



FILRT • FR

WORKPLACE REIMAGINED

Accelerated Transformation
for a Sustainable Workplace



VISION

To grow a trusted portfolio of sustainable Grade A office 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

ABOUT THIS ANNUAL AND SUSTAINABILITY REPORT

This combined Annual and Sustainability Report is the disclosure of Filinvest REIT Corp. (FILRT) on its financial and non-financial performance covering the calendar period ending December 31, 2021. 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.

CONTENTS

- 02** Financial Highlights
- 03** Our Portfolio
- 06** Joint Message from the Chairperson and the President and CEO
- 10** Business Review
- 12** Board of Directors
- 14** Management Team
- 16** Business Model with External Environment and Outlook
- 18** Value Creation
- 20** Materiality and Scope
- 21** Stakeholder Engagement
- 22** Environmental Performance
- 28** Social Performance
- 32** Feature: Filinvest Spearheads FilVax
- 38** Corporate Governance
- 48** Risk Management
- 50** EESG Performance Metrics and SEC Content Index
- 58** Financial Review

ABOUT FILRT

Filinvest REIT Corp. (FILRT) is a real estate investment trust backed by Filinvest Land, one of the largest property developers in the Philippines with an established portfolio of residential, commercial, industrial, and office developments around the archipelago.

Listed on the Philippine Stock Exchange on August 12, 2021, FILRT is a wholly owned subsidiary of Filinvest Land, maintains a highly competitive and attractive portfolio of office buildings which cater mainly to high-growth multinational Business Process Outsourcing (BPO) firms. Competitive rental rates, as well as fiscal and non-fiscal benefits for locators, attract BPO companies to lease office space.

FILRT's portfolio consists of 17 office buildings: 16 located in Northgate Cyberzone, a Philippine Economic Zone Authority (PEZA) registered IT Park in Filinvest City, Alabang, and one in Cebu Cyberzone, the gateway of Cebu IT Park in Lahug, Cebu City. All these Grade A office buildings of more than 300,000 square meters of gross leasable area sit on prime property.

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

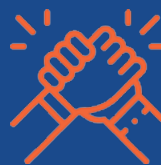
CORE VALUES



Sustainability



Integrity



Proactive Service



Innovation



Cost Effectiveness

2021 Financial and Operating Highlights

Statement of Income (₱ millions)	
Total Revenues	3,442
Net Income	1,855
Statement of Financial Position (₱ millions)	
Cash and Cash Equivalents	2,587
Total Assets	13,972
Bonds Payable	5,987
Total Liabilities	7,989
Stockholders' Equity	5,984
Statement of Cashflows (₱ millions)	
Net Cashflow provided by Operating Activities	2,140
Net Cash provided by Investing Activities	1,002
Net Cash used in Financing Activities	-1,425
Financial Ratios	
Current Ratio	2.58
Debt-to-equity ratio	1.01
Stock Information (as of end-2021)	
Market Capitalization (₱ millions)	36,207
Stock Price (₱)	7.40
Outstanding Shares (millions)	4,893
Earnings per Share (₱)	0.53
Operational Highlights	
Total GLA ('000 square meters)	301,362
Average Occupancy	89%



OUR PORTFOLIO



MANILA

BUILDINGS #1-#16

CEBU

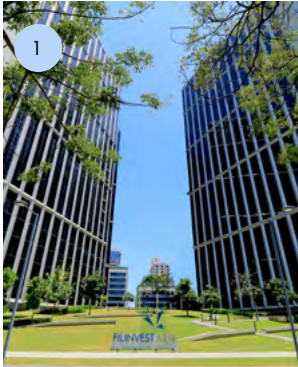
BUILDING #17

PHILIPPINES

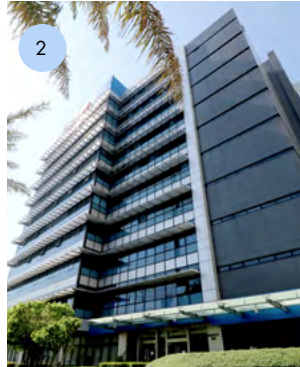
OUR LOCATIONS

No.	Building	Description	Year Completed	Total GLA (sq. meters)
1	Axis Tower 1	Grade A, LEED Gold, PEZA-accredited	March 2018	40,869
2	Filinvest One	Grade A, PEZA-accredited	June 2013	19,637
3	Filinvest Two	Grade A, PEZA-accredited	September 2015	23,784
4	Filinvest Three	Grade A, PEZA-accredited	January 2015	23,784
5	Vector One	Grade A, PEZA-accredited	May 2011	17,764
6	Vector Two	Grade A, PEZA-accredited	September 2014	17,889
7	Vector Three	Grade A, LEED Gold, PEZA-accredited	January 2017	36,345
8	Plaza A	Grade A, 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, PEZA-accredited	June 2007	10,860
12	Plaza E	Grade A, PEZA-accredited	February 2014	14,859
13	iHub1	Grade A, PEZA-accredited	June 2008	9,480
14	iHub2	Grade A, PEZA-accredited	August 2009	14,181
15	5132 Building	Grade A, PEZA-accredited	November 2007	9,409
16	Capital One	Grade A, PEZA-accredited	October 2005	18,000
17	Cebu Tower 1	Grade A, PEZA-accredited	June 2015	20,612

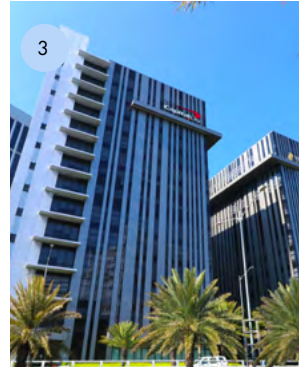
OUR PORTFOLIO



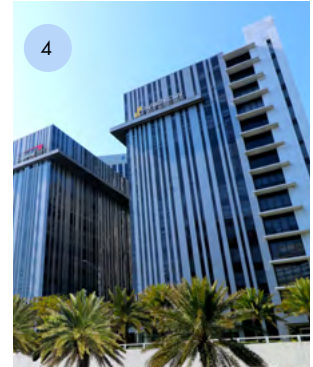
Axis Tower 1
Grade A, LEED Gold,
PEZA-accredited
Year Completed: March 2018
GLA: 40,869 sq. meters



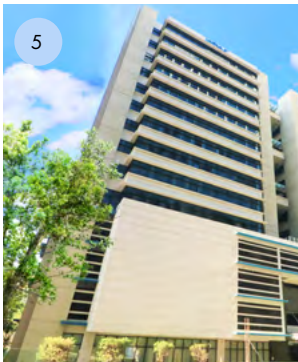
Filinvest One
Grade A, PEZA-accredited
Year Completed: June 2013
GLA: 19,637 sq. meters



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



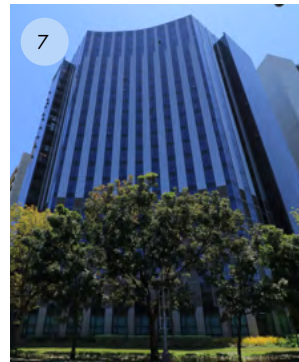
Filinvest Three
Grade A, PEZA-accredited
Year Completed: January 2015
GLA: 23,784 sq. meters



Vector One
Grade A, PEZA-accredited
Year Completed: May 2011
GLA: 17,764 sq. meters



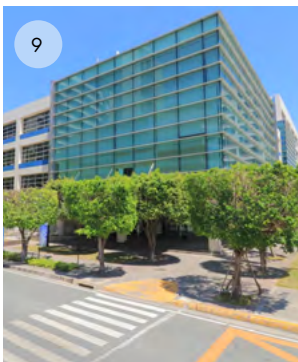
Vector Two
Grade A, PEZA-accredited
Year Completed: September 2014
GLA: 17,889 sq. meters



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



Plaza A
Grade A, PEZA-accredited
Year Completed: October 2007
GLA: 10,860 sq. meters



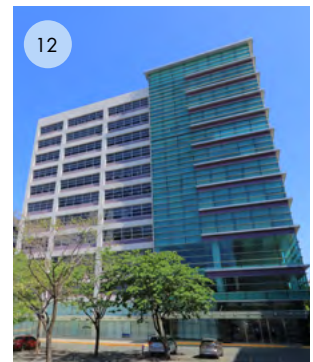
Plaza B
Grade A, PEZA-accredited
Year Completed: March 2001
GLA: 6,488 sq. meters



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



Plaza D
Grade A, PEZA-accredited
Year Completed: March 2007
GLA: 10,860 sq. meters



Plaza E
Grade A, PEZA-accredited
Year Completed: February 2014
GLA: 14,859 sq. meters



13

iHUB1

Grade A, PEZA-accredited
 Year Completed: June 2008
 GLA: 9,480 sq. meters



14

iHUB2

Grade A, PEZA-accredited
 Year Completed: August 2009
 GLA: 14,181 sq. meters



**MANILA,
 PHILIPPINES**



15

5132 Building

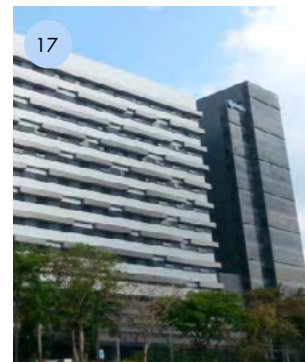
Grade A, PEZA-accredited
 Year Completed: November 2007
 GLA: 9,409 sq. meters



16

Capital One

Grade A, PEZA-accredited
 Year Completed: October 2005
 GLA: 18,000 sq. meters



17

Cebu Tower 1

Grade A, PEZA-accredited
 Year Completed: June 2015
 GLA: 20,612 sq. meters

Transforming and Building a Sustainable Workplace

It is with pride that we publish our 2021 Annual and Sustainability Report, our first as a publicly listed company on the Philippine Stock Exchange. We are pleased to report the accomplishments of Filinvest REIT Corporation (FILRT) and the financial results of the Company in 2021, as well as the growth plans we have laid out for the future. We are committed to grow the Company organically from our initial portfolio and inorganically from the acquisition of new assets, as we constantly seek ways to create value for our various stakeholders.

Our journey towards becoming a listed entity was not easy. Amidst the uncertainties in the macroeconomic environment, we managed to launch FILRT as Filinvest's flagship commercial REIT and the third REIT in the country. Looking back at 2021, we are convinced that we could not have done it at a more opportune time.

The Philippines' REIT Act is not new. It was first enacted over a decade ago, in 2009, but did not gain traction because of its many restrictions and impositions. This prompted the Securities and Exchange Commission (SEC) and the Bureau of Internal Revenue (BIR) to issue new regulations on the taxability of REITs, as well as amendments to the REIT Implementing Rules and Regulations January 2020. This gave us the impetus to revisit our plans and evaluate our REIT-able assets.

The result was a formidable portfolio comprised of 17 Grade A office assets with a total valuation of ₱48.5 billion, representing over 300,000 square meters of gross leasable area (GLA).

Geographically, the portfolio is strongly focused on Metro Manila, in particular, the Alabang central business district where Filinvest, the Sponsor of FILRT, is the market leader with almost half of the market share. Alabang is a strong commercial business district (CBD) market and has seen higher rental rate growth than Makati and Metro Manila over the last 10 years.

What sets FILRT apart

Sixteen of the 17 assets or 94% of our portfolio by valuation are located in the award-winning Filinvest City, an integrated and masterplanned township in the Alabang CBD in southern Metro Manila. With offices, retail centers, world-class hotels, affordable living alternatives such as The Crib Dormitel, schools and hospitals - all wrapped with lush greens, jogging and biking trails and inspiring open spaces - Filinvest City is truly a live-work-play-and-learn metropolis. The remaining asset is located in Cebu, on the gateway of Cebu IT park, a fast-growing office expansion destination outside Metro Manila. Cebu Tower 1 is 100% occupied by top multinational BPO firms, a testament to the trust of the industry in FILRT developments.

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

A testament to this sustainability thrust is the recognition FILRT earned from the prestigious 12th Asia CEO Awards. FILRT was hailed as a Circle of Excellence Awardee for Sustainability Company of the Year.

Filinvest City has excellent connectivity to major CBDs and neighboring regions, boosting its attractiveness to the locators of FILRT. The portfolio also has access to a wide range of supporting amenities and infrastructure such as the 1400 KVA truck-mounted PEZA-approved mobile genset as additional backup to the in-building gensets. Majority of the buildings are attached to the largest district cooling system (DCS) plant in the Philippines, substantially reducing energy consumption and greenhouse gas emissions by as much as 40%, and saving about 11,500 tons of carbon dioxide per year.

Ahead of the curve

At the time of the IPO listing, our portfolio was leased primarily to business process outsourcing (BPO) office tenants which accounted for 91% of occupied GLA. Traditional office tenants made up 8%, and the small remainder was leased to Philippine online gaming operators (POGO) and retail tenants. The top 10 tenants in the portfolio contributed about 60% of GLA and include major multinational BPO companies and a global bank.

