA T. OBCENA
Independent Director

TRISTANEIL D. LAS MARIAS
Director



LEFT TO RIGHT:

MARICEL BRION-LIRIO

President and Chief Executive Officer

ANA VENUS A. MEJIA

Treasurer and Chief Finance Officer

RAYMOND WILFRED L. CASTAÑEDA

Data Privacy Officer



LEFT TO RIGHT:

PATRICIA CARMEN D. PINEDA

Investor Relations Officer

KATRINA O. CLEMENTE-LUA

Assistant Corporate Secretary and Corporate Information Officer

MARIA VICTORIA REYES-BELTRAN

Compliance Officer



In memoriam

Mercedes T. Gotianun

Nov. 5, 1928 – Dec. 11, 2022

A Tribute to an Extraordinary Lady

The Filinvest Group of Companies pays tribute to Mercedes T. Gotianun, the other half of the husband-and-wife tandem whose visionary leadership and entrepreneurial spirit nurtured Filinvest into the multi-business conglomerate that it is today.

Mercedes was a paragon of business acumen and a role model of success for women in business. A BS Pharmacy (Magna Cum Laude) degree holder from the University of the Philippines, she displayed admirable leadership qualities and an effective hands-on management style from the moment she became part of the formidable Filinvest duo.

With her husband, the late Andrew Gotianun Sr., as the idea man, Mercedes was the tireless implementor. Together, they turned a humble consumer financing company with a meager P300,000 in borrowed funds into a robust conglomerate with interests in high-growth industries. Since 1967, she held various leadership positions across their businesses.

She joined Family Savings Bank in 1970 as Executive Vice President and became President in 1978.

Under her leadership, Family Savings Bank grew into the largest savings bank in the country in terms of capital. In 1981, it was granted an authority by the Central Bank of the Philippines to engage in full commercial banking and was renamed Family Bank and Trust Co. (FBTC). In 1982, FBTC became the 8th financial institution to acquire a universal banking license, thus making Mercedes the first Filipina to become president of a universal bank.

After spending a few years abroad, Mercedes and Andrew bounced back from retirement, applying the Midas touch in yet another industry – real estate. In 1989, the couple headed into property development, turning Filinvest into one of the Philippines' leading full-range developers. A few years later, they made a successful return to banking through EastWest Bank.

More than being a diligent businesswoman, Mercedes was also a successful homemaker. She was a forerunner of career women who had to balance family and business. Dividing her time between the home and the boardroom, Mercedes was known to keep her household as well-organized as her businesses. She raised four children, who all became accomplished professionals and leaders of the company. She was a major influence on her grandchildren, many of whom are now holding various positions in the Filinvest Group.

Mercedes was also a compassionate philanthropist. She and Andrew always had a soft spot for children and they believed that access to education would open up more opportunities for underprivileged youth. A fateful meeting with Fr. Pierre Tritz, SJ during a Jesuit occasion started a long-standing relationship between his Educational Research and Development Assistance (ERDA) Foundation and the Filinvest Group that now spans over five decades. Filinvest continues to work with ERDA and other organizations to advance their advocacy for education.

Known to lead by example, Mercedes always stressed the importance of work ethics in dealing with partners and the

general public. She often said, "I would like to leave a legacy of honesty, fairness, and integrity, same as my husband."

When asked about her formula for success, she kept it short and sweet – prayers, confidence in your abilities, and hard work. And indeed, this was what she lived by throughout her long and fruitful life.

Mercedes will be remembered not only for her extraordinary life and legacy, but more fondly for her wit, intelligence, and unwavering devotion to her family. Hers is the epitome of a life well lived.



Championing Environmental, Economic, Social, and Governance Best Practices

As a sustainability-themed REIT, FILRT has embedded EESG into its assets and operations in order to preserve, enhance and create value.

Scope and Material Topics

The sustainability report of FILRT covers the management of its portfolio of assets as of December 2022. The asset list includes sixteen office buildings located in Northgate Cyberzone in Alabang, Muntinlupa City, an office tower in Cebu City, and the property in Boracay Island, Malay, Aklan. However, this report does not include the EESG performance of the Capital One and Boracay properties, which are managed by the lessees.

Since FILRT operates as a lessor of commercial spaces, some material topics that are relevant to its Sponsor, Filinvest Land Inc. (FLI), may not be significant for FILRT. First, FILRT does not undertake land development and construction of new buildings but leases and manages properties that are operational and with stable revenues. Second, FILRT does not have direct employees but engages seconded talents from FLI, Filinvest Development Corp. (FDC) and other subsidiaries within the Filinvest group. Property management and fund management are performed by ProOffice Works Services, Inc. and FREIT Fund Managers, Inc., respectively. Thus, the human capital narratives are discussed under FLI's and FDC's EESG performance disclosures.

From stakeholder interactions, the following material topics were deemed relevant to FILRT's operations:

EESG Aspect	FILRT's Material Topics
Economic	<ul style="list-style-type: none"> Jobs generated or maintained Support to businesses and tenants Financial liquidity Macroeconomics and impacts on office leasing
Environment	<ul style="list-style-type: none"> Environmental compliance Resource efficiency Energy efficiency, renewable energy and climate change mitigation Waste management Design of green buildings and neighborhoods Climate change adaptation and mitigation
Social	<ul style="list-style-type: none"> Occupational health and safety Pandemic impacts: health, work arrangements Talent development and engagement Public and workforce mobility Work from Home
Governance	<ul style="list-style-type: none"> Good governance structure Government policy and regulatory compliance Transparency with disclosures Compliance with emerging regulations

Materiality assessment is undertaken through regular interactions with office tenants, many of whom have adopted their own sustainability goals. The insights gathered, along with those from other Filinvest units, contributed to the crafting of FDC's sustainability framework which is supported by the pillars of Green,

Inclusive and Resilient. Under each pillar, there are specific focus areas FILRT has identified as relevant to its business model and operating environment. These focus areas form the core of FILRT's non-financial performance reporting going forward.

Stakeholder Engagement

FILRT's primary stakeholders are its office, retail, and lot tenants. Other stakeholders include REIT investors, providers of capital, regulators, the Filinvest Group, and its supply chain. The company keeps track of all concerns raised by its stakeholders and employs multiple channels to address these concerns and attain common objectives.

Stakeholder	Concerns	Engagement Channels and Response
Secoded employees from Filinvest Group	<ul style="list-style-type: none"> • Training and Development • Workload • Employee Engagement • Occupational Health and Safety 	<ul style="list-style-type: none"> • Competency assessment and trainings using various channels • Email communications, bulletins and town hall meetings • Online administrative tools • COVID-19 Protocols and vaccination program
Lessees / Tenants	<ul style="list-style-type: none"> • Health and Safety of workers and tenants' clients • Support to tenants' own EESG goal 	<ul style="list-style-type: none"> • Compliance with protocols on COVID-19 • Coordination and disclosures on the environmental performance of building operations
Investors and Lenders	<ul style="list-style-type: none"> • Financial liquidity/sustainability • Disclosure transparency • Good governance • EESG performance 	<ul style="list-style-type: none"> • Timely and transparent disclosures • Press releases, FILRT website, one-on-one meetings and investor conferences • Publication of Annual Report and Sustainability Report • Development of a sustainability framework and EESG information repository
Supply Chain and Service Providers	<ul style="list-style-type: none"> • Supplier accreditation and efficiency in transactions • Indirect jobs generated 	<ul style="list-style-type: none"> • Centralized supply chain management
Government Agencies	<ul style="list-style-type: none"> • Government incentives • Compliance • Good governance 	<ul style="list-style-type: none"> • Sustaining PEZA accreditation • Timely regulatory filings and permit renewals • Independent board members appointed to oversight roles • Participation in public consultations on proposed regulations
Environment	<ul style="list-style-type: none"> • Compliance • Energy efficiency • Waste management • Green spaces • Green designs • Resiliency • Climate Change mitigation 	<ul style="list-style-type: none"> • Consistent compliance with all environmental regulations, including wastewater effluents, hazardous wastes and air emissions • District cooling system (DCS) • E-Jeepneys and pedestrian paths • Building LEED certifications and green design of assets • Partnerships to secure renewable electricity supply

Filinvest Group's Sustainability Framework

Filinvest is a sustainability champion whose commitments are manifested through corporate social investment, adoption of best practices and management of EESG and business risks to ensure long-term value creation, and delivering innovations to maximize positive impact.

GREEN

We manifest responsibility towards the environment that provides ecosystem services which sustain our operations

Green Designs for Sustainable Communities
(biodiversity and resource efficiency - energy, water, waste - and people-centricity)

Closed Loops and Circular Economy (resource efficiency)

Net Zero (carbon commitment)

INCLUSIVE

We support the unserved and underserved by providing innovative solutions and exploring where others are not. We create value for both shareholders and stakeholders. We champion equality and diversity in all aspects of operations

Serving the Underserved/Unserved
(banking the unbanked, affordable housing, energy & water security, unlocking tourism value, supporting farmers)

Nurturing Talent: Opportunities for Jobs, Development and Growth
(human capital readiness)

Engaging Communities
(local partnerships, supply chain)

RESILIENT

We are ready for disruption, challenges and opportunities that come our way

Resilient Assets (site resilience)

Resilient Operations
(business continuity, supply chain resilience, financial resilience)

Organizational Agility
(integrated business ecosystem, people agility)



Green

Filinvest acknowledges that its relationship with the environment is reciprocal. The company relies on ecosystem services like water, energy, climate control, and pollution assimilation to sustain its operations. In turn, the company must provide services to the environment to ensure these ecosystem services are sustained for the long-term.

FILRT's office assets, particularly those developed recently, have incorporated green designs that include built-in efficiencies in energy, water, and resources. These designs also consider the needs of the people who work in these spaces, such as mobility and quality of life

FILRT's property management also strives to manage the negative impacts on the physical environment by minimizing the

use of resources, and, as applicable, reuse such resources. Circular economy solutions are in place, but more are being developed.

A commitment to contribute to the Philippines and the United Nations' Net Zero carbon emissions goal is essential for fulfilling responsibility towards the environment. FILRT offers energy efficiency and renewable energy solutions as key deliverables to its clients who also have their own Net Zero aspirations.



