ESG in our Sights

Integrated Annual Report

FUNO

22

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Industrial Park Alamar I Tijuana, Baja California

FUNO in numbers

ALMOST
118.4
million sqft of GLA[1]

585
properties with 612 operations[2] throughout Mexico

93.7%
total occupancy rate

MXN
23.90bn
in revenues, 9.3% higher tan in 2021

999
employees

CuautiPark II, State of Mexico

MXN
131.7
million in social support

12.5
million sqft of area with LEED, BOMA, Well and EDGE Certification

[1] GLA: Gross Leasable Area.
[2] Operations: A specific use of a property; a single property can have more than one type of operation.

Message

"For FUNO®, our priorities are appropriately managing debt, investing in properties in the best locations, with an eye to quality and diversification by geography, segment and tenants, and taking advantage of opportunities brought by the relocation of companies to Mexico. We have met our goals despite the complexities brought by the pandemic, rising interest rates, inflation and market volatility. We are very satisfied that our solid financial, operating and ESG results have contributed to the development of the real estate industry as a whole, and with it the progress of Mexico."

André El Mann

FUNO® CHIEF EXECUTIVE OFFICER

Dear investors and employees,

GRI 2-22

I am very pleased to present to you the solid financial and operating results achieved by FUNO® in 2022, a year in which we faced a challenging context marked by the pandemic, rising interest rates, volatile markets and high inflation, both locally and elsewhere in the world. Although high inflation is actually a positive factor for us because our rental agreements are indexed to it, and therefore the value of our properties increases under this scenario, we would prefer more moderate levels of inflation, a less stringent monetary policy and stable but competitive currency.

Our revenues totaled MXN23.90 billion, 9.3% more than what we reported in 2021. Net Operating Income (NOI) and Funds From Operations (FFO) rose 8.0% and 3.9%, respectively, compared to the year before. We paid out a record annual distribution of MXN2.7012 per CBFI, a rise of 57.8% over the previous year.

MXN23.90 billion in revenues, +9.3% vs. 2021

MXN2.70 per CBFI, a record annual payout **57.8% higher** than the 2021 amount

These satisfactory results were possible because of a 93.7% occupancy rate, fueled by a strong recovery of the office and retail segments and consistent performance in the industrial segment.

The outlook for all three sectors, particularly industrial, is encouraging, given the relocation and reconfiguration of supply chains, a trend known as nearshoring, which will create an unparalleled opportunity for Mexico's real-estate industry and for the country as a whole, because it will boost demand for spaces, drive investment in the short, medium and long terms, create jobs, propel consumption and economic growth and therefore improve quality of life for society at large. At FUNO®, we reiterate our commitment to Mexico and we are prepared to take advantage of this context that, we are confident, represents a watershed moment in this country's development.

In 2022, we continued recycling assets, selling properties worth MXN608.4 million and USD225.1 million at an average of 1.25 times their net asset value (NAV). We plan to continue using the proceeds of this process to pay down debt, repurchase our own CBFIs and reinvest in new cash-generating properties. We also delivered 4,596,189.8 sqft in developments and expansions, and even with the asset sales, were able to grow our portfolio by a net 1% of GLA. Additionally, in 2022 we repurchased bonds totaling MXN162.9 million and USD57.6 million, in addition to repurchasing 49,548,744 CBFIs.

FUNO®'s commitment to sustainability is one of our inherent traits, and it has earned us inclusion for the second year in a row in the S&P/BMV Total Mexico ESG Index and the S&P Sustainability Yearbook, and a place among the top 6% of Latin American countries according to Sustainalytics.

In 2022 we were included in the **S&P/BMV Total Mexico ESG Index, the S&P Sustainability Yearbook, and in the top 6% of Latin American countries according to Sustainalytics.**

All of this can be attributed to the vast experience of our Technical Committee members, the dedication of our associates, the certainty offered to us by our suppliers, and the preference of our investors, tenants and visitors. We intend to continue working hard to ensure that every action we take bears fruit and generates long-term value for all of our stakeholders.

André El Mann

CHIEF EXECUTIVE OFFICER OF FUNO®

Message

"FUNO®'s success comes from our determination to push our limits. Our focus on ESG strategy has brought firm progress toward our goals, some of which we have surpassed and gone on to set even more ambitious targets. Our commitment is to continue building community and improvingquality of life wherever we are present, so we can continue growing, and Mexico can grow with us."

Gonzalo Robina

FUNO® DEPUTY GENERAL DIRECTOR

To our stakeholders,

GRI 2-22

It is with great satisfaction that I share with you FUNO®'s solid results for 2022, a year in which we once again demonstrated the resilience of our business model. Amid widespread volatility, our FIBRA has achieved the expected performance, because we have remained stable, with growing cash flows and a consistent financial and operating position.

In 2022 we successfully completed the refinancing of loans taken out in the past to finance the Titan and Vermont portfolios, using the proceeds of a new senior unsecured syndicated bank loan at 7 years with bullet maturity, linked to sustainability targets, for USD750 million. This is evidence of the solidity of our business model, the quality of our portfolio, our ESG strategy approach and our consistent capacity to access the capital market even in complex market conditions.

I am proud to announce that precisely because of our ESG strategy approach, we have met and surpassed three of the six environmental targets we had intended to reach by 2030. This prompted an update of our strategy and the formulation of even more ambitious targets, among them a Science-Based Target (SBT) in line with the Paris Agreement, the inclusion of one woman in our Technical Committee, and the reconfiguration of our Technical Committee so that at least 50% of its members were independent.

We updated our ESG strategy in 2022

Another target we exceeded last year was achieving certification of 10.7 million sqft by the year 2030. At present, we have around 13.4 million sqft certified according to LEED and EDGE guidelines as of the close of 2022. Continuing toward our goal of capitalizing on the value of our properties and continuing to create sustainable infrastructure, we have proposed to certify 47.4 million sqft under LEED, BOMA or EDGE by the year 2030. This would be equivalent to 37.7% of our current portfolio.

Last year marked the opening of the first phase of our emblematic mixed-use project Mitikah, unique in Mexico and Latin America, which created jobs during its construction and continues to do so in its operation, driving economic spillover and growth in the surrounding neighborhood and obtaining LEED Gold certification for design and construction in the Torre M office building.

We stand by our commitment to Mexico, and we assume our responsibility for helping to build inclusive, sustainable societies, improving quality of life wherever we are present. That is why this year we invested MXN131.7 million in social projects, supporting initiatives in areas like health, education and environmental care, among others.

We continued to take actions to foster a culture of diversity, non-discrimination and inclusion, both within and beyond FUNO®, which positioned us as one of the three companies recognized from among 500 peers with the "Éntrale" distinction awarded by the Mexican Business Council (CMN).

FUNO® was one of three companies recognized with the "Éntrale" distinction for the implementation of inclusive practices in our corporate headquarters and properties.

These achievements are a source of great pride for all of us who work at the first and largest FIBRA in Mexico and Latin America. They were possible thanks to our committed team, robust corporate governance, and solid and extensive network of allies that accompanied us along the way. We will continue to seize opportunities as they arise, as we have done up until now, striving to make FUNO® a world-class company.

Gonzalo Robina

DEPUTY CHIEF EXECUTIVE OFFICER, FUNO®

2022 Performance

Operational and financial indicators	Results
Revenues (MXN, million pesos)	23,900.7
Gross Leasable Area (GLA) (millons of sqft)	+118.4
Properties	585
Occupancy	93.7%
NOI (MXN, mdp)	18,819.8
Environmental indicators	
Energy	
Global energy consumption (kWh)	153,460.598.4
Global energy intensity (kWh/occupied sqft)	2.5
Credit-linked energy consumption (kWh)	130,612,804.4
Credit-linked energy intensity (kWh/occupied sqft)	3.9
Water	
Water intensity (m^3/occupied sqft)	0.1
Treated water (m^3)	336,686.9
Waste	
Generated waste (metric tons)	15,266.5
Recycled waste (metric tons)	2,203.7
Emissions	
Total emissions (tCO_2e), Scope 1	800.7
Total emissions (tCO_2e), Scope 1 and 2	67,556.1
Emissions intensity (tCO_2e/occupied sqft)	0.0011
Total emissions (tCO_2e), Scope 3	56,972
Biodiversity	
Number of reforestations (days)	4
Number of planted trees	2,000
Number of volunteers	330

Certifications	Results
LEED-certified area (sqft)	10,978,153.1
Number of LEED-certified properties	27
EDGE-certified area (sqft)	1,920,279.8
Number of EDGE-certified properties	5
Number of BOMA-certified properties	4
Number of Well-certified properties	1
Social indicators	
Human capital	
Talent attraction	
Number of new hires	445
Vacancies filled by internal promotions (%)	35
Diversity and inclusion	
Employees trained on diversity and inclusion*	188
Person-hours of training on diversity and inclusion*	1.5
Employees participating in the priority group identification survey (%)	81.1% of viable universe
Number of properties with accessibility recognition	1
Workforce	
Number of employees*	999
FUNO® employees identified with female gender(%)	31%
FUNO® employees identified with male gender (%)	69%
Employees in leadership positions	30
Women in leadership positions (%)	38.3%
Employees in management positions	147
Women in management positions (%)	41.6%
Employees in executive positions	828
Women in executive positions (%)	26.1%
Employees in revenue-generating positions	799
Women in revenue-generating positions (%)	45.2%

Talent retention	Results
Overall turnover (%)	14%
Voluntary turnover (%)	82%
Involuntary turnover (%)	18%
Human capital development	
Participation of employees under training*	3,602
Person-hours of training*	13,722.5
Hours of training provided on average per employee *	3.6
Total investment in training (MXN, million pesos)	$1,419,925.00
Performance assessed employees (%)	100%
Salary ratio of women vs men	
Basic salary	
Ejecutive positions	63%
Management positions	80%
Operational positions	99%
Basic salary + benefits and compensation	
Ejecutive positions	69%
Management positions	84%
Operational positions	101%
Work satisfaction*	
Participating employees	778
Response rate (%)	95.99%
Trust rate (%)	81 %

Community	Results
Social responsibility	
Number of SR activities performed	170
Number of organizations and foundations supported	155
Number of in-kind donations	1,926
Equivalent amount of in-kind donations (MXN, million pesos)	$21,015,038.20
Total beneficiaries	5,425,372
Direct beneficiaries of social responsibility activities	1,356,343
Indirect beneficiaries of social responsibility activities	4,069,029
Fundación FUNO®	
Total financial support	$110,717,183.20
Collaboration with authorities	
Number of government institutions	78
Health and well-being	
Employees trained on safety and health matters	1,232
Person-hours of training on safety and health matters	3,201
Number of cases received through the Well-being channel	7
Number of accidents	2 in FUNO® and 14 of specialized services
Number of deaths	1 of specialized services
Lost-time injury (LTI) rate	0.00061 in FUNO® and 0.00244 of specialized services
Number of occupational diseases	0
Absenteeism rate	0.00781 in FUNO® and 0.02416 of specialized services
Supply chain	
Number of suppliers and specialized services	680
Amount allocated for payment of supplies (MXN, million pesos)	$1,250

Governance indicators	Results
Ethics and integrity	
Number of cases received through the Whistleblowing mechanism	54
Cases received and closed during the reporting period (%)	91%
Anti-corruption	
Operations and contracts evaluated in anti-corruption matters (%)	100%
Contracts with suppliers that include an anti-corruption clause (%)	100%
Suppliers that sign FUNO® ethical guidelines (%)	100%
Employees trained on anti-corruption	100%
Human rights	
Employees trained on human rights	1,463
Person-hours of training on human rights	2,885
ESG risk management and assessment	
New contracts that contain cost recovery clauses for resource efficiency, related to capex improvements (%)	100%
ESG issues in tenant agreements	
GLA represented by tenants participating in the bonding strategy)	10%

* The data presented include the participation of associates who supply special services.

We are FUNO® innovation that builds value

"I could not mention a specific accomplishment within FUNO®, since every year we reach our goals and strive for better objectives... My greatest pride is being part of FUNO®."

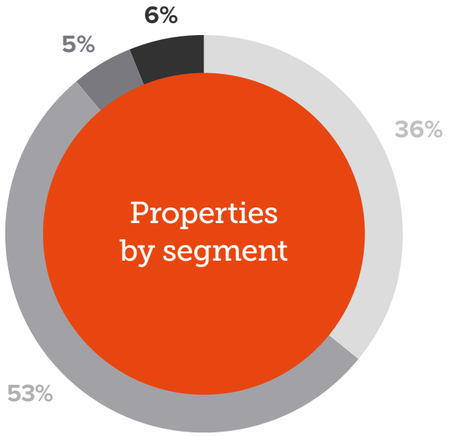
Gabriela García Carballo

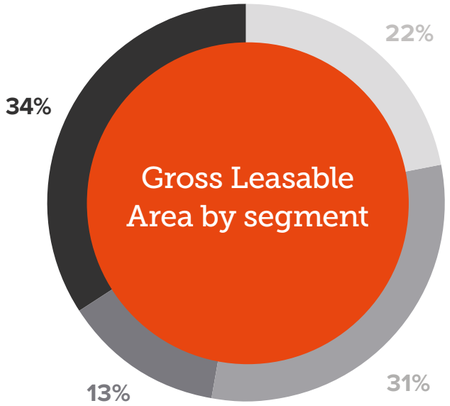
Attorney
8 years, 7 months at FUNO®

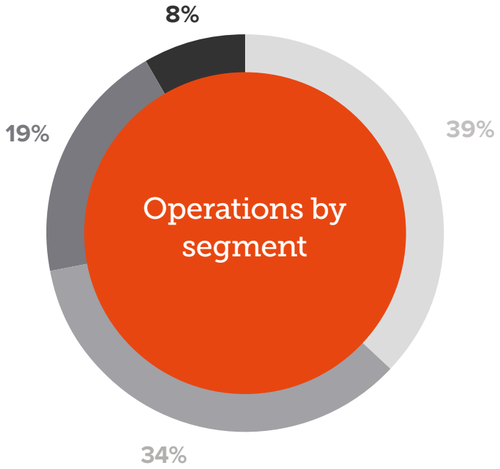
Operations

GRI 2-1, 2-6
IF-RE-000.A, IF-RE-000.D

- Retail
- Industrials
- Offices
- Others

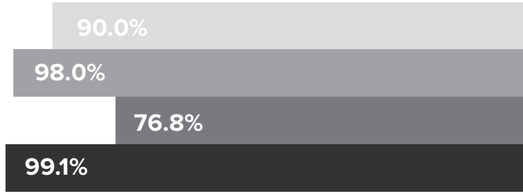


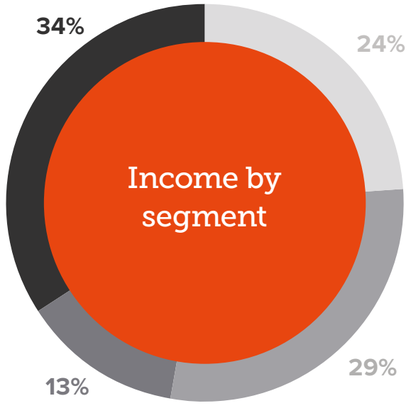




Ámbar Fashion Mall, Chiapas

Occupancy by segment





Presence

GRI 2-1

585
properties
FUNO®

Business and value creation model

GRI 2-6, 2-29

At FUNO®, we seek to create sustainable, long-term value for our stakeholders, considering the context and trends affecting the real estate industry and influence the operation of our FIBRA, and taking optimum measures to manage the associated risks and take advantage of opportunities.