With these value propositions, FILRT's public listing on August 12, 2021 led to a fully subscribed 12.6-billion IPO. Barely three months later, FILRT joined the MSCI Philippine Small Cap Index — an affirmation of the Company's positive growth prospects.



“

We are committed to grow the Company organically from our initial portfolio and inorganically from the acquisition of new assets, as we constantly seek ways to create value for our various stakeholders.”

Lourdes Josephine Gotianun-Yap, *Chairperson*



Since the IPO, we have been exceeding our targets. Despite the widespread community lockdowns from the second to the third quarters of 2021, FILRT recorded a net income of ₱1.9 billion on revenues of ₱3.4 billion in 2021. This allowed us to distribute three cash dividends to date, totaling ₱0.336 per share, equivalent to an annualized dividend yield of 6.4%. This is higher than the 6.3% dividend yield we projected for 2021 in our REIT Plan and based on our IPO price of ₱7.00 per share. Taking into account the market price appreciation since the IPO, FILRT has provided a total return of 12.11% to our IPO investors as of end-2021.

Our average portfolio occupancy was recorded at 89% with a weighted average lease expiry (WALE) of 3.7 years by end-2021. Despite the challenges of a globally changing workplace environment, we maintained a very strong history of lease renewals. We signed and renewed 90% of our 2021 expiring leases with an average five-year lease term. We are in the process of renewing 2022 lease expiries comprised of multinational BPO and ROHQ tenants. We have also signed and renewed the contract of two of our valued tenants with more than 4,300 square meters six months ahead of expiry schedule and signed the Letter of Intent for more than 11,880 square meters of two other multinational blue chip BPO companies. This is a testament to the trust and confidence of our global tenants in FILRT and an affirmation of the resiliency of the BPO industry in general. With the reopening of the economy and the growing demand from multinational BPO companies for office spaces, we remain optimistic that occupancy will further improve despite the lingering effects of the pandemic.

“

Given our robust tenant base, 91% of which are comprised of BPOs as of end-2021, FILRT's buildings will continue to attract locators for several reasons.”

Maricel Brion-Lirio, *President and Chief Executive Officer*

Given our robust tenant base, 91% of which are comprised of BPOs as of end-2021, FILRT's buildings will continue to attract locators for several reasons, including superior workforce accessibility, competitive lease rates, ease of expansion within the location, heightened health and safety standards that adhere to strict government protocols, and Grade A-quality PEZA buildings with green and sustainable features. These are factors that are essential to our tenants and critical during this period of economic recovery post-pandemic.

The road ahead

Contractual escalation terms are built into about 90% of our leases, averaging 5% per annum rental escalation overall. Thus, we expect our portfolio to further benefit from intrinsic and organic growth as the economy bounces back and building occupancy improves.

We are also banking on our robust inorganic growth potential through the right of first refusal (ROFR) that sponsor Filinvest Land Inc. (FLI) has granted to FILRT. This covers all significant commercial properties owned by FLI and its wholly owned subsidiaries. FLI has about 315,000 square meters of office gross GLA in key CBDs that are potential acquisitions for FILRT.

As our sponsor, FLI is fully committed to grow FILRT's portfolio with regular asset infusions. In our three-year investment plan submitted to the Philippine Stock Exchange and the SEC in December 2021, FILRT's fund management company signified that it will sustain the portfolio expansion and provide a stable and competitive return to investors, with focus on dividend yield protection.



Lourdes Josephine Gotianun-Yap
Chairperson

To date, a pipeline of possible commercial projects has been identified for potential asset infusion, as announced by FLI. There are two office buildings with almost 70,000 square meters in GLA that may potentially be added in 2022. Other asset classes may also be added to the REIT once they meet the investment criteria.

Assisting us in scaling our portfolio are our fund and property management companies, FREIT Fund Managers, Inc. and ProOffice Work Services, Inc. Both are strongly aligned with our aspirations to continuously grow the Company. We are cognizant that any asset infusion will add to the liquidity and size of FILRT going forward. This meets our goal of allowing the wider capital market to participate in the new and growing Philippine commercial REIT sector.

We would like to thank our shareholders, creditors and customers for their continued trust and confidence. Our appreciation also goes to our fellow Board of Directors for their guidance and support, and the people behind FILRT for their tireless efforts to build FILRT to where it is today. Together we will endeavor to provide stable returns, expand the portfolio, and deliver the value we have committed to you, our valued shareholders.

Thank you.



Maricel Brion-Lirio
President and Chief Executive Officer

BUSINESS REVIEW

Building with You in Mind



Portfolio

FILRT's portfolio consists of 17 Grade A office buildings with over 300,000 square meters of gross leasable area (GLA). Sixteen of the 17 buildings are in Northgate Cyberzone in Filinvest City in Alabang, Metro Manila, a Philippine Economic Zone Authority (PEZA) Special Economic Zone and IT park. Another building is located in the gateway of Cebu IT Park in Lahug, Cebu City. The assets were valued by an independent appraisal company at ₱48.5 billion.

Geographically, the portfolio is strongly focused on Metro Manila, in particular, the Alabang Central Business District (CBD) where Filinvest 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 City and Metro Manila over the last 10 years.



BPO office tenants take up 91% of occupied GLA.

Filinvest City is an integrated township with excellent connectivity to major CBDs and neighboring regions such as CALABARZON. The township features superior accessibility with five major thoroughfares such as the Skyway, South Luzon Expressway, and Alabang-Zapote Road, as well as one of South Metro Manila's largest multi-modal transport hubs.

The portfolio is leased primarily to BPO office tenants which take up 91% of occupied GLA. Traditional office tenants take up another 8%, and the small remainder is leased to online gaming operators and retail tenants. The top 10 tenants in the portfolio account for about 60% of the GLA.

Given the tenant base of predominantly BPOs, the portfolio offers the following attributes important to the locators: 1) superior workforce accessibility; 2) competitive rates, and; 3) ease of expansion within the location, being situated in PEZA-registered IT Parks.

The portfolio had an average occupancy of 89% and a weighted average lease expiry (WALE) of 3.7 years as of end-2021, with well-spread out lease expiries. A bulk of the leases or 39% have yet to expire in 2025 and beyond.

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

Financial Performance

FILRT reported a net income of ₱1.9 billion in 2021. This was achieved on the back of rental and other revenues that reached ₱3.4 billion and a gain on derecognition of lease liabilities of ₱189 million.

Dividends

Following its strong performance, FILRT distributed three quarterly cash dividends — in September and December 2021, and in March 2022 — totaling ₱0.336 per share. This is equivalent to an annualized dividend yield of 6.4% which is higher than benchmark rates and better than the 6.3% dividend yield it projected for 2021 in its REIT Plan and based on its initial public offering (IPO) price of ₱7.00 per share.

Growth Prospects

FLI is fully committed to grow the REIT portfolio with regular asset infusions. In its three-year investment plan submitted to regulators in December 2021, FILRT's fund management company signified it will constantly endeavor to expand the portfolio and provide a stable and competitive return to investors, with focus on dividend yield protection.

A pipeline of possible commercial projects has been identified for potential asset infusion as announced by FLI. There are two office buildings totaling almost 70,000 square meters of GLA that may potentially be added within 2022.

Part of FILRT's investment policy is to invest in properties that have sustainability features to align with FILRT's differentiation as a "green" or sustainability-themed REIT. Its current portfolio includes two LEED Gold-certified office buildings and 16 buildings located in Filinvest City in Alabang, the first central business district in the country and the largest in Southeast Asia to receive Gold Certification from LEED® v4 for Neighborhood Development Plan. The buildings are cooled by the country's largest district cooling system that reduces carbon emissions and energy consumption.

BOARD OF DIRECTORS

1. **Lourdes Josephine Gotianun-Yap**
Chairperson
2. **Maricel Brion-Lirio**
Director, President and Chief Executive Officer
3. **Francis Nathaniel C. Gotianun**
Director



- 4. **Tristaneil D. Las Marias**
Director
- 5. **Virginia T. Obcena**
Independent Director
- 6. **Gemilo J. San Pedro**
Independent Director
- 7. **Val Antonio B. Suarez**
Independent Director



MANAGEMENT TEAM



L-R

Maricel Brion-Lirio

President and Chief Executive Officer

Ana Venus A. Mejia

Treasurer and Chief Finance Officer

Raymond Wilfred L. Castañeda

Data Protection Officer

L-R

Patricia Carmen D. Pineda
Investor Relations Officer

Katrina O. Clemente-Lua
Assistant Corporate Secretary and
Corporate Information Officer

Maria Victoria Reyes-Beltran
Compliance Officer



BUSINESS MODEL WITH EXTERNAL ENVIRONMENT AND OUTLOOK



Filinvest REIT Corp. (FILRT) is the platform for the Filinvest group's commercial assets with FILRT shareholders as its valued business partners. FILRT is part of a capital recycling strategy and the engine that will fuel the continued growth of the initial investment portfolio.

Having listed FILRT on August 12, 2021 with an asset size of ₱48.5 billion, FILRT's key objective is to expand the portfolio and provide a competitive return to investors, with focus on dividend yield protection. Its actions are driven by a given set of objectives.

Investment Objectives

- 1. Drive organic growth through proactive asset management and enhancement.** This involves active asset management strategies with focus on customer experience to propel stable annual escalation of rental rates and sustain high occupancy levels.
- 2. Leverage on economies of scale and sustainability features of properties to drive profitability.** The campus-type developments with well thought of integration of sustainability features are believed to be cost efficient for FILRT and its locators.
- 3. Pursue inorganic growth through well-planned and timed asset infusions.** The strategy is to acquire high-quality commercial properties that are dividend yield accretive to the existing portfolio. Potential assets for acquisition may come from the Filinvest group's commercial assets as well as third parties.
- 4. Prudent and focused management of capital and risk.** FILRT may access the capital markets for debt, equity, hybrid or other forms of capital, and utilize hedging instruments in order to manage the financial risk exposures. FILRT has successfully accessed the retail bond market in the past and is expected to continue to use leverage in growing its leasing portfolio.

Investment Criteria

A core tenet of FILRT's investment policy is to invest in income-generating real estate properties that meet the following investment criteria:

1. Located in key CBDs in Metro Manila and major regional hubs or key cities in the Philippines
2. Be primarily Grade A commercial property but may be another type of real estate property, including retail, residential, leisure or industrial
3. With an office tenant mix of primarily Business Process Outsourcing, regional office headquarters and other traditional locators with stable occupancy
4. Has potential for asset enhancement and with sustainability features and certifications from widely used international green building rating systems in the world such as, but not limited to, LEED, WELL or EDGE
5. Long term lease agreements with stable income of at least three years for office assets and corresponding industry standard term for non-office assets.

EXTERNAL ENVIRONMENT AND EMERGING TRENDS THAT COULD AFFECT THE REIT SPACE

Less mobility restrictions after the COVID-19 pandemic

The announcement in February 2022 of Alert Level 1 status in most of the Philippines resulted in companies instructing its employees to start coming back to the workplace. This move can potentially increase the demand for leased office spaces, if not maintain the pre-pandemic demand. The imposition of health guidelines such as social distancing and mask wearing is likely to be sustained beyond the tapering of COVID-19 cases. This will necessitate the reconfiguration of office spaces to provide physical distance between workers and increase the required space per individual. The opening of the country's borders to international travelers may lead to the return of POGO operators and demand for office spaces.

Geopolitical events affecting national economies

The recent outbreak of war in Europe has led to Western democracies imposing sanctions on Russia which resulted in the shortage of oil and natural products in the global market, causing massive price increases in fuel around the world, including the Philippines. This may cause a short- or medium-term economic contraction, depending on the duration of the war in Ukraine, and may evolve into a global recession and affect the locators occupying REIT spaces. The war also has given rise to discussions on the possible decline of globalization trends. Multinational companies may choose to bring back their critical roles and functions closer to home. However, the interplay of factors such as managing risk versus lesser operating costs in developing countries has yet to be seen.

The inertia of 'Work From Home'

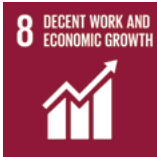


The abnormal rise in fuel prices, combined with the fear of worsening traffic as people report back to work, has led to calls from various sectors to restore the Work From Home or hybrid policies which could reduce the current need for floor spaces. There also has been a rise in the incidence of millennials opting to leave their current jobs when told to go back to work and preferring to keep flexible work hours and work locations.






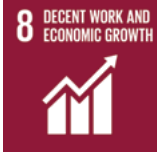


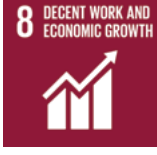
Philippine economic recovery

According to projections of the Asian Development Bank, the Philippine economy is poised to grow by at least 6% in 2022 and 2023, higher than the estimates for other Southeast Asian countries. The relaxation of border restrictions is seen to boost tourism and employment in the service sector. However, the outcome of the May 2022 elections along with geopolitical tensions are factors that may lead to the recalibration of this forecast. Nonetheless, the fundamentals of the Philippine economy is intact and the optimism of the business sector remain high as the world recovers from the challenges of the COVID-19 pandemic.