Inclusive

FILRT has built in designs in its assets that ensure no one is left behind in economic empowerment. Enhancing ease of travel for workers is achieved through strategic partnerships in the transport sector, while thoughtful

designs for buildings and public spaces ensure mobility and productivity for differently-abled individuals. Women are empowered to take leadership roles in the Filinvest organization. Talents are given the opportunity to grow their careers and the company supports them through various capacity building strategies like training and mentoring.



Resilient

FILRT strives to own and operate assets that are ready to withstand and immediately recover from various types of disruptions or challenges that may be natural or man-made. The ability to respond quickly to risk events is a shared goal of FILRT, its clients, and business partners. An agile organization not only helps build resilience against emerging risks, but also enables responding to opportunities when they arise.

FILRT's 2022 Environment, Economic, Social, Governance Highlights

32%

of electricity used was from renewables (from 26% in 2021)



100%

completion of installation of variable frequency drives



Two

existing buildings approved for EDGE certification



11.5%

of treated effluent reused



37.5%

increase in seconded female executive, managerial and supervisory roles



Zero

cases of environmental violations



100%

conversion to LED lights



Green and sustainable communities at the heart of Filinvest

As a sustainability-themed REIT, FILRT's growth is anchored on having a pipeline of high value and green-designed assets that attract tenants who share Filinvest's sustainability goals. Energy, water and resource efficiency, as well as inclusive mobility, green spaces and human experience are fundamental principles that are incorporated into the master planning of the district and design of the buildings.

Green Certifications

FILRT assets in Alabang are located in the master planned Filinvest City, which has a LEED Certification for Neighborhood Development. Axis Tower One and Vector Three have received LEED Gold Standard certification. These properties are designed to be at least 10% more energy-efficient than conventional buildings, with features such as highly efficient facade glazing, efficient HVAC equipment and LED lighting, and energy recovery ventilators. They also have low-flow water fixtures and reuse treated wastewater to reduce water consumption by up to 30%.

In 2022, Vector One and Two underwent an assessment for Level 1 certification under EDGE (Excellence in Design for Greater Efficiency), an international green building standard and certification system created by the International Finance Corporation. Four other towers are expected to receive their own EDGE certifications in 2023. Future properties in FILRT's pipeline, such as Axis Tower 2, 3, and 4 and Filinvest Cyberzone Cebu Tower 2, are already LEED pre-certified and feature environmentally responsible designs with energy, resource, and water efficiencies, green spaces, and green mobility options.

The Axis building cluster in Alabang has 60% of its footprint as green spaces.

Embedded Energy Efficiency

FILRT's energy management approach revolves around two key focus areas. First, the realization of energy efficiency in operations, and second, sourcing for renewable energy.

The FILRT office buildings in Alabang are supplied with chilled water for airconditioning by the largest District Cooling System (DCS) in the Philippines. The DCS was designed to potentially reduce the buildings' collective electricity consumption by 40%, and water use by 20%. This was implemented through a partnership between Filinvest and ENGIE after the individual chillers of the buildings had been decommissioned.

Natural lighting is a feature in newer buildings. Parking podiums are well illuminated by natural light and do not require artificial lighting during the day. In 2022, the conversion to LED light fixtures in all FILRT properties was completed.

As of the end of 2022, variable frequency drives were installed in 100% of chilled water pumps, boosters, transfer pumps and pressurization blowers to provide sufficient power to address real time demand.

Circular Economy Solutions

Filinvest is committed to establishing a circular economy by extending the useful life of waste materials through

continuous reuse or recycling. This is in recognition of the pressure on natural resources caused by commercial operations. In FILRT, this commitment is currently demonstrated through partnerships for the recycling of hazardous waste and the reuse of treated wastewater.

Water Sources, Consumption and Wastewater Reuse

(GRI 303-2, 303-3, 303-4, 303-5)
The buildings of FILRT in Alabang obtain most of their water from the public water utility of Metro Manila's west zone, which gets its raw water from the Angat-Ipo-La Mesa watersheds and Laguna Lake. Countrywide Water Services, Inc. (CWSI), the water distribution utility in Filinvest City, supplements this water supply with groundwater to enhance the buildings' resilience against service interruptions.



The only FILRT building in Cebu gets its water mainly from the local water utility, which primarily uses groundwater, with around 10% coming from a river source, north of the city. With the completion of an 80 million liter per day desalination bulk water project by the Filinvest Group, the water security in Cebu City is expected to improve.

All wastewater in Filinvest City is accounted for and treated in a centralized sewage treatment plant by CWSI, which complies with the effluent standards set by the Department of Environment and Natural Resources (DENR DAO 2021-19). The treated effluent is discharged to the Alabang-Cupang/Mangagate River that drains into Laguna Lake. However, part of it is returned to Filinvest City for landscape irrigation and cleaning purposes in the sewage treatment facility, significantly reducing the demand for drinking water used for non-potable purposes. In 2022, 11.5% of the wastewater attributed to FILRT was reused.

The Cebu property has its own CWSI-operated sewage treatment facility that discharges effluent into a creek that empties into the Mactan Channel.

Recovering the Value of Wastes

(GRI 306-2, 306-3, 306-5)

FILRT property management has revived a long-standing partnership with ABS CBN Kapamilya Foundation's Bantay Kalikasan (AFI-BK), particularly on the long running Bantay Langis and Bantay Baterya projects, as well as AFI's industrial partners Genetron International and Philippine Recyclers Inc.

Used oil and lead acid batteries of vehicles and building equipment are donated to AFI-BK and is picked up by its industrial partners who will process the wastes into new materials. Philippine Recyclers Inc. recovers the lead from used batteries to manufacture new ones. Genetron treats and re-refines

the used oil to generate new products. The two industrial partners assess the market value of the donated materials and remit the amount to AFI-BK. The money is used to fund the various Bantay Kalikasan environmental initiatives across the Philippines. AFI-BK then issues a certificate of donation to FILRT's property manager which can be used for tax credits.

The scheme also allows the property manager to minimize the total cost of disposal had another service provider been engaged. Other hazardous wastes not covered by the partnership, such as busted fluorescent bulbs and waste electronic equipment, are disposed by regulator-accredited service providers. Furthermore, converting to LED lighting in 2022 resulted in the long-term avoidance of generating hazardous wastes from busted fluorescent bulbs.

The municipal solid wastes generated in the leased office spaces of FILRT are being segregated at source and further segregated by back-of-house services. A third-party contractor is engaged to dispose of the wastes in an accredited sanitary landfill.

A Filinvest City-wide solid waste recycling scheme is being explored with an external partner that recycles wastes into construction materials.

Environmental Compliance

(GRI 307-1)

All FILRT properties have secured the necessary one-time permits such as the Environmental Compliance Certificate and Laguna Lake Development Authority (LLDA) Clearance as well as permits which require periodic renewal. Mandatory quarterly and semiannual self-monitoring reports are submitted to both the Department of Environment and Natural Resources-Environmental Management Bureau and LLDA regulators.

There were no Notices of Violations issued by the regulator in 2022 nor were there any regulatory disputes and penalties.

Water Consumption, Wastewater Generation and Reuse*

Water and Wastewater (m3)	2022	2021	2020
Water used – common and leased areas	342,152	262,424	334,330
Wastewater generated and treated	286,595	228,309	290,867
Treated wastewater reused	33,009	9,074	14,722
Treated wastewater discharged	253,586	219,235	276,145

Solid and Hazardous Wastes

Wastes Generated (kg)	2022	2021
Municipal Solid Waste	1,859,000	838,000
Total Hazwaste generated	1,327	477
Total Hazwaste transported	0	0

*Total wastewater generated and reused effluent attributable to FILRT was based on return factors calculated from the entire billed volume and treated wastewater of CWSI for Filinvest City.

Achieving Net Zero: A Glide Path to More Renewable Energy

FILRT is contributing to the Net Zero aspiration of the Filinvest Group by increasing its utilization of renewable energy and implementing energy efficient solutions.

By the end of 2022, six of the FILRT properties received 100% of their electricity from renewable sources through a partnership with FDC Utilities' Retail Electricity Supply. In 2023, it is expected that more renewable energy will be secured through renegotiation of Open Access contracts.

All FILRT buildings consume diesel during regular testing and preventive maintenance work on the standby gensets. The decrease in diesel consumption compared to 2021 is due to a temporary surge in usage caused by an extended power outage in Cebu following a typhoon in January 2021.

Despite the easing of mobility restrictions in 2022, many business process outsourcing tenants continued to implement work-from-home arrangements for their staff. However, a marked increase in people occupancy had been noted.

In 2022, 32% of the total electricity used in common areas was renewable, significantly higher than the 26% reported in 2021. Specifically, 5,109 MWH out of the total 15,948 MWH of electricity used was renewable.

Including leased areas, the total renewable energy usage in 2022 was 18,333.6 MWH out of a total of 48,077 MWH of electricity consumed, resulting in a 38% share of renewables.

Environmental Compliance	2022	2021	2020
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0	0
Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0
Number of cases awaiting resolution	0	0	0
Number of cases resolved through a dispute resolution mechanism	0	0	0

Energy Consumption (GRI 302-1, 302-2, 303-3)

Energy and Energy Use Intensity	2022	2021	2020
Diesel (liters)	85,673	123,980	44,948
Electricity – renewable – common area (KWH)	5,108,971	3,836,340	5,754,576
Electricity – renewable – total area (KWH)	18,333,602	Not reported	Not reported
Electricity – mixed – common area (KWH)	10,838,663	10,652,456	12,802,055
Electricity – mixed – total area (KWH)	29,743,514	Not reported	Not reported
Electricity – RE and non-RE – common area (KWH)	15,947,634	14,488,796	Not reported
Electricity – RE and non-RE – total area (KWH)	48,077,166	Not reported	Not reported
Electricity Use Intensity* (total area KWH/leased area) – (KWH/m ²)	182.36	Not reported	Not reported

In 2022, FILRT's electricity for common areas that are sourced from renewables jumped to 32%, from 26% in 2021.



*Electricity use intensity is based on year-round average monthly office spaces occupancy of 263,643 m² and does not include the Boracay property.

The greenhouse gas emissions of FILRT properties are largely attributed to Scope 1 emissions from the burning of diesel for gensets and vehicles, Scope 2 emissions due to the purchase of electricity, and Scope 3 emissions due to the refrigeration services provided by the District Cooling System (DCS).