TRENDS

Capital providers' interest in best ESG practices

Nearshoring, a shift in the structure of the global supply chain

Financial crisis

Climate crisis

Cybercrime and insecurity

Security

INPUTS

Financial capital

Capital
- Debt
- Equity

Human capital

- Associates
- Suppliers

Social capital

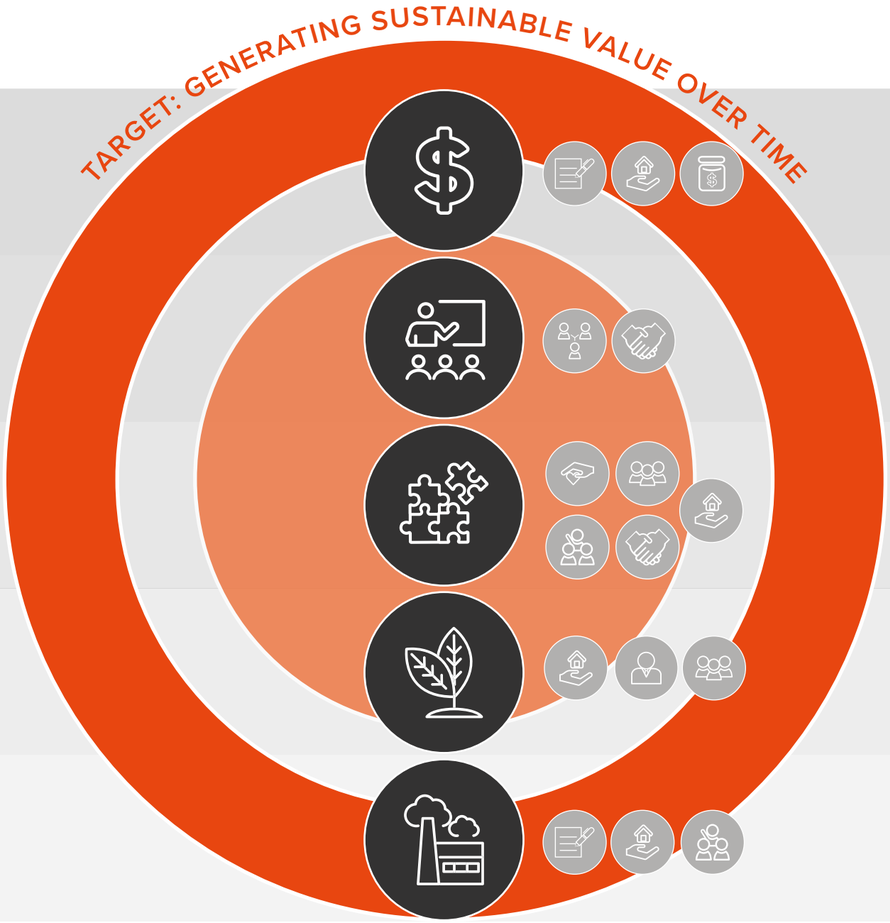
- FUNO® foundation
- Communities with which we interact

Natural capital

- Efficiency
- Natural resource stewardship
- Water

Industrial capital

- Know-how of the control group (key families)
- Real estate properties



OUTPUTS

- Value generation

- Great place to work
- Better quality of life from well-paid work, benefits exceeding the regulatory minimum
- Health and well- being
- Commitment

- Positive impact (virtuous circle)
- We create community
- Maintenance of the social fabric, cohesion

- Carbon footprint (reduced impact)

- LEED and EDGE Certifications, starting from the construction process
- Employment
- Social cohesion

WE GENERATE VALUE THROUGH...

Business model

Capital investment in stabilized properties and properties under development

Acquire, develop, operate, remodel, manage, maintain, administer, sell

Training

Volunteer action

Properties that generate economic value for investors and shareholders, which reduce environmental impacts, and are efficient and friendly in their use of resources

Management of material topics

Stakeholders' impacted

CBFI holders | Tenants | Financial entities | Associates | Suppliers and specialized service providers | NGOs | Communities | Visitors | Government

Our stakeholders

GRI 2-29

We are convinced that part of FUNO®'s success lies in the alliances we have forged over time with our stakeholders, through which we generate shared long-term value.

	CBFI holders	Associates	Financial entities	NGOs and communities
DESCRIPTION	• Institutional investors • Private investment market	• Direct • Specialized services	• Lenders • Investors	• Neighbors • Civil society organizations that we support
LEVEL	Organizational	Organizational, Local	Organizational, Portfolio	Organizational, Local
MEANS OF COMMUNICATION	• Investor relations office • FUNO® Day • Participation in conferences • Meetings with analysts, banks, rating agencies and others • Quarterly surveys • Annual report • Press releases	• Open door policy • Surveys • Teambuilding Day • Human Resource Office • Building Managers' meeting • Whistleblowers' mechanism • Email	• One-on-one meetings • Investor relations office • Vice Presidents of Treasury and Finance	• Social media • Website • Regional manager • Sustainability area • FUNO® Foundation
TOPICS OF INTEREST	• Financial results • Stability and business continuity • Transparency	• Company reciprocity • Motivation and sense of belonging • Cooperation between and within areas	• Performance and financial stability • Growth • Leverage	• Social commitment • Shopping centers as spaces for communication and integration
FREQUENCY	Recurring	Recurring	Recurring	Recurring

LEVEL

- Organizational
- Local
- Portfolio

FREQUENCY

- Recurring
- Monthly

	Visitors	Government	Tenants	Suppliers and specialized service providers
DESCRIPTION	• Client employees and visitors that come to our office and industrial buildings • Visitors to our shopping centers	• Tax authorities • Central bank • National banking and securities commission • Federal antitrust authority • Others	National, regional and local • Offices and industrial: • Multinationals • SMEs • Government • Retail • Multinational • Domestic franchises • SMEs	Building operators Services • Cleaning • Security • Others Municipal services • Water • Electricity • Gas Waste collection Products
LEVEL				
MEANS OF COMMUNICATION	• Social media • Regional manager • Onsite suggestion box • Onsite marketing • Whistleblowers' mechanism	• Senior management • Office of the chief counsel • Regional managers	• Through sole project representatives • Regional managers • Collections office • Tenant coordination office • Social media • One-on-one meetings	• Purchasing office • Area acquiring or engaging the service • Contracts • Supplier website • One-on-one meetings • Whistleblowers' mechanism
TOPICS OF INTEREST	• Security • Visitors' experience • Innovative services	• Our contribution to social development • Corporate governance • Initiatives for social integration, cultural promotion and health	• Quality and speed of service • Quality of the commercial relationship • Facility of processes and paperwork	• On-time payments • Commercial relationship • Quality and distribution of products and services acquired
FREQUENCY				

LEVEL

- Organizational
- Local
- Portfolio

FREQUENCY

- Recurring
- Monthly

Governance and sustainability

Portal San Ángel, Mexico City

Corporate governance

GRI 2-9, 2-11, 2-12, 2-13, 2-14

The CBFI holders' meeting is FUNO®'s highest body of governance. Through its resolutions on matters that concern it, this body establishes all company guidelines. Its attributes are:

Plural

It is made up of all parties who acquire CBFIs on the open market or by any other means.

Independent

The general investing public holds most of the CBFIs and is represented by a sole independent trustee which acts as common representative. This independence is guaranteed by the legal provisions and our trust indenture.

The control trust establishes the competencies and faculties of the CBFI holders' meeting, the Technical Committee, the Audit Committee and the Corporate Practices Committee, with regard to economic, environmental and social issues.

The Technical Committee is the equivalent of a board of directors, the body that receives the guidelines issued by the CBFI holders' meeting and is responsible for establishing, reviewing and approving the purpose, values, mission, strategy, policies and goals of the organization, and for overseeing that these are fulfilled.

Corporativo Santa Fe, Mexico City

Technical Committee

12 members	5 independent members
42% independent	Our governance commitment is to increase the gender diversity and percentage of independent members of our Technical Committee to 50%

Four of the independent members of the Technical Committee participate in three other Committees: Audit, Corporate Practices, and Nominations and Compensation

In 2023, we plan to **evaluate new corporate governance practices** with the help of an outside consultant.

The functions of the chairman of the Technical Committee and senior management are separate. Our chairman is not an executive in the organization, in other words, he is not an employee on FUNO®'s payroll.

Holders' Meeting 75%

Control Trust 25%

Technical Committee[3]

42% independent

8 meetings in 2022
100% of attendance

All transactions with related parties require the approving vote of the majority of the members of our Technical Committee and of the majority of its independent members.

Nominations and Compensations Committee

60% independent

1 meeting in 2022
100% of attendance

Audit Committee

100% independent

6 meetings in 2022
100% of attendance

Corporate Practices Committee

100% independent

2 meetings in 2022
100% of attendance

Related parties

Principals of Advisor

Fibra Uno Administración
Advisor

F2 – Services, S.C.
Services of Representation

Advisory Agreement

Services Agreement

Trust 1401

FUNO

Property Management Agreement

F1 Management, S.C. Management Subsidiary

André El Mann Arazi,
Chief Executive Officer

Gonzalo Robina Ibarra,
Deputy Chief Executive Officer

Fernando Álvarez Toca,
VP of Finance

Javier Elizalde Vélez,
VP of Treasury

Jorge Pigeon Solórzano,
VP of Investor Relations and Capital Markets

Ignacio Tortoriello,
VP of Administration and IT

Alfonso Arceo,
VP of Operations

Alejandro Chico P.,
VP of Legal

Commercial Committee

Ethics Committee

Collections Committee

Sustainability Committee

Well-being Committee

[3] For information on the members of the Technical Committee, their experience, and our position regarding the Independence of this body, visit: https://funo.mx/ESG-sustainability/corporate-governance/committees/TC.

Experience

GRI 2-10

The diversity of skills and sum of the experience of our Technical Committee members are key to FUNO®'s performance.

Technical Committee	Years of experience						
	FUNO®'s Technical Committee	Real estate	Financial risk matters	Environmental issues	Social issues	Corporate governance issues	Number of terms
Moisés El Mann Arazi (President)	12	46	41	21	41	41	3
André El Mann Arazi (CEO)	12	46	21		31	41	5
Max El Mann Arazi	12	46		41	31	41	4
Abud Attié Dayán	12	41	61		41	61	3
Isidoro Attié Laniado	12	41		12	21	12	2
Elías Sacal Micha	12	41	31			12	2
Jaime Kababie Sacal	12	36		11		12	2
Rubén Goldberg Javkin	12		48		36	41	12
Herminio Blanco Mendoza	12			16			2
Ignacio Trigueros Legarreta	12		23	26	31	11	2
Antonio Franck Cabrera	7		36	28	31	22	7
Alberto Mulás Alonso	6		36		22	26	11

Technical Committee members have extensive experience in 10 areas of our industry[4].

Members of the Technical Committee hold their positions for an average of **six years.**

[4] According to the Global Industry Classification Standard (GIS).

Compensation

GRI 2-19, 2-20

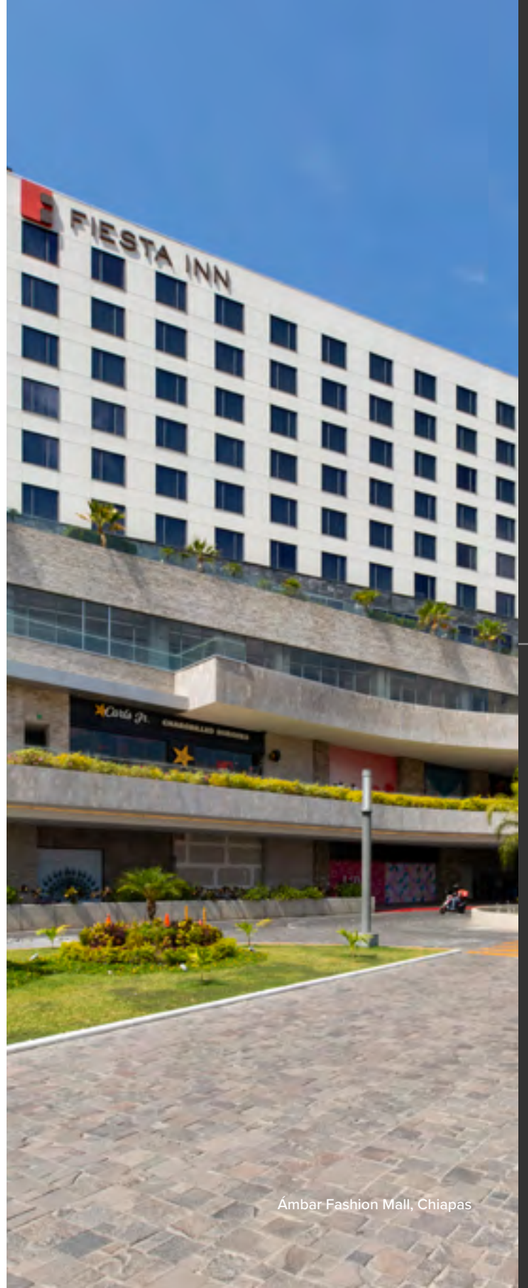
Our long-term incentive plan (LTI) is applicable to all FUNO® associates, including the Chief Executive Officer. Some of this compensation is paid in cash while other portions are paid out in CBFI purchase options. Their characteristics are as follows:

Approved by the CBFI holders' meeting in 2014

162.95 million CBFIs over 10 years

Sale restriction of four years

Given to 100% of employees



Ámbar Fashion Mall, Chiapas

FUNO® management

Proposes annual plan

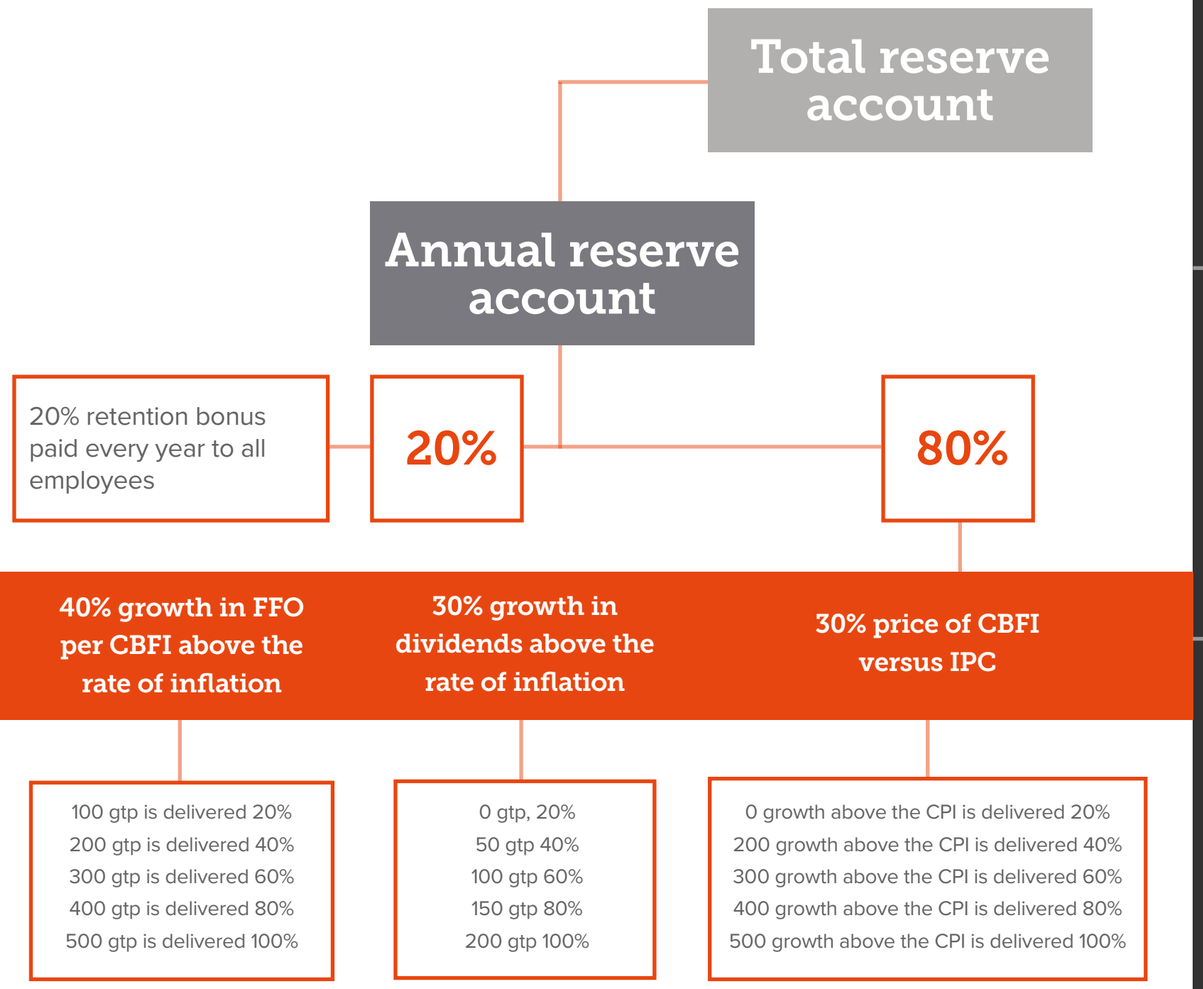
Compensation Committee

Reviews, approves, rejects or makes recommendations

Only independent members vote

Technical Committee

Approves or rejects. If approved, issues instruction to management



Notes:
· 25.8% of outstanding CBFIs are held by the control group.
· The CEO receives a multiple of 2.2% of their base salary, while the average for the remaining executives is 0.7 per cent.
· The CEO and Technical Committee members may hold up to 30% of the outstanding CBFIs.
· To our knowledge, no public institution owns more than 5% of the outstanding CBFIs.