VALUE CREATION



Our Capitals	Business Model/Process	Outputs and Outcomes	Contributions to UN SDGs
<p>Financial Capital</p> <ul style="list-style-type: none"> Market Capitalization (as of December 31, 2021): ₱36.2 billion Loans: ₱6.0 billion Property valuation (as of March 31, 2021): ₱48.5 billion 	<p>FILRT's business model focuses on a long-term growth strategy, incorporating risk management, sustainability and a prudent capital management approach, intended to yield stable revenues and dividends for shareholders.</p> <p>Adoption of the following investment criteria for the evaluation of properties for inclusion in the portfolio:</p> <ul style="list-style-type: none"> Grade A buildings in central business districts High-value locations 	<p>Steady portfolio growth with stable recurring income and dividends</p> <ul style="list-style-type: none"> Revenues Net Income Distributable Income Loan-to-Value Ratio 	
<p>Manufactured and Intellectual Capital</p> <ul style="list-style-type: none"> Properties under FILRT <ul style="list-style-type: none"> 16 Grade A properties in Filinvest City, Alabang, Muntinlupa City One Grade A property in Cebu Filinvest's institutional knowledge and experience of more than 50 years in property development and management 	<ul style="list-style-type: none"> Three-year operating history with stable occupancy rates Incorporation of Green Building principles in the design and operations of properties 	<p>Property assets in strategic locations in Muntinlupa and Cebu</p> <ul style="list-style-type: none"> Gross leasable office space of 299,158 sq.m. Gross leasable retail space of 2,204 sq.m. Average land lease tenure of 74.3 years (as of December 31, 2021) Multinational blue-chip BPO and Regional Operating Headquarters 89% average occupancy in 2021 90% contract renewal rate in 2021 Average lease duration of five years 	 

Our Capitals	Business Model/Process	Outputs and Outcomes	Contributions to UN SDGs
<p>Natural Capital</p> <ul style="list-style-type: none"> High-value properties in strategic locations where natural resources need to sustain operations are available and adequate LEED v4 Gold Certification for Neighborhood Development Plan for Filinvest City (location of 16 buildings), and 2 LEED Gold certified developments (buildings) 	<p>FILRT's business model focuses on a long-term growth strategy, incorporating risk management, sustainability and a prudent capital management approach, intended to yield stable revenues and dividends for shareholders.</p> <p>Adoption of the following investment criteria for the evaluation of properties for inclusion in the portfolio:</p> <ul style="list-style-type: none"> Grade A buildings in central business districts High-value locations Three-year operating history with stable occupancy rates Incorporation of Green Building principles in the design and operations of properties 	<p>Green building designs that minimize resource use</p> <p>Responsible housekeeping which results in resource and energy efficiencies, reduced wastes, and compliance with environmental laws</p> <ul style="list-style-type: none"> Over 4,900 trees and seedlings planted Filinvest City 360 Eco-Loop, an e-transport system; and 2.2 km of pedestrian and bike paths, with multi-modal transport hub to connect with the rest of the metropolis Green spaces with linear parks, river park, and water garden occupying more than 30% of the total development Reduced energy consumption versus baselines (BAU) due to incorporation of decentralized cooling system, the largest in the Philippines, potentially reducing power consumption by as much as 40% and 11,500 tons of CO₂ emissions avoided. Compliance with all environmental permits and reportorial requirements. No environmental notice of violation or penalties in 2021. 	    
<p>Human Capital</p> <ul style="list-style-type: none"> Filinvest's strong and experienced cross-functional team of property development and property management professionals Competent manpower from Filinvest's Supply Chain 		<p>Jobs generated and assured health and safety during the pandemic</p> <ul style="list-style-type: none"> 48 seconded talents of Filinvest Group involved with FILRT operations 53% females in the seconded workforce Engaged 10 service providers for outsourced services, with 767 indirect jobs provided All locators in the FILRT properties were able to operate under a mix of work-from-home and work-from-office arrangements. No locator closed shop in 2021. Filinvest's seconded personnel vaccinated against COVID-19. 	  
<p>Relationship</p> <ul style="list-style-type: none"> The Sponsor's trusted Filinvest brand has been a contributor to the growth of the nation and its economy for more than 30 years, helping build the dreams of millions of Filipinos. PEZA accreditation of all properties in the portfolio 		<p>Opportunity for the public to invest in high-value properties that have recurring returns and stable growth</p> <ul style="list-style-type: none"> Participation of almost 8,300 retail investors during the IPO Increase in stock price from IPO on August 12, 2021 (₱7.00 per share) to end of 2021 (₱7.40 per share), leading to growth in market capitalization from IPO (₱34.2 billion) to end of 2021 (₱36.2 billion) 	

MATERIALITY AND SCOPE

These are the material topics identified by FILRT Sponsor, Filinvest Land, Inc. (FLI), during a materiality assessment exercise in 2019 to establish the link between its business performance with economic, environment, social, and governance (EESG) issues. COVID-19 and mobility were added subsequently

EESG Aspect	Material Topics
Economic	<ul style="list-style-type: none"> Jobs generated/maintained Support to businesses and tenants Financial liquidity
Social	<ul style="list-style-type: none"> Occupational health and safety COVID-19 related health and mobility Talent development and engagement Onsite transport options
Environment	<ul style="list-style-type: none"> Environmental compliance Resource efficiency Energy efficiency, renewable energy, and climate change mitigation Waste management Green Buildings and Neighborhoods, and climate change adaptation
Governance	<ul style="list-style-type: none"> Good governance structure Government policy and regulatory compliance Disclosure transparency

As FILRT’s business model involves commercial space leasing, there are some material topics identified by FLI that are not material to FILRT operations. These are the following:

- FILRT does not have direct employees but engages seconded talents from FLI, Filinvest Development Corp. (FDC), and other subsidiaries within the Filinvest group for leadership, management, and day-to-day operations. Property management and fund management are performed by different entities (ProOffice Work Services, Inc. and FREIT Fund Managers, Inc.). Discussions on human capital are thus captured in the sustainability reports of FLI and FDC.
- FILRT does not undertake development and construction of new buildings, but only leases and manages existing properties.
- Property management of one of the buildings in FILRT’s portfolio, Capital One, is not directly under any of Filinvest’s subsidiaries, unlike the other 16 buildings. FILRT merely serves as a lessor.
- FILRT will conduct a formal materiality assessment in 2022 aligned with the development of a sustainability agenda that is supportive of the strategic thrusts of the business and responsive to both internal and external EESG concerns. This will also be the core basis of EESG target setting and reporting in the future.

Stakeholder Engagement

Being primarily in the business of leasing, particularly office space, FILRT deals with limited stakeholder groups. Nevertheless, it keeps track of all concerns and employs multiple channels to address such concerns and attain common objectives.



Stakeholders	Concerns	Engagement Channels and Response
Seconed employees from Filinvest Group	<ul style="list-style-type: none"> Occupational health and Safety Training and development Workload Employee engagement 	<ul style="list-style-type: none"> COVID-19 protocols and vaccination program Email communications, bulletins, and town hall meetings Online administrative tools Trainings using online methods
Clients/Tenants	<ul style="list-style-type: none"> Personnel health and safety Staff mobility during the COVID-19 pandemic Support to businesses during pandemic EESG performance 	<ul style="list-style-type: none"> Building protocols on COVID-19 Hygiene and sanitation provisions in office spaces Compliance with IATF regulations and directives Disclosures on the environmental performance of building operations
Investors and Lenders	<ul style="list-style-type: none"> Financial liquidity/ sustainability Disclosure transparency Good governance EESG performance 	<ul style="list-style-type: none"> Timely and transparent disclosures Press releases, FILRT website, one-on-one meetings, and investor conferences Publication of Annual Report and Sustainability Report Development of a sustainability framework and EESG data system
Supply Chain and Service Providers	<ul style="list-style-type: none"> Supplier accreditation Jobs maintained Occupational health and safety 	<ul style="list-style-type: none"> Centralized supply chain management COVID-19 protocols Continuous support to supply chain due to pandemic disruptions, including FilVax vaccination program
Government Agencies	<ul style="list-style-type: none"> Government incentives Compliance Good governance 	<ul style="list-style-type: none"> Sustaining PEZA accreditation Timely regulatory filings and permit renewals Independent board members appointed to critical governance roles Participation in public consultations on proposed regulations
Environment	<ul style="list-style-type: none"> Compliance Energy efficiency Waste management Green spaces Green Design and Resiliency Climate Change mitigation 	<ul style="list-style-type: none"> Consistent compliance with all environmental regulations, including wastewater effluents, hazardous wastes and air emissions District cooling system (DCS) E-Jeepneys and pedestrian paths Building LEED-certifications and green design of assets

Building Smart and Green

FILRT's growth strategy is largely anchored on having a pipeline of high-value and environment-friendly assets that attract tenants who share Filinvest's journey towards a future in real estate where environmental sustainability is embedded in the design of spaces and daily operations.

FILRT's assets in Alabang are located in a master-planned community which has a LEED Certification for Neighborhood Development. Two of the properties — Axis Tower One and Vector Three — are LEED Gold certified. These buildings are designed to be more energy efficient by at least 10% compared to conventional buildings. They feature highly efficient façade glazing, efficient HVAC equipment and LED lighting, and with energy recovery ventilators that provide cooled fresh air to lower the power load of the air-conditioning equipment of the building. Building designs also specified low-flow plumbing fixtures which help lower water consumption by as much as 30% when combined with treated effluent reuse.

District Cooling System

Another distinct feature of the FILRT properties is the District Cooling System (DCS) which supplies chilled water for the buildings' air-conditioning systems, potentially reducing the collective electricity consumption by as much as 40%. This was implemented through a partnership between Filinvest and French multinational utility company ENGIE. In 2021, variable frequency drives were installed in 50% of chilled water pumps, boosters, transfer pumps, and pressurization blowers to provide enough power to the equipment to address real-time demand from users.

Lighting

FILRT is also switching from CFL to LED lighting systems on all its properties. As of end-2021, 90% of the light fixtures in the common areas of FILRT buildings have been replaced with LED, with only two buildings remaining for full conversion.

Mobility

All FILRT properties have bicycle parking facilities to help reduce the use of motorized vehicles and encourage greener modes of transport. Wide sidewalks and paths are provided to ensure pedestrian safety and promote mobility. Electric jeepneys, which run on electric energy and are operated by a jeepney drivers' cooperative, ply the streets of the neighborhood to offer low-carbon transport for the commuting public. FILRT and Sponsor FLI continue to collaborate with government planners in the development of a transport infrastructure that integrates with the national and city master plans.

Energy

FILRT's energy management approach revolves around two key focus areas: energy efficiency and using renewable energy whenever economically feasible.

The Company follows best practices in green building design and operations, including equipment retrofits, to achieve energy efficiency. It also specifies the use of 100% renewable energy (RE) in the Open Access contracts of some of its buildings. Since 2017, several buildings that eventually formed part of the FILRT portfolio became contestable under the Open Access scheme and have entered into supply contracts with FDC Retail Electricity Sales Corp. (FDC RES). Of these buildings, six derive energy from 100% RE sources, accounting for 26.5% of FILREIT's current total energy consumption.



Another distinct feature of the FILRT properties is the District Cooling System (DCS) which supplies chilled water for the buildings' air-conditioning systems, potentially reducing the collective electricity consumption by as much as 40%.

Total Energy Consumption

Energy by Fuel Type	2021	2020
Gasoline (liters)	0	0
LPG (liters)	0	0
Diesel (liters)	123,980	44,948
Electricity – FDC RES with 100% RE sources (KWH)	3,836,340	5,754,576
Electricity – Meralco + FDC RES (KWH)	10,652,456	12,802,055
Total Electricity (KWH)	14,488,796	18,556,631

The data presented cover only the electric consumption of common areas.

ENVIRONMENTAL PERFORMANCE

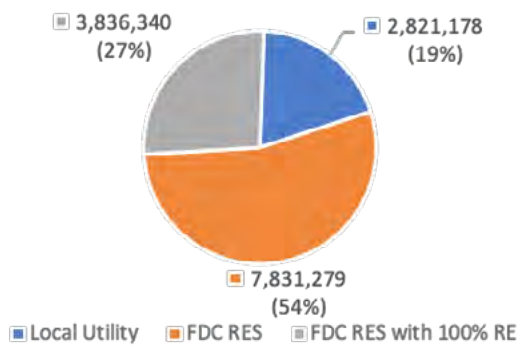
All FILRT buildings consume diesel on a recurring basis for regular testing and preventive maintenance work on generator sets (gensets) for emergency use. The spike in diesel consumption in 2021 was due to the continuous deployment of the emergency gensets of the Filinvest Cyberzone Cebu Tower One after the onslaught of Super Typhoon Odette (international name: Rai) on December 11, 2021 which resulted in a massive power outage in the island of Cebu for several weeks. Taking out the impact of this one-time event, the diesel consumption rate of FILRT would have been 2.8% year-on-year. The building did not have any downtime.