Six buildings (iHub 1 & 2, Vector 1 & 2, Filinvest One and Plaza A) sourced 100% renewables from FDCRES and did not contribute to Scope 2 emissions. These buildings avoided a total of 3,639 and 13,057 tonnes CO₂-e of carbon emissions based on common area and total area consumption, respectively. Six other buildings source from a FDC RES contract, and the rest buy directly from the local distribution utility. Non-RE-covered buildings are currently being assessed for 100% RE sourcing or tagging as contestable or eligible for Open Access.

Since the District Cooling System is a third party that provides services to various buildings, the electricity consumption required to produce chilled water is considered Scope 3 from the perspective of FILRT. Moreover, the electricity used by the E-Jeepneys plying across Filinvest City are not considered eligible for Scope 3 as their services are rendered directly to the commuting public.

Environment-Friendly Transport and Inclusive Mobility

The implementing rules and regulations of the Electric Vehicle Industry Development Act (RA 11697) requires the designation of dedicated parking slots for electric vehicles as well as the provisioning of charging stations in 5% of parking slots. In anticipation of the government's comprehensive roadmap for the electric vehicle industry as provided for in the new law, FILRT is exploring an operating model and preparing a transition plan to comply

Greenhouse Gas Emissions (GRI 305-1, 305-2, 305-3, 305-4)

GHG Emission Type	2022	2021	2020
Scope 1*, tonnes CO ₂ -e	232	335	121
Scope 2** (common area), tonnes CO ₂ -e	7,719	7,587	9,118
Scope 2** (total area), tonnes CO ₂ -e	34,241	Not reported	Not reported
Scope 3***, tonnes CO ₂ -e	6,270	7,793	8,839
GHG Intensity**** (Scope 1, 2 & 3 over leased area), in tonnes CO ₂ -e/m ²	0.130	Not reported	Not reported

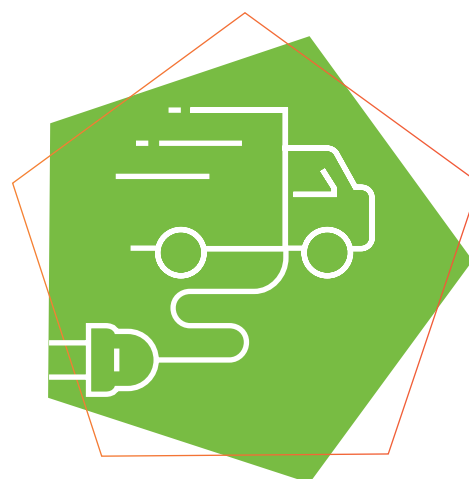
with the said regulation. This is also to serve tenants that are using electric vehicles in their fleet.

In all the FILRT properties, bicycle parking facilities and marked bike lanes are in place to encourage greener modes of transport. Wide sidewalks and paths are provided across the neighborhood to encourage walking while keeping people safe.

Infrastructure for the differently-abled are available in the form of ramps at the sidewalks, road crossings and at building entrances. Office buildings are equipped with wide-door elevators that facilitate the easy entrance and maneuvering of those who use wheelchairs.

Filinvest City's 360 Eco-Loop consists of a fleet of electric 13- and 23-seater jeepneys (e-jeepneys) which run on electric energy. Operated by a transport cooperative of more than 50 drivers and support staff, these e-jeepneys ply the streets of the neighborhood to offer low carbon transport for the commuting public. There are a total of 28 fixed stops across Filinvest City, including Northgate Cyberzone.

FILRT and its Sponsor, Filinvest Land, continue to coordinate with government planners in the development of a transport infrastructure that integrates with the national and city master plans. Currently Filinvest City is served by major arteries in Metro Manila (South Luzon Expressway, Alabang-Zapote Road and Daang Hari) that link the Northgate Cyberzone to the surrounding residential areas where a significant percentage of workers in the business center originate.



*For Scope 1, the diesel emission factor is 2.706 kg CO₂ per liter (from 2021 US EPA & GHG Protocol updates).

**For Scope 2, electricity emission factor used was for the Luzon-Visayas electricity grid at 0.7122 tons CO₂-eq per MWh; this applies to electricity bought from Meralco and FDC RES. Six properties under FDCR RES have a 100% RE source.

***Scope 3 is the emission due to the District Cooling System's indirect emissions from bought electricity that are attributable to FILRT's demand for chilled water. FILRT buildings connected to DCS consumed 11,739,441 TRH, or 70.9% of the total DCS output of 16,550,956 TRH in 2022. DCS consumed 12,410,588 KWH of electricity, of which 8,802,977 KWH is indirectly attributable to FILRT. The corresponding GHG emissions of DCS in behalf of FILRT is a Scope 3 disclosure for FILRT.

****GHG Intensity is expressed in terms of tonnes of CO₂-e per m² of occupied leasable space.

Empowering Stakeholders

FILRT has positive social impact in the course of providing opportunities for its investors, the Filinvest team members, service providers, office tenants and their own workforce.

Investing Opportunities for All

The Real Estate Investment Trust (REIT) Law opened opportunities for small individual investors to take part in investing in large-scale income-producing commercial real estate without needing to buy real estate. Getting individual Filipino investors involved broadens the base of the country's financial system and helps build a more inclusive economy.

REITs reduce an individual's overall portfolio risk and offers long-term capital appreciation. It also provides a steady stream of income due to the requirement that at least 90% of the REIT's distributable income be given as dividends to shareholders. During FILRT's Initial Public Offering, a total of almost 8,300 retail investors participated in the offering, equivalent to 26% of the new investor base of FILRT.

Providing Indirect Jobs and Empowering Women (GRI 405-1)

FILRT does not directly employ staff. Overall management, leasing, finance, property operations and other support functions are undertaken by 54 talents seconded from various units within the Filinvest Group. Of these employees, 63% are female. At the executive level, 60% are women. The FILRT Board of Directors has three women, including the chairperson. Compared to 2021,

there was a 37.5% increase in the total headcount of female executives, managers and supervisory roles in FILRT.

The training and development for the Filinvest seconded employees are discussed in the annual reports of Filinvest Land, Inc. and Filinvest Development Corporation.

The day-to-day management of the FILRT properties is supported by service contractors that provide housekeeping, grounds maintenance, equipment maintenance, security and other services. In 2022, there were contracts with seven service providers who employed a total of 505 individuals.

In 2022, there was a 37.5% increase in women leaders assigned to FILRT.

Seconded Filinvest Employees, by gender

Executive	4	6
Manager	3	7
Supervisor	10	9
Rank and File	3	12
TOTAL	20	34



Note: A significant number of Filinvest employees included in the FILRT headcount occupy concurrent roles in other Filinvest subsidiaries. The rank-and-file employees perform administrative support roles in finance, leasing and property management.

Resilience a Key to Sustaining Value

Resilient Assets, Operations, and an Agile Organization

FILRT's ability to create value for its clients and as an asset owner in the long term is dependent on its ability to withstand natural or man-made disruptions. Given the Philippines' vulnerability to the effects of climate change and recent black swan events such as the COVID-19 pandemic and ongoing conflicts in Europe, committing to business resiliency is imperative for companies operating in the country.

From a natural disaster risk perspective, FILRT's assets in Alabang are not highly vulnerable from 25 and 100-year floods,

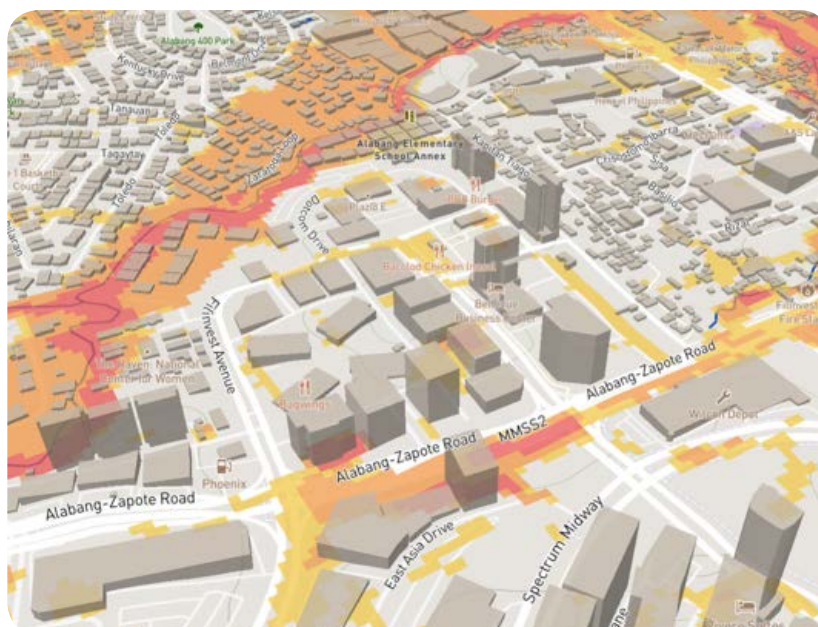
compared to surrounding neighborhoods, according to the flood maps of Project NOAH (Nationwide Operational Assessment of Hazards).

Any new assets developed by the Filinvest Group for inclusion into the FILRT portfolio will always undergo site risks assessment, and the designs as earlier discussed will incorporate provisions for environmental and social responsibility as well as resiliency. While there are existing business continuity plans and systems in place, the Filinvest Group is set to enhance its enterprise risk management practices. To improve its business resiliency, FILRT will review and expand its continuity plans, upgrade its security and disaster

response infrastructure with digital technologies, and strengthen partnerships with external parties such as local government units and supply chain.

The Filinvest Group has started a talent development program to prepare a pipeline of future-ready individuals for critical roles in response to disruptions. The program identifies required competencies, headcount, and individual development plans for potential talents who can take on these roles at short notice.

FILRT's assets in Alabang are resilient against 25-year and 100-year floods



According to the Project NOAH map, Northgate Cyberzone (where most of FILRT assets are) is not vulnerable to record floods.