There is a catch-up option, by which CBFIs can be recovered from previous years, if in some year performance exceeds the maximum that is payable that year. Up to 33.4 million CBFIs, or 20% of the plan, may be issued in a single year.

There is a four-year vesting period.

If an employee voluntarily leaves the company, they lose the certificates assigned that have not been released.

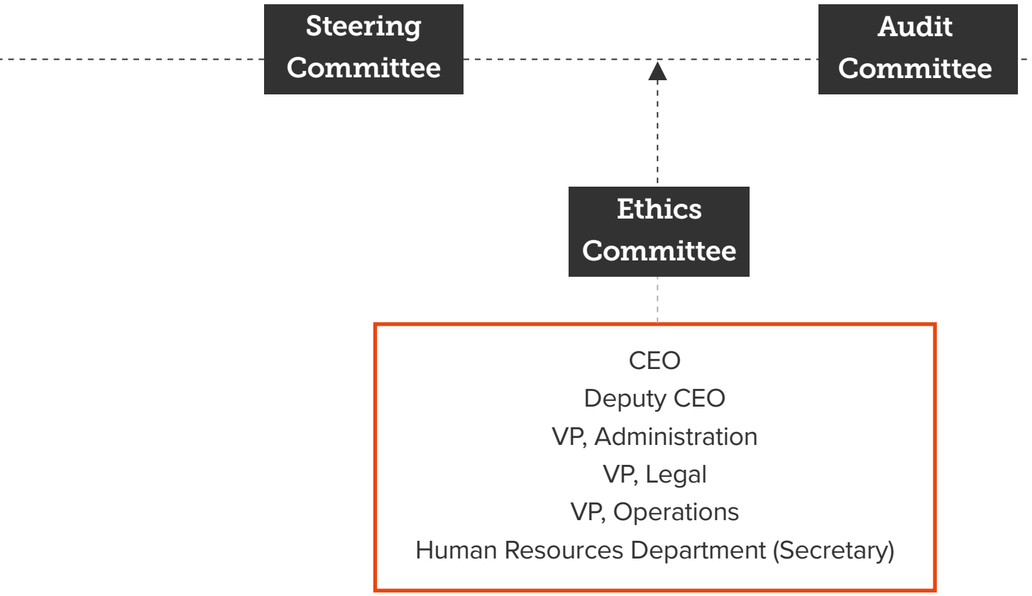
Only independent members of the Committee have the right to vote in decisions regarding compensation. This ensures that the interests of potential members are aligned with FUNO®'s business goals.

Compensation allows the company to reward associates for their performance, retain talent, and align the interests of CBFI holders with those of our staff.

Business ethics

GRI 2-16, 3-3

CHAIN OF COMMAND



Américas, Jalisco

FUNO®'s position as the first and largest FIBRA in Mexico is grounded in experience, professionalism and performance based on the highest standards of ethics and integrity. We have the obligation to conduct ourselves faithfully, diligently and honestly, ensuring that all of our actions on behalf of FUNO® comply with laws, policies, standards and procedures.

Our commitment to business ethics is part of our essence, so we put it into practice every day in our corporate offices and in our properties, from onboarding for new hires, through training, communication and the processes that govern our conduct. Additionally, responsibility for applying business conduct commitments at all levels of the organization is assigned through performance scoreboards, which set quarterly, bi-yearly and annual goals.

Code of Ethics

GRI 2-16, 3-3

Our Code of Ethics reflects the values that represent us, because we are determined to always act with respect, integrity, and passion, and to create social value.

When a new associate joins FUNO®, they acquire a commitment to engage in practices that promote respect, diversity and non-discrimination, prevent money laundering, protect privacy and confidential information, create a responsible marketing model, care for the environment, and protect human rights, while avoiding conflicts of interest.

We reinforce our associates' knowledge of the Code of Ethics through mandatory training.

In 2022, we had 59 participations by associates in training sessions on governance, totaling 197.5 work hours of training, meaning 3.3 hours on average per employee.

100% of our employees received training in ethics, anti-corruption and money laundering prevention

Whistleblowing mechanism

GRI 2-16, 2-26

The whistleblowing mechanism is the hotline by which employees, tenants, suppliers, visitors and any other interested person can communicate suggestions or reports of actions that go against FUNO®'s ethical standards, or request guidance on any conduct they believe to be unethical.

The whistleblowing mechanism is managed by an outside firm independent of FUNO® and is available 24 hours a day, 365 days a year, through the following channels:

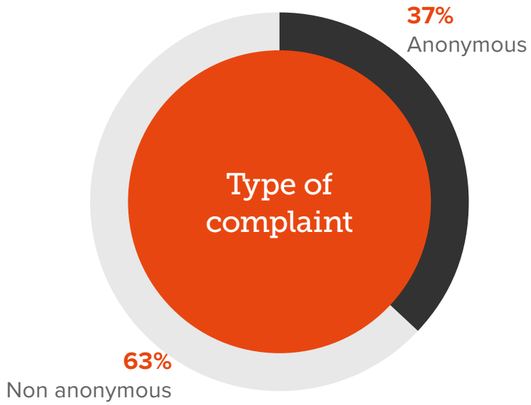
Phone: 01 800 9100 311

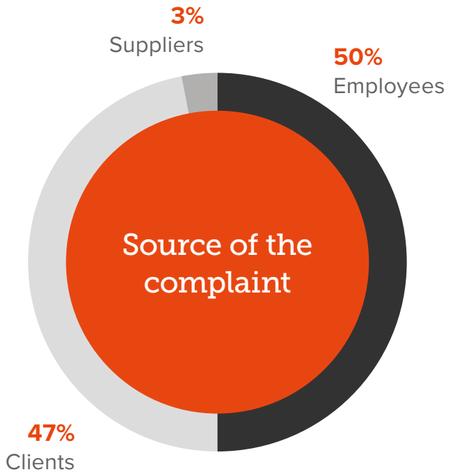
E-mail: funo@tipsanonimos.com

Web: www.tipsanonimos.com/funo

Reports received through the whistleblowing mechanism are channeled to our Ethics Committee for review and attention, either by the Committee itself or by the area responsible for the issue in question, in order to decide on corrective measures, sanction or response.

In 2023, FUNO® terminated the contracts of 15 employees due to non-compliance with the Code of Ethics.





Complaint categories

- Labor negligence
- Workplace bullying/mobbing
- Sexual harassment
- Irregularities
- Embezzlement
- Conflict of interest
- Discrimination
- Breaches of the law or official regulations
- Misuse of company assets
- Workplace violence

100%

of cases reported through the whistleblowing mechanism in 2022 were addressed

54

cases were reported to the whistleblowing mechanism

91%

of cases were closed and 9% were still in process at the end of the year

Anti-corruption

GRI 2-27, 3-3
GRI 205-1, 205-2, 415-1

We abide by all laws and regulations and encourage fair and above-board business practice, ensuring the prevention of bribery and extorsion.

In all dealings with tenants, suppliers, specialized service providers, financial institutions, authorities and any other counterparty, we absolutely reject the possibility of offering or receiving improper advantages or benefits of any kind. We neither give nor receive gifts, preferential conditions, pay, travel, kickbacks or any other form of compensation to influence a business decision.

FUNO® strictly prohibits any contribution to political parties. In 2022 we made no contributions of this type.

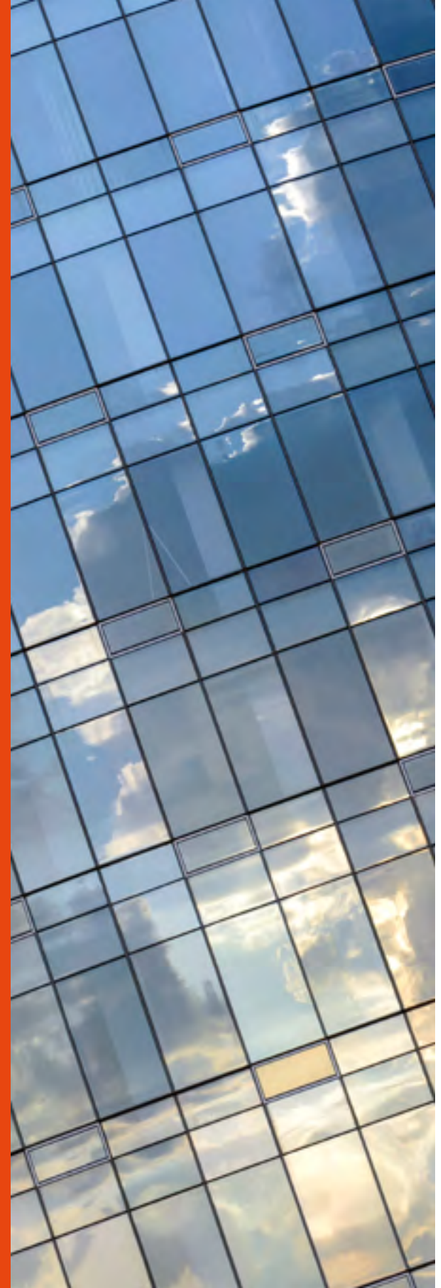
100%

of our **operations and contracts are evaluated** by anti-corruption criteria

of our **associates are informed of our anti-corruption guidelines** at the time they are hired

of our **supplier agreements contain** an anti-corruption clause

of our **suppliers sign** our ethical guidelines



Money-laundering prevention

GRI 3-3

To ensure that we apply the highest standards of ethics and integrity in generating value for our stakeholders, one of the pillars of FUNO®'s financial strategy is money-laundering prevention.

We have a policy that establishes the steps to follow for analyzing information and issuing the notices required under the federal law on the identification and prevention of money-laundering, and for storing information regarding the personal data of tenants and the cash flow from collections.

In addition, together with an external auditor, we have an accounting platform that can be accessed by employees working in the office of the Vice President for Finance, to reinforce their knowledge of money-laundering prevention, anti-corruption practices and changes in tax laws.

Fair competition

GRI 3-3

We promote fair competition and oppose monopolistic practices, offering and demanding of suppliers in all negotiations for the acquisition of the goods and services, and in any transaction, an equal, fair and upright treatment, seeking out the best commercial conditions based always on just, honest, transparent, respectful and professional practices.

We also select and engage our suppliers and service providers on the basis of standardized processes that promote competitiveness and transparency.

Human Rights

GRI 2-23, 2-24, 3-3
GRI 407-1, 408-1, 409-1

In 2022, we started a vulnerability assessment on Human Rights risks

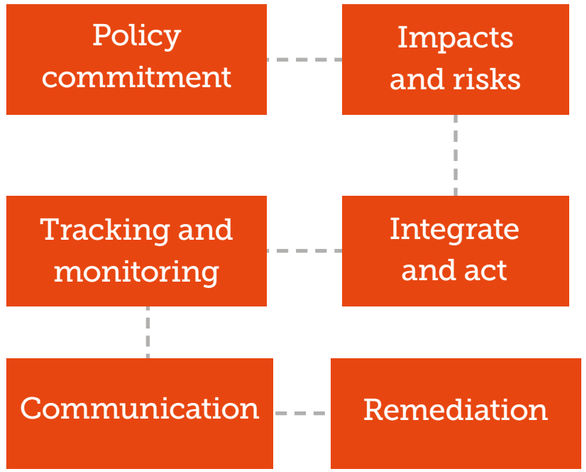
People are what's most important at FUNO®. We reaffirm our commitment to respecting the Human Rights of all of our stakeholders, both internal and external: academe, communities, guests, visitors, civil society organizations, employees, governments, intergovernmental organizations, the media, experts, shareholders, the financial community and suppliers.

Since 2016 we have been signing members of the United Nations Global Compact, and each year we underscore our commitment to the initiative by signing the Statement of Continued Support for the 10 Principles.

To fortify our sustainability strategy, we conducted a study, with the support of an independent consultant, to determine the current status of human rights impacts and risks in the daily operation of our shopping centers, industrial parks and offices. This process included an assessment of the policies and procedures that sustain these efforts. This will be useful in improving preventive actions and maturity level in this area.

The study follows a methodology that incorporates leading international guidelines and standards by which FUNO® can efficiently and accurately measure our level of maturity and due diligence in Human Rights.

- United Nations Guiding Principles
- GRI Standards
- OECD Guidelines for Multinational Enterprises
- 10 Principles of the UN Global Compact



Maine Industrial Portfolio, Guadalajara

Work methodology used:

1.
Comparative analysis with domestic and international instruments regarding businesses and human rights.

2.
Evaluation of policies, processes, reports and other FUNO® documents considering the duties and responsibilities established in international standards and agreements on business and human rights.

3.
Measurement of the level of maturity in FUNO® due diligence regarding human rights, by checking the duties and responsibilities against the current status of human rights policies, processes, reports and other progress made by FUNO® in this area.

4.
Surveys and interviews of key FUNO® personnel and other key stakeholders in a sampling of 10 properties.

5.
Identification and initial assessment of risks and impacts related to possible human rights impacts in this sample of properties.

6.
Field research to identify findings in the sample of properties and make pertinent recommendations on similar operations.