Electricity consumption in 2021 decreased by 21.9% due to mobility restrictions during the pandemic, which prompted some locators to adopt work-from-home arrangements for part of their employee pool. Lower electricity use was also because of the decline in physical occupancy in four buildings.

FILRT Buildings	Electricity Source	KWH and % of total consumption in 2021
Filinvest 3, Plazas B, C, D and E, and 5132	Local Utility	2,821,178 (19.5%)
Filinvest Cyber Cebu Tower 1, Axis Tower 1, Filinvest 2 and Vector 3	FDC RES	7,831,279 (54.0%)
Plaza A, iHub 1, iHub 2, Vector 1 and 2, and Filinvest 1	FDC RES with 100% RE	3,836,340 (26.5%)

Note that one of the 17 buildings (Capital One) is not under the direct operational supervision of FILRT's property management team.

Electricity Consumption by Source (in KWH)



Greenhouse Gas Emissions

GHG Emission Type (in tons CO2-eq)	2021	2020
Scope 1*	335	121
Scope 2**	7,587	9,118
Scope 3***	7,793	8,839
Total	15,715	18,078

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

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

***Scope 3 is the emission due to the DCS' indirect emissions from bought electricity attributable to FILRT's demand for chilled water. DCS electricity consumption attributed to FILRT buildings was 10,942,435 KWH in 2021 and 12,410,690 KWH in 2020, sourced from FDC RES.

The greenhouse gas emissions of FILRT properties were largely attributed to Scope 1 emissions from the burning of diesel onsite for genset maintenance and operations. Scope 2 emissions were due to the purchase of electricity used in common areas while Scope 3 emissions were due to the refrigeration services provided by the DCS.

The significant increase in Scope 1 GHG emissions was due to the one-time use of diesel for Filinvest Cyberzone Cebu Tower One for several days due to the massive power outage caused by Super Typhoon Odette in December 2021.

Six buildings (iHub 1 & 2, Vector 1 & 2, Filinvest One and Plaza A) sourcing from FDCRES with 100% renewables do not contribute to Scope 2 emissions. The total avoided carbon emissions of these buildings amounted to 2,732 tons in 2021. Six other buildings source from a FDC RES contract and the rest buy electricity directly from the local distribution utility. FILRT is assessing if the non-RE covered buildings can avail of the 100% RE source or be considered as contestable or eligible for Open Access.

Since the DCS is a third party that provides services to various buildings, the electricity consumption required to produce chilled water is considered Scope 3 from the perspective of FILRT. Other Scope 3 emissions are continually being assessed for breaching materiality limits. The electricity used by e-jeepneys plying in Filinvest City are not eligible for Scope 3 as their services are rendered directly to the commuting public.

From 2020 to 2021, there was a 13% decrease in FILRT's total GHG emissions, largely driven by the lower physical occupancy of the buildings during the pandemic-induced intermittent lockdowns.

Water, Wastewater and Effluent Reuse

FILRT currently sources water for a majority of its buildings portfolio from the public water utility of Metro Manila’s west zone, which sources raw water from sustainable surface water bodies. The sole FILRT building located in Cebu gets water from the local water utility, which uses mostly groundwater. Around 10% comes from a surface water source north of Cebu.

All wastewater generated in FILRT properties in Alabang are collected and conveyed to the Filinvest City sewage treatment facility for full treatment. The facility consistently complies with the latest effluent standards of the Department of Environment and Natural Resources-Environmental Management Bureau (DENR-EMB). The Cebu property also has its own sewage treatment facility that discharges effluent into a creek which empties into the Mactan Channel.

The treated effluent of the Filinvest City sewage treatment plant is discharged to the Alabang-Cupang (Mangagate) River which empties into the western bay of Laguna Lake. Part of the treated effluent is reused for landscape irrigation around the FILRT properties and Filinvest City.

Water Consumption, Wastewater Generation and Reuse

	2021	2020
Water used – common and leased areas (m3)	262,424	334,330
Wastewater generated and treated* (m3)	228,309	290,867
Treated wastewater reused** (m3)	9,074	14,722

**Total effluent generated under FILRT was based on a return factor versus water consumed of 87%, using the Filinvest Cyberzone Cebu’s operations as reference.
**In 2021, the Filinvest City sewage works collected and treated 972,704 m3 of wastewater, and reused 38,658 m3 of treated effluent for landscape irrigation. Of these, 23.5% is attributable to FILRT. In 2020, FC STP treated 1,305,995 m3 and reused 66,101 m3.*

The mobility restrictions and government-mandated reduction in physical occupancy of office spaces forced FILRT’s clients to reduce the number of their employees required to report onsite, resulting in the reduction of water consumption and sewage generation in 2021.

Solid Waste and Hazardous Wastes

The municipal solid wastes generated in FILRT properties come from typical office operations, e.g., waste office supplies mainly paper, packaging, and food waste. Non-hazardous wastes from operations for the common areas consist mainly of yard waste from landscaping.

All FILRT buildings have their own materials recovery facility and solid waste segregation is implemented. A third-party contractor is engaged for proper waste disposal.

Hazardous wastes generated are busted fluorescent lamps (BFL), used battery, used oil from gensets and waste electronic equipment. With the full conversion to LED lighting, the generation of BFLs will be reduced to zero in the future. Hazardous wastes are generally stored no more than six months in designated onsite facilities. However, the mobility restrictions in 2021 affected the operations of hazardous waste service providers. As such, stored materials will be hauled out and treated when operational restrictions ease.

Municipal Solid Waste (non-hazardous)

Solid Wastes Generated (kg)	2021	2020
Reusable	0	0
Recyclable	117	no data
Composted	0	0
Incinerated	0	0
Residuals/Landfilled (tons)	838	1,151
Total MSW		

Hazardous Waste

Solid Wastes Generated (kg)	2021	2020
Total hazardous waste* generated (kg)	477	no data
Total hazardous waste transported	0	no data

ENVIRONMENTAL PERFORMANCE



Environmental Compliance

All FILRT properties have secured the necessary one-time permits such as the Environmental Compliance Certificate and Laguna Lake Development Authority (LLDA) Clearance, as well as permits which require semi-annual renewal. Mandatory quarterly and semi-annual self-monitoring reports are submitted to both the DENR-EMB and LLDA regulators.

There were no Notices of Violations issued by the regulator in 2021 nor were there any regulatory disputes and penalties. An amended (relaxed) effluent standard was issued by the regulator. The wastewater treatment facility that serves the FILRT properties continues to comply with the effluent limits.

To proactively manage compliance risk, FILRT’s property management team, along with environmental managers across the Filinvest Group, are active in the development of national and regional policies and regulations by participating in public consultations and sharing common policy advocacies and best practices with industry peers.

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

Mobility Options for the Commuting Public

All FILRT properties have bicycle parking facilities to help reduce the use of motorized vehicles and encourage greener modes of transport. Dedicated bike lanes have also been marked on the streets to help ensure rider safety. Wide sidewalks and paths and well-marked crosswalks are provided to ensure pedestrian safety and encourage mobility.

E-jeepneys, which run on electric energy and are operated by a jeepney drivers’ cooperative, ply the streets of the neighborhood to offer low-carbon transport for the commuting public. Prior to the onset of the pandemic, a fleet of 25 e-jeepneys, each with a seating capacity of 13, was operated by an organization of 50 drivers, support staff, supervisors, and manager. Due to people’s limited mobility during the pandemic, the fleet was downsized to six large e-jeepneys, each with a seating capacity of 23 as of end-2021. It is expected that the reopening of the economy in early 2022 will restore the pre-pandemic demand for transport within the neighborhood.

FILRT and Sponsor FLI continue to collaborate with government planners in the development of a transport infrastructure that integrates with national and local master plans.

“

FILRT continues to be on the lookout for opportunities to further enhance its environmental performance.”



Enhancing Environmental Sustainability

Other properties of the Sponsor to be added to FILRT’s portfolio will feature environmentally responsible designs which incorporate energy, resource, and water efficiencies in their operations, as well as green spaces and green mobility options that uplift quality of life. The buildings queued for inclusion in the portfolio, such as Axis Tower 2 and Filinvest Cyberzone Cebu Tower 2, are already LEED pre-certified. Sixty-percent of the Axis building cluster in Alabang, which is comprised of four towers, is green space.

FILRT continues to be on the lookout for opportunities to further enhance its environmental performance. These are:

- The full conversion to LED lighting and the 100% installation of variable frequency drives for pumps and motors in its buildings in 2022;
- The shift to renewable energy sources under the Open Access contract with FDC RES once competitive rates from renewables become possible ahead of contract expiration;
- Rainwater harvesting for its Cebu property which is now the subject of a feasibility study it commissioned;
- Upscaling of solid waste management solutions such as reduction and recycling with partners that consider FILRT’s wastes as inputs to their production; and
- Revival of its partnership with a non-government organization for recycling used batteries and used oil donated by FILRT.



Building for People

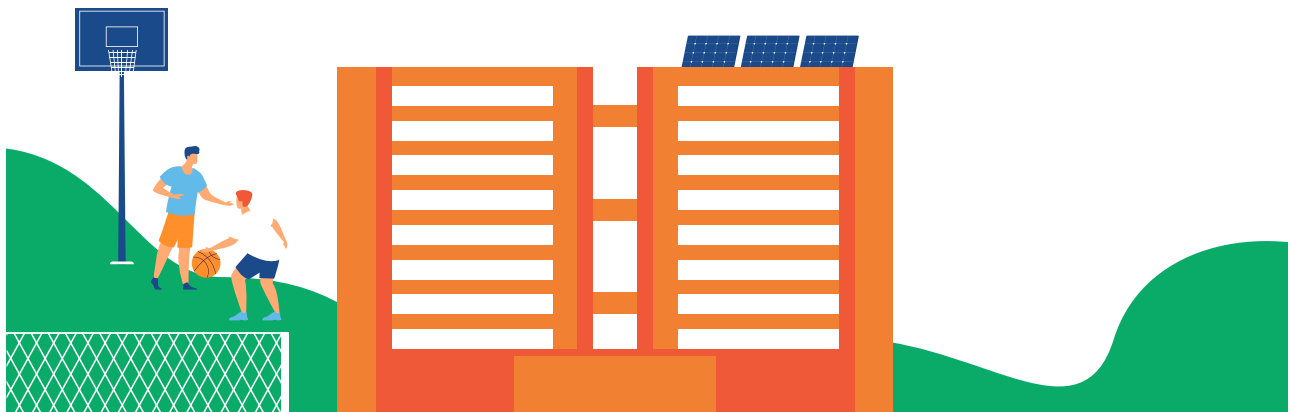
As the COVID-19 pandemic entered its second year in 2021, Filinvest continued to address the health and safety risks to its people, customers, business partners, and the general public through its active participation and investment in the country's vaccination drive. It also provided opportunities for the investing public to participate in the initial public offering (IPO) of FILRT.

Prioritizing health and safety

In 2021, the Filinvest Group, to which FILRT belongs, sustained its COVID-19 response put in place at the onset of the pandemic in March 2020. Various work arrangements were set up to ensure continued productivity. Skeleton forces were required to work onsite while employees occupying other roles were instructed to work from home with while provided with health and IT support services.

Onsite protocols for sanitation, hygiene, and COVID-19 detection were institutionalized to ensure that employees and tenants of FILRT were adequately protected when they reported for work. FILRT and its tenants complied with the guidelines of the government's Inter-Agency Task Force (IATF).

In 2021, Filinvest mounted an aggressive vaccination drive for its people and supply chain employees. The Filinvest group's free vaccination program, dubbed FilVax, targeted more than 13,000 vaccinated individuals by end-2021. Actual availment rate of 93% surpassed the government's 70% target.





In 2021, the Filinvest Group, to which FILRT belongs, sustained its COVID-19 response put in place at the onset of the pandemic in March 2020.

SOCIAL PERFORMANCE



Promoting diversity

FILRT does not have direct employees. There are 48 talents seconded from the Filinvest group who perform overall management, leasing, financial, and property operations. Of these employees, 56% are female. The leadership team is also composed of women, except for those in the Data Privacy role. The FILRT Board of Directors has three women, including the chairperson.

Filinvest is ranked among the top 10 companies in the world led by women chief executive officers (CEOs) and with the highest percentage of women executive officers.

