

FAST FORWARD YOUR SUCCESS



FILRT·R

2023 ANNUAL AND SUSTAINABILITY REPORT



Fast Forward Your Success

The office leasing sector is resilient and headed towards recovery, with more diversified tenant acquisition and stronger retention strategies.

The acquisition of prime land in Boracay added a high-grade asset outside Muntinlupa and Cebu, and broadened the income profile mix beyond office leasing.

Exciting opportunities lie ahead—and we remain fully committed to expanding our asset base, providing stable returns, and delivering value to our shareholders.

FILRT moves fast forward for your success in your investments.

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► ABOUT THIS ANNUAL AND SUSTAINABILITY REPORT

This 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, 2023. 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's 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) Standards' 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.



► About FILRT

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 2023, 34.7% of the company is publicly traded while the balance is primarily owned by its sponsor, FLI.

Its original portfolio consists of 17 Grade A and majority LEED Gold and EDGE 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 in 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.



One Tree. One Heart.
ONE FILINVEST

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

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

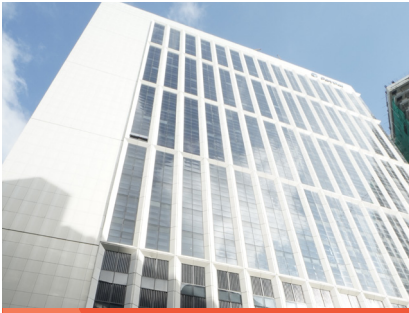
Deserve and preserve trust.

Financial and Operating Highlights

	2023	2022 Restated	2021 Restated
Statement of Income (P millions)			
Total Revenues	2,990	3,240	3,442
Reported Net Income	1,745	-661	11,955
Core Net Income	1,326	1,718	2,258
Statement of Financial Position (P millions)			
Cash and Cash Equivalents	1,301	1,702	2,587
Total Assets	49,946	49,858	51,629
Bonds and Loans Payable	5,985	6,000	5,987
Total Liabilities	8,588	8,855	7,989
Stockholders' Equity	41,359	41,003	43,641
Statement of Cashflows (P millions)			
Net Cashflow provided by Operating Activities	1,798	1,750	2,133
Net Cash provided by Investing Activities	-483	-349	1,009
Net Cash used in Financing Activities	-1,716	-2,286	-1,425
Financial Ratios			
Current Ratio	0.87	0.28	2.58
Debt-to-equity ratio	0.15	0.15	1.01
Loan-to-value ratio	0.13	0.13	0.12
Stock Information (end of period)			
Market Capitalization (P millions)	12,623	26,910	36,207
Stock Price (P)	2.58	5.50	7.40
Outstanding Shares (millions)	4,893	4,893	4,893
Earnings per Share (P)	0.36	(0.14)	2.44
Operational Highlights			
Total GLA (sqm)	330,449	330,449	301,362
Average Occupancy	83%	89%	89%
Appraised Value (P billions)	47.9	47.4	48.5

Portfolio of Properties

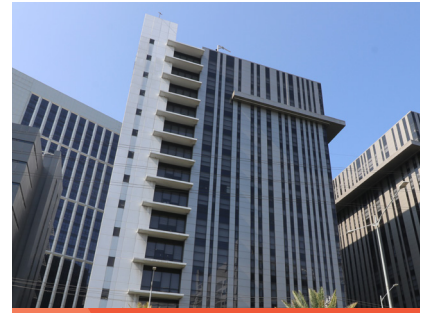
Property	Description	Year Completed	Total GLA (sqm)	
Commercial Buildings				
1	Axis Tower 1	Grade A, LEED Gold, PEZA-accredited	March 2018	40,869
2	Filinvest One	Grade A, EDGE-certified, PEZA-accredited	June 2013	19,637
3	Filinvest Two	Grade A, EDGE-certified, PEZA-accredited	September 2015	23,784
4	Filinvest Three	Grade A, EDGE-certified, PEZA-accredited	January 2015	23,784
5	Vector One	Grade A, EDGE-certified, PEZA-accredited	May 2011	17,764
6	Vector Two	Grade A, EDGE-certified, PEZA-accredited	September 2014	17,889
7	Vector Three	Grade A, LEED Gold, PEZA-accredited	January 2017	36,345
8	Plaza A	Grade A, EDGE-certified, PEZA-accredited	October 2007	10,860
9	Plaza B	Grade A, PEZA-accredited	March 2001	6,488
10	Plaza C	Grade A, PEZA-accredited	March 2001	6,540
11	Plaza D	Grade A, EDGE-certified, PEZA-accredited	June 2007	10,860
12	Plaza E	Grade A, PEZA-accredited	February 2014	14,859
13	iHub1	Grade A, PEZA-accredited	February 2015	9,480
14	iHub2	Grade A, PEZA-accredited	February 2016	14,181
15	5132 Building	Grade A, PEZA-accredited	February 2017	9,409
16	Capital One	Grade A, PEZA-accredited	February 2018	18,000
17	Cebu Tower 1	Grade A, PEZA-accredited	February 2019	20,612
Commercial Lot				
18	Boracay Resort Lot	Leased to 5-Star Crimson Resort & Spa Boracay	January 2023 (start of 40-year lease)	29,086



1 Axis Tower 1



2 Filinvest One



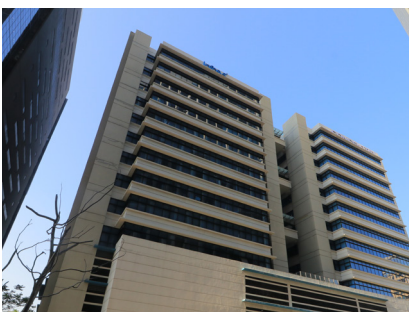
3 Filinvest Two



4 Filinvest Three



5 Vector One



6 Vector Two



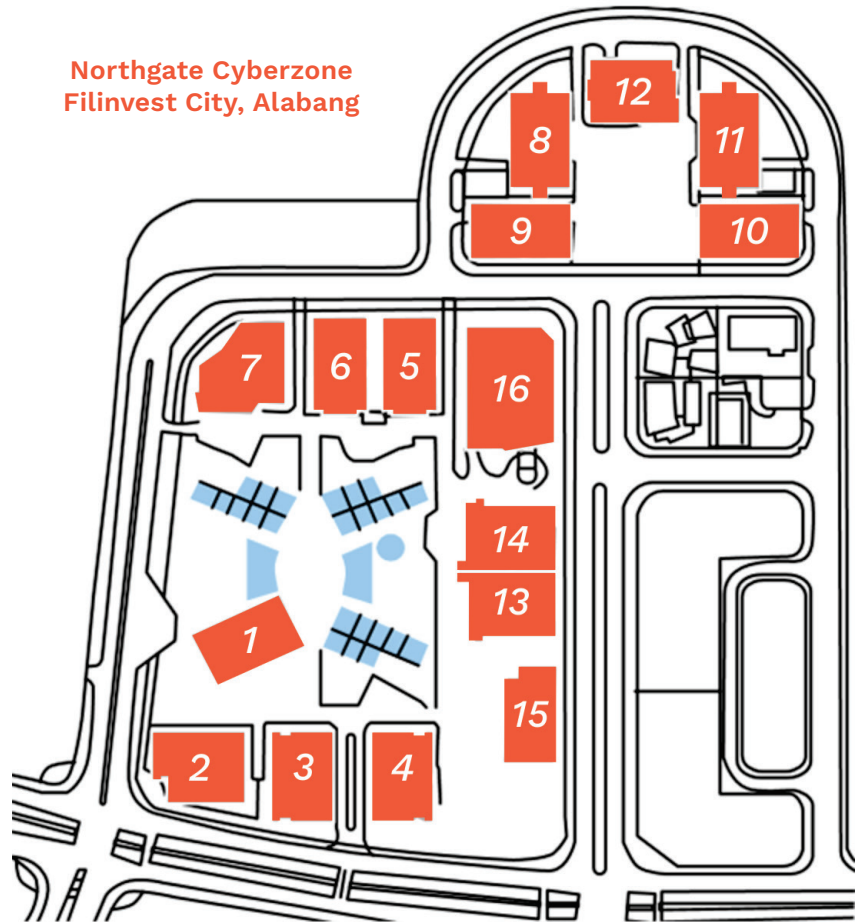
7 Vector Three



8 Plaza A



9 Plaza B





10

Plaza C



11

Plaza D



12

Plaza E



13

iHub1



14

iHub2



15

5132 Building



16

Capital One



17

Cebu Tower 1



18

Boracay Resort Lot





LOURDES JOSEPHINE GOTIANUN-YAP
Chairperson



MARICEL BRION-LIRIO
President & Chief Executive Officer

Message from the Chairperson and President & Chief Executive Officer

Dear Shareholders,

In 2023, the office leasing industry, which comprises the bulk of our business based on asset valuation, adjusted to the implementation of hybrid work set-ups that affected leasing patterns quite significantly. Despite the changes sweeping the workplace environment not only in the Philippines but globally, our business has proven to be resilient as shown by the operational and financial results for 2023.

Building a resilient portfolio

FILRT's original portfolio 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, Filinvest City in Muntinlupa where Filinvest Land, the Sponsor of FILRT, is the market leader with almost half of the market share. The remaining asset is located at the gateway of Cebu IT Park in Cebu which is likewise a fast-growing office expansion destination outside of Metro Manila.

In December of 2022, FILRT acquired a 29,086 sqm land located in the most prime section of Boracay island in Aklan from its ultimate parent company, Filinvest Development Corporation (FDC). As a result of this acquisition, FILRT was able to increase its portfolio GLA by 9.65 percent from 301,363 square meters to 330,449 square meters. It also added a high-grade asset outside of Alabang and Cebu, where most of the assets are located. The Boracay property started contributing to FILRT's revenue base in January 2023.

The asset infusion is a step towards a more diversified portfolio for FILRT as it broadened the income profile mix beyond office leasing and into the growing Philippine hospitality and leisure segment. The Boracay property derives its revenues from its land lease 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 deal structure allows FILRT to participate in the upside in line with the expected rapid growth of Philippine tourism.



Given the heightened importance of sustainability in tenants' office requirements, FILRT has been in the forefront of incorporating green features into its portfolio.

Our 2023 performance

FILRT recorded a net income of P1.74 billion in 2023. Excluding the net fair value change in investment properties, FILRT posted a net income of P1.35 billion on the back of rental and other revenues of P3.0 billion. FILRT ended 2023 with an average occupancy of 83 percent, which is better than market occupancy of 81 percent as reported by Colliers in its 4Q 2023 Office market report.

New leases totaling 20,139 square meters were successfully signed in 2023. This includes 4,512 square meters of new traditional tenants, reinforcing FILRT's strategy of diversifying its tenant base. The size of new leases in 2023 is almost a fourfold improvement from the signed 5,087 square meters of new leases in 2022. New leases were closed at higher rates against reported transacted rates in the Alabang area.

In terms of tenant retention, 31,835 square meters or 77 percent of 41,110 square meters of expiring leases in 2023 were renewed. This led to a significant improvement in WALE to 6.91 years as renewals and new leases for the year have set in, plus the addition of Crimson Boracay to the portfolio. The Crimson Boracay lot, which comprises 9 percent of the total GLA, has a 40-year lease.

As part of our strategies, we have been deliberate in diversifying our tenant mix with the addition of traditional tenants and co-working locators. Tenant mix at the end of 2023 is comprised of 78 percent multinational BPO companies, 11 percent traditional office and co-working, 11 percent hospitality, and the small remainder taken up by retail tenants. FILRT remains free of POGO exposure.