1,463 employees trained in human rights[5]; 49% women and 51% men

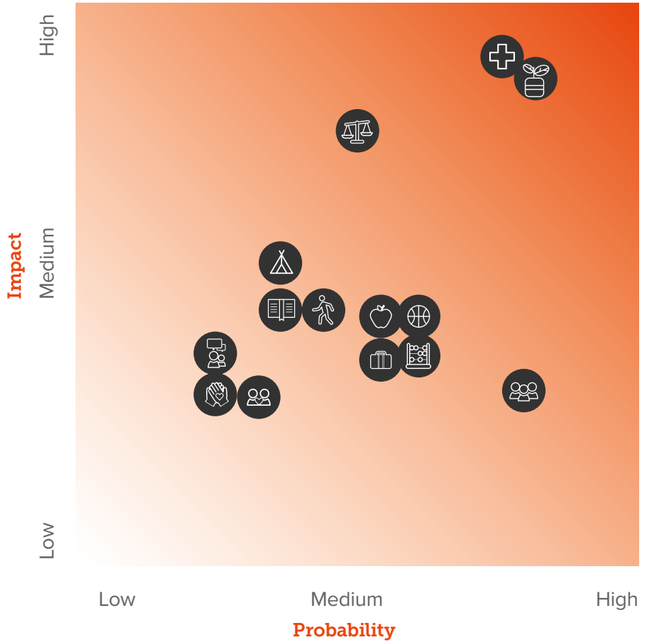
Sample of 10 properties	
Areas covered by our analysis:	• Administration • Legal • Investor relations • Commercial operations
Stakeholders covered by the analysis of properties in the sample:	• Building managers or supervisors • Administrative and operating staff • Suppliers or contractors • Tenants • Visitors • Neighboring communities

2,885 hours of human rights training[5]; 1.9 hours on average per employee

We communicate our commitment to human rights within FUNO® through the intranet and training sessions to strengthen associates' knowledge of human rights. Outside of FUNO®, this commitment is transmitted through the quarterly reports available to the general public on our web page.

[5] The data presented include the participation of specialized service providers. Of the total employees trained in human rights, 1,218 are FUNO® employees (2,414 work hours) and 245 are specialized service providers (471 work hours)

Results of risk analysis



General priorities

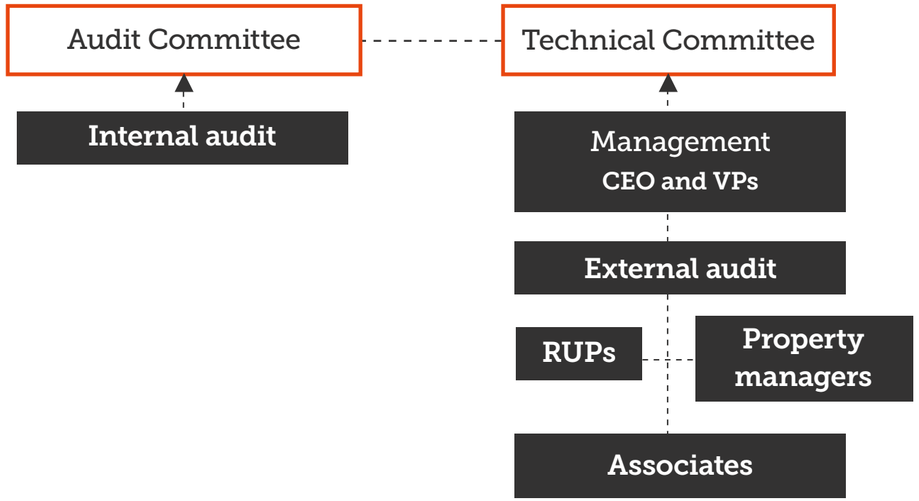
- Personal integrity (physical and psychological)- health
- Environment
- Fair and favorable working conditions
- Effective abolition of child labor
- Protection of childhood
- Life with dignity
- Equality and nondiscrimination
- Work
- Freedom of movement
- Dignified housing
- Property
- Unions and the right to strike
- Discrimination against indigenous and tribal peoples
- Protection of the family

Support granted to Un Kilo de Ayuda A.C.

Risk management and compliance

Risk management

CHAIN OF COMMAND



ESG risk management and assessment

GRI 2-13, 2-17, 2-22, 2-23, 2-24

At FUNO®, we build sustainable value by providing real-estate services that positively impact communities and the natural environment, while respecting human rights and delivering economic returns to our investors. In all of this, ESG concerns inform our investment decisions as well as the development and efficient optimization of our properties.

The Sustainability Committee is responsible for identifying the impact of focus issues for each participating area and implementing our ESG strategy. It meets on a quarterly basis and reports directly to the CEO and Deputy CEO. This committee establishes annual ESG goals, reviews the progress of our performance against the targets, and identifies current and future ESG risks.

In 2022, our commitment to sustainability propelled us well past the 2030 goals we had set for energy intensity, water and emissions reduction, so we decided to update our ESG strategy, which was evaluated and approved by the Sustainability Committee and the Technical Committee.

Passport Office, Samara Shops, Mexico City

2020-2030 STRATEGY

We already met 3 out of 6 of the key environmental performance indicators we had set for 2030

Energy
20% renewable energy in our properties

Equity
Increase % of gender equity on the Technical Committee

Waste
Zero trash by 2030

Debt
100% new debt to be either sustainable or sustainability-linked

Conservation
5 ecosystems regenerated

SBTi
Reduce metric tons of CO_2e by 67%

Certification
Certify 47.36 million sqft by LEED, BOMA or EDGE = 37.7%

Safety
Zero accidents

Diversity
20% of employees are from priority groups

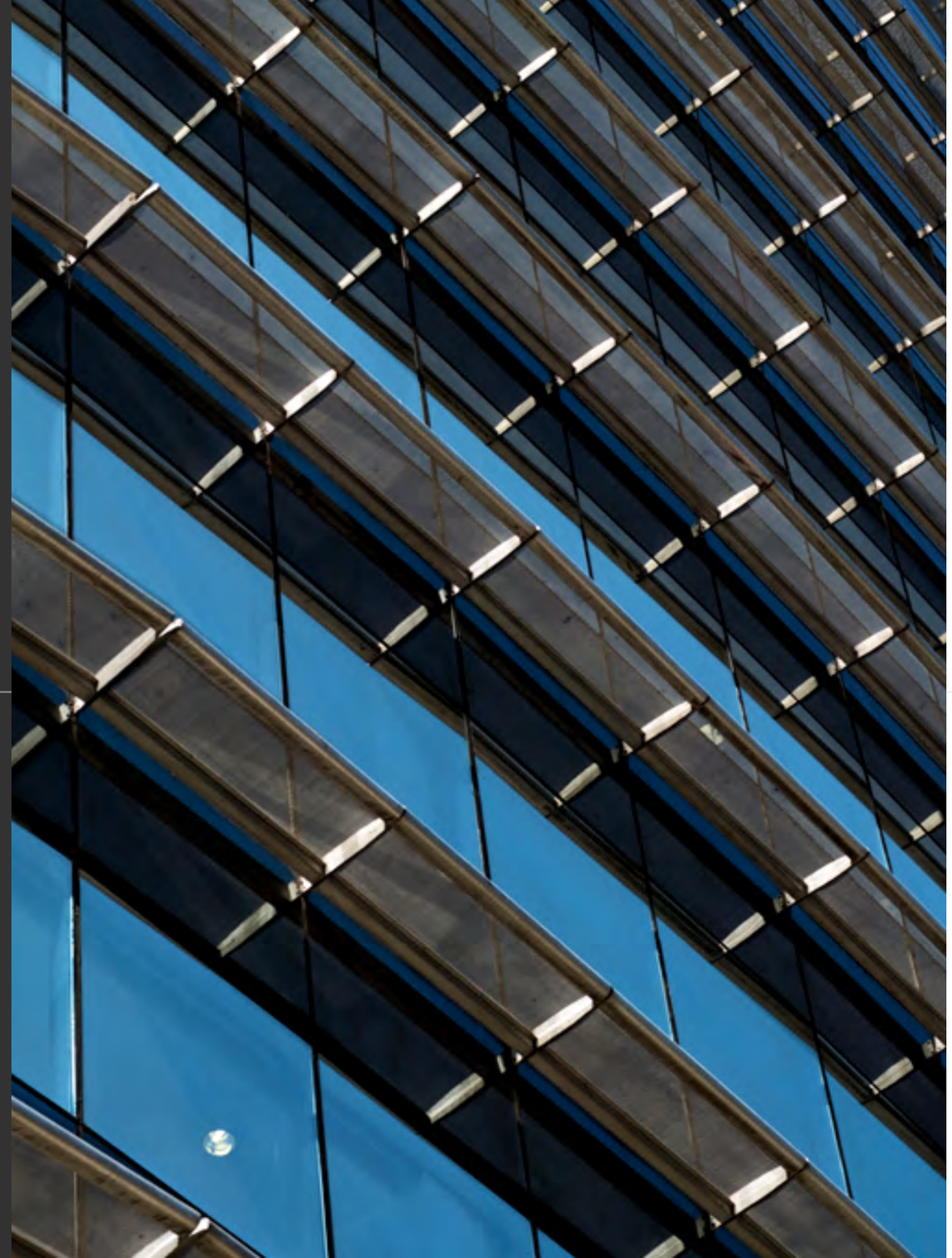
Social
MXN160mn invested in social impact projects to benefit at least 300 communities where we operate

Training
Provide ongoing training in ESG matters to Technical Committee members

Independence
Increase % of independent members in the Technical Committee

Continuity of Corporate Governance
Update succession plan for FUNO® governance bodies succession plan

S&P included FUNO® in its Sustainability Yearbook, which recognizes the top 15% of companies in the world in terms of good ESG practices



Sustainalytics included FUNO® as one of the top 6% of Latin American companies for the second year in a row

Sustainability Committee members are kept informed and up to date on initiatives, frames of reference and standards for ESG reporting, through training that also includes issues such as diversity, physical accessibility, best environmental practices, psycho-social wellness, changes in health and safety regulations, and others.

In 2022, we had 15 employee participations in sustainability training sessions, equivalent to 88 work-hours of training and an average of 5.9 hours per employee.

Trends

GRI 2-25

FUNO® closely monitors trends in the macro and microeconomic contexts, because they entail a series of risks that could affect our organization. By mapping these, we can establish the pertinent preventive and corrective measures in order to manage and mitigate them to the best of our ability.

Trends	Concerns	Associated risks	How FUNO® addresses these concerns and risks
Capital providers' interest in best ESG practices	No standards on topics or metrics; it is a broad and deep subject	• No information, or management of some topic or initiative that impedes capital capture • Regulatory changes	• Prudent financial strategy • Alignment with international reporting standards • USD2.2 billion in sustainable finance mechanisms
Nearshoring, a shift in the structure of the global supply chain	• Access to capital markets • Security	Availability of land prepared with water and power supply and paved road access	• Location, location, location • Diversified portfolio • Competitive rents • Focus on tenants • Exposure to the border market, greatest opportunity • Know-how and know who
Financial crisis	• Inflation • Increasingly stringent monetary policies • Interest rate hikes	• Liquidity crisis • Loss of investor confidence • Impact on foreign investment • Impact on the consumer confidence index	100% real estate company: • Capital appreciation • Constant and growing flows • Generation of value over time • Competitive rents • Prudent financial strategy • High occupancy levels • Our business model shields FUNO® against inflation

Trends	Concerns	Associated risks	How FUNO® addresses these concerns and risks
Climate crisis	• Access to renewable energies • Rising sea levels • Water scarcity • Tropical storms and hurricanes	Approximate cost of MXN18,550 million from the materialization of climate risks	• Diversified portfolio • Improved design of properties and materials used • Strengthening of structures in coastal regions • Reforestation of natural barriers at the coastline • Redesign of drainage facilities • Adjustments to building infrastructure • 36 wastewater treatment plants installed • Rainwater capture systems for taking advantage of sporadic rainfall • Water efficiency technologies • Measurement, constant monitoring, public and transparent reporting of our carbon footprint • Installation of capacitator banks and systems for automation and control in our properties • Development of projects to generate and or acquire renewable energies • Search for renewable energy suppliers with low-risk contracts • Installation of biofuel-compatible technology and equipment • Definition of certified surface area under schemes like LEED, BOMA, EDGE and Well • Alliances with the automotive industry for joint installation of charging stations
Cybercrime and data insecurity	• Economic losses • Leakage of critical information and personal data	• Impact on the availability, confidentiality and integrity of information • Loss of stakeholder confidence • Fines or sanctions	• Incident response policy • Implementation of best cybersecurity practices

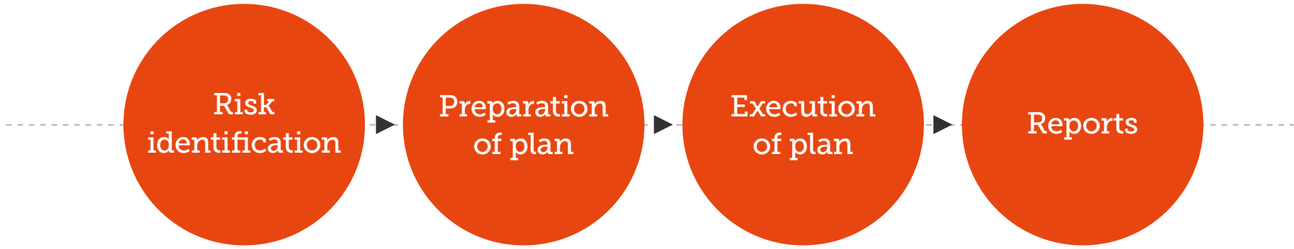
Trends	Concerns	Associated risks	How FUNO® addresses these concerns and risks
Security	Increase in operating costs to guarantee security	Inability to attract private investment	• High occupancy levels • Focus on tenants • Investment in communities where we operate • Engagement of specialized companies • Provide secure spaces for leisure and social gatherings

Emerging risks

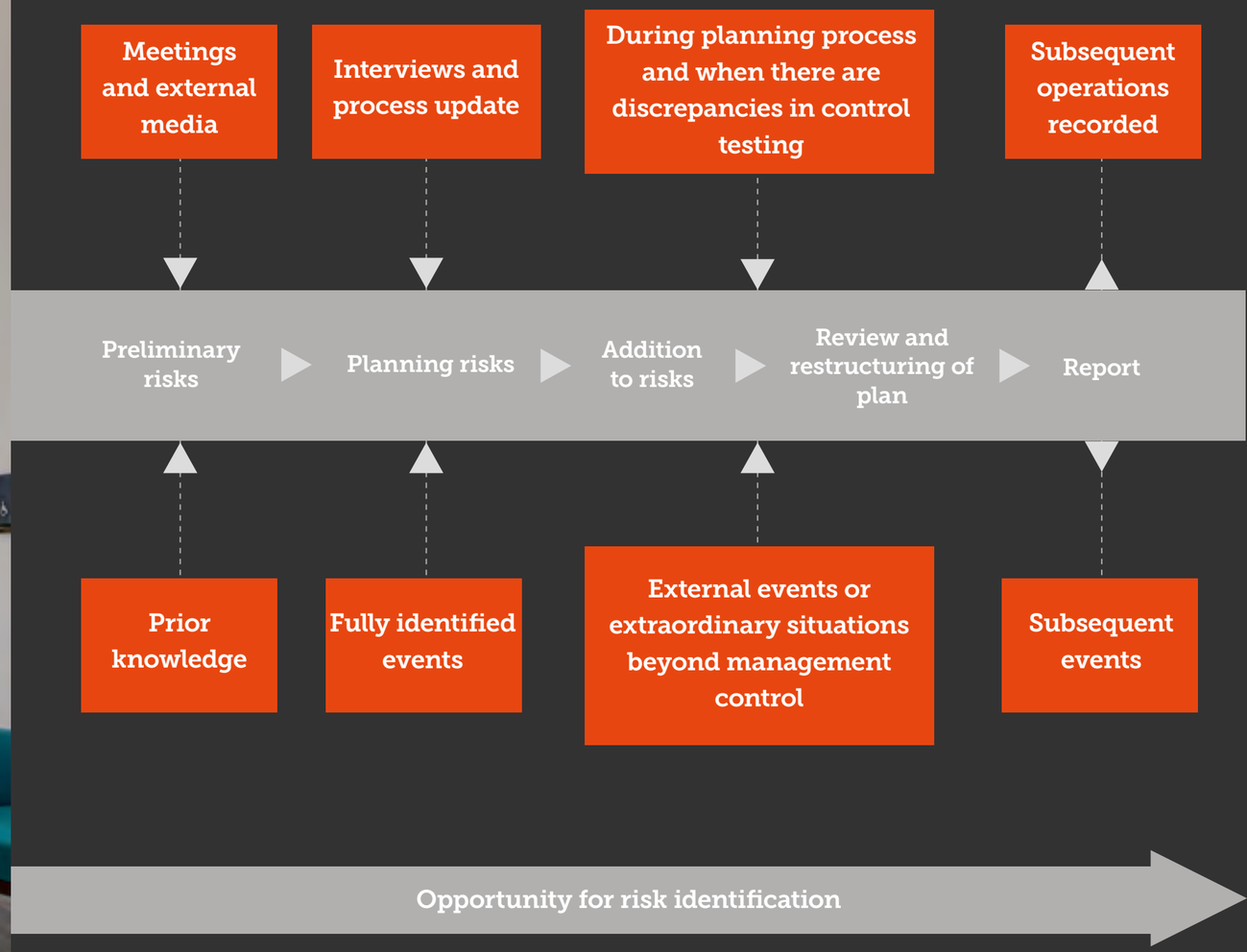
GRI 2-27

We have a responsibility to assume all risks to which the organization is exposed, in order to establish and reinforce prevention and mitigation measures as necessary. Supervision of this process is the responsibility of the Audit Committee, which also develops action plans when these risks materialize. With this, we ensure the resilience of our business model.