This is according to the latest report of Corporate Women Directors International (CWDI), a nonprofit organization based in Washington, D.C., USA, which surveyed nearly 3,000 companies in 55 countries to generate baseline data on women in leadership roles.

Seconded Filinvest Employees, by Gender (2021)

	Male	Female
Executive	2	5
Manager	5	5
Supervisor	2	6
Rank and File	12	11
TOTAL	21	27

The training and development for the Filinvest-seconded employees are discussed in the annual reports of FLI and holding company Filinvest Development Corporation.

Filinvest is ranked among the top 10 companies in the world led by women chief executive officers (CEOs) and with the highest percentage of women executive officers.



Generating Economic Opportunities

The Real Estate Investment Trust (REIT) Act of 2009 offers opportunities for small individual investors to take part in investing in large-scale, income-producing commercial real estate without needing to buy real estate. It reduces an individual’s overall portfolio risk and offers capital appreciation in the long run. It also provides a steady stream of income due to the requirement that at least 90% of the REIT’s distributable income be given as dividends to shareholders.

The availability of REIT investments for the general public, including that of FILRT, and the overwhelming response to publicly listed REITs in a time of pandemic served as a vote of investor confidence in the eventual recovery of the Philippine economy.

During FILRT’s IPO, almost 8,300 retail or individual investors participated in the offering. This is equivalent to 26% of the new investor base of FILRT.

Secretary Carlos Dominguez III of the Department of Finance, in a speech during FILRT’s IPO listing ceremony, said allowing the average Filipino to invest in REITs contributes to the “broadening base of our financial system towards building a more inclusive economy.”

In addition to the direct economic opportunities from investing in FILRT, the Company also generates indirect economic benefits through its strategic partnerships with service contractors who provide housekeeping, grounds maintenance, equipment maintenance, security and property management services.

In 2021, FILRT property management had ongoing 11 service contracts with 10 service providers who had a total of 767 employees. This enabled FILRT to indirectly contribute to providing economic opportunities, especially during the pandemic when there are massive unemployment and job uncertainty.

FEATURE:

FILINVEST SPEARHEADS FILVAX



As soon as COVID-19 ravaged the country affecting families and businesses alike, Filinvest Development Corporation (FDC) together with its foundations and subsidiaries sprung into action to help the government protect Filipino families all over the country against the virus. The company's response was three-pronged: taking care of the business, our employees, and our community. The Filinvest group weathered the COVID crisis thanks in part to agile decision-making, strategic business continuity plans, well-instituted health and safety protocols, and an accelerated digitalization journey. The company pledged ₱100 million for the fight against COVID-19 and has gone well beyond the pledged amount through various initiatives designed to help fight COVID-19.

The company welcomed 2021 with a renewed sense of optimism aptly inspired by the rapid development and effective roll-out of vaccines which add a new layer of protection against COVID-19. As the year went by, the Filinvest group remained steadfast in its commitment to helping the country fight the pandemic from providing COVID care kits, free vaccines, to sending medical-grade facemasks to the provinces.

100,000
Vaccine doses procured
for FILVAX

93%
Employees Vaccinated

2 Million
Facemasks from Temasek
Foundation distributed

27
LGU recipients of
facemasks





Filinvest group's free, nationwide vaccination program FilVax for employees, drivers, messengers, utility workers, sales people, and security guards assigned to FDC properties and workspaces nationwide kicked off last August 4, 2021. Held at the Filinvest Mega Vaccination Center at Festival Mall, Filinvest City, Muntinlupa, the event was led by Filinvest Land, Inc. (FLI) Director Francis Gotianun and EastWest Banking Corporation (EWB) Director Isabelle Gotianun Yap, with Muntinlupa City Mayor Jaime Fresnedi as the guest of honor. Other Filinvest Mega Vaccination Centers across the country such as Clark, Cebu, Misamis, and Davao were also opened during the year.



Cooperation Agreement Signing Ceremony with the Province of Cebu for the donation of 2,000 Oxford and AstraZeneca Vaccine Doses



We want our customers and business partners to FilFree to come to us and FilSafe to work with us. Our vaccination track record is a strong testament to this commitment.”

Francis Gotianun, Director, Filinvest REIT Corp. and Filinvest Land, Inc.

FEATURE:

FILINVEST SPEARHEADS FILVAX



The Filinvest group kicks off FILVAX #FilFreeFilSafe conglomerate-wide vaccination program with a ribbon cutting ceremony led by guest of honor Muntinlupa City Mayor Jaime Fresnedi, Muntinlupa OIC City Health Officer Dr. Juancho Bunyi together with FLI Director Francis Gotianun, EWB Director Isabelle Gotianun Yap, FLI EVP and Chief Strategy Officer Tristan Las Marias, and FLI SVP and Business Group Head for Mixed-use and Retail Joselito Santos.

The Filinvest group procured 100,000 Oxford-AstraZeneca vaccine doses through the help of the national government. Part of the doses were donated to communities where businesses of the Filinvest group operate.

By year-end, a total of 11,348 employees of the Filinvest group have been vaccinated accounting for 93.16% of the Filinvest group's total workforce.



FilVax's message is to #FilFreeFilSafe. We want to keep our employees, partners, workplaces, and properties safe and healthy for all."

Isabelle Gotianun Yap
Director, EastWest Banking Corporation



Employees of the Filinvest group awaiting their turn to receive the vaccine at the Filinvest Mega Vaccination Center in Filinvest City, Muntinlupa



Distribution of 2 Million Facemasks

Singapore-based Temasek Foundation sent 2 million medical-grade surgical facemasks to the Philippines in support of the country's ongoing fight against COVID-19. Temasek Foundation is the non-profit philanthropic arm of Singapore investment company, Temasek Holdings.

This donation is part of Temasek Foundation's Stay Masked program where they distribute medical grade surgical facemasks for added coverage, protection and assurance. The Stay Masked program is a key component of Stay Prepared, a Temasek Foundation initiative to help prepare communities for emergencies. Temasek Foundation partnered with the Ambassador of the Republic of the Philippines to Singapore, H.E. Joseph del Mar Yap and the Filinvest group and its foundations for its donation to the Philippines.



The fight against the pandemic is a long one and when like-minded partners work together, we can help our communities to overcome these challenging times. We are grateful to partner with the Filinvest group and the Embassy of the Philippines in Singapore to support the Philippines in tackling COVID-19. This most recent donation of 2 million masks comes on the back of earlier initiatives in the past year, including the donation of essential items and medical equipment. We hope that these will go a long way in helping the community to manage the situation.”

Benedict Cheong
Chief Executive, Temasek Foundation International

FEATURE:

FILINVEST SPEARHEADS FILVAX



Quezon City Mayor Joy Belmonte receives surgical facemask donation from Filinvest Land.



Misamis Oriental Governor Yevgeny Emano receives surgical facemask donation from FDC Utilities.

Filinvest shouldered the shipment and distribution cost of the 2 million facemasks from Singapore to 27 priority cities, municipalities, and provinces nationwide. The facemasks have been donated and received by the local government units of Quezon City, Manila City, Taguig City, Makati City, Pasig City, Muntinlupa City, Davao City, Municipalities of San Nicolas, Villanueva, and Tagoloan in Misamis Oriental, Province of Misamis Oriental, Cagayan de Oro City, Dagupan City, San Jose del Monte City in Bulacan, Municipality of San Mateo in Rizal, Zamboanga City, Balanga City in Bataan, Dumaguete City, Tagaytay City in Cavite, Cebu City, Talisay City, and Lapu-lapu City in Cebu, the Province of Cebu, Municipality of Malay in Aklan, Municipality of Matalam in Cotabato, and Municipality of Hagonoy in Davao del Sur.

Stay Safe COVID-19 Communication Program

To help keep employees safe and healthy against COVID-19, the Filinvest group continued its Stay Safe employee communications program. Stay Safe provided COVID-prevention tips, wellness ideas, as well as news and updates for employees across the conglomerate. With uncertainties and rampant misinformation on COVID variants and the vaccines, Stay Safe educated the employees by using verified, accurately-sourced articles, infographics, and videos.



HOW TO PROTECT OURSELVES & OTHERS

Let's take protective measures against COVID-19. Here are some timely reminders on how we can reduce our risk:

- Stay home except for work and essential errands
- When going outside, let's avoid crowds and poorly ventilated spaces
- Follow safety and distancing protocols in all places
- Let's cover our coughs and sneezes and refrain from touching our faces
- Wash and disinfect frequently touched surfaces and gadgets
- Let's try to manage stresses to strengthen our immune system

BE VIGILANT - STAY HEALTHY

FILINVEST

Community Handwashing Stations

Washing of hands is one of the first defenses against the COVID-19. The Filinvest group provided handwashing facilities for the host communities of FDC Misamis Power Corporation. This aimed to ensure that residents have easy access to handwashing facilities in their respective barangays.

Community Handwashing Stations were installed in Barangays Tambobong and Balacanas in Villanueva and Barangays Mohon, Sta. Ana, Baluarte, and Sta. Cruz in Tagoloan, as well as the Kalingagan National Highschool.



FILRT commits to the principles and best practices in good corporate governance. It has established and updated its Revised Manual for Corporate Governance to ensure its compliance with the leading practices on good corporate governance and related rules and regulations of the Philippine Securities and Exchange Commission (SEC). The first Manual of Corporate Governance was approved and adopted by the Board of Directors on April 11, 2017, while the Revised Manual was adopted on September 30, 2020, and subsequently on March 15, 2022.

Compliance with Best Practices

FILRT complied with the PSE and the SEC regulatory requirements in 2021. It is also in compliance with its Revised Manual, with the following as highlights:

- a) Election of three independent directors to the Board;
- b) Appointment of the members of the Audit and Risk Management, Compensation, Related Party Transactions, and Corporate Governance Committees;
- c) Conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors in these meetings, and their proper discharge of duties and responsibilities;
- d) Timely and accurate submission of reports and disclosures to the SEC and the Philippine Stock Exchange (PSE) required under the Real Estate Investment Trust (REIT) Act of 2009 and its Implementing Rules and Regulations (IRR), Securities Regulation Code, and the PSE Listing and Disclosure Rules;
- e) FILRT's adherence to national and local laws pertaining to its operations;
- f) Observance of applicable accounting standards by FILRT;
- g) Conduct of annual corporate governance seminar to its directors and senior management officers; and
- h) Continuous enhancement of FILRT's website to provide our shareholders and stakeholders with quicker reference to our corporate governance policies.

The Company continuously reviews and updates its corporate governance manual, in compliance with SEC directives and to reflect current best practices.

To keep abreast of best practices in corporate governance, the members of the Board and key officers participated in the joint Annual Corporate Governance Training Program conducted by SGV & Co. on November 12, 2021.

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

Board of Directors

Leading the practice of good corporate governance is the Board of Directors. The Board of 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. FILRT stockholders may nominate individuals to be members of the Board.

The Corporate Governance Committee, acting as the Nominations Committee, receives nominations for independent directors as may be submitted by the stockholders. After the deadline for the submission, 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 on Corporate Governance, the REIT Act and its IRR, and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Corporate Governance Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommended the nominees for independent directors shall be disclosed along with their relationship with such nominees.

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

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

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

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

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

Independent Directors

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

- A. "Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
- i. is not, or has not been, a senior officer or employee of the covered Corporation unless there has been a change in the controlling ownership of the Corporation;
 - ii. is not, and has not been, in the two years immediately preceding the election, a director of the covered Corporation; a director, officer, employee of the covered Corporation's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered Corporation's substantial shareholders and its related companies (except when the same shall be an independent director of any of the foregoing);
 - iii. has not been appointed in the covered Corporation, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "Ex-Officio" 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 years immediately preceding his election;
 - iv. is not an owner of more than 2% of the outstanding shares of the covered Corporation, its subsidiaries, associates, affiliates or related companies;
 - v. is not a relative of a director, officer, or substantial shareholder of the covered Corporation or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
 - vi. is not acting as a nominee or representative of any director of the covered Corporation or any of its related companies; e.g., 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;
 - vii. is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered Corporation, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the two years immediately preceding the date of his election;
 - viii. does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered Corporation or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two years immediately preceding the date of his election;
 - ix. is not affiliated with any non-profit organization that receives significant funding from the covered Corporation or any of its related companies or substantial shareholders; and
 - x. is not employed as an executive officer of another Corporation where any of the covered Corporation's executives serve as directors.