FILRT's balance sheet remained healthy and conservatively levered, with debt of P6 billion against an asset base of P49.9 billion. The debt came from bonds that matured and fully paid in January 2023, and consequently refinanced. This puts loan-to-value ratio at 12.5 percent, which is well below the 35 percent regulatory limit.

FILRT has declared 11 dividends since its IPO. In 2023, FILRT declared and paid dividends totaling P0.284 per share in 2023, delivering a yield of 11.0 percent based on 2023 closing price. FILRT is focused on diversifying its portfolio to boost dividends for its shareholders while improving the revenues of its existing prime office assets.

Focus on sustainability

Given the heightened importance of sustainability in tenants' office requirements, FILRT has been in the forefront of incorporating green features into its portfolio. This is continuously being done through retrofitting, shifting to renewable or clean energy, implementing efficient water systems, and securing certifications to ensure baseline standards are met.

To demonstrate our commitment to sustainability, we have been enlisting our properties to green certifications. We increased the number of green-certified properties in our portfolio from four buildings in 2022 to nine in 2023. Six FILRT properties (Vector One, Vector Two, Plaza A, Plaza D, Filinvest One, Filinvest Two and Filinvest Three) have certifications under EDGE (Excellence in Design for Greater Efficiency), an international green building standard developed by the International Finance Corporation of the World

Bank. One property, Filinvest One, obtained an EDGE 'Advanced' (Level 2) certification which makes it Zero Carbon-ready. Two buildings in FILRT's portfolio (Vector 3 and Axis Tower 1) are also LEED Gold-certified.

Filinvest City, where majority of our FILRT assets are located, is a masterplanned community and the first central business district in the Philippines to receive LEED® v4 Gold for Neighborhood Development Plan certification for its township-wide green and sustainability features.

On our Energy strategy, we have a two-pronged approach: energy efficiency and the use of renewables. Our building designs have provisions for natural and LED lighting, natural ventilation where feasible and the use of variable frequency drives. What makes us distinct from other lessors and developers is that the buildings in Filinvest City are connected to the largest district cooling system in the Philippines which substantially reduces energy consumption and carbon emissions by as much as 40 percent.

We are also pleased to report that in 2023, eight FILRT buildings enjoy 100 percent supply of renewable electricity. Electricity sourced from renewables jumped to 45 percent in 2023 from 32 percent in 2022 and 26 percent in 2021. We continue to work in further increasing the use of renewables this year. Since January 2024, additional five buildings have already been added to the list of those that enjoy 100 percent renewables, constituting 13 out of the 17 office buildings in the portfolio.

We will continue to step up our efforts to reduce FILRT's environmental footprint.

We believe this is an important commitment on our part to contribute to the conservation of the environment.

Acknowledging the importance of sustainability to our valued partner tenants, composed of a diverse tenant mix where majority are multinational BPO companies and traditional ROHQ, FILRT upholds its role as an enabler. Embracing a holistic approach, we perceive our partnership not merely as a commitment to sustainability but also as a catalyst for mutual growth. We foster win-win situations to drive value in close collaboration with our tenants. Our unwavering dedication is exemplified through tailored customer service, various engagement initiatives, and continuous enhancement of client relationships.

Fast forward to an expanded portfolio

FILRT's future growth will be driven by a pipeline of high-value and green-designed assets that attract tenants who share Filinvest's sustainability goals. Our Sponsor Filinvest Land, Inc. (FLI) alone has about 532,000 square meters of office and retail GLA in key CBDs that are potential acquisitions for FILRT in the near to medium term. Potential acquisitions can also come from the pipeline of assets owned by our Sponsor's parent company, FDC.

A number of assets have been identified for infusion into FILRT that are subject to a favorable exchange price in order to have a property-for-share swap that is dividend accretive for FILRT shareholders.

We will endeavor to strengthen and grow our business to deliver value to our shareholders.



Recognition

FILRT earned multiple awards in recognition of its dedication to excellence and sustainable real estate in 2023. This includes Outstanding Developer for Sustainable Development and the gold title for Outstanding Developer for Office Development at the FIABCI Property and Real Estate Excellence Awards. Reaching a global stage, FILRT earned the bronze title for Sustainability Leadership in Asia, Australia, and New Zealand at the Stevie International Business Awards. FILRT was also honored as a Circle of Excellence Awardee for Sustainability Company of the Year at the Asia CEO Awards.

FILRT was recognized for its exemplary adherence to regional corporate governance practices at the Institute of Corporate Directors' (ICD's) annual ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards. FILRT was honored with 1-Golden Arrow as a testament to its commitment to corporate governance excellence.

With each recognition, FILRT reaffirms its commitment to driving positive change within the industry, fostering transparency, and paving the way for a greener, more sustainable future.

Acknowledgements

On behalf of the Board, we would like to thank FILRT's leadership team and each member of the Fund Management and Property Management companies for their hard work, dedication, and perseverance. We also wish to acknowledge our fellow Board of Directors for their guidance and support. We appreciate the trust and confidence of our shareholders, customers and business partners who believe in our vision for FILRT and our Sponsor's track record in the real estate business.

We look forward to a more robust global economy in 2024 and the exciting opportunities ahead for Filinvest REIT. We are fully committed to expanding our assets, providing stable returns, and delivering value to our shareholders.

Thank you.

JOSEPHINE GOTIANUN-YAP
Chairperson

MARICEL BRION-LIRIO
President & Chief Executive Officer

Business Review

Portfolio

The Filinvest group's 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 December 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). Adding the Boracay property, total valuation of the portfolio is ₱47.9 billion as of end-2023, 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.

Bulk of the tenant mix is comprised of multinational BPO tenants, contributing 78% of occupied GLA. With the infusion of the Boracay property, hospitality takes up 11%. Traditional office tenants and co-working take up 11% and the small remainder is leased to retail tenants. FILRT has zero POGO exposure.

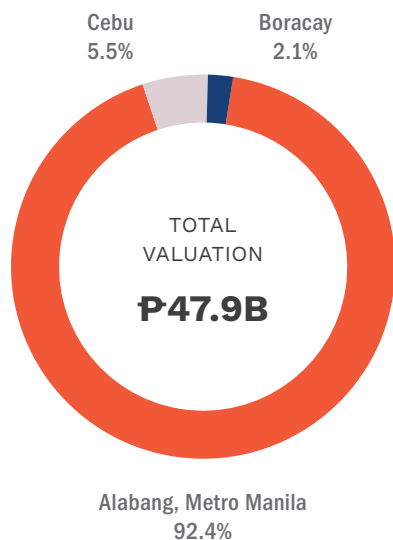
Overall, the portfolio had an average occupancy of 83 percent in 2023 and a weighted average lease expiry (WALE) of 6.9 years as of end-2023. For the office assets alone, WALE is 3.0 years as of end-2023, with the portfolio having well spread out lease expiries.

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).

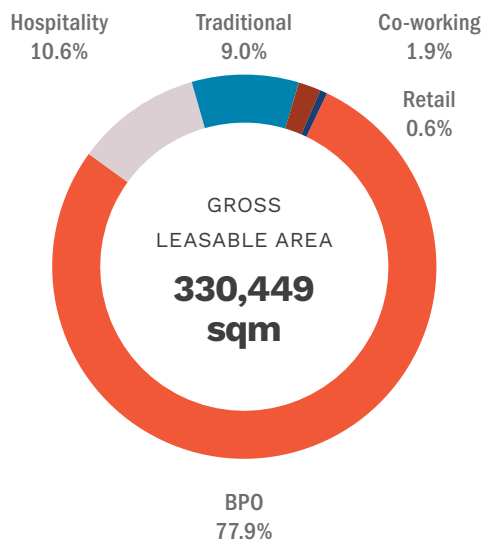
Financial Performance

FILRT recorded a net income of ₱1.75 billion in 2023. Excluding the net fair value change in investment properties, FILRT posted a net income of ₱1.33 billion on the back of rental and other revenues of ₱3.0 billion. FILRT shifted its accounting method from Cost

Portfolio geographical breakdown by valuation (%)



Tenant sector by occupied GLA (%)



method to Fair Value (FV) method of valuing investment properties for financial reporting purposes effective January 1, 2023.

FILRT is conservatively levered, with debt of P6.0 billion at the end of 2023. These were bonds that matured and were fully paid in January 2023, and refinanced. End of period loan-to-value ratio is 12.5% which is well below the 35% regulatory limit.

Dividends

As of end-2023, FILRT has distributed 11 dividends since its IPO. In 2023, FILRT declared and paid dividends totaling P0.284 per share, delivering a yield of 11.0% based on its 2022 closing price of P2.58 per share. FILRT’s dividend yield is higher compared to the 2023 average and end of period yield of 10-year government bonds.

Future Growth

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 guided by the following principles: one, it

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

The acquisition of the Boracay property, which started contributing to FILRT’s income in January 2023, is 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.

FILRT’s future growth will be driven by a pipeline of high-value and green-designed assets that attract tenants who share FILRT’s sustainability goals. A pipeline of possible commercial assets has been identified for potential asset infusion. FLI has about 532,000 square meters of office and retail GLA in key CBDs that are potential acquisitions for FILRT in the near to medium term.

There are also other asset classes within the Filinvest group that are under consideration. However, the expansion of the asset base with acquisition of new assets from its Sponsor, FLI, and the Sponsor’s parent company, FDC, are dependent on a favorable exchange price to enable a property for share swap that is dividend accretive for FILRT shareholders.

Sustainability





EESG Highlights

Environment

2
LEED Gold
Certifications



8 of 16
buildings enjoy 100%
Renewable Electricity
supply



+6.3%
jump in avoided
carbon emissions due
to increase in use of
renewables



6
Level 1 EDGE
Certifications



44.8%
of electricity used
was sourced from
renewables
(2022: 32%, 2021: 26%)



1
Level 2 EDGE
Certification
(Net Zero Ready)



9.3%
of treated effluent
attributable to FILRT
is reused





Social

510

indirect jobs generated through support service contractors



60%

of executives seconded from Filinvest units are female



More than

19,000

workforce employed by tenants occupying FILRT buildings



64%

of all employees seconded from Filinvest are female



Economic

P161 million

paid in taxes and licenses



P1.1 billion

paid to supply chain



As the Philippines’ first sustainability-themed real estate investment trust, Filinvest REIT (FILRT) has continued to build on its EESG accomplishments since its launch. Driven mainly by a desire to integrate sustainability into the core of the business, and supported by the desire of the tenants who adopted their own sustainability goals, FILRT provides an enabling environment to attain shared EESG objectives such as fostering environmental protection and providing green and inclusive spaces for people to work in.

The best ESG practices of yesterday are now business-as-usual today. Pioneering sustainability work in the Offices segment of Filinvest’s real estate business have already proven the business case on which investment in various solutions were justified. As ideas on what sustainability is and how it should be practiced continue to evolve, FILRT will continue to replicate and expand the current notable accomplishments and develop innovative solutions to deliver more shared value for its stakeholders. There is no direction but forward, fast forward.

Scope, Materiality, and Stakeholder Engagement

This ESG report covers all assets in the FILRT portfolio which are under its direct management as of December 31, 2023. This includes 15 office buildings located in Northgate Cyberzone, Alabang and one office building in Cebu City. Excluded are the lot property in Boracay and the Capital One building in Alabang which are under the direct management of the lessees.