We have two risk mitigation processes. Pursuant to article 15 of the Unified External Auditors Circular (CUAE), the annual report by the independent auditor must mention the possible risks identified, and the mitigation plan proposed by management.

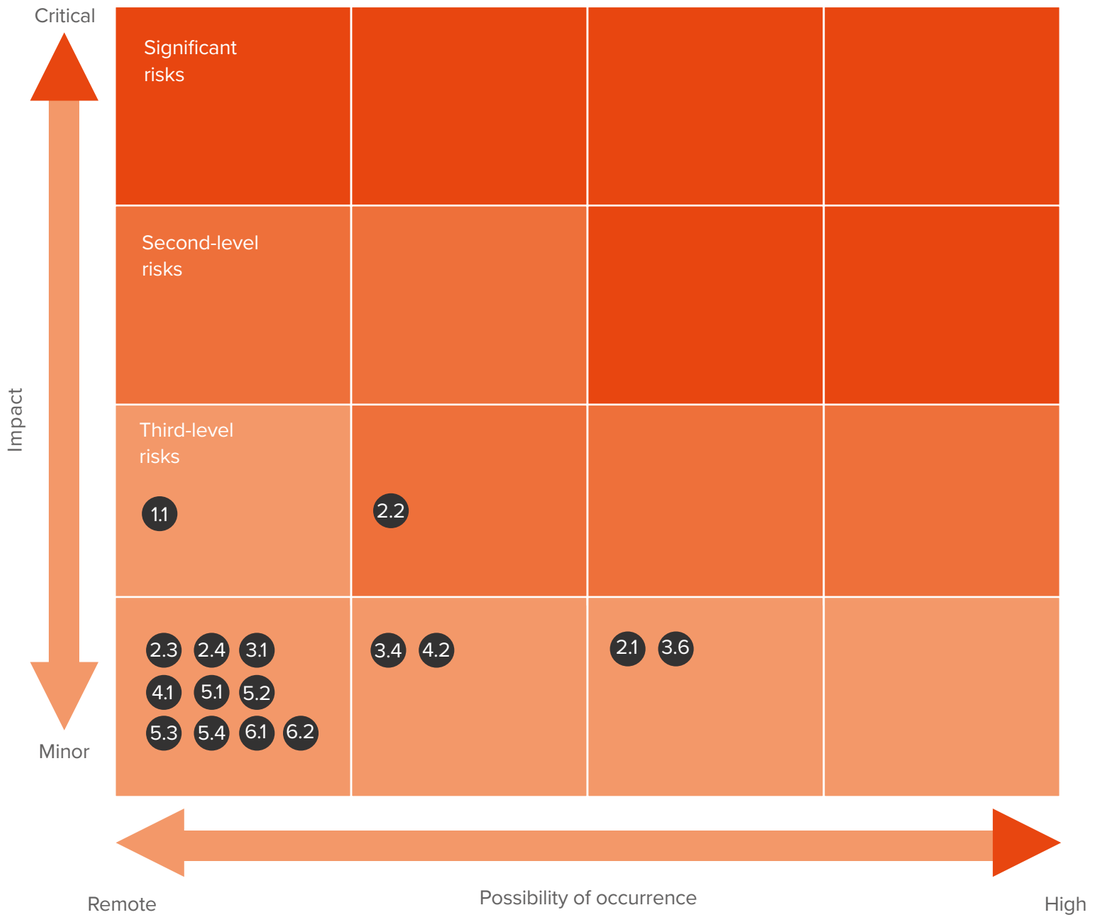


Centro de Convenciones Hilton Vallarta Riviera, Jalisco

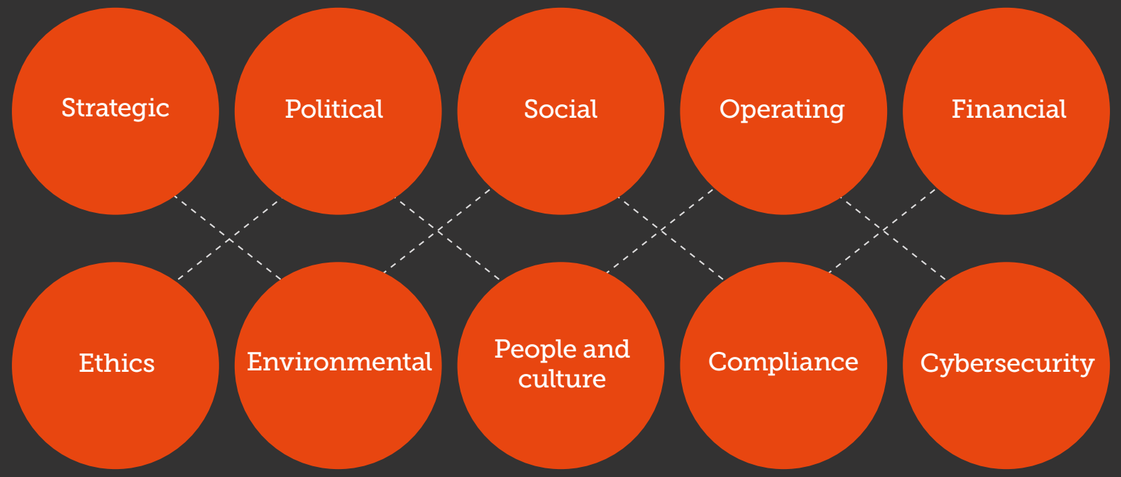


We are continually conducting various types of risk analysis. In addition to identifying the risks associated with trends, we engage an outside consultant to conduct a biannual study, the last of which was in 2021, in which we assessed 31 risks organized into 11 categories.

The most relevant sustainability related risks with the greatest impact on FUNO® are:



Among the risks we monitor each year are:



Among the risks mapped in the matrix, 6 correspond to governance risks, 7 to environmental risks and 3 to social risks.

We also have a responsibility to communicate the various risks to which our properties, the organization and our industry are exposed, through various media, such as our Integrated Annual Report, our Annual Report, placement prospectuses for equity or bond issues, and others.

Materiality

GRI 3-1, 3-2

In 2021, working together with an independent consultant, we updated our materiality study. Our current material topics are:

- New material issues since the 2018 study.
- Material topics the scope of which has been expanded since the 2018 study and now include more subtopics.

Material topics

To learn more about our 2021 materiality study, visit:
https://funo.mx/ESG-sustainability/management/materiality.

Hilton Vallarta, Jalisco

Impact

GRI 2-25

In 2022, we took on the task of identifying environmental, social, human rights and economic impacts on FUNO. The results were as follows:

Aspect	Shopping centers	Offices	Industrial bays	FUNO® corporate headquarters (cross-divisional)	Measures to mitigate negative impacts and amplify positive impacts	Process for evaluating measures' effectiveness	Areas of opportunity or lessons learned from the assessment
Environmental	• Energy and the related emissions • Waste • Sustainable infrastructure	• Energy and the related emissions • Water • Responsible product consumption	• Energy and the related emissions • Water • Materials • Biodiversity • Hazardous waste	• Energy and the related emissions • Waste • Biodiversity • Climate change	• Record energy consumption • Record water consumption • Record wastes and waste management plan • Estimation of carbon footprint • Implementation of technology to control energy use • Consume energy more efficiently in properties by setting hours for turning on and off equipment and lighting fixtures	• Annual independent audit • Tracking of water and energy consumption • Results of questionnaires, like the SBTi and results from certified properties • Feedback from energy control suppliers • Energy, water and emission intensity indicators	

Aspect	Shopping centers	Offices	Industrial bays	FUNO® corporate headquarters (cross-divisional)	Measures to mitigate negative impacts and amplify positive impacts	Process for evaluating measures' effectiveness	Areas of opportunity or lessons learned from the assessment
Social	• Security* • Accessibility* • Job generation • Support for SME's • Education	• Accessibility* • Job generation • Health	• Health • Job generation • Education	• Cybersecurity* • Safety and health • Responsible suppliers	• Monitoring current legal framework to guarantee compliance and respect for the social rights of visitors to our properties • Participation in the alliance for the inclusion of people with disabilities (Éntrale)	• Annual independent audit • Survey of building managers to detect areas of oppotunity and inclusion and accessibility	We identified the needs for adjustments in our properties participating in the survey, which will help us define measures to take in 2023 to make our office and shopping center portfolios more accessible
Human rights	• Diversity and inclusion • Gender equity • Reduced inequality • Non-discrimination • Education	• Diversity and inclusion • Gender equity • Reduced inequality • Non-discrimination	• Diversity and inclusion • Gender equity • Reduced inequality • Non-discrimination • Education	• Diversity and inclusion • Gender equity • Freedom of association • Non-discrimination • Information privacy* • Prohibition of child labor • Freedom of expression • Health and social benefits • Dignified and fair work • Personal and professional development	Study to identify human rights vulnerabilities in each of our portfolios which will enable us to create a strategy to avoid any breaches in this area	Annual independent audit	Regular training for managers, administrative and operating employees in inclusion and accessibility to minimize the likelihood of discrimination due to ignorance, placing special attention on staff with the highest levels of turnover

Aspect	Shopping centers	Offices	Industrial bays	FUNO® corporate headquarters (cross-divisional)	Measures to mitigate negative impacts and amplify positive impacts	Process for evaluating measures' effectiveness	Areas of opportunity or lessons learned from the assessment
Economic	• Nearshoring • Reduced inequality • Support for SMEs • Talent attraction and retention • Engine of local economy • Economic spillover from sourcing • Ethics and anti-corruption	• Talent attraction and retention • Ethics and anti-corruption	• Nearshoring • Reduced inequality • Talent attraction and retention • Ethics and anti-corruption	• Nearshoring • Reduced inequalities • Support for SMEs • Dignified and fair work • Talent attraction and attention • Engine of local economy • Economic spillover from sourcing • Ethics and anti-corruption • Financial benefits • Fair competition	• Diversified locations • Clause on inflation coverage in rent agreements • 100% of associates sign Code of Ethics • 100% of associates trained in ethics and anti-corruption • Tenant discounts	• Annual independent audit • Evaluation of knowledge about ethics and anti-corruption	Emergency response mechanism for quickly and effectively communicating crises or emergencies to the market

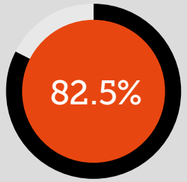
* Affects only FUNO®.

Climate change risk vulnerability analysis

GRI 2-25
GRI 201-2
IF-RE-130a.5, IF-RE-140a.1, IF-RE-450a.1, IF-RE-450a.2

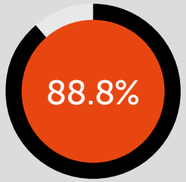
In 2022, we continued to reinforce our climate change risk vulnerability analysis, by which we evaluated our portfolio based on ESG criteria.

Percentage of our portfolio that has been evaluated based on ESG criteria



Climate change related risks

Biodiversity related risks



Water stress related risks

Escato, Centro Operativo, State of Mexico

The financial impact associated with the materialization of the physical risks we identified are:

Physical risk	Financial impact (MXN)
Heat waves	$1,361,433,313
Tropical cyclones	$1,431,276,128
Flooding	$709,011,788
Drought	$4,365,930,723
Rising sea levels	$11,677,509,871

We are committed to **reinforcing our climate adaptation and resilience plan** for new properties.

For more information about our analysis of vulnerability toward the effects and risks of climate change, visit: https://funo.mx/ESG-sustainability/eco-efficient-operations/climate-change/vulnerability-assessment.

Principles for Responsible Investment

GRI 2-12, 2-13, 2-25, 3-3
GRI 413-2, 416-1
IF-RE-130a.5, IF-RE-410a.1

Mindful of the important role we at FUNO® play in positive transformation and development of the communities where we operate, we have a responsibility to help build prosperous, resilient societies by creating economic, social and environmental value.

Since 2020, we have been signing members of the United Nations Principles for Responsible Investment. By these, we commit to incorporating ESG aspects into our investment decisions, strengthening environmental, social and governance due diligence practices in acquisitions of new properties and in managing and operating existing properties, including their development and updating to the extent possible to make them more efficient. With this, we ensure better risk management and the creation of sustainable long-term benefits.

The due diligence process we follow in acquiring new properties and in managing and operating existing ones, encompasses the following aspects:

100% of new lease agreements will include **green clauses** for cooperation between tenant and FUNO® to invest in **environmental efficiency, inclusion and social impact.**

Acquisition of new properties

Environmental

- Road impact studies
- Zoning certifications
- Environmental impact authorization
- Generation and recording of hazardous waste
- Manifest for delivery and reception of hazardous waste
- Water supply services
- Water discharge media
- Unified environmental license in atmospheric emissions
- Existence or absence of polychlorinated biphenyls or asbestos
- Presence or absence of environmental fines
- Existence or absence of soil contamination
- Impact on properties from climate change risks

Social

We have an investment policy which recognizes that in Mexico there are cases in which indigenous groups or women may not or cannot hold legal title to certain properties, but the ownership and use of which is supported by their traditions and customs. We at FUNO® are aware of and reaffirm our duty to consult, inform and cooperate with the affected parties in such cases.

We carry out a process of due diligence and risk mapping with the help of an independent consultant specializing in environmental and social issues. With this, we ensure that the owners and users of the property have been consulted and compensated appropriately. We have internal and legal processes with outside parties to ensure that the compensations and prompt payment for the use or purchase of property is done fairly, on time and legally.

Our processes do not discriminate whether the owners or users of the property are individuals, collectives, indigenous groups, women, or others, and ensure that the counterparties rights are respected at all times.

Management and operation

Environmental

- We keep logs for monitoring water and energy consumption indicators as well as emission and waste generation
- Variable compensation linked to NOI, including energy and water performance
- Internal audit
- Annual independent audit of financial, environmental, social and political risks, the results of which are presented to the Steering Committee and the Technical Committee
- Permits and licenses for environmental compliance
- Project to conserve biodiversity in cooperation with authorities and other organizations

Social

- Training
- Process for approving social projects
- Financial donations approved by the FUNO® Foundation Committee only to institutions that meet tax deductibility requirements (positive compliance opinion) and which are legally incorporated as nonprofits
- In-kind donations, in which we must have legal ownership of the property and conduct an annual planning of physical spaces and multimedia being donated

Pabellón Salina Cruz, Oaxaca

To ensure correct management of our operations' impact and oversight of the due diligence procedure, we have a specific process:

1. Quarterly presentation on ESG risk monitoring to the Audit Committee.

2. Audit Committee reports to the Technical Committee.

3. Technical Committee analyzes the report to detect ESG risks involved in each decision, guaranteeing the rights of stakeholders.