We Move Forward, Together

FILRT was launched as the first sustainability-themed REIT in the country, and it plays a crucial role in enabling its clients to achieve their sustainability goals. In recent years, there has been a growing trend towards ESG commitments by FILRT clients, and FILRT is committed to proactively responding to their needs to promote green, inclusive,

and resilient operations. The shared sustainability objectives of lessors and lessees has given rise to the concept of Green Leases, where lease contracts are renegotiated to incorporate clear sustainability targets for both parties. Acting ahead of anticipated regulation, FILRT is exploring the adoption of Green Lease provisions as this will likely become the norm in coming years.

Filinvest REIT Corp. (“FILRT” or “Corporation”), formerly Cyberzone Properties, Inc., commits to the principles and best practices in good corporate governance. It has established and updated its Revised Manual for Corporate Governance (the “Revised Manual”) to ensure its compliance with the leading practices on good corporate governance and related Philippine Securities and Exchange Commission (“SEC”) rules and regulations. The first Manual of Corporate Governance was approved and adopted by the Board of Directors (the “Board”) on April 11, 2017, while the revised Manual of Corporate Governance (“Revised Manual”) was adopted on November 15, 2022.

Compliance with Best Practices on Corporate Governance

For the year 2022, FILRT complied with the PSE and the SEC regulatory requirements. It is also in compliance with its Revised Manual. In particular, FILRT wishes to highlight the following:

- a) the election of three (3) independent directors to the Board;
- b) the appointment of the members of the audit and risk management, compensation, related-party transaction, and corporate governance committees;
- c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors;
- d) the timely and accurate submission to the SEC and the PSE of reports and disclosures required under the Real Estate Investment Trust (“REIT”) Act and its Implementing Rules and Regulations (“IRR”), Securities Regulation Code and the PSE Listing and Disclosure Rules;
- e) FILRT’s adherence to national and local laws pertaining to its operations;
- f) the observance of applicable accounting standards by FILRT;
- g) the conduct of annual corporate governance seminar attended to by its directors and senior management officers; and
- h) the continuous enhancement of FILRT’s website to provide our shareholders and stakeholders with ease of reference to our corporate governance policies.

The Corporation continuously reviews its Revised Manual, in compliance with SEC directives and to reflect current best practices.

In order to keep abreast of best practices in corporate governance, the members of the Board and key officers participated in the Annual Corporate Governance Training Program conducted by Center for Global Best Practices on December 9, 2022.

FILRT, through its Board of Directors and in coordination with the Management, reviews its corporate governance practices annually and welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors.

Board of Directors

Leading the practice of good corporate governance is the Board of Directors. The Board of Directors of FILRT is firmly

committed to the adoption of and compliance with the best practices in corporate governance as well as the observance of all relevant laws, regulations and ethical business practices.

Nominations and Voting for the Board of Directors

The members of the Board are elected during the annual stockholders’ meeting. The stockholders of FILRT may nominate individuals to be members of the Board of Directors.

The Corporate Governance Committee, convened to serve as the Nominations Committee, receives nominations for directors as may be submitted by the stockholders. After the deadline for the submission thereof, the Corporate Governance Committee meets to evaluate the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in FILRT’s Revised Manual, the REIT Act and its IRR, and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Corporate Governance Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommended the nominees for independent directors shall be disclosed along with his or their relationship with such nominees.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of directors shall be in accordance with FILRT’s Revised Manual and By-Laws.

It shall be the responsibility of the Chairperson of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairperson of the meeting shall call a separate election during the same meeting to fill up the vacancy.

A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FILRT multiplied by the whole number of directors to be elected.

The directors of FILRT are elected at the annual stockholders’ meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the

Board occurring mid-term are filled as provided in the Revised Corporation Code and FILRT's Revised Manual. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

Independent Directors

Before the annual meeting, a stockholder of FILRT may nominate individuals to be independent directors, taking into account the following guidelines:

- A. "Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
 - i. Is not, or has not been a senior officer or employee of the covered Corporation unless there has been a change in the controlling ownership of the Corporation;
 - ii. Is not, and has not been in the two (2) years immediately preceding the election, a director of the covered Corporation; a director, officer, employee of the covered Corporation's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered Corporation's substantial shareholders and its related companies, except when the same shall be an independent director of any of the foregoing;
 - iii. Has not been appointed in the covered Corporation, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "ExOfficio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within two (2) years immediately preceding his election;
 - iv. Is not an owner of more than two percent (2%) of the outstanding shares of the covered Corporation, its subsidiaries, associates, affiliates or related companies;
 - v. Is not a relative of a director, officer, or substantial shareholder of the covered Corporation or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
 - vi. Is not acting as a nominee or representative of any director of the covered Corporation or any of its related companies;
 - vii. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal shareholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
 - viii. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered Corporation, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the two (2) years immediately preceding the date of his election;
 - ix. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered Corporation or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two (2) years immediately preceding the date of his election;
 - x. Is not affiliated with any non-profit organization that receives significant funding from the covered Corporation or any of its related companies or substantial shareholders; and
 - xi. Is not employed as an executive officer of another Corporation where any of the covered Corporation's executives serve as directors.
- B. When used in relation to FILRT subject to the requirements above:
 - i. "Related company" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - ii. "Substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- C. An independent director of FILRT shall have the following qualifications:
 - i. He shall have at least one (1) share of stock of FILRT;
 - ii. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FILRT for at least five (5) years;
 - iii. He shall possess integrity/probity; and
 - iv. He shall be assiduous.
- D. He shall likewise be disqualified during his tenure under the following instances or causes:
 - i. He becomes an officer or employee of FILRT, or no longer qualifies based on the definition of an "Independent Director" indicated above;
 - ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of FILRT;
 - iii. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member;
 - iv. If he becomes disqualified under any of the grounds stated in FILRT's Revised Manual.
- E. Pursuant to SEC Memorandum Circular No. 9, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:
 - i. There shall be no limit in the number of covered companies that a person may be elected as

Independent Director, except in business conglomerates where an ID can be elected to only five (5) companies of the conglomerate, i.e., parent company, subsidiary or affiliate;

- ii. The independent director shall serve for a maximum cumulative term of nine (9) years;
- iii. After this, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;
- iv. In the instance that a company wants to retain an independent director who has served for nine (9) years,

the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and

- v. The reckoning of the cumulative nine-year term is from 2012.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings in 2022:

2022 Board of Directors Attendance in Board Meetings

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	% Attendance
Chairperson	Lourdes Josephine Gotianun-Yap	April 20, 2022	8	8	100%
Member	Maricel Brion-Lirio	April 20, 2022	8	8	100%
Member	Francis Nathaniel C. Gotianun	April 20, 2022	8	8	100%
Member	Tristaneil D. Las Marias	April 20, 2022	8	8	100%
Independent	Val Antonio B. Suarez	April 20, 2022	8	8	100%
Independent	Virginia T. Obcena	April 20, 2022	8	8	100%
Independent	Gemilo J. San Pedro	April 20, 2022	8	8	100%

The following table lists down the attendance of the Board of Directors during the April 20, 2022 Annual Stockholders' Meeting and their memberships in the different Committees:

Board	Name	Date of Election
Chairperson	Lourdes Josephine Gotianun-Yap	April 20, 2022
Member	Maricel Brion-Lirio	April 20, 2022
Member	Francis Nathaniel C. Gotianun	April 20, 2022
Member	Tristaneil D. Las Marias	April 20, 2022
Independent	Val Antonio B. Suarez	April 20, 2022
Independent	Virginia T. Obcena	April 20, 2022
Independent	Gemilo J. San Pedro	April 20, 2022

Duties and Responsibilities of the Different Board Committees

Audit and Risk Management Committee

The Board constituted an Audit and Risk Management Committee composed of at least three (3) non-executive director-members with accounting and financial background, the majority of whom should be independent directors, including the Chairperson. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management.

The Audit and Risk Management Committee shall have the following duties and responsibilities:

Internal Audit

- a. Recommend the approval of the Internal Audit (IA) Charter, which formally defines the responsibilities, powers and authority of the IA Department, the audit plan of the IA Department, as well as oversees the implementation of the IA Charter;
- b. Through the IA Department, monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting, and security of physical and information assets;
- c. Oversee the IA Department, and recommend the appointment and removal of an IA head as well as his qualifications, and grounds for appointment and removal. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services, if applicable;
- d. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- e. Monitor the management's responsiveness to the Internal Auditor's findings and recommendations;
- f. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to identify proper coverage and minimize duplication of efforts;
- g. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid and the corporation's overall consultancy expenses. The Audit Committee should disallow any non-audit work that

- will conflict with the duties of an External Auditor or may pose a threat to his/her independence. The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report;
- h. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Areas where a significant amount of judgment has been exercised
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
 - i. Review the recommendation in the External Auditor's management letter;
 - j. Establish standard for the selection of and assess the integrity and independence of the External Auditor, as well as review and monitor the External Auditor's suitability and effectiveness on an annual basis;
 - k. Perform oversight functions over the corporation's Internal and External Auditors and ensure their integrity and independence and unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions taking into consideration relevant Philippine professional and regulatory requirements;
 - l. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
 - m. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the shareholders;
 - n. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, the Related Party Registry is updated to capture subsequent changes in relationships with counterparties (from non-related to related and vice versa);
 - o. In case of the absence of a Related Party Transactions (RPTs) Committee, evaluate all RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied;
 - p. Meet internally and with the Board at least once every quarter without the presence of the CEO or other Management team members, and periodically meet with the head of the IA.
- b. Oversee the implementation of the ERM plan. The committee conducts regular discussions on the Corporation's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
 - c. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The committee should revisit defined risk management strategies, looks for emerging or changing material exposures, and keeps abreast of significant developments that seriously impact the likelihood of harm or loss;
 - d. Advise the Board on its risk appetite levels and risk tolerance limits;
 - e. Review at least annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and major events which may have occurred in the Corporation;
 - f. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
 - g. Oversee the management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from management; and
 - h. Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

Risk Management

- a. Develop a formal ERM plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals and objectives, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;

Compensation Committee

The Board constituted a Compensation Committee composed of at least three (3) director-members, one of whom must be an independent director.

Duties and Responsibilities:

- a. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment;
- b. Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully;
- c. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers;
- d. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;

- e. Disallow any director to decide his or her own remuneration;
- f. Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year; and
- g. Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Corporate Governance Committee

The Corporate Governance Committee shall assist the Board in fulfilling its corporate governance and compliance responsibilities. The Committee shall be composed of at least three (3) director-members, majority of whom shall be independent directors, including the Chairperson.