The operations of FILRT mainly involve asset leasing and property management. It does not engage in the development and construction of physical assets. All personnel involved in the management of the company and assets are seconded from other entities in the Filinvest group and thus FILRT does not have any direct employees. In consideration of the nature of

 <p>Economic</p> <ul style="list-style-type: none"> Direct and indirect jobs generated Business opportunities for support service providers and vendors Addressing tenants’ business needs Post-COVID and macroeconomic trends’ impact on the office leasing industry 	 <p>Social</p> <ul style="list-style-type: none"> Occupational health and safety Workforce mobility Flexible work arrangements Human capital development and talent connection Disaster resiliency
 <p>Environmental</p> <ul style="list-style-type: none"> Resource efficiency Energy conservation and efficiency Water security, conservation and efficiency Municipal and hazardous wastes management Green building design and green communities 	 <p>Governance</p> <ul style="list-style-type: none"> Regulatory compliance Emerging regulations Transparency Good governance

the business, comprehensive narratives related to human capital are attributed to and covered under the sustainability reports of publicly listed Filinvest Development Corporation (FDC) and Filinvest Land, Inc. (FLI).

Through interactions with key stakeholders such as the lessees and their employees, Filinvest-seconded employees, supply chain and the shareholders, a set of risk and sustainability topics that are material to both business and stakeholders were mapped out and, together with the Filinvest group sustainability framework and regulatory disclosure requirements of the SEC regulator, became the basis for reporting on EESG accomplishments.

Engagement channels with key stakeholders of FILRT are established where concerns and feedback are gathered and discussed.

Engagement Channels with Stakeholders

Stakeholder	Concerns	Engagement channels and responses
Lessees	<ul style="list-style-type: none"> • Support facilities and utilities • Enabling environment to attain their own sustainability commitments, e.g. • Energy efficiency • Renewable energy supply • Water conservation • Waste management • Health and safety 	<ul style="list-style-type: none"> • Annual survey form to gather feedback • Monthly touchpoints with tenants on EESG performance review • Additional partnerships for circular economy solutions and securing more renewables
Filinvest-seconded employees	<ul style="list-style-type: none"> • Occupational Health and Safety • Workload and Benefits • Employee Engagement • Career Development 	<ul style="list-style-type: none"> • Review and modification of employee benefits and work arrangements • Safety trainings and audits • Training programs on core, leadership and functional competencies
Supply Chain, Service Providers	<ul style="list-style-type: none"> • Indirect jobs generation • Accreditation • Transaction and payments efficiency 	<ul style="list-style-type: none"> • Central procurement • Harmonization of procurement and financial information systems across the Filinvest Group
Shareholders, Investors, Lenders	<ul style="list-style-type: none"> • Share price stability and growth • Reliable cash flows and dividends • New assets infusion • Good governance and transparent disclosures (incl. EESG) 	<ul style="list-style-type: none"> • Structured disclosures • Analysts' briefings • Press releases • Prompt response to queries on financial and non-financial performance
Local and National Government Agencies	<ul style="list-style-type: none"> • Taxes • Disaster Readiness and Response • Compliance • Good Governance 	<ul style="list-style-type: none"> • Timely regulatory filings and permit renewals • Sustained PEZA accreditation • Participation in public consultations on new government policies • Coordination on disaster preparedness / shared drills
The Physical Environment	<ul style="list-style-type: none"> • Energy efficiency • Climate change mitigation & adaptation • Water security • Waste management • Green designs 	<ul style="list-style-type: none"> • Consistent compliance with all environmental regulations and permit conditions • District cooling system for energy efficiency • Procurement of renewable energy through the Green Energy Options Program • Wastewater treatment and reuse • E-jeepneys and dedicated pedestrian paths & bike lanes • Building and neighborhood green certifications, e.g. EDGE, LEED

How We Create Value

Our Capitals	Business Model/Process	Outputs and Outcomes	Contributions to UN SDGs
<p>Financial</p> <p>Property valuation of P47.9 billion (as of December 31, 2023)</p> <p>Market capitalization of P12.6 billion (as of December 31, 2023)</p>	<p>FILRT's business model is focused on long-term growth, incorporating sustainability, risk management, and a prudent capital management approach, intended to yield stable revenues and dividends for its shareholders.</p> <p>Adoption of the following investment criteria for asset infusion in the portfolio:</p> <p><i>Grade A assets related to office, retail, residential, hospitality and industrial properties in high value locations</i></p> <p><i>Three-year operating history with stable revenues</i></p> <p><i>Incorporation of sustainability principles in the design and operations of real estate assets</i></p>	<p>Steady portfolio growth with stable recurring income and dividends</p> <p><i>Revenues</i></p> <p><i>Net Income</i></p> <p><i>Distributable Income</i></p>	<p>SDG 8 Decent Work and Economic Growth</p> 
<p>Manufactured and Intellectual</p> <p>Properties in FILRT portfolio:</p> <p><i>Sixteen Grade A office buildings in Filinvest City, Alabang, Muntinlupa City</i></p> <p><i>One Grade A building in Cebu</i></p> <p><i>One prime lot in Boracay Island, Malay, Aklan</i></p> <p>Filinvest's institutional knowledge and experience of 57 years in property development and management</p>		<p>Property assets located in strategic locations in Muntinlupa, Cebu and Boracay</p> <p>Gross leasable office space of 299,158 square meters</p> <p>Gross leasable retail space of 2,204 square meters</p> <p>Leasable prime lot of 29,086 square meters</p> <p>83% average occupancy in 2023</p> <p>77% contract renewal rate of 2023 expiring leases</p> <p>Weighted average lease expiry of 6.9 years (WALE) as of end-2023</p>	<p>SDG 9 Industry, Innovation and Infrastructure</p> <p>SDG 11 Sustainable Cities and Communities</p>  
<p>Relationship</p> <p>Contribution of Sponsor FLI's trusted real estate brand to the growth of the nation and its economy for 57 years, helping millions of Filipinos achieve their dreams</p> <p>PEZA accreditation of all office properties in the portfolio</p>		<p>Opportunity for members of the investing public to own high value properties that have recurring returns and stable growth</p> <p>1,697.5 million shares owned by the public, equivalent to 34.7% of issued and outstanding shares</p> <p>Total dividends paid in 2023 totaling P0.284 per share</p> <p>Dividend yield of 11.0% based on 2023 closing price</p>	<p>SDG 8 Decent Work and Economic Growth</p> 

Our Capitals	Business Model/Process	Outputs and Outcomes	Contributions to UN SDGs
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<p>Natural</p> <p>High value properties in strategic locations where natural resources needed to sustain operations are available and adequate</p> <p>Green building designs that feature energy and water efficiency, optimal resource use, people-centric amenities and resiliency towards natural risk events</p>		<p>LEED v4 Certification for Neighborhood Development Plan for Filinvest City (location of 16 buildings)</p> <p>Two LEED Gold, six EDGE Level 1 and one EDGE Level 2 certified buildings</p> <p>Responsible housekeeping which results in resource and energy efficiencies, reduced wastes and compliance with environmental laws</p> <p>Availability of an e-transport system called Filinvest City 360 Eco-Loop, 2.2 kilometers of pedestrian and bike paths, and a multi-modal transport hub to connect with the rest of the metropolis</p> <p>Green spaces with linear parks, river park and water garden occupying more than 30% of the total development</p> <p>Over 4,900 trees and seedlings planted</p> <p>Reduced energy consumption versus baselines due to use of decentralized cooling, potentially reducing energy consumption by 40%</p> <p>Compliance with all environmental permits and reportorial requirements; zero environmental cases in 2023</p>	<p>SDG 9 Industry, Innovation and Infrastructure</p> <p>SDG 11 Sustainable Cities and Communities</p> <p>SDG 13 Climate Action</p> <p>SDG 14 Life Under Water</p> <p>SDG 15 Life on Land</p> 
<p>Human</p> <p>Filinvest's strong and experienced cross-functional team of property development, property management and fund management professionals</p> <p>Competent service providers from Filinvest's supply chain</p>		<p>Jobs generated and safe working spaces for tenants' workforce, Filinvest employees and support staff</p> <p>Almost 19,000 employees of tenants working in FILRT offices in Alabang</p> <p>55 seconded talents of Filinvest Group involved with FILRT operations</p> <p>64% females in the seconded workforce</p> <p>Engaged 6 service providers for outsourced services, with 510 indirect jobs provided</p>	<p>SDG 3 Good Health and Well Being</p> <p>SDG 5 Gender Equality</p> <p>SDG 8 Decent Work and Economic Growth</p> 

Sustainability Framework

FILRT's sustainability commitments align with that of the Filinvest group. Three key focus areas summarize the key commitments that address shareholder and stakeholder issues to ensure the company continues to generate value in its many forms, in the long term.

Under the **GREEN** pillar, three sub-focus areas have been identified which resonate directly with FILRT's business model as a sustainability-themed REIT. Green Designs for Sustainable Communities has been the philosophy for developing the current office assets of FILRT, and Circular Economy principles also guide not just property management but also the surrounding Filinvest City ecosystem where Northgate Cyberzone is located. Further, the commitment to achieve Net Zero helps the company address the own needs of tenants to meet their own decarbonization targets.

Under the **INCLUSIVE** pillar, FILRT's operations are supported by seconded Filinvest employees who are the subject of Nurturing Talent: Opportunities for Job Development and Growth. The benefits of an enabling environment of FILRT not only support Filinvest employees but also the workforce directly employed by its tenants which number in the thousands who are mostly from communities in the south of Manila, in a way, it is Serving the Underserved.

Under the **RESILIENT** pillar, there is a particular focus of Filinvest on establishing and enhancing the resiliency of both assets and operations, especially in light of disruptive risk events that the country is vulnerable to. At the heart of resiliency is people, thus organizational agility towards both risks and opportunities, is a continuing concern for the entire Filinvest group.



GREEN

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

Green Designs for Sustainable Communities

We commit to developing green communities and infrastructure that feature designs that minimize negative impact and enhance positive impact, not only on the physical environment but also on people and communities.

Closed Loops and Circular Economy

We commit to maximize all opportunities in contributing to a circular economy where material resources are utilized in an efficient manner and kept useful for a long time, wastes are minimized and made useful, and natural systems are regenerated.

Net Zero

We commit to achieving net zero emissions in our value chain in the best practical way and at the soonest, in alignment with the country's development strategy, climate change targets and timelines.



INCLUSIVE

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

Serving the Unserved and Underserved

We commit to finding new solutions to address the pain points of the unserved and underserved segments of society through innovations in delivering products and services.

Nurturing Talent – Equal Opportunities for Jobs, Development and Growth

We commit to strengthening our human capital that will support our business growth aspirations, by nurturing capabilities and bringing out the best in our talents irrespective of background.

Engaging Communities

We commit to listening to and engaging with all relevant stakeholders where we operate, so that we could work together to attain common goals.



RESILIENT

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

Resilient Assets

We commit to retrofit existing assets and acquire or develop future assets to be resilient against all types of physical risk events such as climate-related or geological phenomena and manmade disruptions.

Resilient Operations

We commit to strengthening our capabilities in business continuity across the group, ensuring that our people are resilient to be able to serve customers well during disruptions, response capabilities across the Group are integrated, and operations protocols developed and regularly tested.

Agile Organization

We commit to always look ahead and continually transform and strengthen our human capital, technical practices, business processes, culture and leadership so that the Group is ready to address current and emerging global and local risks and opportunities that have an impact on our long term ability to create and deliver value for our stakeholders.