4. Having determined the possible risks, the Technical Committee issues instructions on measures to guarantee the generation of added value and create sustainable communities.

5. The Sustainability Committee defines and approves the applicable ESG policies in our portfolios.

6. Sustainability Committee monitors ESG indicators in our properties and in coordination with the Steering Committee, decides on the initiatives required to optimize operations and defines strategies to ensure that areas of opportunity contribute a comprehensive improvement in processes:

- Monitors corporate governance indicators and proposes permanent cooperation with stakeholders in matters of ethics, corruption, social development, Environmental Conservation and risk control.
- Participates in decision-making on sustainability initiatives that benefit Mexico and the communities where we are present.
- Promotes a culture of sustainability and involves stakeholders in FUNO®'s objectives.
- Encourages participation in environmental initiatives.
- Promotes a culture of volunteer work.
- Ensures respect for human and political rights and social customs of the communities where we operate and other stakeholders, to promote diversity and inclusion.
- Ensures application of a culture of non-discrimination in the workplace toward any group or stakeholder.
- Maintains a constant channel of communication with all stakeholders so that they can express their concerns and ideas.
- Monitors the risks of human rights violations to which all of FUNO®'s counterparties are exposed, and addresses the impacts on activities and operations if they materialize.
- Participates in the design of interventions for legitimate remediation if any adverse impacts have been created.

Torre Mayor, Mexico City

Financial Capital:
maximizing value

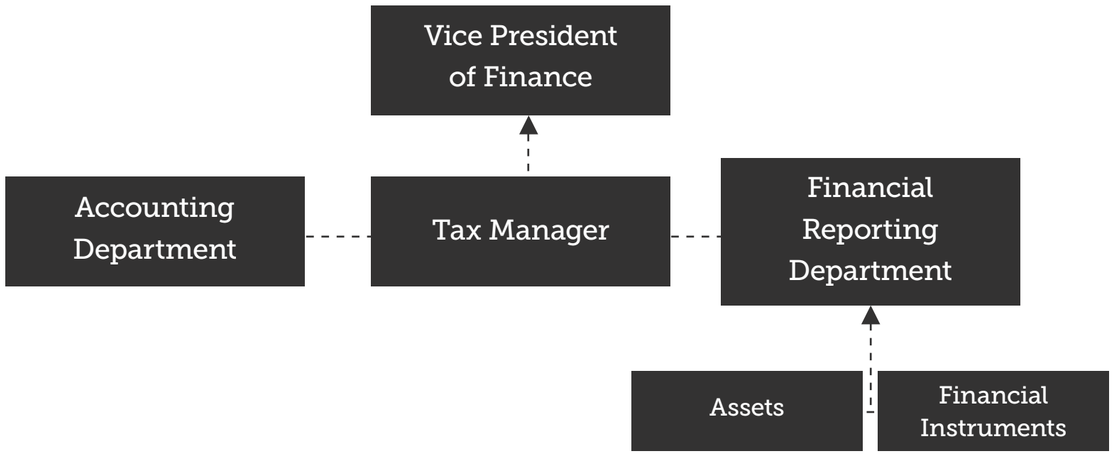
"If FUNO® didn't exist, others would surely do it, but if it wasn't FUNO®, I'm not confident they would do as well."

Rit García

Infrastructure and Database Manager
9 years at FUNO®

Value added to the company as a result of its financial capital management: **23.9 million Mexican pesos**

CHAIN OF COMMAND



Goals

Area	Goal	Strategy	
Investor relations	• Expand our investor base • Maintain a high level of communication and involvement with our investors • Communicate financial, ESG and operating results of FUNO on time and in the appropriate form • Increase feedback between the market and the management team	• Keep channels of communication open with our investors. • Publish quarterly information. • Innovate and continually improve the information presented to investors. • Continue applying perception/feedback surveys to investors through an independent party, each quarter. • Monitor changes in our investor base at least once a quarter.	Ongoing
Debt	100% new debt acquired is either sustainable or sustainability linked	This is a metric on the scorecard for Vice Presidents of Finance and Treasury.	2030

Sustainable growth

GRI 3-3
GRI 201-1

Our industry's resilience, the strength of our operations, the quality of our properties and the proven business model we are known for, have made it possible for us to achieve solid financial and operating results, even in the complex context of 2022.

Financial indicators	2022	2021	Δ 2022 vs 2021
Total revenues	$23,900.7	$21,868.7	9.3%
Rental revenues	$21,474.7	$19,869.6	8.1%
Net operating income (NOI)	$18,819.8	$17,421.7	8.0%
NOI Margin	78.7%	79.7%	-1.0%
Flow from operations (FFO)	$9,348.6	$8,999.4	3.9%
FFO margin	39.1%	41.2%	-2.1%
Distribution per CBFI	2.7012	1.7123	57.8%
Operating indicators	**2022**	**2021**	**Δ 2022 vs 2021**
CBFIs outstanding (millions)	3,779	3,800	-0.6%
Number of properties	585	635	-7.9%
Number of operations	612	661	-7.4%
Gross leasable area (millions of sqft)	118.4	117.3	0.9%
Gross leasable area under development (sqft)	347,114.2	3,389,670.5	-89.8%
Gross leasable area under development in joint ventures (sqft)	716,455.9	2,056,981.3	-65.2%
Total occupancy	93.7%	92.2%	1.5%

Note. Figures in million pesos.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

Note: Due to the nature of our business and in accordance with the applicable legislation, 100% of our revenues are paid out in operating expenses and dividends.

Américas, Jalisco

Torre Mexicana, Mexico City

In 2022, we successfully refinanced bank loans taken out to fund the acquisition of our Titan and Vermont portfolios. The new loan totals USD720 million, with the option of increasing it to USD 750 million. It comes due in September 2029 and accrues interest at a rate of 225pb over the SOFR.

In keeping with our commitment, the terms of the loan are linked to achieving EDGE certification on 1.2 million square meters of GLA in the next 5 years.

The solidity of our operations, the quality of our properties and our proven business model enabled us to secure this financing despite the perceived volatility of global capital markets. This represents a major step forward in FUNO®'s liability management process.

321

calls with investors[6]

[6] Not including quarterly earnings calls.

Antea Lifestyle Center, Querétaro

MÍTIKAH

Living City

This iconic complex was built according to a contemporary concept that unites housing, retail, services and green areas into a single space.

It is positioned as a place where people can come together, benefiting neighboring communities from the improvement to their surrounding cityscape.

AVERAGE ENERGY SAVINGS

23.1%

= 5,110.75 MWh per year = consumption of 1,480 Mexican homes on average for one year[7]

AVERAGE WATER SAVINGS

33.3%

= 129,805.63 m^3 of water per year
= 51 Olympic swimming pools

AVERAGE METRIC TONS OF CO_2 SAVINGS

3,163.03

= 355,917 gallons of gasolina
= carbon capture of 1,514.73 hectares of woodlands

EDGE certification for the shopping center, business and medical offices

LEED Gold certification for the office building

267 m high

[7] Based on average residential energy consumption of homes in Mexico in 2021, 3,452.4 kWh per year (SENER).

Human Capital:
dynamism and commitment

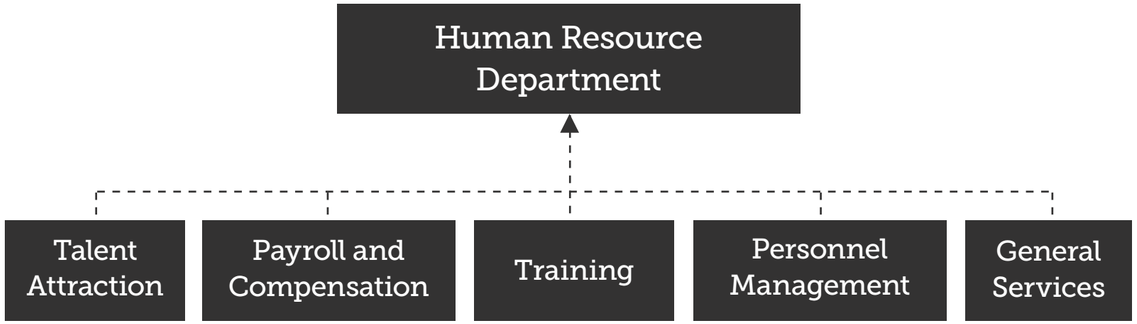
"FUNO® has become my second home. Not only has given me the opportunity to grow professionally throughout these years, but also to improve my family's quality of life through the work I have done at FUNO®."

Guadalupe Serrano

Business Information Manager
8 years at FUNO®

Value added to the society as a result of Human Capital Management: **283.9 million pesos**

CHAIN OF COMMAND



Goals

Area	Goal	Strategy	
Talent attraction	Continue internal talent mapping	Continue building synergies with Organizational Development to boost employee skills.	2023
Diversity and inclusion	20% of FUNO® employees belong to a priority group	• Expand alliances for talent attraction. • Constant training of employees on inclusion topics.	Ongoing
	At least 2% of FUNO® employees are people with disabilities	• Talent mapping and its identification with target groups. • Promote the Exchange Group and Inclusion Thursdays in social media to increase the number of candidates. • Constant training of corporate and property employees on inclusion topics. • Provide training to a priority group.	2023
	90% of employees trained in diversity and inclusion		
Equity	Increase % gender equity in the Technical Committee	Proposed roster of 2 women to serve on the Technical Committee, by the initiative of the Nominations Committee, for approval at the CBFI Holders' meeting.	2030

Area	Goal	Strategy	
Human capital development	Application of talent model, succession plan and training and development plan for identified talent	• Identify talent with high potential, high performance, key talent and top talent at corporate headquarters. • Submit results for approval by the Steering Committee. • Execution of 360° evaluation of all FUNO® leaders. • Execute Phase II of the evaluation of successors to each Vice President.	2023
	Corporate governance continuity	• Update succession plan for FUNO® bodies of government.	2023
	Introduce Individual Development Plan (IDP) for the talent model	• Identify, define and propose IDPs for the talent model endorsed by the Steering Committee. • Lay the groundwork for training policies for 20% of the model, according to best market practices and FUNO® needs.	2023
	Graduation of the fourth class from the “FUNO® Way” specialization course	• Continue alliance with ITESM for this program. • Open application process and increase number of applicants.	2023
	Graduation of second class from the “Conscious Leadership for Women Executives” specialization course	• Continue alliance with ITESM for this program. • Encourage leadership among women executives. • Encourage more women executives to participate in forthcoming courses.	2023

Area	Goal	Strategy	
Human capital development	Ensure mandatory and key business training for 100% of employees	• Strengthen course offering at FUNO® Campus. • Professionalize and personalize training and onboarding of new employees according to FUNO®’s needs and the skills to develop for each position.	2023
		• Continuous training in ESG topics to Technical Committee members.	Ongoing
Job satisfaction	Increase confidence index in the GPTW survey	• Take actions toward positive leadership, employee respect and personnel development. • Prepare training plan for leaders evaluated in work environment survey. • Continue strengthening health and wellness management.	2023

Samara, Mexico City

Human capital management

GRI 3-3

Our people are a crucial element in achieving our goals. By executing our strategy, they have positioned us as the first and largest FIBRA in Mexico and Latin America. We are committed to ensuring that they have all the conditions needed to develop their talent and achieve their fullest potential, and also protecting their health and safety both inside and outside of the organization.

Our current human capital management priorities are:

- Diversity and inclusion
- Talent attraction
- Talent mapping
- Human capital development
- Well-being
- Job satisfaction

Diversity and inclusion

GRI 3-3

FUNO® believes in diversity, tolerance, non-discrimination, equal opportunities between men and women, and the rights of indigenous communities. We place an emphasis on the inclusion of people with disabilities (PwD), women, LGBTQ+ people and multi-cultural communities.

In 2022, our Alliance for Diversity deployed various initiatives to promote diversity and inclusion in our organization, among them:

188 employees trained in diversity and inclusion

57% corporate headquarters

43% properties

284 hours of diversity and inclusion training

1.5 hours on average per employee

Participation in two job fairs for people with disabilities.

Participation in the creation of the PwD Exchange Group, made up of 16 companies, which provides a monthly forum for sharing and publicizing our vacancies.

Workshop on “Learn how to write a resumé” aimed at PwD, attended by 12 participants.

Certification of our Talent Attraction team in the use of tools for inclusion of PwD.

Bringing in new forms of recruitment to our processes.

Presentation of candidates who are inclusion targets in the short lists for vacancies in corporate headquarters and properties.

Presentation on “Strategies for an effective job search,” at the Anáhuac PwD Fair.

Hiring of one PwD through the Éntrale website.

Workshop on unconscious bias given to leaders: Vice Presidents, CEOs and managers.

Launching “Inclusion Thursdays” in social media, an initiative in which every Thursday we publish at least three vacancies in social media aimed at PwD.

Training for newly hired employees in their first three months (probation period), through Éntrale Days. In 2022 this training covered six topics and was attended by 50 employees.

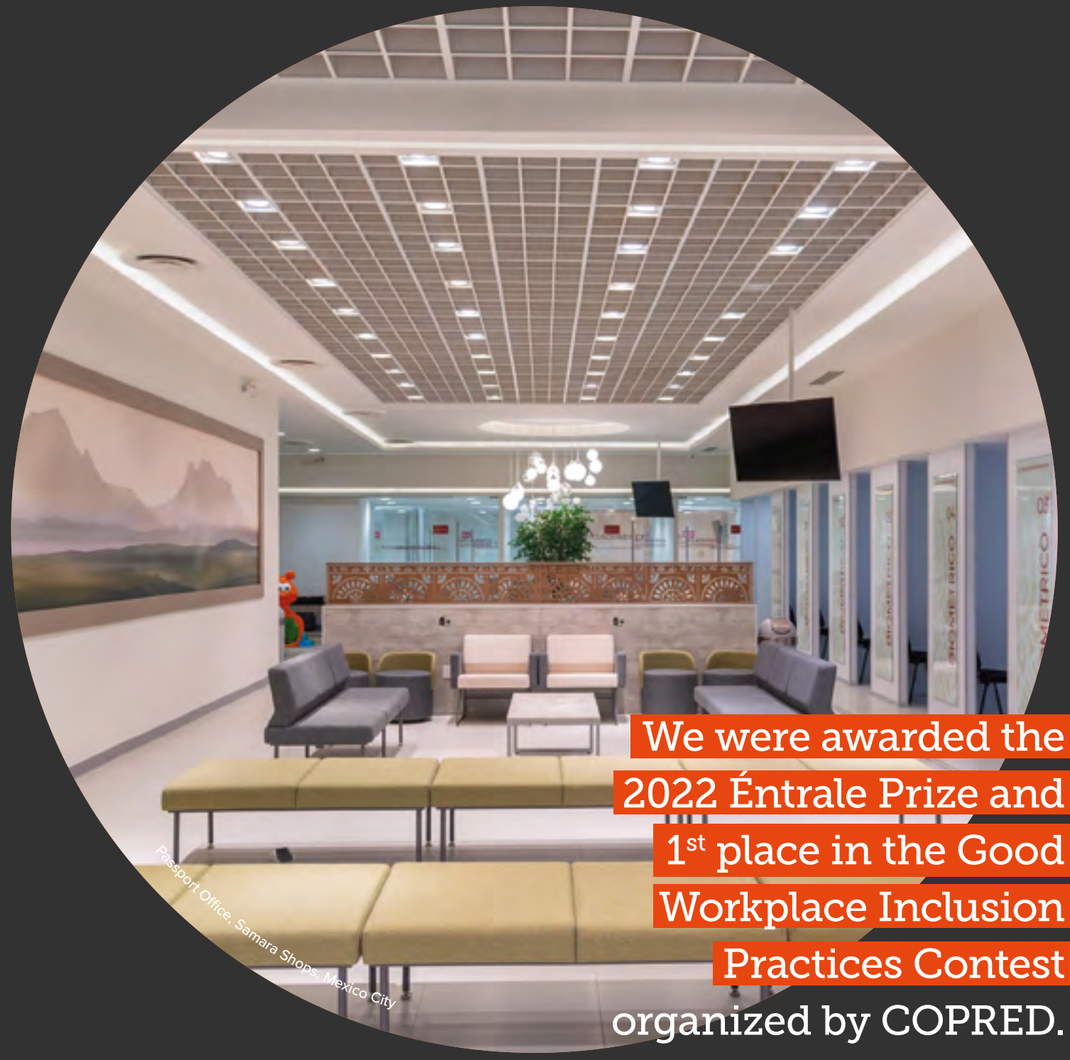
Update and implementation of the PwD Inventory Format.