- B. When used in relation to FILRT subject to the requirements above:
- “Related company” means another company which is: a) its holding company, b) its subsidiary, or c) a subsidiary of its holding company; and
 - “Substantial shareholder” means any person who is directly or indirectly the beneficial owner of more than 10% of any class of its equity security.
- C. An independent director of FILRT shall have the following qualifications:
- He shall have at least one share of stock of FILRT;
 - 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 years;
 - He shall possess integrity/probity; and
 - He shall be assiduous.
- D. He shall likewise be disqualified during his tenure under the following instances or causes:
- He becomes an officer or employee of FILRT, or no longer qualifies based on the definition of an “Independent Director” indicated above;
 - His beneficial security ownership exceeds 10% of the outstanding capital stock of FILRT;
 - 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; and
 - 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:
- There shall be no limit in the number of covered companies that a person may be elected as Independent Director, except in business conglomerates where an ID can be elected to only five companies of the conglomerate, i.e., parent company, subsidiary or affiliate;
 - The independent director shall serve for a maximum cumulative term of nine years;

- 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;
- In the instance that a company wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders’ approval during the annual shareholders’ meeting; and
- The reckoning of the cumulative nine-year term is from 2012.

Members of the Board of Directors, Attendance and Committee Memberships

The table lists down the members of the Board of Directors and their attendance in Board Meetings in 2021.

Directors	Date of First Election	Meetings Attended/Held	% Attendance
L. Josephine Gotianun-Yap <i>Chairperson</i>	November 1, 2001	14/14	100
Maricel Brion-Lirio <i>Director*</i>	February 11, 2021	14/14	100
Tristaneil D. Las Marias <i>Director</i>	September 30, 2020	14/14	100
Francis Nathaniel C. Gotianun <i>Director**</i>	September 30, 2020	6/6	100
Val Antonio B. Suarez <i>Independent Director</i>	April 6, 2017	14/14	100
Virginia P. Obcena <i>Independent Director</i>	July 17, 2019	14/14	100
Gemilo J. San Pedro <i>Independent Director**</i>	September 30, 2020	6/6	100

* First elected as director on February 11, 2021

** First elected as Director on September 30, 2020, subject to the approval of the Philippine SEC of the increase of the Company’s number of directors. Their appointment as Director of the Company became effective on July 2, 2021.

The table lists down the attendance of the Board of Directors during the November 18, 2021 Annual Stockholders’ Meeting and their memberships in various committees:

Directors	Attended Annual Stockholders’ Meeting	Committees
L. Josephine Gotianun-Yap	Yes	Compensation (Member)
Maricel Brion-Lirio	Yes	N/A
Tristaneil D. Las Marias	Yes	N/A
Francis Nathaniel C. Gotianun	Yes	N/A

Directors	Attended Annual Stockholders' Meeting	Committees
Val Antonio B. Suarez <i>Independent Director</i>	Yes	Compensation (Chairman) Corporate Governance (Chairman) Audit & Risk Management (Member) Related-Party Transaction (Member)
Virginia P. Obcena <i>Independent Director</i>	Yes	Audit & Risk Management (Chairperson) Related-Party Transaction (Chairperson) Compensation (Member) Corporate Governance (Member)
Gemilo J. San Pedro <i>Independent Director</i>	Yes	Audit & Risk Management (Member) Corporate Governance (Member) Related-Party Transaction (Member)

Duties and Responsibilities of Board Committees

Audit and Risk Management Committee

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

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

Internal Audit

- 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;
- 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;
- 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;

- Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfil his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- Monitor the management's responsiveness to the Internal Auditor's findings and recommendations;
- 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;
- Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid and the corporation's overall consultancy expenses. The Audit Committee should disallow any non-audit work that will conflict with the duties of an External Auditor or may pose a threat to his/her independence. The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report;
- 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
- Review the recommendation in the External Auditor's management letter;
- 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;
- 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;
- Coordinate, monitor and facilitate compliance with laws, rules and regulations;

- m. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the shareholders;
- n. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, the Related Party Registry is updated to capture subsequent changes in relationships with counterparties (from non-related to related and vice versa);
- o. In case of the absence of a Related Party Transactions (RPTs) Committee, evaluate all RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied; and
- 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 Enterprise Risk Management (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, looks for emerging or changing material exposures, and keeps abreast of significant developments that seriously impact the likelihood of harm or loss;
- d. Advise the Board on its risk appetite levels and risk tolerance limits;
- e. Review at least annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework,

the external economic and business environment, and major events which may have occurred in the Corporation;

- f. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
- g. Oversee the management's activities in managing credit, market, liquidity, operational, legal, and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from management; and
- h. Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

Compensation Committee

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

Duties and Responsibilities:

- a. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment;
- b. Designate the 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.
- 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 an assessment on the Board's effectiveness in directing the process of renewing and replacing the Board's members.

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 director-members, majority of whom shall be independent directors, including the Chairperson.

Duties and responsibilities:

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

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 Transactions Committee

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

The 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; and
- 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 company 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 related party's relationship to the Company and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the Company of the proposed RPT;
- The availability of other sources of comparable products or services;
- 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 company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;

CORPORATE GOVERNANCE

- 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.

2021 Board of Directors Attendance in Committee Meetings

Board Committees and Members	Date of Appointment	Meetings Attended/ Held	% Attendance	Length of Service in the Committee*
Audit and Risk Management Committee				
Virginia T. Obcena <i>Chairperson, Independent Director</i>	November 18, 2001	1/1	100	1 year
Gemilo J. San Pedro <i>Independent Director</i>	November 18, 2001	1/1	100	1 year
Val Antonio B. Suarez <i>Independent Director</i>	November 18, 2001	1/1	100	1 year
Compensation Committee				
Val Antonio B. Suarez <i>Chairman, Independent Director</i>	November 18, 2001	1/1	100	1 year
L. Josephine Gotianun-Yap, Director	November 18, 2001	1/1	100	1 year
Virginia T. Obcena <i>Independent Director</i>	November 18, 2001	1/1	100	1 year
Corporate Governance Committee				
Val Antonio B. Suarez <i>Chairman, Independent Director</i>	November 18, 2001	1/1	100	1 year
Virginia T. Obcena <i>Independent Director</i>	November 18, 2001	1/1	100	1 year
Gemilo J. San Pedro <i>Independent Director</i>	November 18, 2001	1/1	100	1 year
Related Party Transaction Committee				
Virginia T. Obcena <i>Chairperson, Independent Director</i>	November 18, 2001	1/1	100	1 year
Val Antonio B. Suarez <i>Independent Director</i>	November 18, 2001	1/1	100	1 year
Gemilo J. San Pedro <i>Independent Director</i>	November 18, 2001			1 year

Committee members are elected annually.

* First elected as Director on September 30, 2020, subject to the approval of the Philippine SEC of the increase of the Company's number of directors. There were no meetings of the Related Party Transaction Committee held after the appointment of Mr. San Pedro as director of the Company became effective on July 2, 2021.

Shareholders' Benefits

The Company 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 Company 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 elect, remove and replace directors and vote on certain corporate acts in accordance with the Revised Corporation Code.
2. Cumulative voting is mandatory 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

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

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 Company's shares, dealings with the Company, 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."

IV. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Company 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; ii) when the Company 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 Company, 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 Revised Corporation Code 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.

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 Company has adopted a dividend policy in accordance with the provisions of the REIT Act, pursuant to which shareholders may be entitled to receive at least 90% of the Company's annual distributable income no later than the fifth month following the close of its fiscal year.

On August 31, 2021, FILRT paid cash dividends of ₱0.0112 per share or a total of ₱548 million to all shareholders on record as of September 15, 2021 and payable on September 30, 2021. On November 18, 2021, FILRT paid cash dividends of ₱0.0112 per share or a total of 548 million to all shareholders on record as of December 3, 2021, and payable on December 20, 2021.

Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

On October 8, 2021, FILRT disclosed to the PSE that its Board had fixed the date of the Annual Stockholders' Meeting on November 18, 2021 with the record date set on October 22, 2021.

Stockholders were informed that the Annual Stockholders' Meeting for 2021 would be conducted virtually on November 18, 2021 (Thursday) at 9:00 a.m. Only stockholders of record as of October 22, 2021 were entitled to attend and vote in this meeting. 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 September 30, 2020;
- b. Ratification of the Audited Financial Statements for the year ended December 31, 2020;
- c. Declaration of cash dividends in the amount of Php0.112 per share to all stockholders of record as of December 3, 2021, with payment date on December 20, 2021;
- d. Ratification of all the acts, resolutions and proceedings of the Board, Board Committees, and Management from the date of the last annual stockholders' meeting up to November 18, 2021;
- e. Appointment of Sycip Gorres Velayo & Co. as the independent external auditor of FILRT for the year 2021.

FILRT likewise disclosed that the election of the following as directors to serve for the period 2021-2022 and until their successors shall have been duly elected and qualified:

1. L. 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 Company's Reportorial Compliance Report:

Type of Report	Number of Filings
Financials	
Annual Report (17-A)	1
Quarterly Report (17-Q)	3
2021 Audited Financial Statements	1
Request for extension in filing 17-A, 17-Q	None
Ownership	
Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	6
Public Ownership Report	2
Report on Number of Shareholders and Board Lot	5
Initial Statement of Beneficial Ownership of Securities (23-A)	8
<i>Statement of Changes in Beneficial Ownership of Securities (23-B)</i>	11
<i>Top 100 Stockholders' List</i>	2
Notices – Stockholders' Meetings/ Briefings/Dividends	
Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	1
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) Which includes the following:	
a) Results of Annual Stockholders' Meeting/Board Meetings	11
b) Press Releases	8
c) Other Matters	16

Investor Relations

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

The Investor Relations section of the website provides information regarding the Company'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 PSE.

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

RISK MANAGEMENT



FILRT's risk governance is led by a Board Audit and Risk 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 risk executive for FILRT.

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

TOP RISKS	Company Response
Philippine macroeconomics and demand for commercial space	Continued development of Filinvest City and interconnections with government's planned transport infrastructure
COVID-19 pandemic and resulting economic downturns and mobility restrictions	<p>Support to and compliance with government's directives on COVID-19, on both health and deferred payments</p> <p>Focus on its leasing strategy to multinational global firms, including BPO, IT and traditional companies</p> <p>Various measures for the safety of tenants, customers, suppliers, service providers and employees</p>
Government's real estate-related policies	Engagement with national agencies during the public consultations on policies or regulations under development
Related party transactions	<p>Corporate governance provisions and related party transactions policy</p> <p>Application of arms-length principle in all dealings</p> <p>Compliance with BIR transfer pricing guidelines</p>
Lease-related risks: global leasing trends, vacancies, reduced occupancy, untimely expiration or early termination of leases, delays and inability to collect rent payment, volatility in market rental rates	<p>Leasing policies on screening tenant applicants</p> <p>Securing appropriate mix of tenants;</p> <p>Security deposits and advance rent</p> <p>Reconfiguration of tenant spaces where required</p> <p>Flexibility to tenant needs</p>
Loss of PEZA accreditation, tax exemptions and incentives	<p>Compliance with conditions in accreditations and permits</p> <p>Timely renewal of permits and filing of mandatory reports</p>
Competition in real estate market	<p>Continuous investments in quality properties</p> <p>Continuous repair and maintenance of properties</p>
Illiquidity of real estate investments	<p>Active management of capital structure</p> <p>Well-balanced risk management strategy</p>
Increase in operating expenses	<p>Optimization of operating costs</p> <p>Operational efficiencies, including energy management and digital solutions</p>
Litigation risks and regulatory disputes	<p>Relationship management with regulators</p> <p>Adoption of clear dispute resolution mechanisms</p>

EESG PERFORMANCE METRICS AND SEC CONTENT INDEX

EESG Performance Metrics

A. Economic disclosures	2021
Economic Performance	
Direct Economic Value Generated and Distributed	Total (in PHP)
Direct economic value generated (Revenue)	
Direct economic value distributed*	
Procurement Practices	
Proportion of Spending on Local Suppliers	%
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	
Anti-Corruption	99%
Training on Anti-Corruption Policies and Procedures	
Percentage of employees who have received written communication about corporate anti-corruption policies and procedures	0%
Percentage of business partners who have received written communication about corporate anti-corruption policies and procedures	0%
Percentage of directors and management who have received anti-corruption training	100%
Percentage of employees who have received anticorruption training	100%
Incidents of Corruption	
Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	0
Number of incidents when contracts with business partners were terminated due to corruption	0

B. Environment Disclosures	Unit	2021
Resource Management		Amount
Energy consumption within the organization and Reduction of Energy Consumption		
Energy consumption - by fuel type - Gasoline	Liters	0
Energy consumption - by fuel type - Diesel	Liters	123,980
Energy consumption - by fuel type - Electricity	kwh	14,488,796
Water consumption within the organization		
Water consumption within the organization (common & leased areas)	m3	262,424
Water recycled and reused		9,074
Materials Used by the Organization		
Materials used by weight or volume	kg	N/A <i>(FILRT does not construct property assets does not engage in manufacturing)</i>
Materials used by weight or volume - cement	Kg	N/A
Percentage of recycled input materials used to manufacture the organization's primary products and services	%	N/A
Ecosystems and Biodiversity		
Operational sites owned, leased in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		None. All FILRT assets are located in urban areas.
Habitats protected or restored		N/A
IUCN Red List species and national conservation list species with habitats in areas affected by operations		N/A