Our Commitment to Being Green

Under the aspiration to be GREEN, the company counts among the real estate leaders in the Philippines that embraced the principles of environmental responsibility early on, driven by complementing objectives of operational efficiency and environmental protection. In recent times, another key driver has emerged: meeting the needs of the tenants to meet their own ESG targets.

FILRT's tenants are mostly multinationals which have adopted their own sustainability commitments and targets, and most common among them is a Net Zero commitment. FILRT provides an enabling environment for the tenants to achieve their ESG goals. Not responding to this need will inevitably increase the risk of tenants choosing other office space providers.

Pushing Beyond Yesterday's Best Practices

Upon its launch in 2021 as a sustainability-themed REIT, FILRT has highlighted the ESG-related features of its building assets as well as the Filinvest City ecosystem that surrounds it. Filinvest City in Alabang was the first township to receive a LEED Gold certification for Neighborhood Development, having incorporated many features in city design such as the provision of green spaces, pedestrian and bike paths, electric jeepney service, in addition to a centralized sewerage system and an irrigation system that makes use of treated effluent. Northgate Cyberzone features the largest district cooling system (DCS) in the country which serves most of the office buildings. Plans are under way to replicate the DCS scheme to other Filinvest townships where demand for cooling water is high.

The best practices of yesterday have become business-as-usual in the present day. Filinvest continues to manifest its leadership in sustainability by investing further in state-of-the-art sustainability solutions that push the boundaries of ESG practice.

The sewage treatment facility is undergoing an expansion and redesign that will allow it to generate potable water from sewage. Due for completion in 2025, it will help enhance the township's water security as well as attain consistent compliance with the nutrient removal requirements of the revised effluent standards. The reuse of treated effluent for irrigation of public spaces continues to be practiced across Filinvest City.

Filinvest City has installed electric vehicle charging stations available to the public. FILRT is on its way to complying with Republic Act 11697 (Electric Vehicle Industry Development Act) which requires at least 5% of parking spaces be dedicated to electric vehicles. There is close coordination with the tenants on the growth of demand for charging stations.

A partnership with Green Antz was sealed to help address the recycling of soft plastics and upcycle them into paving blocks.

**Green Certifications:
A Testament to Green Design**

During the FILRT launch, two buildings have already secured LEED Gold certifications: Axis 1 and Vector 3 which were relatively newly completed buildings in the portfolio. For the assets that were built long before the IPO, the decision was to secure a green building certification that is more appropriate to pre-existing buildings, such as Excellence in Design for Greater Efficiencies (EDGE) developed by the International Finance Corporation, which has been growing in popularity among real asset owners. It has three key assessment criteria: energy savings, water savings and embodied carbon.

In 2023, FILRT had secured Level 1 EDGE Certifications for six properties and a Level 2 EDGE Certification for Filinvest One building in Northgate Cyberzone, covering a total of 137,556.73 square meters or 41.6% of the gross leasable area of FILRT.

Filinvest One’s Advanced (or Level 2) EDGE certification is considered Zero Carbon Ready, and is targeted to attain an EDGE Zero Carbon certification after the mandatory waiting time of at least one year.

FILRT aspires to secure EDGE certifications for the remaining properties in order to attain more than 200,000 square meters of gross floor area certified which makes it eligible for being tagged as an EDGE Champion.

Together with the LEED Gold certifications, a total of 221,753 square meters gross floor area of FILRT has already been certified as of end of 2023.

EDGE Level 1
Requires 20% or more savings in energy, water and embodied carbon in materials

EDGE Level 2
requires 40% or more on-site energy savings

EDGE Zero Carbon
100% renewables onsite or offsite, at least 1 year after EDGE Advanced Level certification with 75% occupancy

EDGE Certifications

Building	EDGE Certificate	Energy Savings	Water Savings	Less Embodied Carbon in Materials	Gross Floor Area (m ²)
Filinvest One	Level Two (EDGE Advanced)	48%	38%	50%	137,556
Filinvest Two	Level One	24%	51%	38%	
Filinvest Three	Level One	25%	49%	36%	
Vector One	Level One	25%	29%	66%	
Vector Two	Level One	29%	29%	65%	
Plaza A	Level One	25%	42%	65%	
Plaza D	Level One	25%	33%	61%	

Greenhouse Gas Emissions (in tonnes CO₂e)

GHG Emissions	2023	2022	2021
Scope 1 *	107	232	335
Scope 2 (common areas only) **	5,991	7,719	7,587
Scope 2 (total area)	17,068	34,241	NOT REPORTED
Scope 3 ***	8,759	6,270	7,793
Scopes 1, 2, & 3 (common area)	14,857	14,221	NOT REPORTED
Scopes 1, 2, & 3 (total area)	25,934	27,685	NOT REPORTED
Avoided GHG emissions due to RE consumption	13,874	13,057	NOT REPORTED
GHG Intensity based on occupied/ leased area, tonnes CO ₂ e/sqm	0.1134	0.1127**	NOT REPORTED

* Scope 1 is due to stationary fuel consumption only.

** Scope 2 uses emission factor of 0.7122 tonnes CO₂-e per MWH, provided by DOE (2017). Updated emission factor for Philippine grid due to interconnection of Luzon/Visayas with Mindanao grid in 2023 is not yet published. Scope 2 does not include electricity sourced from renewables.

*** Scope 3 is due to the electricity, attributable to connected FILRT buildings, used by the District Cooling System, a 'third party' service provider which is a joint venture between Filinvest Land and ENGIE.

** Restated figures due to adjustment of denominator (carved out leased area of Capital One)

Marching Forward, Towards Net Zero

FILRT's approach to its Net Zero aspirations has consistently been two-pronged: attain quick wins through energy efficiency solutions and secure more supply of electricity from renewable sources.

The best practices of yesterday which are now business-as-usual, such as conversion to LED lighting and installation of variable frequency drives, have been completed in recent years. Energy audits were undertaken in compliance with the Department of Energy's directives and audit reports submitted accordingly.

In 2023, FILRT's Scope 1, 2 and 3 greenhouse gas emissions, based on total area, saw a slight decrease by 6.7%.

FILRT continues to actively source for more electricity supply from renewables through the Department of Energy's Green Energy Options Program (GEOP). In 2023, 50% of the 16 buildings in Alabang enjoyed 100% renewable energy supply through a partnership with FDC Retail Electricity Supply, a sister utility company. In 2023, renewables comprised



In 2023, the FILRT portfolio's electricity use intensity improved to **189.92 KWH/sqm** from 195.72 sqm in 2022.

Energy use intensity improved to **0.684 GJ/sqm** from 0.705 GJ/sqm in 2022.



Renewable Electricity Consumption

Building	2023 renewable electricity consumption (KWH), based on common area	2023 renewable electricity consumption (KWH), based on total area
Vector One*	900,146	2,724,061
Vector Two*	900,146	2,724,061
Vector Three	1,749,394	4,688,435
iHub 1	448,234	1,156,393
iHub 2	527,526	2,183,082
Filinvest One	729,915	2,132,217
Filinvest Two	754,332	1,446,918
Plaza A	614,795	2,424,980
Total consumption of the 8 RE-connected buildings above	6,624,488	19,480,147
Total electricity consumption of non-RE buildings	8,411,601	23,965,465

* Vector One and Two share a common electricity meter.

44.8% of the total electricity requirement of the office portfolio, seeing a significant increase from 32% in 2021 and 26% in 2021.

The medium term goal of FILRT is to secure 100% RE supply for all its properties. This is highly dependent on the availability and cost of bulk renewables supply in the Philippine market.

A renewables supply contract for additional five buildings is being finalized for execution in early 2024, which will result in 13 out of 17, or 76%, of office buildings enjoying electricity supply from renewables.

More details of the environmental performance of FILRT's operations in 2023, covering energy, water, solid wastes, hazardous wastes and environmental compliance, can be found at the ESG Performance Index section of this report.



Eight buildings enjoyed **100% renewable electricity supply** in 2023.

Five more buildings are slated to receive RE supply in early 2024.



Our Commitment to Being Inclusive

As a conglomerate that aims to help enable Filipinos to achieve their dreams, it has always embedded inclusion in its values and business strategy. Filinvest is well known for gender blindness and nurturing women leaders in its organization. Its services and products focus on markets that are largely underserved, and in the case of FILRT, a part of the core business model is financial inclusion for its investor base.

Opportunities for the Filipino Retail Investor

Real Estate Investment Trusts (REITs) allow the ordinary investing member of the public to own high value assets and benefit from regular cash flows through guaranteed dividends, without having to directly manage assets in the traditional manner. This is a win-win shared value offering that Filinvest offers to every Filipino small-scale investor.

In a country where the engagement of the regular Filipino in capital markets is muted, primarily due to low financial literacy, prevalence of horror stories of investments in unregistered securities, or the lack of awareness or availability of investment mechanisms for the retail investor, the chances of co-owning prime real estate, that would otherwise be out of reach to an ordinary Filipino, is made possible through the REIT scheme that is sanctioned by regulators.



REIT offerings are supportive of the government's push for financial inclusion as these allow everyday Filipinos to participate in profitable and secure investment opportunities in real estate without having to manage properties.

Benjamin Diokno
Former Secretary, Department of Finance

Enabling Environment for Jobs in Metro Manila's South

A key selling point of FILRT's office assets in Alabang is that the tenants have easy access to talents originating from the south of Metro Manila. With traffic being a common pain point for the workforce for many years already, especially at the heart of the National Capital Region, the proximity of Alabang to the less-congested residential districts of Muntinlupa, Las Pinas, Paranaque and Laguna, enable people to find meaningful employment with little time wasted in travel to and from work.

In 2023, an average of 18,875 tenant employees were working in FILRT offices in Alabang based on the monitoring information provided by

locators to the property manager. Between January and December there was a 27% growth in the count of employees doing on-site work. This may be interpreted as a reflection of the fundamental need of employees to have a distinct and dedicated space for doing work outside the home, fostering human relationships that can't be delivered by remote work, enhancing productivity and maintaining mental health. According to an article in Forbes, in a work-at-home environment, the inability to disconnect can increase stress and health problems.

As an enabler for tenants and their employees, FILRT recognizes that these days, office spaces are seen as the new hospitality, and employees as the new customers. The work environment that FILRT provides prioritizes people's general welfare and mental well-being.

In addition to the tenants' workforce, a separate set of indirect jobs are also provided by FILRT through the engagement of the service providers that "keep the lights burning". In 2023, a total of 510 indirect jobs were sustained by six service providers that provide housekeeping, maintenance and security services to the various buildings of FILRT.

Gender Blindness as the Norm

In 2023,

64%

of the Filinvest talents involved in FILRT and

60%

of the leadership team are women.



People who shift to working from home can temporarily increase the amount of work they get done in a given day. But over the medium to long term, long-distance employment can't deliver key benefits—including learning and new friendships—that come from face-to-face contact. In-person work fosters innovation, the effects of which on productivity almost certainly exceed the gains from working harder at home for possibly unsustainable stretches. An even slightly higher growth rate once people return to offices will quickly outpace the one-time gain from saved commuting time.

Remote work is bad for productivity—and for your career

Edward Glaeser & David Cutler
The Washington Post (September 24, 2021)

Filinvest REIT does not have direct employees. Instead, the men and women that are involved in the company's operations are seconded from various Filinvest business units, but are nevertheless beneficiaries of the Filinvest Group's human capital policies, strategies and initiatives.