Training given in 102 properties on the topic of PwD, attended by 100% of property managers and some other staff members.

Some of these initiatives were carried out in partnership with other institutions and organizations, including:

Our unwavering commitment to diversity and inclusion has enabled us to create long-term value, earning us the 2022 Éntrale Prize and 1st place in the Good Workplace Inclusion Practices Contest organized by the Council for Preventing and Eliminating Discrimination in Mexico City (COPRED), which positions us a benchmark for Mexican business in topics of diversity and inclusion.

We will continue incorporating more employees belonging to these priority groups, contributing to their advancement and job opportunities in the locations where we are present.



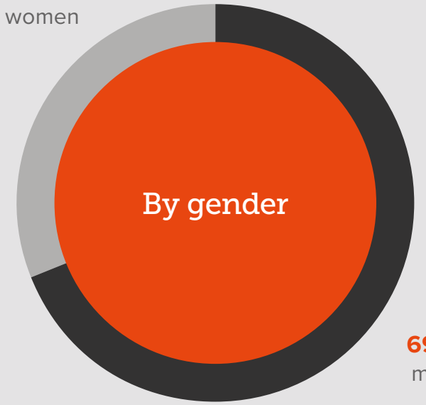
Passport Office, Samara Shops, Mexico City

We were awarded the 2022 Éntrale Prize and 1st place in the Good Workplace Inclusion Practices Contest organized by COPRED.

WORKFORCE

GRI 2-7, 2-8
GRI 405-1

999
employees on staff[8]



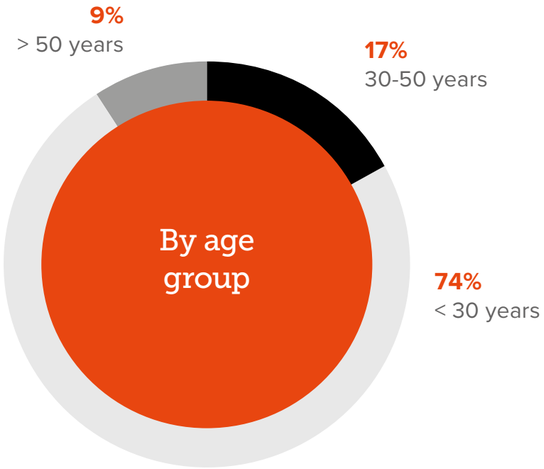
31%
women

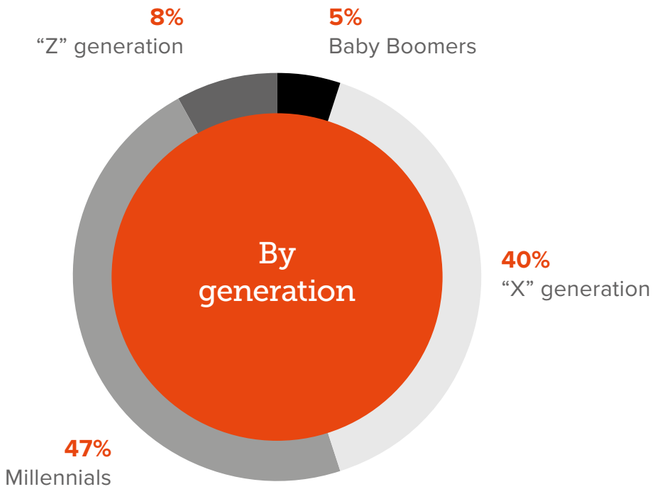
69%
men

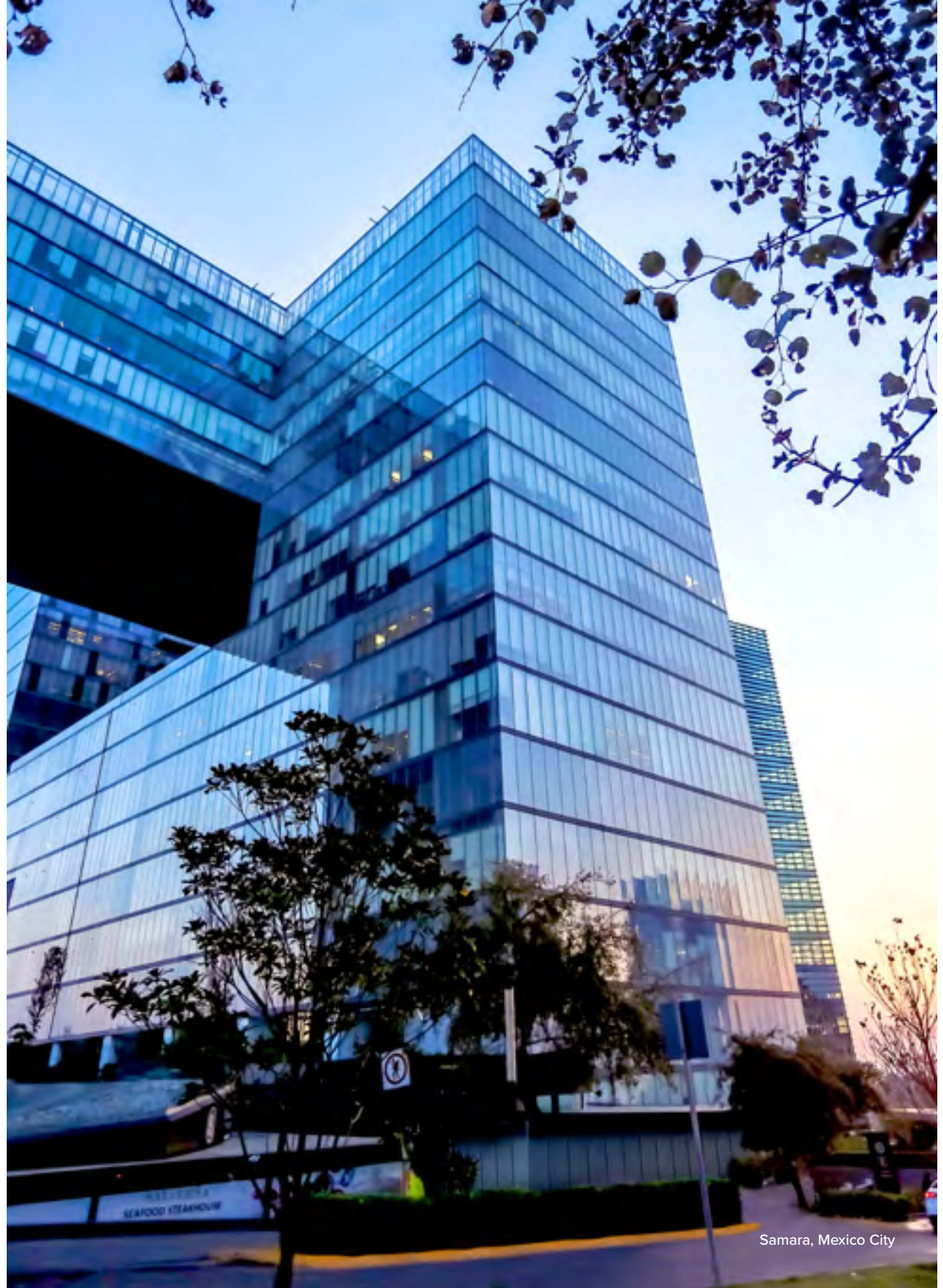
31%
FUNO®
employees

69%
specialized services
employees*

[8]Data on workforce include FUNO® employees and specialized service providers.
*Specialized services = maintenance, marketing and accounting in properties.







Samara, Mexico City

38.3% of leadership positions[9] are held by women

41.6% of management positions are held by women

26.1% of executive positions are held by women

45.2% of revenue-generating positions are held by women

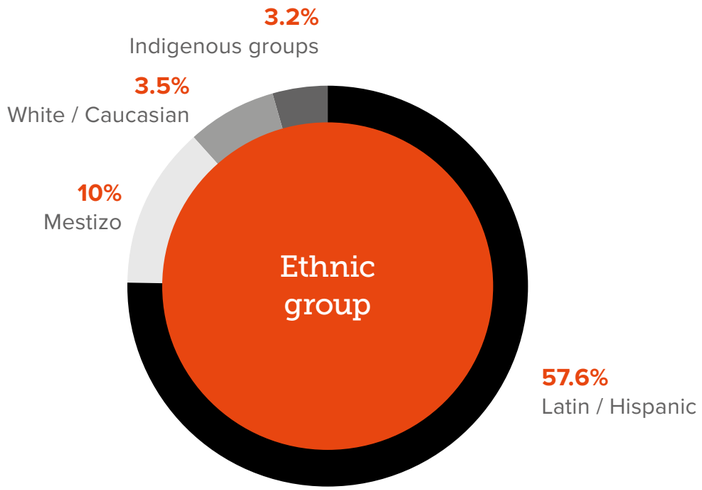
[9] Leadership positions includes junior, middle and senior managers.

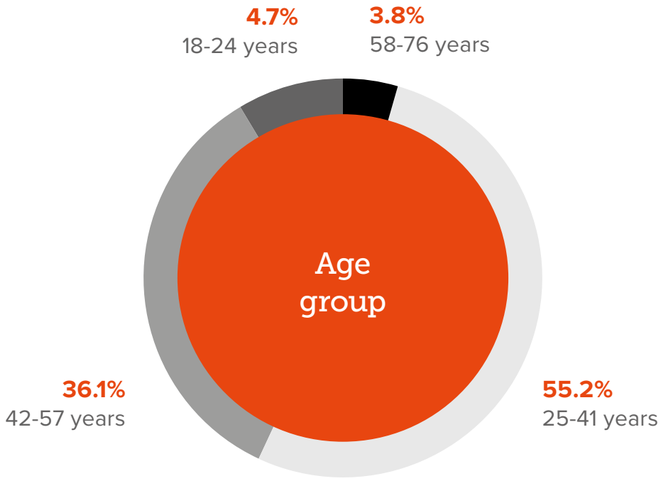
Results of priority group identification survey

GRI 405-1

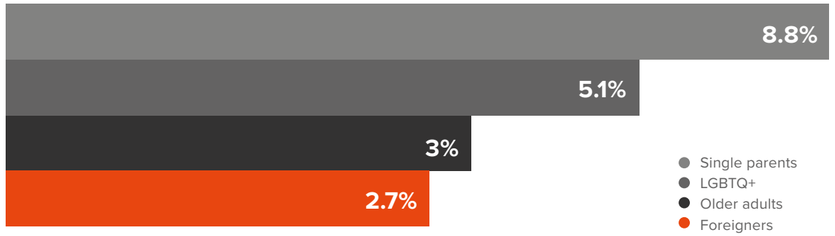
We met our goal of carrying out a second survey to identify priority groups, achieving a confidence level of 76%.

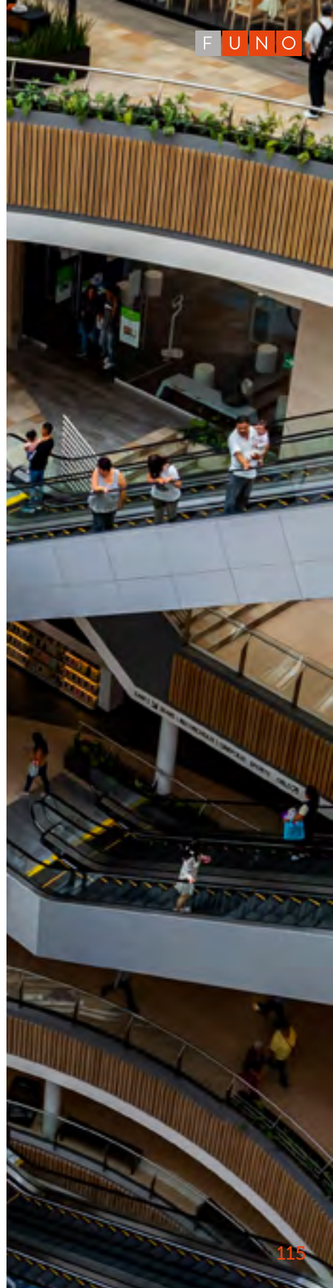
Survey respondents accounted for **81.1%** of the viable universe





Other diversity indicators





Talent attraction

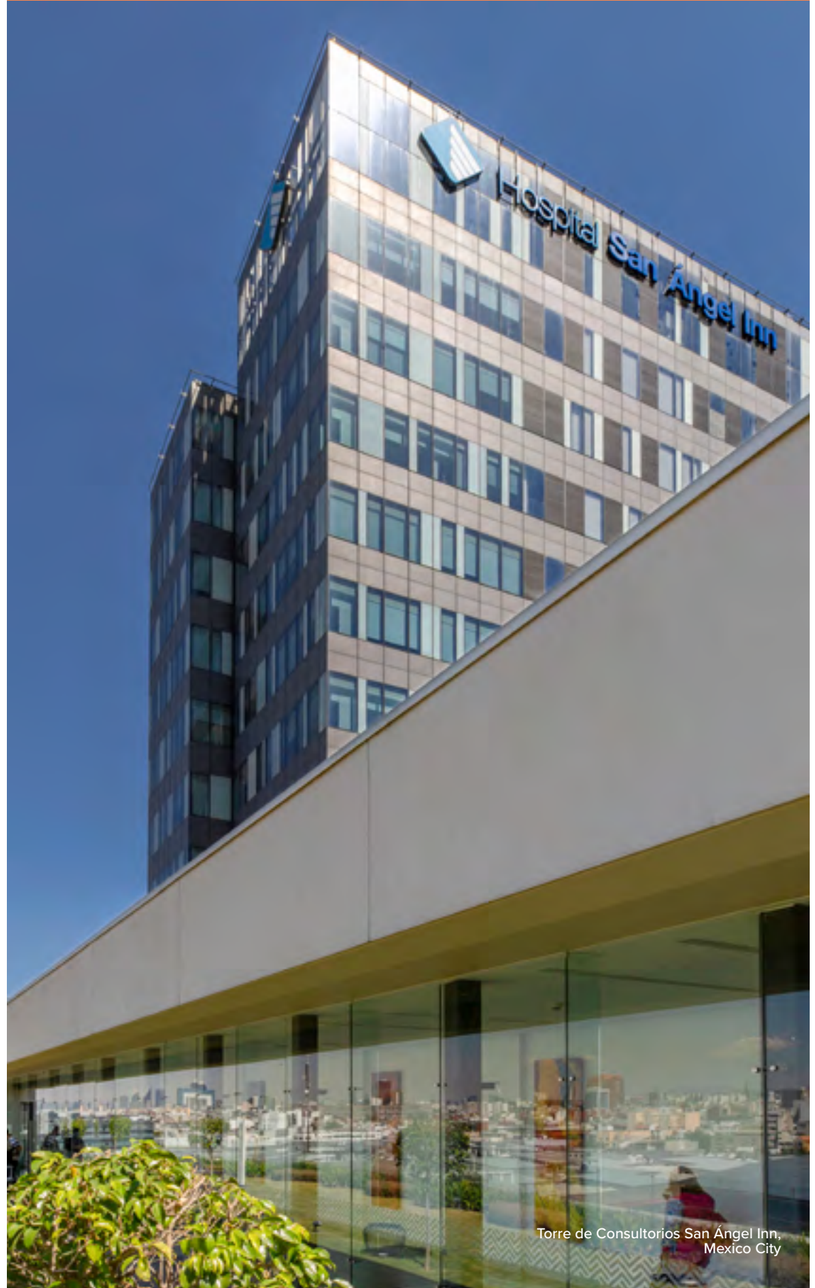
GRI 3-3
GRI 401-1

In 2022 we had 445 new hires[10], with an average investment of MXN6,918 per new employee. We provided feedback on 346 candidates and 132 employees at the end of the selection process and encouraged them to address the areas of opportunity identified.