Duties and responsibilities:

- a. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity of operations and business strategy, as well as its business and regulatory environments;
- b. Oversee the periodic performance evaluation of the Board and its committees as well as the executive management, and conduct an annual evaluation of the said performance;
- c. Ensure that the results of the Board evaluation are discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommend the continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- e. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Propose and plan relevant trainings for the members of the Board;
- g. Act as nomination committee and determines the nomination and election process for the Corporation's directors and defines the general profile of board members that the Corporation may need, and ensure that appropriate knowledge, competencies and expertise that complement the existing skills of the Board are adopted as standards and criteria for nomination and election;
- h. Establish a formal and transparent procedure for determining the remuneration of directors and officers that is consistent with the corporation's culture and business strategy as well as the business environment in which it operates; and
- i. Review and evaluate the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring appointment by the Board, and provide assessment on the Board's effectiveness in directing the process of renewing and replacing the Board's members.

The Corporate Governance Committee shall also serve as the Nominations Committee. It shall review and evaluate the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board and assess the effectiveness of the Board's process and procedures in the election or replacement of directors.

Related-Party Transaction Committee

The Related Party Transaction Committee is composed of at least three (3) non-executive directors, two (2) of whom must be independent, including the Chairperson of the Committee.

The Related Party Transaction Committee has the following duties and responsibilities:

- Conduct continuous evaluation and monitoring of existing relations among counterparties to ensure that all related parties are identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and the SEC;
- Evaluate all material RPTs to ensure that these are transacted on an arm's length basis and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

In evaluating RPTs, the Committee may take into account the following:

- The related party's relationship to the Corporation and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the Corporation of the proposed RPT;
- The availability of other sources of comparable products or services; and
- An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- Ensure that appropriate disclosure is made to the regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest;
- Report to the Board, on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- Ensure that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process; and
- Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

2022 Board of Directors Attendance in Committee Meetings

Board Committees and Members	Date of Appointment	Meetings Attended/Held	% Attendance	Length of Service in the Committee*
Audit and Risk Management Committee				
Virginia T. Obcena (Chairperson, Independent Director)	April 20, 2022	4/4	100%	1 year
Gemilo J. San Pedro (Independent Director)	April 20, 2022	4/4	100%	1 year
Val Antonio B. Suarez (Independent Director)	April 20, 2022	4/4	100%	1 year
Compensation Committee				
Val Antonio B. Suarez (Chairman, Independent Director)	April 20, 2022	1/1	100%	1 year
Lourdes Josephine Gotianun-Yap	April 20, 2022	1/1	100%	1 year
Virginia T. Obcena (Independent Director)	April 20, 2022	1/1	100%	1 year
Corporate Governance Committee				
Val Antonio B. Suarez (Chairman, Independent Director)	April 20, 2022	3/3	100%	1 year
Virginia T. Obcena (Independent Director)	April 20, 2022	3/3	100%	1 year
Gemilo J. San Pedro (Independent Director)	April 20, 2022	3/3	100%	1 year
Related-Party Transaction Committee				
Virginia T. Obcena (Chairperson, Independent Director)	April 20, 2022	2/2	100%	1 year
Gemilo J. San Pedro (Independent Director)	April 20, 2022	2/2	100%	1 year
Val Antonio B. Suarez (Independent Director)	April 20, 2022	2/2	100%	1 year

Shareholders' Benefits

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Corporation and all its investors.

The Board shall be committed to respect the following rights of the stockholders:

I. Right to Nominate and Vote

- Shareholders shall have the right to nominate, elect, remove and replace directors and vote on material corporate acts in accordance with the Revised Corporation Code.
- Cumulative voting shall be used in the election of directors.
- A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

II. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries, in accordance with the Revised Corporation Code, during business hours and upon prior written notice to the Corporation.

All shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

III. Right to Information

- The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.
- The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes and in accordance with SEC regulations.
- In accordance with the SEC regulations, the minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

IV. Right to Dividends

- Shareholders shall have the right to receive dividends subject to the discretion of the Board.
- The SEC may direct the Corporation to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Corporation is

prohibited under any loan agreement with any financial institution or creditor; whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or 3) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

V. Appraisal Right

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; and
- In case of merger or consolidation.

VI. Right to Attend and Participate in Shareholders' Meetings

The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the Corporation.

The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

Dividend Policy and Dividends Paid

The Corporation has adopted a dividend policy in accordance with the provisions of the REIT Law, pursuant to which the Corporation's shareholders may be entitled to receive at least ninety percent (90%) of the Corporation's annual Distributable Income no later than the fifth (5th) month following the close of the fiscal year of the Corporation.

The following table shows the cash dividends declared by the Corporation's BOD on the outstanding capital stock:

Dividend Declaration	Record Date	Dividend per Common Shares	Total Dividends Declared	Payment Date
August 31, 2021	September 15, 2021	0.112	547,991,135	September 30, 2021
November 18, 2021	December 03, 2021	0.112	547,991,135	December 20, 2021
February 15, 2022	March 02, 2022	0.112	547,991,135	March 20, 2022
April 20, 2022	May 06, 2022	0.116	567,562,247	May 27, 2022
August 09, 2022	August 31, 2022	0.088	430,564,463	September 20, 2022
November 15, 2022	December 01, 2022	0.088	430,564,463	December 20, 2022

Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

On February 15, 2022, FILRT disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date of the Annual Stockholders' Meeting on April 20, 2022 with the record date set on March 2, 2022.

Stockholders were informed that the Annual Stockholders' Meeting for 2022 would be conducted virtually on April 20, 2022 (Wednesday) at 9:00 a.m.

Only stockholders of record as of March 2, 2022 were entitled to attend and vote in the said meeting.

On the same day, right after the stockholders' meeting, FILRT disclosed to the PSE the results of the annual stockholders' meeting which included the following:

- Approval of the Minutes of the Annual Stockholders' Meeting held on November 18, 2021;
- Presentation of the President's Report and Ratification of the Audited Financial Statements for the year ended December 31, 2021;

- c. General ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Board Committees and Management from the date of the last annual stockholders' meeting up to April 20, 2022;
- d. Appointment of SyCip Gorres Velayo & Co. as the independent external auditor of FILRT for the year 2022; and
- e. Approval of the amendment of FILRT's By-Laws.

FILRT likewise disclosed that the following were elected as directors to serve for the period 2022-2023 and until their successors shall have been duly elected and qualified:

1. Lourdes Josephine Gotianun-Yap
2. Maricel Brion-Lirio
3. Tristaneil D. Las Marias
4. Francis Nathaniel C. Gotianun
5. Virginia T. Obcena (as independent director)
6. Gemilo J. San Pedro (as independent director)
7. Val Antonio B. Suarez (as independent director)

Statutory Compliance

FILRT fully complied with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) regulatory requirements. Below is the Corporation's Reportorial Compliance Report:

Investor Relations

FILRT's website, www.filinvestreit.com, makes available to the public current information on the Corporation, including details of its operations.

The Investor Relations section of the website provides information regarding the Corporation's operations, financial performance and other significant developments. It likewise contains financial statements, press releases, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, and other reportorial requirements by the Philippine Stock Exchange.

The contact details of the Investor Relations Department are available on the website.

Type of Report	Number of Filings
Financials	
Annual Report (17-A)	1
Quarterly Report (17-Q)	3
2021 Audited Financial Statements	1
Request for extension in filing 17-A, 17-Q	None
Ownership	
Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	13
Public Ownership Report	4
Report on Number of Shareholders and Board Lot	12
Initial Statement of Beneficial Ownership of Securities (23-A)	2
Statement of Changes in Beneficial Ownership of Securities (23-B)	9
Top 100 Stockholders' List	4
Notices – Stockholders' Meetings/Briefings/Dividends	
Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	4
Other Disclosures	
Certification – Qualifications of Independent Directors	1
Clarifications of News Articles	None
Definitive Information Statement (20-IS)	1
General Information Sheet	2
Preliminary Information Statement (20-IS)	1
SEC Form 17-C (Current Report)	
Which includes the following:	
a) Results of Annual Stockholders' Meeting/Board Meetings	8
b) Press Releases	8
c) Other Matters	15



FILRT's risk governance is led by an Audit and Risk Management Oversight Committee which considers strategic, operational, financial and compliance risks, sets the tone for risk treatment and assesses risk monitoring and assessment reports. The President and CEO serves as the chief risk executive for FILRT.

The following table lists down the significant risk items with the corresponding risk mitigation actions.

Top Risks	Context	Company Response
Philippine macroeconomics and demand for commercial space	Growth or contraction in the real estate sector due to prevailing macroeconomic trends brought on by global issues such as geopolitical tensions, resource and climate risks, technological breakthroughs and demographic shifts.	Continued development of Filinvest City and in other high potential locations
Government's real estate-related policies	Potential changes in regulatory provisions that may impair leasing operations, and threaten the accreditation with specific agencies	Engagement with national agencies during the public consultations on policies or regulations under development
Related party transactions	FILRT operations are supported by other FLI subsidiaries and other Filinvest Group units, such as property management, provision of centralized air conditioning services, supply chain management, marketing and communications, ESG governance, investor relations, etc.	Corporate governance provisions and related party transactions policy Application of arms-length principle in all dealings Compliance with BIR transfer pricing guidelines
Office and retail leasing trends	Post-pandemic global leasing trends show increased vacancies and untimely expiration or early termination of leases due to the shift towards flexible working arrangements. Rise in the proliferation of ESG-themed or 'green' leases.	Leasing policies on screening tenant applicants Securing appropriate mix of tenants Security deposits and advance rent Reconfiguration of tenant spaces where required Flexibility on catering to tenant needs Acquisition of assets beyond office building, such as malls and land for lease Exploration of 'green lease' provisions with tenants that have their own sustainability targets
Loss of tax exemptions and incentives	Potential loss of PEZA accreditation due to non-compliance with conditions by the tenants, particularly on the work-from-home dispute that arose in 2022.	Compliance with conditions in accreditations and permits Timely renewal of permits and filing of mandatory reports
Illiquidity of real estate investments	An inherent risk that may affect the ability to vary the portfolio or liquidate part of the assets to quickly respond to changes in market or economic conditions	Active management of capital structure
Increase in operating expenses	Post-pandemic increase in cost of living such as energy, and logistics issues in the supply chain aggravated by geopolitical developments in 2022. Historical highs in inflation rate may affect the net operating income.	Optimize operating costs
Litigation risks and regulatory disputes	Disagreements with tenants on the provisions of contracts, or renegotiation of existing contracts	Relationship management with regulators and tenants

A. ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed (GRI 201-1)	2022	2021
	(Mn PHP)	(Mn PHP)
Direct economic value generated (revenue)	3,239.6	3,442.0
Direct economic value distributed	1,228.0	1,160.7
a. Operating costs	1,228.0	1,160.7
a. Employee wages and benefits	-	-
c. Payments to suppliers and other operating costs	213.0	103.1
d. Dividends given to stockholders and interest payments to lenders (does not include principal debt payments)	1,976.7	1,096.6
e. Taxes paid to government	141.2	95.4

Procurement Practices

Proportion of Spending on Local Suppliers (GRI 204-1)	2022	2021
	('000 PHP)	('000 PHP)
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	98.11%	99%

Anti-corruption

Trainings on Anti-corruption Policies and Procedures (GRI 205-2)	2022	2021
	('000 PHP)	('000 PHP)
Percentage of employees who have received written communication about corporate anti-corruption policies and procedures	0%	0%
Percentage of business partners who have received written communication about corporate anti-corruption policies and procedures	0%	0%
Percentage of directors and management who have received anti-corruption training	100%	100%
Percentage of employees who have received anti-corruption training	100%	100%

Incidents of corruption (GRI 205-3)	2022	2021
	Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0
Number of incidents when contracts with business partners were terminated due to corruption	0	0

B. ENVIRONMENT PERFORMANCE

Direct Economic Value Generated and Distributed (GRI 201-1)	Unit	2022	2021
Diesel	L	85,673	123,980
Electricity (renewable) – common area	KWH	5,108,971	3,836,340
Electricity (renewable) – total area	KWH	18,333,602	No disclosure
Electricity (non-renewable) – common area	KWH	10,838,663	10,652,456
Electricity (non-renewable) - total area	KWH	29,743,514	No disclosure
Electricity (RE & non-RE) – common area	KWH	15,947,634	14,488,796
Electricity (RE & non-RE) -- total area	KWH	48,077,116	No disclosure
Energy Intensity – total area KWH/leased area	KWH/m ²	182.36	No disclosure

Energy Consumption (GRI 302-1)	Unit	2022	2021
Diesel	GJ	3,307	4,786
Electricity (renewable) – common area	GJ	18,392	13,811
Electricity (renewable) – total area	GJ	66,001	No disclosure
Electricity (non-renewable) – common area	GJ	39,019	38,349
Electricity (non-renewable) – total area	GJ	107,077	No disclosure
Electricity (total) – common area	GJ	57,411	52,160
Electricity (total) -- total area	GJ	173,078	No disclosure
Energy Intensity (total energy used/occupied area)	GJ/m ²	0.656	No disclosure

Energy Density conversion: Diesel –0.0386 GJ/L, Electricity – 0.0036 GJ/KWH

Water Consumption (GRI 303-5)	Unit	2022	2021
Water used – total area	m ³	342,152	No disclosure
Water used – common area	m ³	287,936	262,424
Water recycled and reused	m ³	33,009	9,074

Materials Used (GRI 301-1)	Unit	2022	2021
Materials Used – steel	kg	FILRT does not directly undertake construction activities. Assets are already built and operating when infused into the FILRT portfolio.	
Materials Used – cement	kg		
Percentage of recycled input materials used to manufacture the organization's primary products and services	%		

Ecosystems and Biodiversity (GRI 304-1 & 304-3)	2022	2021
Operational sites owned, leased in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	FILRT's property assets are mostly located in highly populated areas where there is no immediate threat of human activity on biodiversity. The entire Boracay Island, where one of the FILRT properties is located, has been designated as a Water Quality Management and Conservation Area (WQMACA) by the environmental regulator through DENR DAO 2019-15.	
Habitats protected or restored	See comment above. The WQMACA board has not yet published its master plan for the conservation of biodiversity in Boracay Island.	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	No disclosure.	

Environmental Impact Management

Greenhouse Gas Emissions (GRI 305-1, 305-2, 305-3, 305-6)	Unit	2022	2021
Direct Emissions (Scope 1) –diesel	Tonnes CO ₂ -e	232	335
Indirect Emissions (Scope 2) – purchased electricity, common areas only	Tonnes CO ₂ -e	7,719.3	7,587
Indirect Emissions (Scope 2) – purchased electricity, total	Tonnes CO ₂ -e	34,240.5	Not reported
Indirect Emissions (Scope 3) – due to DCS services	Tonnes CO ₂ -e	6,269.5	7,793
GHG Intensity (Scope 1, 2 & 3 over leased area)	Tonnes CO ₂ -e/m ²	0.130	No disclosure
Emissions of ozone-depleting substances (ODS)	Tonnes	Not reported	Not reported

- Scope 2 applies only to the non-RE KWH consumption.
- GHG Intensity (GRI 305-4) is expressed in terms of tons of CO₂ used by the year-round average area of occupied leasable space.
- FILRT buildings connected to DCS consumed 11,739,441 TRH, or 70.9% of the total DCS output of 16,550,956 TRH in 2022. DCS consumed 12,410,588 KWH of electricity, of which 8,802,977 KWH is indirectly attributable to FILRT. The corresponding GHG emissions of DCS in behalf of FILRT is a Scope 3 disclosure for FILRT.
- Diesel EF: 2.706 kg CO₂ per liter
- Luzon-Visayas Grid EF: 0.7122 tons CO₂ per MWH

Air Pollutant Emissions (GRI 305-7)	Unit	2022	2021
Nitrogen oxides (NOx)	Kg	Deemed immaterial. Standby gensets of buildings are operated only for a few minutes during preventive maintenance. There were no massive power failures in 2022 that necessitated the extended use of gensets in any of the properties.	
Sulfur oxides (SOx)	Kg		
Persistent Organic Pollutants (POP)	Kg		
Volatile organic compounds (VOC)	Kg		
Hazardous air pollutants (HAP)	Kg		

Solid Wastes Generation (GRI 306-3, 306-4, 306-5)	Unit	2022	2021
Reusable	Tonnes	Nil	Nil
Recyclable	Tonnes	Nil	0.117
Composted	Tonnes	Nil	Nil
Residuals (landfilled)	Tonnes	1,859	838
Total	Tonnes	1,859	838

Hazardous Wastes (GRI 306-4, 306-5)	Unit	2022	2021
Hazardous wastes generated	Tonnes	1,327	477
Hazardous wastes transported and treated	Tonnes	0	0

Effluents (GRI 303-4)	Unit	2022	2021
Wastewater generated – total area	m ³	286,595	Not reported
Total volume of effluent discharge	m ³	253,586	9,074
Total volume of effluent reused	m ³	33,009	Not reported
Percent of effluent recycled	m ³	11.5%	3.97%

Environmental Compliance (GRI 30)	Unit	2022	2021
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	PHP	0	0

C. SOCIAL PERFORMANCE

Employee Management

Employee Hiring and Benefits	2022			2021		
	Total	Male	Female	Total	Male	Female
Total number of regular employees	FILRT does not have permanent employees but seconded talents from across the Filinvest Group, particularly FDC, FLI and FLI subsidiary Pro Office Works. The headcounts are reported in the respective sustainability reports of listed companies FDC and FLI.					
Voluntary attrition rate	N/A					
Ratio of lowest paid employee against minimum wage	N/A					

Employee Training and Development

Employee Training and Development	2022			2021		
	Total	Male	Female	Total	Male	Female
Total training hours provided to employees	Training information for the seconded talents from the Filinvest Group are indicated in the respective sustainability reports of FDC and FLI.					
Average training hours provided to employees						

Labor Management Relations						
Labor Management Relations	2022			2021		
	Total	Male	Female	Total	Male	Female
% of employees covered by Collective Bargaining Agreements	N/A					
Number of consultations conducted with employees concerning employee related policies	N/A					

Diversity and Equal Opportunity						
Diversity and Equal Opportunity	2022			2021		
	Total	Male	Female	Total	Male	Female
% of workers in the workforce by gender	54	37%	63%	--	44%	56%
Number of employees from indigenous communities and/or vulnerable sector	0	0	0	--	0	0

Workplace Conditions and Occupational Health and Safety		
Occupational Health and Safety	2022	2021
Safe manhours	219,373	235,226
Number of work-related injuries	0	0
Number of work-related fatalities	0	0
Number of work-related ill-health	0	0
Number of safety drills	35	Not reported

Labor Standards and Human Rights		
Labor Laws and Human Rights	2022	2021
Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying in the workplace)	(These are policies and regulations adopted by FLI and its subsidiaries, as well as the FDC parent.)	4
(These are policies and regulations adopted by FLI and its subsidiaries, as well as the FDC parent.)	0	0

Relationship with Community		
Significant Impacts on Local Communities	2022	2021
For operations affecting IPs, total number of Free and Informed Prior Consent (FPIC) consultations and Certification Preconditions (CPs) secured	0	0

Customer Management		
Customer Satisfaction	2022	2021
Customer Satisfaction Score		No survey result was available in 2021
Product/Service Health and Safety	2022	2021
Number of substantiated complaints on product or service health and safety	None	None
Number of complaints addressed	N/A	N/A

Marketing and Labeling	2022	2021
Number of substantiated complaints on product or service health and safety	None	None
Number of complaints addressed	N/A	N/A

Customer Privacy	2022	2021
Number of substantiated complaints on customer privacy	0	0
Number of complaints addressed	0	0
Number of customers, users and account holders whose information is used for secondary purposes	0	0

Data Security		
Data Security	2022	2021
Number of data breaches, including leaks, thefts and loss of data	0	0