Gender blindness when it comes to hiring and promotions has always been part of Filinvest's culture. The progression of one's career is only anchored on competencies and actual performance, not gender, race, religion, ethnicity, educational background, social status or family ties.

Of the current set of leaders assigned to FILRT, 60% are women who have long track records in running the business.

More information on the career development and engagement initiatives of employees can be found at the sustainability reports of the REIT sponsor Filinvest Land Inc., and its parent, Filinvest Development Corporation.

Our Commitment to Being Resilient

FILRT's ability to create and deliver value, particularly in the Philippine setting which is characterized by numerous threats from natural calamities, is anchored on embedding resiliency in the business: from the design of its real estate assets, to the contingency plans by the property manager, and most importantly, on the agility of the Filinvest organization and its people to withstand disruptions or shocks, to come out standing and even pursue new opportunities arising from the trends that influence the world today. At the center of it all remains the steadfast commitment to serve the needs of the customer.

Strengthening the Organizational Structure for Future Readiness

To facilitate the future-readiness and resilience against disruptions of the Filinvest group, a set of change initiatives aimed at strengthening governance, foster better collaboration and enable faster execution among the business units was started in mid-2023. Key developments include the formation of an executive council consisting of business unit heads, as well as functional councils among the centers of excellence in finance, sustainability, risk management, human resources, communications, safety and security, and legal, consisting of champions and their associates from the strategic business units. The intention is to allow

business units to standardize function's practices, share lessons learned and cross-fertilize on best practices.

Standardization and Harmonization of Resilience Protocols

Spearheaded by the new leaders in the parent company FDC, a flagship project on the assessment and redesign of information systems was conceptualized, starting with finance and procurement, to enable the conglomerate and its units to have a common language on business parameters and a unified platform to have quick and easy access to consolidated data and analytical outputs. An intended outcome of this is to enable fast and informed decision making by leaders and managers.

Also being strengthened are the risk management processes and business continuity protocols which are intended to be harmonized among business units so that excess capacities of one may be shared with the others in the course of responding to a disruptive event. Critical processes are being mapped out and revised protocols during incidents being documented so that ultimately the customer's experience is managed all the way to service restoration and recovery.



FILRT's ability to create and deliver value, particularly in the Philippine setting which is characterized by numerous threats from natural calamities, is anchored on embedding resiliency in the business.



Risk Management

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.

The following table lists down FILRT's top business risks, with the corresponding risk treatment:

Top Risks	Context	FILRT's Response
Global office sector downtrend	Prevalence of flexible work arrangements that extended after the pandemic lockdowns, which motivate some tenants to downsize their office footprint	<ul style="list-style-type: none"> • Exploration of infusion of non-office related assets into the portfolio, such as retail and leisure; • Foray into non-traditional utilization of existing office assets, beyond BPOs and POGOs, such as healthcare and specialized schools; • Leverage on the relatively lower costs in office leasing in Alabang compared to other business districts
Compliance Risk	Shifts in government policy and regulations, or interpretation thereof, that may result in penalties, threatening cash flow and the brand	<ul style="list-style-type: none"> • Full and consistent compliance with regulations and covenants; • Continued involvement with industry chambers to build a unified voice and policy agenda; • Nurturing good relations and constructive discourse with government regulators

Top Risks	Context	FILRT's Response
Talent Risk	Talent capacity, capability and connection risks that threaten business objectives, sustaining institutional memory and human capital readiness for future growth	<ul style="list-style-type: none"> • Succession planning, supported by assessment and individual development plans that cover core, leadership and functional competencies, especially in critical role; • Employee engagement programs that strengthen the bond between employee and the organization, and among employees themselves
ESG Risks	A portfolio of environmental, social and governance risks, which, if unaddressed, can lead to inefficient operations, workforce disengagement, diminished brand and reputation, and departure of valued tenants	<ul style="list-style-type: none"> • Minimum (and beyond-minimum) compliance with the provisions of environment and safety regulations, and adoption of sustainability best practices in resource efficiency and inclusivity that also make business sense in terms of operations cost and reduction of risks; • Strengthened engagement with tenants who also committed to their own sustainability goals, to ensure FILRT is responsive to their need for an enabling environment to meet ESG targets • Expansion of partnerships on circular economy solutions and sourcing of renewable energy • Additional green building certifications to strengthen credibility of operational efficiency an sustainability program
Related Party Transactions	The various operating business units across the Filinvest Group have commercial dealings with each other	<ul style="list-style-type: none"> • Corporate governance provisions and related party transactions policy; • Application of arms-length principle in all dealings; • Compliance with BIR transfer pricing guidelines
Financial Risks	Post-pandemic increase in interest rates and cost of living, aggravated by geopolitical developments, thus affecting net operating incomes as well as inability to raise capital at reasonable cost.	<ul style="list-style-type: none"> • Optimization of operating costs through various efficiency initiatives; • Compliance with debt-to-equity and debt service coverage ratios stipulated in loan covenants;

Corporate Governance





Board of Directors



Lourdes Josephine Gotianun-Yap
Chairperson



Maricel Brion-Lirio
Director, President & Chief Executive Officer



Francis Nathaniel C. Gotianun
Director



Tristaneil D. Las Marias
Director



Virginia T. Obcena
Independent Director



Gemilo J. San Pedro
Independent Director



Val Antonio B. Suarez
Independent Director

Management Team



Maricel Brion-Lirio
President & Chief Executive Officer



Ana Venus A. Mejia
Treasurer & Chief Finance Officer



Maria Victoria M. Reyes-Beltran
Compliance Officer



Patricia Carmen D. Pineda
Investor Relations Officer



Katrina O. Clemente-Lua
*Corporate Secretary &
Corporate Information Officer*



Jennifer C. Lee
Assistant Corporate Secretary



Raymond Wilfred L. Castañeda
Data Privacy Officer

Corporate Governance Report

Filinvest REIT Corp. (FILRT or Corporation) commits to the principles and best practices of good corporate governance. It has in place its Revised Manual for Corporate Governance (the Revised Manual) to ensure its compliance with the leading practices on good corporate governance and related issuances of the Philippine Securities and Exchange Commission (SEC). FILRT has also complied with the regulatory requirements of the Philippine Stock Exchange (PSE) for publicly-listed companies.

Compliance with Best Practices on Corporate Governance

For year 2023, 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 of Directors (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 (SRC) 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 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.

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 the Institute of Corporate Directors (ICD) on December 6, 2023.

The Corporation continuously reviews its Revised Manual to ensure that it reflects the current best practices on good corporate governance and welcomes proposals, especially from institutions and entities such as the SEC, PSE and ICD.

FILRT was among the honorees at the Golden Arrow Awards presented on September 28, 2023 by the ICD. FILRT was recognized as one of the top-performing publicly listed companies in the Philippines based on the ASEAN Corporate Governance Scorecard (ACGS) 2022 results. The ACGS is used to assess and rank the corporate governance performance of publicly-listed companies in six participating ASEAN countries, namely: Indonesia, Philippines, Malaysia, Vietnam, Singapore and Thailand using publicly available information.

Board of Directors

Leading the practice of good corporate governance is the Board. The Board 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.

The Corporate Governance Committee, acting 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 SRC. 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 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 stockholders' meeting.

It shall be the responsibility of the Chairperson of the annual stockholders' 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 stockholders' 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 (RCC) 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 their successor shall have been duly elected or appointed and qualified.

Independent Directors

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

- A. An Independent Director (ID) is 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 SRC and includes, among others, any person who:
 - i. Is not, or has not been a senior officer or employee of FILRT unless there has been a change in the controlling ownership of FILRT;
 - ii. Is not, and has not been in the two (2) years immediately preceding the election, a director of FILRT; a director, officer, employee of FILRT's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of FILRT'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 FILRT, 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 FILRT, its subsidiaries, associates, affiliates or related companies;
 - v. Is not a relative of a director, officer, or substantial shareholder of FILRT 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 FILRT 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 FILRT, 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 FILRT 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 FILRT or any of its related companies or substantial shareholders; and
- xi. Is not employed as an executive officer of another Corporation where any of FILRT'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; or
- 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 independent director 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 2023:

2023 Board of Directors Attendance in Board Meetings

Board	Name	Date of Election	Meetings Attended/ Held	% Attendance
Chairperson	Lourdes Josephine Gotianun-Yap	19-Apr-23	6/6	100%
Member	Maricel Brion-Lirio	19-Apr-23	6/6	100%
Member	Francis Nathaniel C. Gotianun	19-Apr-23	6/6	100%
Member	Tristaneil D. Las Marias	19-Apr-23	6/6	100%
Independent	Virginia T. Obcena	19-Apr-23	6/6	100%
Independent	Gemilo J. San Pedro	19-Apr-23	5/6	83%
Independent	Val Antonio B. Suarez	19-Apr-23	6/6	100%

Committee Membership

Listed below are the memberships of each director in the Board Committees:

Name of Director	Committees
Lourdes Josephine Gotianun-Yap	Chairperson – Executive Committee Member – Compensation Committee
Maricel Brion-Lirio	Member – Executive Committee
Tristaneil D. Las Marias	Member – Executive Committee
Francis Nathaniel C. Gotianun	Member – Executive Committee
Val Antonio B. Suarez <i>Lead Independent Director</i>	Chairman - Compensation Committee Chairman - Corporate Governance Committee Member- Audit and Risk Management Oversight Committee Member- Related-Party Transaction Committee
Virginia T. Obcena <i>Independent Director</i>	Chairperson - Audit and Risk Management Oversight Committee Member - Related-Party Transaction Committee Member - Compensation Committee Member - Corporate Governance Committee
Gemilo J. San Pedro <i>Independent Director</i>	Chairman - Related-Party Transaction Committee Member- Audit and Risk Management Oversight Committee Member - Corporate Governance Committee

Duties and Responsibilities of the Board Committees

Audit and Risk Management Oversight Committee

The Board constituted an Audit and Risk Management Oversight 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 Oversight 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 review 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, Related Party Transactions ("RPT") 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 Transaction (RPT) 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.

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;
- 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, look for emerging or changing material exposures, and keep 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.

Compensation Committee

The Board constituted a Compensation Committee composed of at least three (3) director-members. The Chairperson of the Committee shall 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 training for the members of the Board;
- g. Act as a nomination committee and determine the nomination and election process for the Corporation's directors and define 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.

2023 Board of Directors Attendance in Committee Meetings

Board Committees and Members	Date of Appointment	Meetings Attended/Held	% Attendance
<i>Audit and Risk Management Oversight Committee</i>			
Virginia T. Obcena (Chairperson, ID)	19-Apr-23	4/4	100%
Gemilo J. San Pedro (ID)	19-Apr-23	4/4	100%
Val Antonio B. Suarez (ID)	19-Apr-23	4/4	100%
<i>Compensation Committee</i>			
Val Antonio B. Suarez (Chairman, ID)	19-Apr-23	None	None
Lourdes Josephine Gotianun-Yap	19-Apr-23	None	None
Virginia T. Obcena (ID)	19-Apr-23	None	None
<i>Corporate Governance Committee</i>			
Val Antonio B. Suarez (Chairman, ID)	19-Apr-23	1/1	100%
Virginia T. Obcena (ID)	19-Apr-23	1/1	100%
Gemilo J. San Pedro (ID)	19-Apr-23	1/1	100%
<i>Related-Party Transaction Committee</i>			
Gemilo J. San Pedro (Chairperson, ID)	19-Apr-23	None	None
Virginia T. Obcena (ID)	19-Apr-23	None	None
Val Antonio B. Suarez (ID)	19-Apr-23	None	None

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
 1. Shareholders shall have the right to nominate, elect, remove and replace directors and participate on the approval of material corporate acts in accordance with the RCC.
 2. Cumulative voting shall be used in the election of directors.
 3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.
- II. Power of Inspection
 1. All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries, in accordance with the RCC, during business hours and upon prior written notice to the Corporation.
 2. All shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

III. Right to Information

1. 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.
2. 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.
3. 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".
4. Active shareholder participation shall be encouraged by sending of the notices of annual meetings at least 21 days before the meeting and by making the results of votes on matters taken up during the meetings publicly available. Minutes of the shareholders' meetings should be available on the Corporation website within five (5) business days from the date of the meeting.