EESG Performance Metrics

B. Environment Disclosures		2021
Environmental Impact Management		
Ecosystems and Biodiversity		
Air Emissions - Green House Gasses (GHG)	Unit	Amount
Direct (Scope 1) GHG Emissions	Tons CO2-eq	235
Indirect (Scope 2) GHG Emissions	Tons CO2-eq	7,587
Indirect (Scope 3) GHG Emissions (due to DCS)	Tons CO2-eq	7,793
Air Pollutants		
Nitrogen oxides (NOx)	Kg	Nil
Sulfur oxides (SOx)	Kg	Nil
Persistent organic pollutants (POPs)	Kg	Nil
Volatile organic compounds (VOCs)	Kg	Nil
Hazardous air pollutants (HAPs)	Kg	Nil
Particulate matter (PM)	Kg	Nil
Solid Waste		
Reusable	Tons	0
Recyclable		0,117
Composted		0
Residuals/Landfilled		838
TOTAL		838
Hazardous Waste		
Total weight of hazardous waste generated	KG	144
Total weight of hazardous waste transported		0
Effluents		
Total volume of water discharges	CBM	9,074
Percent of wastewater recycled	%	3.97%
Environmental Compliance		
Non-compliance with environmental laws and regulations		
Total amount of monetary fines for noncompliance with environmental laws and/or regulations	PHP	0

C. Social Disclosures		2021
Employee Management		
Employee Hiring and Benefits	TOTAL MALE FEMALE	
Total number of employees	<i>FILRT does not have permanent employees but seconded talents from the Filinvest Group.</i>	
Attrition rate	N/A	
Ratio of lowest paid employee against minimum wage	N/A	
Employee Training and Development		
Total training hours provided to employees (by male/female)	Training information for the seconded talents from the Filinvest group are indicated in their respective sustainability reports.	
Average training hours provided to employees (by male/female)		
Labor Management and Relations		

EESG PERFORMANCE METRICS AND SEC CONTENT INDEX

EESG Performance Metrics

C. Social Disclosures	2021
% 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	
% of workers in the workforce by gender	56% of Filinvest talents seconded/assigned to FILRT are women.
Number of employees from indigenous communities and/or vulnerable sector	0
Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety	
Safe Man-Hours	235,226
No. of work-related injuries	0
No. of work-related fatalities	0
No. of work-related ill-health	0
Labor Laws and Human Rights	
Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace	0
No. of legal actions or employee grievances involving forced or child labor	0
Relationship with Community	
Significant Impacts on Local Communities	
For operations affecting IPs, total number of Free and Prior Informed Consent (FPIC) consultations and Certification Preconditions (CPs) secured	0
Customer Management	
Customer Satisfaction Score(s)	No survey result was available for 2021.
Health and Safety	
Number of substantiated complaints on product or service health and safety	None on record
Number of complaints addressed	None on record
Marketing and Labelling	
Number of substantiated complaints on marketing and labelling	None on record
Number of complaints addressed	None on record
Customer Privacy	
Number of substantiated complaints on customer privacy	0
Number of complaints addressed	0
Number of customers, users and account holders whose information is used for secondary purposes	0
Data Security	
No. of data breaches, including leaks, thefts and losses of data	0

SEC Content Index

Disclosures		Reporting location	Remarks/Explanation
Company details			
Name of Organization		About This Report	Filinvest REIT Corp. (FILRT)
Location of Headquarters			23rd Floor, Axis Tower 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		Materiality	All FILRT assets leased out in Alabang and Cebu, except for the operations of Capital One which has its own property management office
Business Model		Business Model	Property Leasing and Operations
Reporting Period		About this Report	August __ – December 31, 2021. FILRT was listed in the PSE on August 12, 2021. The properties in the FILRT portfolio have been operational for more than 3 years prior to FILRT listing, under Cyberzone Properties, Inc.
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	About this Section	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Direct economic value generated (Revenue)	Performance Metrics	
	Direct economic value distributed		
Climate-Related Risks and Opportunities			
General Disclosures	Governance	-	Climate-related information not available at time of reporting. FILRT's Sustainability Framework, incl. climate change policy and commitments, is under development.
	Strategy		
	Risk Management		
	Metrics and Targets		
Procurement Practices			
Proportion of Spending on Local Suppliers			
General Disclosures	Management Approach	Our Suppliers	All procurement in the Filinvest group is centralized under Supply Chain Management of SharePro, a recently organized shared services company. Local procurement in 2021 was at 99%.
	The Impact and Where it Occurs	About this Section	
	Stakeholders Affected		
KPI	Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Economic Performance	
Anti-Corruption			
Training on Anti-Corruption Policies and Procedures			
General Disclosures	Management Approach	Corporate Governance	FILRT's Corporate Governance is aligned with the Corporate Governance practices of the Sponsor, FLI.
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPI	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		

EESG PERFORMANCE METRICS AND SEC CONTENT INDEX

SEC Content Index

Disclosures		Reporting location	Remarks/Explanation
Incidents of Corruption			
General Disclosures	Management Approach	Corporate Governance section	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Number of incidents in which directors were removed or disciplined for corruption		
	Number of incidents in which employees were dismissed or disciplined for corruption		
	Number of incidents when contracts with business partners were terminated due to corruption		
B. Environment Disclosures			
Resource Management			
Energy consumption within the organization and Reduction of Energy Consumption			
General Disclosures	Management Approach	Environmental Performance section	
	The Impact and Where it Occurs	Materiality	
	Stakeholders Affected		
KPIs	Energy consumption - by fuel type	Environmental Performance section	Most of the energy consumption of FILRT is on electricity bought from both Meralco and via FDC RES open access contract.
	Energy reduction - by fuel type		
Water consumption within the organization			
General Disclosures	Management Approach	Our Environmental Impact	
	The Impact and Where it Occurs	About this Section	
	Stakeholders Affected		
	ESG Risks and Opportunities		
KPIs	Water consumption within the organization	Our Environmental Impact Performance Metrics	Water consumed is primarily from surface water sources provided by the utility. Filinvest Alabang operates its own sewage treatment facility which receives the raw wastewater from FILRT buildings.
	Water withdrawal		
	Water consumption		
	Water recycled and reused		
Materials Used by the Organization			
General Disclosures	Management Approach	Environment Section	
	The Impact and Where it Occurs	About this Section	
	Stakeholders Affected		
KPIs	Materials used by weight or volume	Our Environmental Impact Performance Metrics	
	Percentage of recycled input materials used to manufacture the organization's primary products and services	-	FILRT does not engage in construction nor manufacture products.
Ecosystems and Biodiversity			
General Disclosures	Management Approach	Environment Section	
	The Impact and Where it Occurs		
	Stakeholders Affected		
KPIs	Operational sites owned, leased in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		The location of the FILRT assets are not biodiversity hotspots.
	Habitats protected or restored		
	IUCN Red List species and national conservation list species with habitats in areas affected by operations		

SEC Content Index

Disclosures		Reporting location	Remarks/Explanation
Environmental Impact Management			
Air Emissions - Green House Gasses (GHG)			
General Disclosures	Management Approach	Environment Section	
	The Impact and Where it Occurs		
	Stakeholders Affected		
	ESG Risks and Opportunities		
KPIs	Direct (Scope 1) GHG Emissions		GHG emissions are primarily from diesel consumption and electricity bought. Some of the electricity is sourced from 100% renewables. Scope 3 is from the electricity used by the district cooling system which is a third party service provider to FILRT.
	Energy indirect (Scope 2) GHG Emissions		
	Emissions of ozone-depleting substances (ODS)		
Air Pollutants			
General Disclosures	Management Approach	-	
	The Impact and Where it Occurs	About this Section	
	Stakeholders Affected		
KPIs	Nitrogen oxides (NOx)	-	Nil. While the gensets are regularly tested, these are only for very short durations, in minutes.
	Sulfur oxides (SOx)		
	Persistent organic pollutants (POPs)		
	Volatile organic compounds (VOCs)		
	Hazardous air pollutants (HAPs)		
Particulate matter (PM)			
Solid Waste			
General Disclosures	Management Approach	Our Environmental Impact	
	The Impact and Where it Occurs	About this Section	
	Stakeholders Affected		
KPIs	Total solid waste generated - by type	Our Environmental Impact Performance Metrics	
Hazardous Waste			
General Disclosures	Management Approach	Our Environmental Impact	
	The Impact and Where it Occurs	About this Section	
	Stakeholders Affected		
KPIs	Total weight of hazardous waste generated	Performance Metrics	
	Total weight of hazardous waste transported		
Effluents			
General Disclosures	Management Approach	Our Environmental Impact	
	The Impact and Where it Occurs	About this Section	
	Stakeholders Affected		
KPIs	Total volume of water discharges	Our Environmental Impact Performance Metrics	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 locators.
	Percent of wastewater recycled		Part of the treated effluent is sent back to the neighborhood for landscape irrigation.
Environmental Compliance			
Non-compliance with environmental laws and regulations			
General Disclosures	Management Approach	Our Environmental Impact	
	The Impact and Where it Occurs	About this Section	
	Stakeholders Affected		
KPIs	Total amount of monetary fines for non-compliance with environmental laws and/or regulations	Our Environmental Impact Performance Metrics	In 2020, there were no NOV's issued by both DENR EMB NCR and LLDA regulators.
	Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations		
	Number of cases resolved through a dispute resolution mechanism		

EESG PERFORMANCE METRICS AND SEC CONTENT INDEX

SEC Content Index

Disclosures		Reporting location	Remarks/Explanation
C. Social Disclosures			
Employee Management			
Employee Hiring and Benefits			
General Disclosures	Management Approach	Social performance section	
	The Impact and Where it Occurs	About this Section	
KPIs	Total number of employees	Our People Performance Metrics	
	Attrition rate	-	All FILRT employees are assigned from the Sponsor, FILRT's talent pool.
	Ratio of lowest paid employee against minimum wage	-	
	List of employee benefits	Our People	
Employee Training and Development			
General Disclosures	Management Approach	Our People – Training and Development	
	The Impact and Where it Occurs	About this Section	
KPIs	Total training hours provided to employees (by male/female)	Our People Performance Metrics	Information on training is reported in FIL's sustainability report.
	Average training hours provided to employees (by male/female)		
Labor Management and Relations			
General Disclosures	Management Approach	Our People	
	The Impact and Where it Occurs	About this Section	
KPIs	% of employees covered by Collective Bargaining Agreements	Performance Metrics	There is no CBA in FILRT. Employee concerns are handled by the Sponsor, FIL.
	Number of consultations conducted with employees concerning employee-related policies	-	
Diversity and Equal Opportunity			
General Disclosures	Management Approach	-	
	The Impact and Where it Occurs	About this Section	
KPIs	% of female workers in the workforce	Our People Performance Metrics	More than 50% of the talents assigned to FILRT are female.
	% of male workers in the workforce		
	Number of employees from indigenous communities and/or vulnerable sector		
Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety			
General Disclosures	Management Approach	Our People - Health, Safety and Wellbeing	
	The Impact and Where it Occurs	About this Section	
KPIs	Safe Man-Hours	-	There were no significant safety incidents in 2021. No documented COVID-19 transmission in the workplace
	No. of work-related injuries		
	No. of work-related fatalities		
	No. of safety drills		
Labor Laws and Human Rights			
General Disclosures	Management Approach	Our Suppliers Our People	
	The Impact and Where it Occurs	About this Section	
KPIs	Policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace	Our People Performance Metrics	Filinvest's code of business conduct also applies to service providers, in accordance with contract provisions.
	No. of legal actions or employee grievances involving forced or child labor	Performance Metrics	

SEC Content Index

Disclosures		Reporting location	Remarks/Explanation
Supply Chain			
Supplier Accreditation and Screening			
General Disclosures	Management Approach	Our Suppliers	
	The Impact and Where it Occurs	About this Section	
KPIs	Supplier Accreditation Policy	Our Suppliers	Vendor accreditation policy is being implemented by Supply Chain Management under SharePro, a shared services company under FDC.
	Sustainability Topics Considered		
	When Selecting/Screening Suppliers		
Relationship with Community			
Significant Impacts on Local Communities			
General Disclosures	Management Approach	Our Communities	The locations of the FILRT assets are not within lands with certificate of ancestral domain titles.
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	Our Customers – Serving our Customers	
	The Impact and Where it Occurs	Approach to CSR	
KPIs	Customer Satisfaction Score(s)	-	
Health and Safety			
General Disclosures	Management Approach	Our Customers – Serving our Customers	
	The Impact and Where it Occurs	Approach to CSR	
KPIs	Number of substantiated complaints on product or service health and safety	Our Customers Performance Metrics	FILRT's primary customers are businesses who lease office spaces. Customer satisfaction survey data for 2021 are not available.
	Number of complaints addressed		
Marketing and Labelling			
General Disclosures	Management Approach	Our Customers – Serving our Customers	
	The Impact and Where it Occurs	Approach to CSR	
KPIs	Number of substantiated complaints on marketing and labelling	Our Customers Performance Metrics	No recorded complaints on record.
	Number of complaints addressed		
Customer Privacy			
General Disclosures	Management Approach	Our Customers – Protecting Privacy	
	The Impact and Where it Occurs	Approach to CSR	
KPIs	Number of substantiated complaints on customer privacy	Our Customers Performance Metrics	FILRT does not have individuals as customers.
	Number of complaints addressed		
	Number of customers, users and account holders whose information is used for secondary purposes		
Data Security			
General Disclosures	Management Approach	Social performance	
KPIs	The Impact and Where it Occurs		
		No. of data breaches, including leaks, thefts and losses of data	