SEC CONTENT INDEX

Disclosures	Reporting location	Remarks/ explanation	
Company details			
Name of Organization	About This Report	Filinvest REIT Corp. (FILRT)	
Location of Headquarters		23rd Floor, Axis Tower I, Northgate Cyberzone, Filinvest Corporate City, Alabang, Muntinlupa City, Philippines	
Location of Operations		Alabang, Muntinlupa City and Cebu City	
Report Boundary: Legal entities included in this report	Scope and Materiality	All FILRT assets leased out in Alabang and Cebu, except for the operations of Capital One which has its own property management office	
Business Model	Business Model	Property Leasing and Operations	
Reporting Period	About this Report	January 1 – December 31, 2022.	
Highest Ranking Person for this report		Maricel Brion-Lirio, FILRT President and CEO	
A. Economic disclosures		Reporting location	
Economic Performance			
Direct Economic Value Generated and Distributed			
General Disclosures	Management Approach	EESG Index	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Direct economic value generated (Revenue)		
	Direct economic value distributed		
Climate-Related Risks and Opportunities			
General Disclosures	Governance	Sustainability Framework	FILRT aligns with the Net Zero aspirations and commitment to Resilience in the FDC parent's sustainability framework
	Strategy		
	Risk Management		
	Metrics and Targets		

Procurement Practices			
Proportion of Spending on Local Suppliers			
General Disclosures	Management Approach	EESG Index	All procurement in the Filinvest group is centralized under Supply Chain Management of SharePro, a recently organized shared services company. Local procurement in 2022 was at 99%.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		
Anti-Corruption			
Training on Anti-Corruption Policies and Procedures			
General Disclosures	Management Approach	EESG Index	FILRT's Corporate Governance is aligned with the Corporate Governance practices of the Sponsor, FLI.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Percentage of employees who have received written communication about corporate anti-corruption policies and procedures		
	Percentage of business partners who have received written communication about corporate anti-corruption policies and procedures		
	Percentage of directors and management who have received anti-corruption training		
	Percentage of employees who have received anti-corruption training		
Incidents of Corruption			
General Disclosures	Management Approach	EESG Index	Anticorruption policies are incorporated in FLI's Code of Business Conduct and Ethics as well as FLI's Employee Manual
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Number of incidents in which directors were removed or disciplined for corruption		
	Number of incidents in which employees were dismissed or disciplined for corruption		
	Number of incidents when contracts with business partners were terminated due to corruption		
B. Environment Disclosures		Reporting location	Remarks/ explanation
Resource Management			
Energy consumption within the organization and Reduction of Energy Consumption			
General Disclosures	Management Approach	Net Zero	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Energy consumption - by fuel type		
	Energy reduction - by fuel type		

Water consumption within the organization			
General Disclosures	Management Approach	Water and Wastewater	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	ESG Risks and Opportunities		
	Water consumption within the organization		
	Water withdrawal		
	Water consumption		
	Water recycled and reused		
Materials Used by the Organization			
General Disclosures	Management Approach	Not material	FILRT does not engage in construction nor manufacture products.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Materials used by weight or volume		
	Percentage of recycled input materials used to manufacture the organization's primary products and services		
	Water withdrawal		
Ecosystems and Biodiversity			
General Disclosures	Management Approach	See EESG Index for comment on Boracay	FILRT's assets are in urban areas; not adjacent to or located within biodiversity hotspots.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Operational sites owned, leased in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		
	Habitats protected or restored		
	IUCN Red List species and national conservation list species with habitats in areas affected by operations		
Environmental Impact Management			
Air Emissions - Green House Gasses (GHG)			
General Disclosures	Management Approach	Not material	GHG emissions are primarily from diesel consumption and electricity bought. Some of the electricity is sourced from 100% renewables. Scope 3 is from the electricity used by the district cooling system which is a third party service provider to FILRT.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	ESG Risks and Opportunities		
	Direct (Scope 1) GHG Emissions		
	Energy indirect (Scope 2) GHG Emissions		
	Emissions of ozone-depleting substances (ODS)		

Air Pollutants			
General Disclosures	Management Approach	Not material	Nil. While the gensets are regularly tested, these are only for very short durations, in minutes. Not reported
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Nitrogen oxides (NOx)		
	Sulfur oxides (SOx)		
	Persistent organic pollutants (POPs)		
	Volatile organic compounds (VOCs)		
	Hazardous air pollutants (HAPs)		
	Particulate matter (PM)		
Solid Waste			
General Disclosures	Management Approach	Recovering the Value of Wastes Through Circular Economy Partnerships	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Total solid waste generated - by type		
Hazardous Waste			
General Disclosures	Management Approach	Recovering the Value of Wastes Through Circular Economy Partnerships	Used oil and used lead acid batteries are donated to ABS CBN Foundation while the rest of the hazwastes are disposed via accredited service providers.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Total weight of hazardous waste generated		
	Total weight of hazardous waste transported		
Effluents			
General Disclosures	Management Approach	Water Sources, Consumption and Wastewater Reuse	Wastewater discharges are estimated as a percentage of the total water consumed. Wastewater is treated in a centralized facility in Filinvest Alabang which includes sewage from other sources.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Total volume of water discharges		
	Percent of wastewater recycled	Part of the treated effluent is sent back to the neighborhood for landscape irrigation.	
Environmental Compliance			
Non-compliance with environmental laws and regulations			
General Disclosures	Management Approach	Environmental Compliance	Environmental Regulators or FILRT are the Environmental Management Bureau of the Department of Environment and Natural Resources, covering all assets. The Laguna Lake Development Authority has jurisdiction over the wastewater performance of the assets in Alabang.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Total amount of monetary fines for non-compliance with environmental laws and/or regulations		
	Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	In 2022, there were no NOVs issued by both DENR EMB NCR and LLDA regulators.	
	Number of cases resolved through a dispute resolution mechanism		

C. Social Disclosures		Reporting location	Remarks/ explanation
Employee Management			
Employee Hiring and Benefits			
General Disclosures	Management Approach	Indirect Jobs and Women Empowerment	All FILRT employees are assigned from the Sponsor's talent pool as well as other Filinvest units. Further information on matters concerning human resources management may be found at FLI's sustainability report.
	The Impact and Where it Occurs		
	Total number of employees		
KPIs	Attrition rate		
	Ratio of lowest paid employee against minimum wage		
	List of employee benefits		
Employee Training and Development			
General Disclosures	Management Approach	Indirect Jobs and Women Empowerment	Information on training is reported in FLI's sustainability report.
	The Impact and Where it Occurs		
	Total training hours provided to employees (by male/female)		
KPIs	Average training hours provided to employees (by male/female)		
Labor Management Relations			
General Disclosures	Management Approach	EESG Index	There is no CBA in FILRT. Employee concerns are handled by the Sponsor, FLI.
KPIs	% of employees covered by Collective Bargaining Agreements		
	Number of consultations conducted with employees concerning employee-related policies		
Diversity and Equal Opportunity			
General Disclosures	Management Approach	Indirect Jobs and Women Empowerment	55% of the talents assigned to FILRT are female.
	The Impact and Where it Occurs		
KPIs	% of female workers in the workforce		
	% of male workers in the workforce		
	Number of employees from indigenous communities and/or vulnerable sector		
Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety			
General Disclosures	Management Approach	EESG Index	There were no significant safety incidents in 2022.
	The Impact and Where it Occurs		
KPIs	Safe Man-Hours		
	No. of work-related injuries		
	No. of work-related fatalities		
	No. of work-related ill-health		
	No. of safety drills		
Labor Laws and Human Rights			
General Disclosures	Management Approach	EESG Index	Filinvest's code of business conduct also applies to service providers, in accordance with contract provisions. More information can be found at the Corporate Governance reports of both FILRT and FLI.
	The Impact and Where it Occurs		
KPIs	Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace		
	No. of legal actions or employee grievances involving forced or child labor		

Supply Chain Management			
Supplier Accreditation and Screening			
General Disclosures	Management Approach	EESG Index	Vendor accreditation policy is being implemented by Supply Chain Management under SharePro, a shared services company of the Filinvest Group.
	The Impact and Where it Occurs		
KPIs	Supplier Accreditation Policy		
	Sustainability Topics Considered When Selecting/Screening Suppliers		
Relationship with Community			
Supplier Accreditation and Screening			
General Disclosures	Management Approach	EESG Index	Vendor accreditation policy is being implemented by Supply Chain Management under SharePro, a shared services company of the Filinvest Group.
KPIs	Operations with significant impacts on local communities (by location, vulnerable group/ indigenous people (IPs))		
	Mitigating measures (if negative) or enhancement measures (if positive)		
	For operations affecting IPs, total number of Free and Prior Informed Consent (FPIC) consultations and Certification Preconditions (CPs) secured		
Customer Management			
Customer Satisfaction			
General Disclosures	Management Approach	EESG Index	
	The Impact and Where it Occurs		
KPI	Customer Satisfaction Score(s)		
Health and Safety			
General Disclosures	Management Approach	EESG Index	FILRT's primary customers are businesses who lease office spaces. Customer satisfaction survey data for 2022 are not available.
	The Impact and Where it Occurs		
KPIs	Number of substantiated complaints on product or service health and safety		
	Number of complaints addressed		
Marketing and Labelling			
General Disclosures	Management Approach	EESG Index	FILRT's primary customers are businesses who lease office spaces. Customer satisfaction survey data for 2022 are not available.
	The Impact and Where it Occurs		
KPIs	Number of substantiated complaints on customer privacy		
	Number of complaints addressed		
	Number of customers, users and account holders whose information is used for secondary purposes		
Customer Privacy			
General Disclosures	Management Approach	EESG Index	FILRT does not have individuals as customers.
	The Impact and Where it Occurs		
KPIs	Number of substantiated complaints on customer privacy		
	Number of complaints addressed		
	Number of customers, users and account holders whose information is used for secondary purposes		
Data Security			
General Disclosures	Management Approach	EESG Index	FILRT has no reported data breaches in 2022.
	The Impact and Where it Occurs		
KPI	Number of substantiated complaints on customer privacy		
	No. of data breaches, including leaks, thefts and losses of data		

Consolidated Statements of Financial Position

	December 31,	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 16)	₱1,701,935,199	₱2,587,195,631
Receivables (Note 5)	789,140,396	754,995,633
Other current assets (Note 11)	327,750,212	64,054,931
Total Current Assets	2,818,825,807	3,406,246,195
Noncurrent Assets		
Advances to suppliers (Note 8)	8,898,825	13,293,694
Investment properties (Notes 6, 9 and 18)	10,042,109,848	9,165,931,034
Property and equipment (Note 10)	60,001,788	81,686,898
Intangible assets (Notes 6, 7 and 18)	998,810,323	1,054,470,180
Other noncurrent assets (Note 11)	238,260,817	250,528,341
Total Noncurrent Assets	11,348,081,601	10,565,910,147
Total Assets	₱14,166,907,408	₱13,972,156,342
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 12)	₱1,699,243,336	₱1,222,657,329
Current portion of:		
Lease liabilities (Note 18)	1,989,001	1,848,085
Security and other deposits (Note 14)	99,558,917	96,987,598
Bonds payable (Note 13)	6,000,000,000	-
Total Current Liabilities	7,800,791,254	1,321,493,012
Noncurrent Liabilities		
Due to related parties - net of current portion (Notes 12 and 16)	366,483,600	-
Bonds payable (Notes 13, 25 and 27)	-	5,987,044,949
Lease liabilities - net of current portion (Note 18)	26,330,764	25,990,097
Security and other deposits - net of current portion (Note 14)	661,105,321	654,002,829
Total Noncurrent Liabilities	1,053,919,685	6,667,037,875
Total Liabilities	8,854,710,939	7,988,530,887
Equity		
Capital stock (Note 15)	2,446,388,997	2,446,388,997
Additional paid-in capital (Note 15)	2,518,356,922	2,518,356,922
Retained earnings (Note 15)	347,450,550	1,018,879,536
Total Equity	5,312,196,469	5,983,625,455
Total Liabilities and Equity	₱14,166,907,408	₱13,972,156,342

See accompanying Notes to Financial Statements.