IV. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. 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 iii) 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

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the RCC of the Philippines, under any of the following circumstances:

- 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 in 2023:

Dividend Declaration	Record Date	Dividend per Common Shares	Total Dividends Declared	Payment Date
February 14, 2023	March 03, 2023	0.071	347,387,238	March 24, 2023
May 31, 2023	June 15, 2023	0.071	347,387,238	June 30, 2023
August 10, 2023	August 31, 2023	0.071	347,387,238	September 20, 2023
November 09, 2023	November 29, 2023	0.071	347,387,238	December 15, 2023

Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

On February 14, 2023, FILRT disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date of the Annual Stockholders' Meeting on April 19, 2023 with the record date set on March 01, 2023.

Stockholders were informed that the Annual Stockholders' Meeting for 2023 would be conducted virtually on **April 19, 2023 (Wednesday) at 9:00 a.m.**

Only stockholders of record as of March 1, 2023 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:

- a. Approval of the Minutes of the Annual Stockholders' Meeting held on April 20, 2022;
- b. Presentation of the President's Report;
- c. Ratification of the Audited Financial Statements for the year ended December 31, 2022;
- d. Ratification of all 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 19, 2023;
- e. Appointment of SyCip Gorres Velayo & Co. as the independent external auditor of FILRT for the year 2023; and
- f. Approval of the amendment of FILRT's By-Laws.

FILRT likewise disclosed that the following were elected as directors to serve for the period 2023-2024 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 PSE and SEC regulatory requirements. Below is the Corporation's Reportorial Compliance Report:

Type of Report	Number of Filings
Financials	
Annual Report (17-A)	1
Quarterly Report (17-Q)	3
2022 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	14
Public Ownership Report	4
Report on Number of Shareholders and Board Lot	12
Initial Statement of Beneficial Ownership of Securities (23-A)	1
Statement of Changes in Beneficial Ownership of Securities (23-B)	6
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	1
Preliminary Information Statement (20-IS)	1
SEC Form 17-C (Current Report)	
a. Results of Annual Stockholders' Meeting/Board Meetings	8
b. Press Releases	10
c. Other Matters	10

Investor Relations

The Investor Relations Department (IR) is tasked to regularly keep the Corporation's investors and stakeholders informed of the developments in the business. For this purpose, the IR conducts analysts' briefings and regular meetings with shareholders, fund managers and analysts to keep them updated on the financial and operating performance as well as other relevant material information and details on transactions of the Corporation.

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.



Awards

FILRT earned multiple prestigious awards in recognition of its dedication to excellence and sustainable real estate in 2023.

At the FIABCI Property and Real Estate Excellence Awards, FILRT proudly clinched two accolades, gold title for Outstanding Developer for Office Development and silver title for Outstanding Developer for Sustainable Development, cementing its position as a beacon of sustainable development and office excellence.



Reaching a global stage, FILRT earned the bronze title for Sustainability Leadership in Asia, Australia, and New Zealand at the Stevie International Business Awards (IBA). FILRT's recognition in this brand-new category at the Stevie IBA underscores its position at the forefront of championing sustainable office spaces, while shining a spotlight on the Philippines on the international stage.

FILRT was also honored as a Circle of Excellence Awardee for Sustainability Company of the Year. This marks the third consecutive year that FILRT has received this recognition from the Asia CEO Awards, an affirmation of the company's commitment and consistency.



FILRT was also recognized for its exemplary adherence to regional corporate governance practices at the Institute of Corporate Directors' (ICD's) annual ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards. FILRT was honored with 1-Golden Arrow as a testament to its commitment to corporate governance excellence.

These awards reaffirm FILRT's commitment to driving positive change within the industry, fostering transparency, and paving the way for a greener, more sustainable future.



Outstanding Developer for Office Development-Gold, FIABCI Property and Real Estate Excellence Awards



Outstanding Developer for Sustainable Development-Silver, FIABCI Property and Real Estate Excellence Awards



1-Golden Arrow, Institute of Corporate Directors' ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards



Sustainability Leadership in Asia, Australia, and New Zealand-Bronze, Stevie International Business Awards



Sustainability Company of the Year-Circle of Excellence Awardee, Asia CEO Awards

Financial Statements





FILINVEST REIT CORP.
STATEMENTS OF FINANCIAL POSITION

	December 31, 2023	December 31, 2022 (As restated, see Note 2)	January 1, 2022 (As restated, see Note 2)
ASSETS			
Current Assets			
Cash and cash equivalents	P1,301,018,941	P1,701,935,199	P2,587,195,631
Receivables	146,541,127	164,480,403	166,693,205
Other current assets	297,335,022	327,750,212	64,054,931
Total Current Assets	1,744,895,090	2,194,165,814	2,817,943,767
Noncurrent Assets			
Investment properties	45,094,555,000	44,531,066,000	45,429,680,000
Intangible assets	2,789,180,000	2,885,540,000	3,117,740,000
Other noncurrent assets	317,608,846	247,159,642	263,822,035
Total Noncurrent Assets	48,201,343,846	47,663,765,642	48,811,242,035
Total Assets	P49,946,238,936	P49,857,931,456	P51,629,185,802
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	P1,814,798,144	P1,699,243,336	P1,222,657,329
Current portion of:			
Security and other deposits	191,930,531	99,558,917	96,987,598
Lease liabilities	2,088,451	1,989,001	1,848,085
Bonds payable	-	6,000,000,000	-
Total Current Liabilities	2,008,817,126	7,800,791,254	1,321,493,012
Noncurrent Liabilities			
Due to related parties - net of current portion	-	366,483,600	-
Loans payable	5,985,415,836	-	5,987,044,949
Security and other deposits - net of current portion	566,829,817	661,105,321	654,002,829
Lease liabilities - net of current portion	26,656,853	26,330,764	25,990,097
Total Noncurrent Liabilities	6,578,902,506	1,053,919,685	6,667,037,875
Total Liabilities	8,587,719,632	8,854,710,939	7,988,530,887
Equity			
Capital stock	2,446,388,997	2,446,388,997	2,446,388,997
Additional paid-in capital	2,518,356,922	2,518,356,922	2,518,356,922
Retained earnings	36,393,773,385	36,038,474,598	38,675,908,996
Total Equity	41,358,519,304	41,003,220,517	43,640,654,915
Total Liabilities and Equity	P49,946,238,936	P49,857,931,456	P51,629,185,802

FILINVEST REIT CORP.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022 (As restated, see Note 2)	2021 (As restated, see Note 2)
REVENUES AND INCOME			
Rental revenue	P2,311,083,017	P2,459,925,389	P2,519,294,434
Others	678,577,975	779,663,469	922,722,669
	2,989,660,992	3,239,588,858	3,442,017,103
NET FAIR VALUE CHANGE IN INVESTMENT PROPERTIES AND INTANGIBLE ASSETS			
Increase (decrease) in fair value	390,393,044	(2,260,210,882)	9,721,676,937
Straight-line adjustments	75,910,884	(36,357,566)	(42,662,844)
Lease commission	(47,171,813)	(82,344,733)	(6,740,397)
	419,132,115	(2,378,913,181)	9,672,273,696
COSTS AND EXPENSES			
Utilities	267,535,648	282,581,257	277,795,323
Rental expense	235,583,003	262,962,187	271,083,960
Manpower and service cost	169,623,437	164,422,227	196,147,790
Repairs and maintenance	167,640,981	145,517,112	183,504,663
Taxes and licenses	161,094,307	141,240,655	95,353,896
Service and management fees	181,183,979	212,974,092	103,101,857
Insurance	16,407,520	10,171,490	15,915,467
Others	86,097,686	8,077,977	17,850,148
	1,285,166,561	1,227,946,997	1,160,753,104
OTHER INCOME (CHARGES)			
Interest and other financing charges	(422,017,876)	(322,514,921)	(348,226,313)
Interest income	43,473,559	29,754,402	9,986,396
Gain on derecognition of lease liabilities	-	-	189,183,041
Other income (charges) - net	(234,492)	(720,249)	(1,411,852)
	(378,778,809)	(293,480,768)	(150,468,728)
INCOME (LOSS) BEFORE INCOME TAX	1,744,847,737	(660,752,088)	11,803,068,967
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 14)			
Current	-	-	117,651,935
Deferred	-	-	(269,648,113)
	-	-	(151,996,178)
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	P1,744,847,737	(P660,752,088)	P11,955,065,145
Basic/Diluted Earnings (Loss) Per Share	0.36	(0.14)	2.44

**FILINVEST REIT CORP.
STATEMENTS OF CHANGES IN EQUITY**

	Capital Stock (Note 12)	Additional Paid-in Capital (Note 12)	Deposit for Future Stock Subscription (Note 12)	Unappropriated Retained Earnings (Note 12)	Remeasurement Gain on Retirement Plan	Total
For the Year Ended December 31, 2023						
Balance at January 1, 2023, as previously stated	P2,446,388,997	P2,518,356,922	P-	P347,450,550	P-	P5,312,196,469
Restatements	-	-	-	35,691,024,048	-	35,691,024,048
Balances at January 1, 2023, as restated	2,446,388,997	2,518,356,922	-	36,038,474,598	-	41,003,220,517
Total comprehensive income	-	-	-	1,744,847,737	-	1,744,847,737
Cash dividends declared	-	-	-	(1,389,548,950)	-	(1,389,548,950)
Balances at December 31, 2023	P2,446,388,997	P2,518,356,922	P-	P36,393,773,385	P-	P41,358,519,304
For the Year Ended December 31, 2022						
Balances at January 1, 2022, as previously stated	P2,446,388,997	P2,518,356,922	P-	P1,018,879,536	P-	P5,983,625,455
Restatements	-	-	-	37,657,029,460	-	37,657,029,460
Balances at January 1, 2022, as restated	2,446,388,997	2,518,356,922	-	38,675,908,996	-	43,640,654,915
Total comprehensive income, as previously stated	-	-	-	1,305,253,324	-	1,305,253,324
Restatements	-	-	-	(1,966,005,412)	-	(1,966,005,412)
Total comprehensive income, as restated	-	-	-	(660,752,088)	-	(660,752,088)
Cash dividends declared	-	-	-	(1,976,682,310)	-	(1,976,682,310)
Balances at December 31, 2022	P2,446,388,997	P2,518,356,922	P-	P36,038,474,598	P-	P41,003,220,517
For the Year Ended December 31, 2021						
Balances at January 1, 2021, as previously stated	P1,163,426,668	P102,900,666	P1,889,583,333	P1,950,125,348	P28,845	P5,106,064,860
Restatements	-	-	-	27,557,098,718	-	27,557,098,718
Balances at January 1, 2021, as restated	1,163,426,668	102,900,666	1,889,583,333	29,507,224,066	28,845	32,663,163,578
Total comprehensive income, as previously stated	-	-	-	1,855,134,403	-	1,855,134,403
Restatements	-	-	-	10,099,930,742	-	10,099,930,742
Total comprehensive income, as restated	-	-	-	11,955,065,145	-	11,955,065,145
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 of 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-	P38,675,908,996	P-	P43,640,654,915