FINANCIAL REVIEW

Filinvest REIT Corp. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31,

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 17)	P2,587,195,631	P870,517,532
Receivables (Note 5)	754,995,633	830,144,454
Other current assets (Note 11)	64,054,931	1,171,332,106
	3,406,246,195	2,871,994,092
Noncurrent assets held for distribution (Notes 6 and 16)	–	6,843,701,346
Total Current Assets	3,406,246,195	9,715,695,438
Noncurrent Assets		
Advances to contractors (Note 8)	13,293,694	18,393,179
Investment properties (Notes 6, 9 and 20)	9,165,931,034	11,629,804,872
Property and equipment (Note 10)	81,686,898	68,394,882
Intangible assets (Notes 6, 7 and 20)	1,054,470,180	3,408,827,424
Other noncurrent assets (Note 11)	250,528,341	388,417,886
Total Noncurrent Assets	10,565,910,147	15,513,838,243
Total Assets	P13,972,156,342	P25,229,533,681
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Note 12)	P1,222,657,329	P1,583,711,747
Current portion of:		
Lease liabilities (Note 20)	1,848,085	92,617,060
Security and other deposits (Note 15)	96,987,598	116,414,891
Loans payable (Notes 13, 25 and 26)	–	744,166,667
Dividends payable (Note 16)	–	6,611,906,765
Total Current Liabilities	1,321,493,012	9,148,817,130
Noncurrent Liabilities		
Bonds payable (Notes 14, 25 and 26)	5,987,044,949	5,974,168,846
Lease liabilities - net of current portion (Note 20)	25,990,097	2,097,498,105
Security and other deposits - net of current portion (Note 15)	654,002,829	732,659,169
Loans payable - net of current portion (Notes 13, 25 and 26)	–	1,600,000,000
Deferred tax liability - net (Note 19)	–	269,939,889
Other noncurrent liabilities (Notes 15 and 18)	–	300,385,682
Total Noncurrent Liabilities	6,667,037,875	10,974,651,691
Total Liabilities	7,988,530,887	20,123,468,821
Equity		
Capital stock (Note 16)	2,446,388,997	1,163,426,668
Additional paid-in capital (Note 16)	2,518,356,922	102,900,666
Deposit for future stock subscription (Notes 13 and 16)	–	1,889,583,333
Retained earnings (Note 16)	1,018,879,536	1,950,125,348
Remeasurement gain (loss) on retirement plan (Note 18)	–	28,845
Total Equity	5,983,625,455	5,106,064,860
Total Liabilities and Equity	P13,972,156,342	P25,229,533,681

See accompanying Notes to Consolidated Financial Statements.

Filinvest REIT Corp.
CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

December 31,

	2021	2020 (As restated, see Note 2)	2019 (As restated, see Note 2)
REVENUES			
Rental revenue (Notes 7, 9, 17 and 20)	P2,519,294,434	P2,833,413,910	P2,814,668,936
Others (Notes 2 and 21)	922,722,669	1,048,582,442	924,548,323
	3,442,017,103	3,881,996,352	3,739,217,259
COSTS AND EXPENSES			
Depreciation and amortization (Notes 7, 9, 10, and 20)	427,657,046	486,065,150	418,797,652
Utilities	277,795,323	297,548,444	332,257,377
Rental expense (Notes 17 and 20)	271,083,960	297,968,918	305,153,634
Manpower and service cost	235,494,750	243,871,278	241,837,292
Repairs and maintenance	183,504,663	132,656,658	162,585,686
Taxes and licenses	95,353,896	118,895,084	67,544,321
Insurance	15,915,467	4,019,860	11,199,434
Service and management fees (Note 17)	63,754,897	35,181,867	27,393,465
Provision for expected credit loss (Note 5)	7,417,014	-	-
Others	10,433,134	9,165,807	6,035,723
	1,588,410,150	1,625,373,066	1,572,804,584
OTHER INCOME (CHARGES)			
Gain on derecognition of lease liabilities	189,183,041	5,842,526	-
Interest income (Notes 4, 5, 17 and 22)	9,986,396	3,908,966	10,468,164
Interest and other financing charges (Notes 13, 14 and 20)	(348,226,313)	(351,361,074)	(230,520,294)
Gain on sale of investment property (Notes 7 and 20)	-	65,038,584	-
Other charges – net	(1,411,852)	(2,319,005)	(2,576,278)
	(150,468,728)	(278,890,003)	(222,628,408)
INCOME BEFORE INCOME TAX	1,703,138,225	1,977,733,283	1,943,784,267
PROVISION FOR (BENEFIT FROM)			
INCOME TAX (Note 19)			
Current	117,651,935	231,150,026	189,580,926
Deferred	(269,648,113)	(114,258,532)	119,807,959
	(151,996,178)	116,891,494	309,388,885
NET INCOME	1,855,134,403	1,860,841,789	1,634,395,382
OTHER COMPREHENSIVE LOSS			
Item that will not be reclassified to profit or loss			
Remeasurement loss on retirement plan, net of tax (Note 19)	-	(1,055,090)	-
TOTAL COMPREHENSIVE INCOME	P1,855,134,403	P1,859,786,699	P1,634,395,382
Basic/Diluted Earnings Per Share (Note 23)	P0.53	P0.80	P0.70

See accompanying Notes to Consolidated Financial Statements.

FINANCIAL REVIEW

Filinvest REIT Corp. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Deposit for Future Stock Subscription (Note 16)	Appropriated Retained Earnings (Note 16)	Unappropriated Retained Earnings (Note 16)	Remeasurement Gain/(Loss) on Retirement Plan (Note 18)	Total
For the Year Ended December 31, 2021							
Balances at January 1, 2021	P1,163,426,668	P102,900,666	P1,889,583,333	P-	P1,950,125,348	P28,845	P5,106,064,860
Comprehensive income							
Net income	-	-	-	-	1,855,134,403	-	1,855,134,403
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,855,134,403	-	1,855,134,403
Reclassification of remeasurement to retained earnings					28,845	(28,845)	-
Property dividends declared	-	-	-	-	(1,690,426,790)	-	(1,690,426,790)
Cash dividends declared	-	-	-	-	(1,095,982,270)	-	(1,095,982,270)
Additional deposit for future stock subscription	-	-	1,856,666,667	-	-	-	1,856,666,667
Application of deposit for future stock subscription and issuance of shares	1,282,962,329	2,463,287,671	(3,746,250,000)	-	-	-	-
Stock issuance and transaction cost	-	(47,831,415)	-	-	-	-	(47,831,415)
Balances at December 31, 2021	P2,446,388,997	P2,518,356,922	P-	P-	P1,018,879,536	P-	P5,983,625,455
For the Year Ended December 31, 2020							
Balances at January 1, 2020	P1,163,426,668	P102,900,666	P-	P6,300,000,000	P401,190,324	P1,083,935	P7,968,601,593
Comprehensive income							
Net income	-	-	-	-	1,860,841,789	-	1,860,841,789
Other comprehensive income	-	-	-	-	-	(1,055,090)	(1,055,090)
Total comprehensive income	-	-	-	-	1,860,841,789	(1,055,090)	1,859,786,699
Property dividends declared	-	-	-	-	(6,611,906,765)	-	(6,611,906,765)
Reversal of appropriation	-	-	-	(6,300,000,000)	6,300,000,000	-	-
Deposit for future subscription	-	-	1,889,583,333	-	-	-	1,889,583,333
Balances at December 31, 2020	P1,163,426,668	P102,900,666	P1,889,583,333	P-	P1,950,125,348	P28,845	P5,106,064,860

	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Deposit for Future Stock Subscription (Note 16)	Appropriated Retained Earnings (Note 16)	Unappropriated Retained Earnings (Note 16)	Remeasurement Gain/(Loss) on Retirement Plan (Note 18)	Total
	For the Year Ended December 31, 2019						
Balances at January 1, 2019	P1,163,426,668	P102,900,666	P1,889,583,333	P5,000,000,000	P415,134,676	P1,083,935	P6,682,545,945
Comprehensive income							
Net income	-	-	-	-	1,634,395,382	-	1,634,395,382
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,634,395,382	-	1,634,395,382
Cash dividends declared	-	-	-	-	(348,339,734)	-	(348,339,734)
Appropriation	-	-	-	1,300,000,000	(1,300,000,000)	-	-
Balances at December 31, 2019	P1,163,426,668	P102,900,666	-	P6,300,000,000	P401,190,324	P1,083,935	P7,968,601,593

See accompanying Notes to Consolidated Financial Statements.

FINANCIAL REVIEW

Filinvest REIT Corp. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P1,703,138,225	P1,977,733,283	P1,943,784,267
Adjustments for:			
Depreciation and amortization (Notes 6, 7, 9, 10, and 20)	427,657,046	486,065,150	418,797,652
Interest expense and other financing changes (Notes 13, 14 and 20)	348,226,313	351,361,074	230,520,294
Gain on derecognition of lease liability (Note 20)	(189,183,041)	(5,842,526)	-
Interest income (Note 4, 17 and 22)	(9,986,396)	(3,908,966)	(10,468,164)
Gain on sale of investment properties (Note 20)	-	(65,038,584)	-
Pension expense (Note 18)	-	487,197	413,785
Operating income before changes in operating assets and liabilities	2,279,852,147	2,740,856,628	2,583,047,834
Changes in operating assets and liabilities			
Decrease (increase) in:			
Receivables	75,148,821	(54,648,565)	(248,456,384)
Other current assets	313,848,363	(200,426,188)	(210,446,398)
Increase (decrease) in:			
Accounts payable and accrued expenses	(16,930,270)	(191,226,805)	(144,925,151)
Other current liabilities	-	(129,337,085)	81,056,737
Security and other deposits	(98,083,633)	25,187,166	65,066,932
Other noncurrent liabilities	(300,385,682)	97,504,469	153,409,376
Net cash generated from operations	2,253,449,746	2,287,909,620	2,278,752,946
Interest received (Note 4)	9,986,396	3,908,966	10,468,164
Income tax paid	(117,680,780)	(231,583,519)	(197,650,866)
Net cash provided by operating activities	2,145,755,362	2,060,235,067	2,091,570,244
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and assignment of:			
Investment properties (Notes 6 and 9)	615,458,031	737,840,581	-
Intangible assets (Note 7)	966,124,237	-	-
ProOffice Work Services, Inc. (Note 1)	-	17,162,936	-
Additions to:			
Investment properties (Note 6 and 9)	(413,237,259)	(1,158,021,511)	(2,163,580,071)
Intangible assets (Note 6 and 7)	(152,341,910)	(241,043,644)	(172,480,426)
Property and equipment (Note 10)	(30,219,374)	(16,760,634)	(39,207,659)
Decrease (increase) in:			
Advances to contractors	5,099,485	97,551,319	(156,317,788)
Other noncurrent assets (Note 11)	5,493,291	88,011,202	(32,676,043)
Net cash provided by (used in) investing activities	996,376,501	(475,259,751)	(2,564,261,987)

(Forward)

Filinvest REIT Corp.
**CONSOLIDATED STATEMENTS OF
 CASH FLOWS**

	Years Ended December 31		
	2021	2020	2019
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from availments of loans payable (Note 13)	P-	P1,000,000,000	P2,100,000,000
Payments of:			
Cash dividends (Note 16)	(1,095,982,270)	(348,339,734)	-
Principal portion of lease liabilities (Note 20)	(14,397,140)	(47,613,247)	(17,259,680)
Interest and transaction cost (Note 20)	(315,074,354)	(471,907,571)	(479,482,496)
Loans payable (Notes 13 and 25)	-	(1,355,454,545)	(1,339,242,424)
Net cash provided by (used in) financing activities	(1,425,453,764)	(1,223,315,097)	264,015,400
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,716,678,099	361,660,219	(208,676,343)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	870,517,532	508,857,313	717,533,656
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	P2,587,195,631	P870,517,532	P508,857,313

See accompanying Notes to Consolidated Financial Statements.

FILRT • F2

Filinvest REIT Corp.

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

www.filinvestreit.com