Consolidated Statements of Comprehensive Income

	Years Ended December 31		
	2022	2021	2020
REVENUES AND INCOME			
Rental revenue (Notes 7, 9, 16 and 18)	₱2,459,925,389	₱2,519,294,434	₱2,833,413,910
Others (Note 19)	779,663,469	922,722,669	1,048,582,442
	3,239,588,858	3,442,017,103	3,881,996,352
COSTS AND EXPENSES			
Depreciation and amortization (Notes 7, 9, 10, and 18)	412,907,769	427,657,046	486,065,150
Utilities (Note 11)	282,581,257	277,795,323	297,548,444
Rental expense (Notes 16 and 18)	262,962,187	271,083,960	297,968,918
Manpower and service cost	164,422,227	196,147,790	201,226,869
Repairs and maintenance	145,517,112	183,504,663	132,787,546
Taxes and licenses	141,240,655	95,353,896	118,895,084
Service and management fees (Note 16)	212,974,092	103,101,857	77,826,276
Insurance	10,171,490	15,915,467	4,019,860
Others	8,077,977	17,850,148	9,034,919
	1,640,854,766	1,588,410,150	1,625,373,066
OTHER INCOME (CHARGES)			
Interest and other financing charges (Notes 13 and 18)	(322,514,921)	(348,226,313)	(351,361,074)
Interest income (Notes 4, 5, 16 and 20)	29,754,402	9,986,396	3,908,966
Gain on sale of investment property (Note 9)	–	–	65,038,584
Gain on derecognition of lease liabilities (Note 18)	–	189,183,041	5,842,526
Other income (charges) - net	(720,249)	(1,411,852)	(2,319,005)
	(293,480,768)	(150,468,728)	(278,890,003)
INCOME BEFORE INCOME TAX	1,305,253,324	1,703,138,225	1,977,733,283
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 17)			
Current	–	117,651,935	231,150,026
Deferred	–	(269,648,113)	(114,258,532)
	–	(151,996,178)	116,891,494
NET INCOME	1,305,253,324	1,855,134,403	1,860,841,789
OTHER COMPREHENSIVE LOSS			
Item that will not be reclassified to profit or loss			
Remeasurement loss on retirement plan, net of tax (Note 2)	–	–	(1,055,090)
TOTAL COMPREHENSIVE INCOME	₱1,305,253,324	₱1,855,134,403	₱1,859,786,699
Basic/Diluted Earnings Per Share (Note 21)	₱0.27	₱0.53	₱0.80

See accompanying Notes to Financial Statements.

Consolidated Statements of Changes in Equity

	Capital Stock (Note 15)	Additional Paid-in Capital (Note 15)	Deposit for Future Stock Subscription (Note 15)	Appropriated Retained Earnings (Note 15)	Unappropriated Retained Earnings (Note 15)	Remeasurement Gain/(Loss) on Retirement Plan	Total
For the Year Ended December 31, 2022							
Balances at January 1, 2022	P2,446,388,997	P2,518,356,922	P-	P-	P1,018,879,536	P-	P5,983,625,455
Total comprehensive income	-	-	-	-	1,305,253,324	-	1,305,253,324
Cash dividends declared (Note 15)	-	-	-	-	(1,976,682,310)	-	(1,976,682,310)
Balances at December 31, 2022	P2,446,388,997	P2,518,356,922	P-	P-	P347,450,550	-	P5,312,196,469
For the Year Ended December 31, 2021							
Balances at January 1, 2021	P1,163,426,668	P102,900,666	P1,889,583,333	P-	P1,950,125,348	P28,845	P5,106,064,860
Total comprehensive income	-	-	-	-	1,855,134,403	-	1,855,134,403
Reclassification of remeasurement to retained earnings	-	-	-	-	28,845	(28,845)	-
Property dividends declared	-	-	-	-	(1,690,426,790)	-	(1,690,426,790)
Cash dividends declared	-	-	-	-	(1,095,982,270)	-	(1,095,982,270)
Additional deposit for future stock subscription and issuance	-	-	1,856,666,667	-	-	-	1,856,666,667
Application of deposit for future stock subscription and issuance of shares	1,282,962,329	2,463,287,671	(3,746,250,000)	-	-	-	-
Stock issuance and transaction cost	-	(47,831,415)	-	-	-	-	(47,831,415)
Balances at December 31, 2021	P2,446,388,997	P2,518,356,922	P-	P-	P1,018,879,536	P-	P5,983,625,455
For the Year Ended December 31, 2020							
Balances at January 1, 2020	P1,163,426,668	P102,900,666	P-	P6,300,000,000	P401,190,324	P1,083,935	P7,968,601,593
Net income	-	-	-	-	1,860,841,789	-	1,860,841,789
Other comprehensive income	-	-	-	-	-	(1,055,090)	(1,055,090)
Total comprehensive income	-	-	-	-	1,860,841,789	(1,055,090)	1,859,786,699
Dividends declared (Note 15)	-	-	-	-	(6,611,906,765)	-	(6,611,906,765)
Reversal of appropriation (Note 15)	-	-	-	(6,300,000,000)	6,300,000,000	-	-
Deposit for future subscription (Note 15)	-	-	1,889,583,333	-	-	-	1,889,583,333
Balances at December 31, 2020	P1,163,426,668	P102,900,666	P1,889,583,333	P-	P1,950,125,348	P28,845	P5,106,064,860

See accompanying Notes to Financial Statements

Consolidated Statements of Cash Flows

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,305,253,324	₱1,703,138,225	₱1,977,733,283
Adjustments for:			
Depreciation and amortization (Notes 6, 7, 9, 10, and 18)	412,907,769	427,657,046	486,065,150
Interest expense and other financing changes (Notes 13 and 18)	322,514,921	348,226,313	351,361,074
Interest income (Notes 4, 5, 16 and 20)	(29,754,402)	(9,986,396)	(3,908,966)
Gain on sale of investment properties (Note 9)	–	–	(65,038,584)
Gain on derecognition of lease liabilities (Note 18)	–	(189,183,041)	(5,842,526)
Pension expense	–	–	487,197
Operating income before changes in operating assets and liabilities	2,010,921,612	2,279,852,147	2,740,856,628
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivables	(34,144,763)	75,148,821	(54,648,565)
Other current assets	(263,695,281)	313,848,363	(200,426,188)
Increase (decrease) in:			
Accounts payable and accrued expenses	79,505,331	(22,599,962)	(191,226,805)
Other current liabilities	–	–	(129,337,085)
Security and other deposits	9,673,811	(98,083,633)	25,187,166
Other noncurrent liabilities	–	(300,385,682)	97,504,469
Net cash generated from operations	1,802,260,710	2,247,780,054	2,287,909,620
Interest received	29,754,402	9,986,396	3,908,966
Income tax paid	–	(117,680,780)	(231,583,519)
Net cash provided by operating activities	1,832,015,112	2,140,085,670	2,060,235,067
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties (Notes 9 and 25)	(445,163,947)	(413,237,259)	(1,158,021,511)
Intangible assets (Note 7)	(3,013,393)	(152,341,910)	(241,043,644)
Property and equipment (Note 10)	–	(30,219,374)	(16,760,634)
Proceeds from sale and assignment of:			
Investment properties (Note 9)	–	615,458,031	737,840,581
ProOffice Work Services, Inc. (Note 1)	–	–	17,162,936
Intangible assets (Notes 6 and 7)	–	971,793,929	–
Decrease (increase) in:			
Advances to suppliers	4,394,869	5,099,485	97,551,319
Other noncurrent assets (Note 11)	12,267,524	5,493,291	88,011,202
Net cash provided by (used in) investing activities	(431,514,947)	1,002,046,193	(475,259,751)
CASH FLOW FROM FINANCING ACTIVITIES			
(Note 25)			
Proceeds from availments of loans payable (Note 13)	–	–	1,000,000,000
Payments of:			
Cash dividends (Note 15)	(1,976,682,310)	(1,095,982,270)	(348,339,734)
Principal portion of lease liability (Note 18)	(1,894,287)	(14,397,140)	(47,613,247)
Interest and transaction cost (Note 18)	(307,184,000)	(315,074,354)	(471,907,571)
Loans payable (Note 13)	–	–	(1,355,454,545)
Net cash provided by (used in) financing activities	(2,285,760,597)	(1,425,453,764)	(1,223,315,097)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(885,260,432)	1,716,678,099	361,660,219
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,587,195,631	870,517,532	508,857,313
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱1,701,935,199	₱2,587,195,631	₱870,517,532

See accompanying Notes to Financial Statements.

The logo for FILRT•FR, with 'FIL' in blue, 'RT' in orange, and 'FR' in blue, separated by a black dot.

Filinvest REIT Corp.
23F Filinvest Axis Tower One
Northgate Cyberzone, Filinvest City
Alabang, Muntinlupa

www.filinvestreit.com