FILINVEST REIT CORP.
STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022 (As restated, see Note 2)	2021 (As restated, see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,744,847,738	₱(660,752,088)	₱11,803,068,967
Adjustments for:			
Fair value change in investment properties and intangible assets, and straight-line adjustments	(466,303,928)	2,296,568,448	(9,679,014,093)
Interest expense and other financing changes	422,017,876	322,514,921	348,226,313
Interest income	(43,473,559)	(29,754,402)	(9,986,396)
Gain on derecognition of lease liabilities	-	-	(189,183,041)
Operating income before changes in operating assets and liabilities	1,657,088,127	1,928,576,879	2,273,111,750
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivables	93,850,160	(34,144,763)	75,148,821
Other current assets, including creditable withholding taxes	54,837	(263,695,281)	313,848,363
Increase (decrease) in:			
Accounts payable and accrued expenses	5,439,125	79,505,331	(22,599,962)
Security and other deposits	(1,903,890)	9,673,811	(98,083,633)
Other noncurrent liabilities	-	-	(300,385,681)
Net cash generated from operations	1,754,528,359	1,719,915,977	2,241,039,658
Interest received	43,473,559	29,754,402	9,986,396
Income tax paid	-	-	(117,680,780)
Net cash provided by operating activities	1,798,001,918	1,749,670,379	2,133,345,274
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Investment properties	(443,215,956)	(362,819,214)	(436,716,237)
Intangible assets	-	(3,013,393)	(152,341,910)
Proceeds from sale and assignment of:			
Investment properties	-	-	615,458,031
Intangible assets	-	-	971,793,929
Decrease (increase) in other noncurrent assets	(40,088,851)	16,662,393	10,592,776
Net cash provided by (used in) investing activities	(483,304,807)	(349,170,214)	1,008,786,589
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of loans payable	5,955,000,000	-	-
Payments of:			
Cash dividends	(1,389,548,951)	(1,976,682,310)	(1,095,982,270)
Principal portion of lease liability	(1,989,001)	(1,894,287)	(14,397,140)
Interest and transaction cost	(279,075,417)	(307,184,000)	(315,074,354)
Bonds payable	(6,000,000,000)	-	-
Net cash provided by (used in) financing activities	(1,715,613,369)	(2,285,760,597)	(1,425,453,764)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(400,916,258)	(885,260,432)	1,716,678,099
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,701,935,199	2,587,195,631	870,517,532
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱1,301,018,941	₱1,701,935,199	₱2,587,195,631

EESG Performance Metrics

ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed (GRI 201-1)	2023 (P Millions)	2022 (P Millions)	2021 (P Millions)
Direct economic value generated (revenue)	2,990.0	3,239.6	3,442.0
Direct economic value distributed			
a. Operating costs	1,285.2	1,228.0	1,160.7
b. Employee wages and benefits	–	–	–
c. Payments to suppliers and other operating costs	181.2	213.0	103.1
d. Dividends given to stockholders and interest payments to lenders (does not include principal debt payments)	1,390.0	1,976.7	1,096.6
e. Taxes and license paid	161.1	141.2	95.4

Procurement Practices

Proportion of Spending on Local Suppliers (GRI 204-1)	2022 (‘000 PHP)	2022 (‘000 PHP)	2021 (‘000 PHP)
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	99.16	98.11%	99%

Anti-Corruption

Trainings on Anti-corruption Policies and Procedures (GRI 205-2)	2023	2022	2021
Percentage of employees who have received written communication about corporate anti-corruption policies and procedures	0%	0%	0%
Percentage of business partners who have received written communication about corporate anti-corruption policies and procedures	0%	0%	0%
Percentage of directors and management who have received anti-corruption training	100%	100%	100%
Percentage of employees who have received anti-corruption training	100%	100%	100%

Incidents of corruption (GRI 205-3)	2023	2022	2021
Number of incidents in which directors were removed or disciplined for corruption	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0
Number of incidents when contracts with business partners were terminated due to corruption	0	0	0

ENVIRONMENTAL PERFORMANCE

Resource Management

Energy Consumption (GRI 302-1)	Unit	2023	2022	2021
Diesel	L	39,655	85,673	123,980
Electricity (renewable)—common area	KWH	6,624,488	5,108,971	3,836,340
Electricity (renewable)—total area	KWH	19,480,147	18,333,602	NO DISCLOSURE
Electricity (non-renewable)—common area	KWH	8,411,601	10,838,663	10,652,456
Electricity (non-renewable)—total area	KWH	23,965,465	29,743,514	NO DISCLOSURE
Electricity (RE & non-RE)—common area	KWH	15,036,089	15,947,634	14,488,796
Electricity (RE & non-RE)—total area	KWH	43,445,612	48,077,116	NO DISCLOSURE
Electricity Use Intensity—total area KWH/ leased area	KWH/m ²	189.92	195.72	NO DISCLOSURE

- In 2022, restated ELUI was 195.72 KWH/m², with actual leased area with FILRT operations being 245,643 m². Capital One leased area of 18,000 m² had to be carved out from leased area with FILRT operations reported in previous year. In 2023, offices leased area ('occupied') was 228,763 m².

Energy Consumption (GRI 302-1)	Unit	2023	2022	2021
Diesel	GJ	1,530.7	3,307	4,786
Electricity (renewable)—common area	GJ	23,848	18,392	13,811
Electricity (renewable)—total area	GJ	70,129	66,001	NO DISCLOSURE
Electricity (non-renewable)—common area	GJ	30,282	39,019	38,349
Electricity (non-renewable)—total area	GJ	86,276	107,077	NO DISCLOSURE
Electricity (total)—common area	GJ	54,130	57,411	52,160
Electricity (total)—total area	GJ	156,404	173,078	NO DISCLOSURE
Energy Use Intensity (total energy used/leased area)	GJ/m ²	0.684	0.705*	NO DISCLOSURE

- Energy Density conversion: Diesel –0.0386 GJ/L, Electricity – 0.0036 GJ/KWH
- 2022 Energy Intensity in GJ/m² is restated. See energy disclosures above.

Water Consumption (GRI 303-5)	Unit	2023	2022	2021
Water used—total area	m ³	399,288	342,152	NO DISCLOSURE
Water used—common area	m ³	327,691	287,936	262,424
Water recycled and reused	m ³	32,187	33,009	9,074

Materials Used (GRI 301-1)	Unit	2023	2022	2021
Materials Used—steel	kg			
Materials Used—cement	kg			
Percentage of recycled input materials used to manufacture the organization's primary products and services	%			

FILRT does not directly undertake construction activities. Assets are already built and operating when infused into the FILRT portfolio.

Ecosystems and Biodiversity (GRI 304-1 & 304-3)	2023	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	The FILRT asset locations are not known to be habitats for plant or animal species under the IUCN Red List.		

Environmental Impact Management

Greenhouse Gas Emissions (GRI 305-1, 305-2, 305-3, 305-6)	Unit	2023	2022	2021
Direct Emissions (Scope 1)—diesel	Tonnes CO ₂ e	107.3	232	235
Indirect Emissions (Scope 2)—purchased electricity, common areas only	Tonnes CO ₂ e	5,991	7,719.3	7,587
Indirect Emissions (Scope 2)—purchased electricity, total area	Tonnes CO ₂ e	17,068	34,241	NOT REPORTED
Indirect Emissions (Scope 3)—due to DCS services	Tonnes CO ₂ e	8,759	6,270	7,793
Total GHG Emissions (Scope 1, 2 & 3)—common area	Tonnes CO ₂ e	14,857	14,221	NOT REPORTED
Total GHG Emissions (Scope 1, 2 & 3)—total area	Tonnes CO ₂ e	25,934	27,685	NOT REPORTED
Avoided GHG emissions	Tonnes CO ₂ e	13,874	13,057	NOT REPORTED
GHG Intensity (Scope 1, 2 & 3 over leased area)	Tonnes CO ₂ e/m ²	0.1134	0.1127	NO DISCLOSURE
Emissions of ozone-depleting substances (ODS)	Tonnes	NOT REPORTED	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 the District Cooling System consumed 16,574,244 TRH, or 88.34% of the total DCS output of 18,762,043 TRH in 2023. DCS consumed 13,921,123 KWH of electricity, of which 12,297,812 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
- GHG Intensity for 2022 is—restated. See disclosure on Energy consumption above.

Air Pollutant Emissions (GRI 305-7)	Unit	2023	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 2023 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	2023	2022	2021
Reusable	Tonnes	NIL	NIL	NIL
Recyclable	Tonnes	NIL	NIL	0.117
Composted	Tonnes	NIL	NIL	NIL
Residuals (landfilled)	Tonnes	1,509	1,859	838
Total	Tonnes	1,509	1,859	838

Hazardous Wastes (GRI 306-4, 306-5)	Unit	2023	2022	2021
Hazardous wastes generated	Kg	242	1,327	477
Hazardous wastes transported and treated	Kg	5,950	0	0

- LED lighting conversion was completed in 2022. There are no more busted fluorescent bulbs generated in any building. Hazwastes generated in 2023 are only for used oil and used batteries due to the absence of fluorescent bulbs in the properties. A significant amount of hazwastes were hauled out, held up by limitations in hauling during the pandemic years.

Effluents (GRI 303-4)	Unit	2023	2022	2021
Wastewater generated - total area	m ³	344,460	286,595	NOT REPORTED
Total volume of effluent discharge	m ³	221,842	253,586	9,074
Total volume of effluent reused	m ³	32,187	33,009	NOT REPORTED
Percent of effluent recycled	m ³	9.34%	11.5%	3.97%

- Wastewater generation attributable to FILRT property operations are estimated as a fraction of the total water consumed by the FILRT-managed buildings. This fraction, or 'return factor', is the ratio between the measured wastewater influent flowrates into the centralized Filinvest City sewage treatment plant versus the total billed water volume of the entire Filinvest City. The return factor changes from year to year. The same approach applies to effluent discharge.
- Recycled effluent is treated wastewater that is used internally in STP operations as well as irrigation of public spaces within Filinvest City. The volume attributable to FILRT is based on the proportion of FILRT water consumption versus the total Filinvest City billed volume.

Environmental Compliance	Unit	2023	2022	2021
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	PHP	0	0	0

SOCIAL PERFORMANCE

Employee Management

Employee Hiring and Benefits (GRI 401-1)	2023			2022			2021		
	Total	Male	Female	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 (GRI 404-1)	2023			2022			2021		
	Total	Male	Female	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	in the respective sustainability reports of FDC and FLI.								

Labor Management Relations

Labor Management Relations	2023			2022			2021		
	Total	Male	Female	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 (GRI 405-1)	2023			2022			2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
% of workers in the workforce by gender	55	36% (20)	64% (35)	54	37%	63%	–	44%	56%
Number of employees from indigenous communities and/or vulnerable sector	0	0	0	0	–	0	0		

Workplace Conditions and Occupational Health and Safety

Occupational Health and Safety (GRI 403-9, 403-10)	2023			2022			2021		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Safe manhours (Filinvest employees)	183,167			219,373			235,226		
Safe manhours (service providers)	1,361,807			NO DISCLOSURE			NO DISCLOSURE		
Number of work-related injuries	0			0			0		
Number of work-related fatalities	0			0			0		
Number of work-related ill-health	0			0			0		
Number of safety drills	12			35			NOT REPORTED		

Labor Standards and Human Rights

Labor Laws and Human Rights	2023	2022	2021
Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying in the workplace)	4	4	4
Number of legal actions or employee grievances involving forced or child labor	0	0	0

- *These are policies and regulations adopted by FLI and its subsidiaries, as well as the FDC parent.*

Relationship with Community

Significant Impacts on Local Communities (GRI 413-1)	2023	2022	2021
For operations affecting IPs, total number of Free and Informed Prior Consent (FPIC) consultations and Certification Preconditions (CPs) secured	FILRT's operations are not located in any sites which have the presence of indigenous communities.		

Customer Management

Customer Satisfaction	2023	2022	2021
Customer Satisfaction Score	FILRT has regular feedback mechanisms with its few tenants where specific issues are discussed, but due to the small number of business to business customers, satisfaction surveys are deemed not applicable.		

Product/Service Health and Safety (GRI 416-2)	2023	2022	2021
Number of substantiated complaints on product or service health and safety	NONE	NONE	NONE
Number of complaints addressed	N/A	N/A	N/A

Marketing and Labeling (GRI 417-2, 417-3)	2023	2022	2021
Number of substantiated complaints on product or service health and safety	NONE	NONE	NONE
Number of complaints addressed	N/A	N/A	N/A

Customer Privacy (GRI 418-1)	2023	2022	2021
Number of substantiated complaints on customer privacy	0	0	0
Number of complaints addressed	0	0	0
Number of customers, users and account holders whose information is used for secondary purposes	0	0	0

Data Security and Privacy

Data Security (GRI 418-1)	2023	2022	2021
Number of data breaches, including leaks, thefts and loss of data	0	0	0

SEC Content Index

Disclosures	Reporting Location	Remarks/Explanation
Company Details		
Name of Organization		Filinvest REIT Corporation (FILRT)
Location of Headquarters	About This Report	23rd Floor, Axis Tower 1, 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, Boracay and Cebu, except for the operations of one building which is managed directly by the lessee
Business Model	Business Model	Property Leasing and Operations
Reporting Period	About this Report	January 1–December 31, 2023.
Highest Ranking Person for this report		Maricel Brion-Lirio, FILRT President and CEO

A. Economic Disclosures		Reporting Location	Remarks/Explanation
Economic Performance			
Direct Economic Value Generated and Distributed			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	FILRT expresses its commitment to corporate social responsibility by distributing economic value created with 'value creation partners' such as employees, providers of capital, business partners / supply chain, national and local governments.
KPIs	Direct economic value generated (Revenue) Direct economic value distributed		
Climate-Related Risks and Opportunities			
General Disclosures	Governance Strategy Risk Management Metrics and Targets	Marching Forward, Towards Net Zero	FILRT aligns with the Net Zero aspirations and commitment to Resilience in the FDC parent's sustainability and enterprise risk management framework. While there are completed initiatives to realize energy efficiency in the buildings' operations either internally or through the supply chain, there is also a target to increase the supply of renewable electricity to tenants to reduce the GHG emissions of both parties.
Procurement Practices			
Proportion of Spending on Local Suppliers			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	All procurement in the Filinvest group is centralized under Supply Chain Management of Share Pro, Inc. With FILRT's property management operations currently being limited only to Cebu and Alabang, the vast majority of service providers and suppliers being engaged are local.
KPI	Percentage of procurement budget used for significant locations of operations that is spent on local suppliers		

A. Economic Disclosures		Reporting Location	Remarks/Explanation
Anti-Corruption			
Training on Anti-Corruption Policies and Procedures			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index and Corporate Governance	FILRT's Corporate Governance is aligned with the good governance practices of the Sponsor, FLI, and the FDC parent. Seconded employees to FILRT undergo an onboarding process that covers the Code of Business Conduct, Employee Manual, as well as emergent regulatory requirements.
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 The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	Anti-corruption policies are incorporated in the FLI Sponsor's Code of Business Conduct and Ethics as well as FLI's Employee Manual. Any breaches are investigated and due process is provided to the concerned individual.
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 The Impact and Where it Occurs Stakeholders Affected	Marching Forward, Towards Net Zero	FILRT aligns with the Net Zero aspirations of the FDC parent, and has a two-prong approach to reduce GHG emissions: energy efficiency and adoption of renewable energy sources.
KPIs	Energy consumption by fuel type Energy reduction by fuel type		Most of the energy consumption of FILRT is electricity purchased from the local electricity utility and via FDC RES Open Access contract, some of which are sourced from renewables. An increase in renewables supply reduces the dependence on fossil fuel based electricity as well as its Scope 2 GHG emissions.
Water consumption within the organization			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected ESG Risks and Opportunities	EESG Performance Index	FILRT's water supply is provided by the centralized water utility of Filinvest City, along with wastewater services. Reuse of treated effluent is undertaken and green areas in the Northgate Cyberzone are irrigated with this effluent.
KPIs	Water consumption within the organization Water withdrawal Water consumption Water recycled and reused		
Materials Used by the Organization			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	Not material. FILRT does not undertake construction of real estate assets nor engage in manufacturing consumer goods.
KPIs	Materials used by weight or volume Percentage of recycled input materials used to manufacture the organization's primary products and services		

B. Environment Disclosures		Reporting Location	Remarks/Explanation
Ecosystems and Biodiversity			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	FILRT’s building assets are located in urban areas that are not biodiversity hotspots.
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—Greenhouse Gasses (GHG)			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected ESG Risks and Opportunities	EESG Performance Index	See discussion above on Net Zero commitment of FILRT and two-pronged approach to reduction of GHG emissions
KPIs	Direct (Scope 1) GHG Emissions Energy indirect (Scope 2) GHG Emissions Emissions of ozone-depleting substances (ODS)		Not material. The District Cooling System uses refrigerants but this is a third party service and not within the operational control of FILRT.
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	Not material. Power gensets are only run for a few minutes under preventive maintenance. There was no extensive use of gensets in 2023 due to long power interruptions.
KPIs	Nitrogen oxides (NOx) Sulfur oxides (SOx) Persistent organic pollutants (POPs) Volatile organic compounds (VOCs) Hazardous air pollutants (HAPs) Particulate matter (PM)		

B. Environment Disclosures		Reporting Location	Remarks/Explanation
Solid Waste			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	The property manager of FILRT assets entered into an agreement with a circular economy champion partner to help address the generation of plastic wastes and other recyclables.
KPI	Total solid waste generated by type		
Hazardous Waste			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index EESG Performance Index	Used oil and used lead acid batteries are donated to a foundation that partnered with solvent and lead recyclers, while the rest of the hazwastes are disposed via accredited service providers when needed. The conversion of all lights into LED has already extinguished the generation of busted fluorescent bulbs.
KPIs	Total weight of hazardous waste generated Total weight of hazardous waste transported		
Effluents			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	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. Part of the treated effluent is sent back to the neighborhood for landscape irrigation
KPIs	Total volume of water discharges Percent of wastewater recycled		
Environmental Compliance			
General Disclosures	Management Approach The Impact and Where it Occurs Stakeholders Affected	EESG Performance Index	FILRT complies with all environmental laws and regulations being implemented by both DENR and LLDA.
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 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 The Impact and Where it Occurs	EESG Performance Index and Gender Blindness as the Norm	FILRT personnel are seconded from Filinvest Land and other FDC subsidiaries. FILRT does not have direct employees. Reports on human capital and talent risks are disclosed in the annual reports of FLI and FDC.	
KPIs	Total number of employees Attrition rate Ratio of lowest paid employee against minimum wage List of employee benefits			
Employee Training and Development				
General Disclosures	Management Approach The Impact and Where it Occurs	EESG Performance Index		Information on training is reported in FLI's and FDC's sustainability reports.
KPIs	Total training hours provided to employees (by male/female) Average training hours provided to employees (by male/female)			
Labor Management Relations				
General Disclosures	Management Approach The Impact and Where it Occurs	EESG Performance Index	There is no Collective Bargaining Agreement in FILRT as there are no direct employees. Staff concerns are managed by their direct employers within the Filinvest Group.	
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 The Impact and Where it Occurs	Gender Blindness as the Norm	The Filinvest Group is gender blind, i.e. decision-making on career opportunities, developmental programs and promotions are based on competency and performance, not on any other criteria such as gender, age, religion, race or family connections.	
KPIs	% of female workers in the workforce % of male workers in the workforce Number of employees from indigenous communities and/or vulnerable sector			

C. Social Disclosures		Reporting Location	Remarks/Explanation
Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety			
General Disclosures	Management Approach The Impact and Where it Occurs	EESG Performance Index	The overall occupational health and safety program in Filinvest is overseen by the FDC parent's Center of Excellence for Safety and Security.
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 The Impact and Where it Occurs	EESG Performance Index	Filinvest's Code of Business Conduct also applies to service providers, in accordance with accreditation and provisions in service agreements. More information can be found at the Corporate Governance reports of FILRT, FLI and FDC.
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 The Impact and Where it Occurs	EESG Performance Index	A vendor accreditation process is being implemented by Supply Chain Management under Share Pro, a shared services company of the Filinvest Group.
KPIs	Supplier Accreditation Policy Sustainability Topics Considered When Selecting/Screening Suppliers		

C. Social Disclosures		Reporting Location	Remarks/Explanation
Relationship with Community			
Significant Impacts on Local Communities			
General Disclosures	Management Approach	EESG Performance Index	FILRT assets are not located in lands with certificate of ancestral domain titles. The vast majority of FILRT's buildings are located in Northgate Cyberzone which is a distinct business district within Filinvest City. Filinvest City's estate manager regularly coordinates with the local government of Muntinlupa for any and all concerns of the surrounding communities.
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 Performance Index	FILRT's primary customers are businesses who lease office spaces and there are regular touchpoints with such tenants to discuss concerns.
KPI	The Impact and Where it Occurs Customer Satisfaction Score(s)		
Health and Safety			
General Disclosures	Management Approach	EESG Performance Index	The overall occupational health and safety program in Filinvest is overseen by the FDC parent's Center of Excellence for Safety and Security.
KPIs	The Impact and Where it Occurs Number of substantiated complaints on product or service health and safety Number of complaints addressed		
Marketing and Labelling			
General Disclosures	Management Approach	EESG Performance Index	FILRT's leasing is a B2B business and all marketing materials and representations are reviewed and approved by FILRT's top management. Any concerns of the tenants related to marketing materials or representations are immediately addressed.
KPIs	The Impact and Where it Occurs Number of substantiated complaints on marketing and labelling Number of complaints addressed		

C. Social Disclosures		Reporting Location	Remarks/Explanation
Customer Privacy			
General Disclosures	Management Approach The Impact and Where it Occurs	EESG Performance Index	FILRT does not do business with individuals. The data of tenants' employees may be collected for security purposes, and the data is protected in accordance with the Data Protection Policy of the Filinvest Group, aligned with the Data Protection Act.
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 The Impact and Where it Occurs	EESG Performance Index	See comment above.
KPI	No. of data breaches, including leaks, thefts and losses of data		



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