Also during the year, we continued our FUNO® Ambassadors program, whose benefits to date include a more widespread awareness of our corporate culture, our facilities and the corporate directory, among new hires, as well as a smoother integration into the organization, the work team and their positions, which shortens the learning curve.

At the close of 2022 we had 16 FUNO® ambassadors and 95 new employees benefited from the program.

[10] 115 new FUNO® employees and 330 specialized service providers.



Torre de Consultorios San Ángel Inn, Mexico City

35%
of vacancies were filled through internal promotions

30
new hires to cover newly created positions

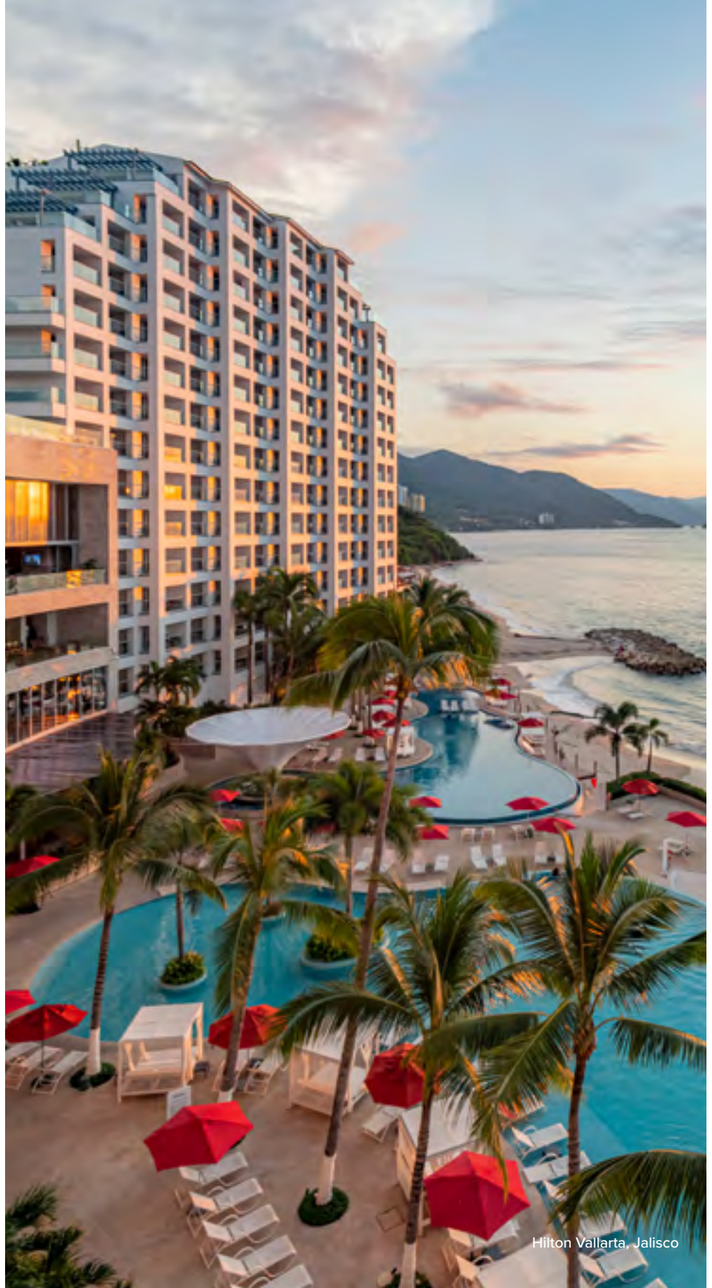
In light of current trends, we have given ourselves the task of identifying competency gaps and investing in training programs so that employees have the opportunity to develop skills needed to qualify for certain vacancies. This improves productivity and reduces employee turnover. In 2022 we had 86 vacancies for jobs requiring certain qualifications; rather than hiring unqualified candidates and then training them, our strategy is to develop talent within the company to occupy these positions.

Talent retention

In 2022 we continued mapping high potential, high performance, key and top talent at our parent company. By the end of the year, we had a talent matrix and personalized reports on 39 proposed employees, which include the results of psychometric testing, the report on the structured interview, and conclusions on their strengths, areas of opportunity and observations. Both the matrix and the results will be presented to the steering committee for its approval, and once the proposal is authorized, we begin offering Individual Development Plans in our talent model.

At the same time, we are in the process of mapping out successes for each vice president, with a 360° and 180° evaluation of 28 employees identified in phase I of the process, according to the 9Box talent identification and management methodology. For 2023 we plan to execute phase II of the evaluations and update the succession plan for other FUNO® governance bodies.

Indicator	FUNO® employees	Specialized services
Overall turnover	14%	57%
Voluntary turnover	82%	76%
Involuntary turnover	18%	24%



Hilton Vallarta, Jalisco

FUNO® Way

This is a specialization course in which property managers and FUNO® leaders can develop soft and hard skills. It is aimed at direct employees in management positions, both at the corporate and property level, and it is carried out together with the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM).

The course covers aspects relating to finance, human resources, leadership, budgeting, compliance and sustainability. At the end of each course, participants present various innovation projects, some of which have been implemented within our organization.

The fourth class of this program graduated in 2022, and the projects they designed and presented to the steering committee focused on retrofitting properties, sustainability, billing efficiencies, and improved visitor experience.

4th FUNO® way class graduated

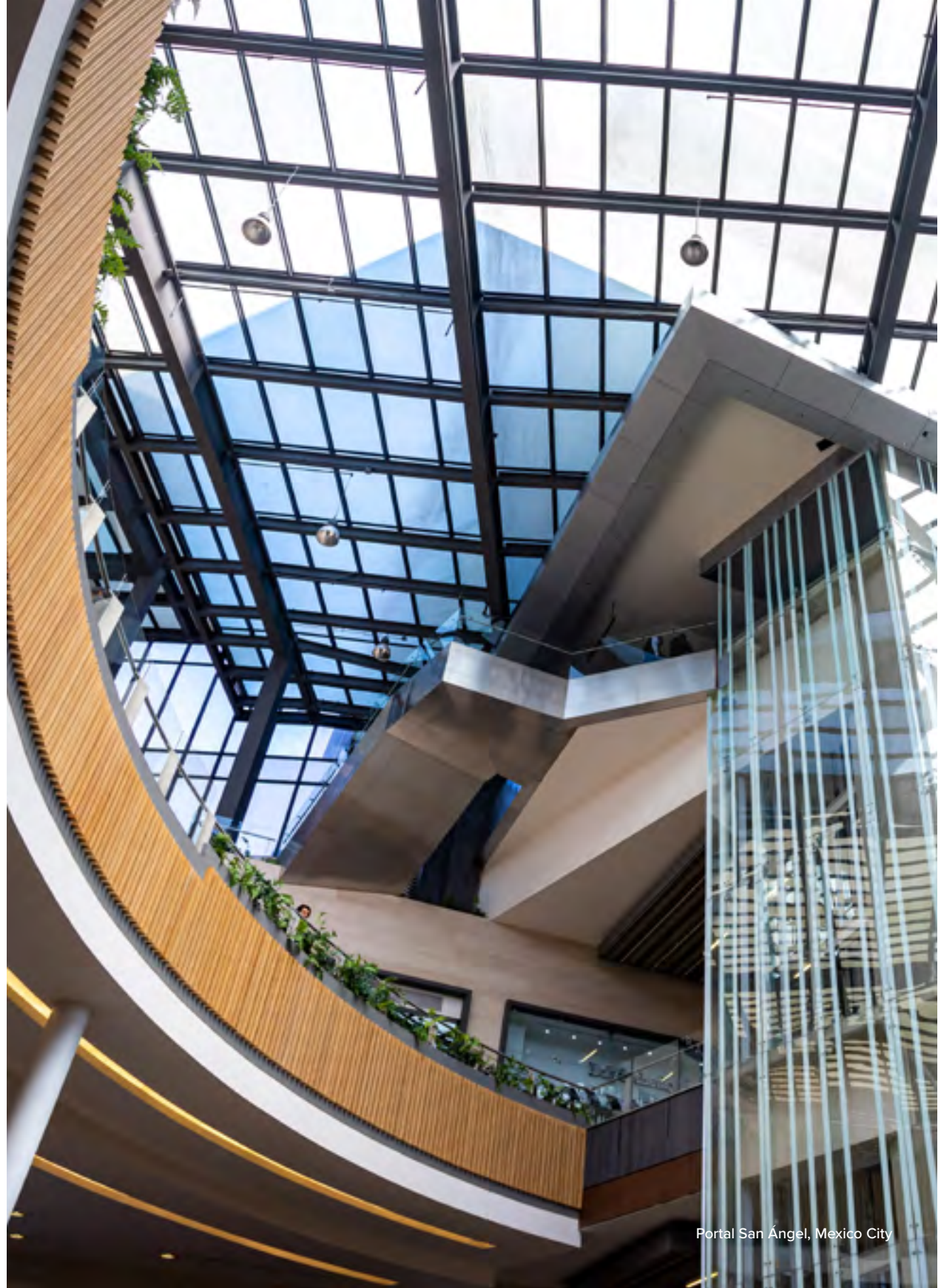
17 managers
2,363 work hours of training
71% women and **29%** men

Conscious leadership for executive women

This specialization course was developed in partnership with ITESM and is designed for women leaders at FUNO®. Its goal is to support women executives as they transition to positions of higher responsibility in the organization, by understanding their personality, developing key leadership skills and providing individual coaching sessions.

At the start of the program, participants undergo a 360° leadership evaluation to understand their skills and the modes of thought that limit their effectiveness as leaders. They then receive 42 hours of live classes and four personalized counseling sessions with a coach certified in leadership evaluation models.

The first class graduated from this program in 2022, made up of three FUNO® employees.



Portal San Ángel, Mexico City

Talent development

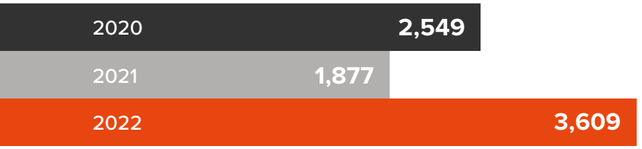
GRI 3-3

In 2022, we introduced the FUNO® Campus platform, available to 100% of the employees of corporate headquarters and administrative staff in our properties. For now, the tool offers two mandatory institutional courses for all FUNO® personnel.

Training

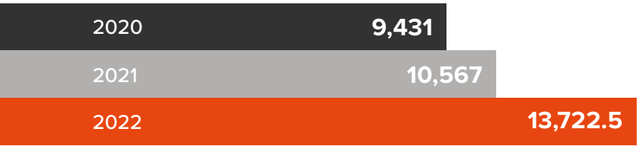
GRI 404-1, 404-2, 403-5

Trained employees[11]



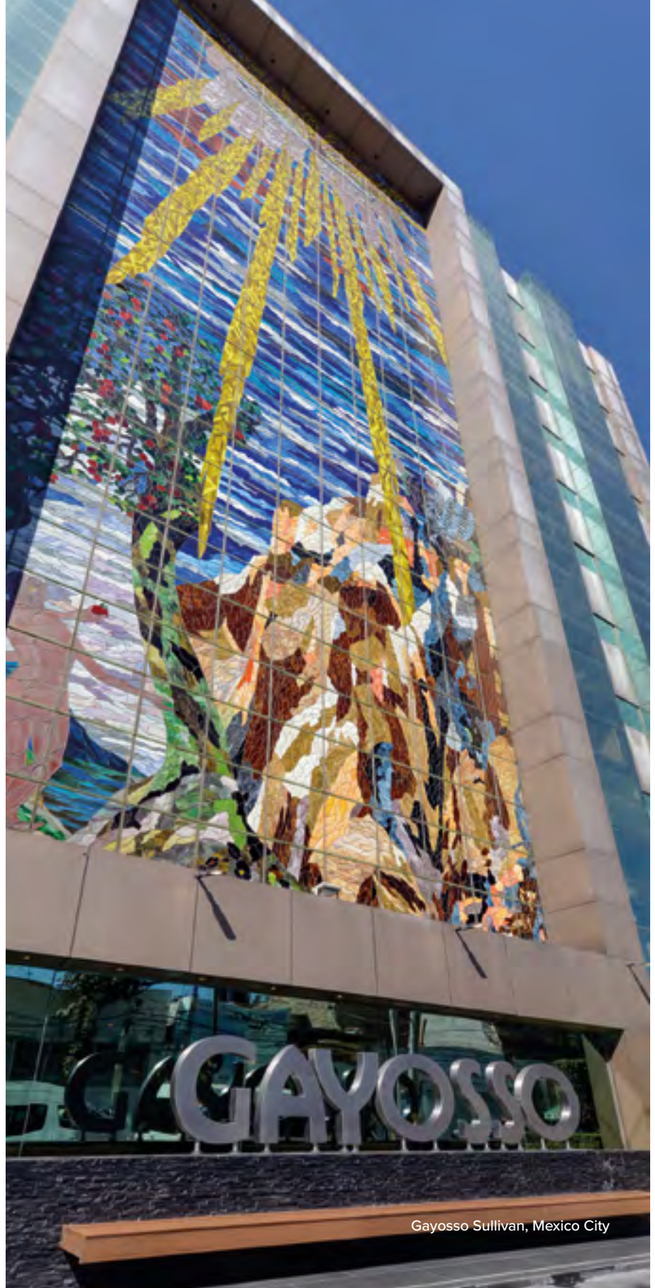
13,722.5
hours of training[12]
+29.9% vs. 2021

Person-hours by training[12]



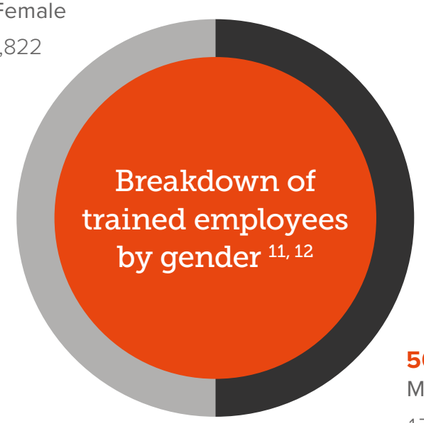
3.6
hours of training
by person[13]

[11] Number of participants in training sessions.
[12] Includes 2,557 employee participations and 1052 participations by specialized service providers; 9,268 hours were employee training and 4,454.5 were training for specialized service providers.
[13] Includes training for employees and specialized service providers; Average hours of training was the same for men and women.



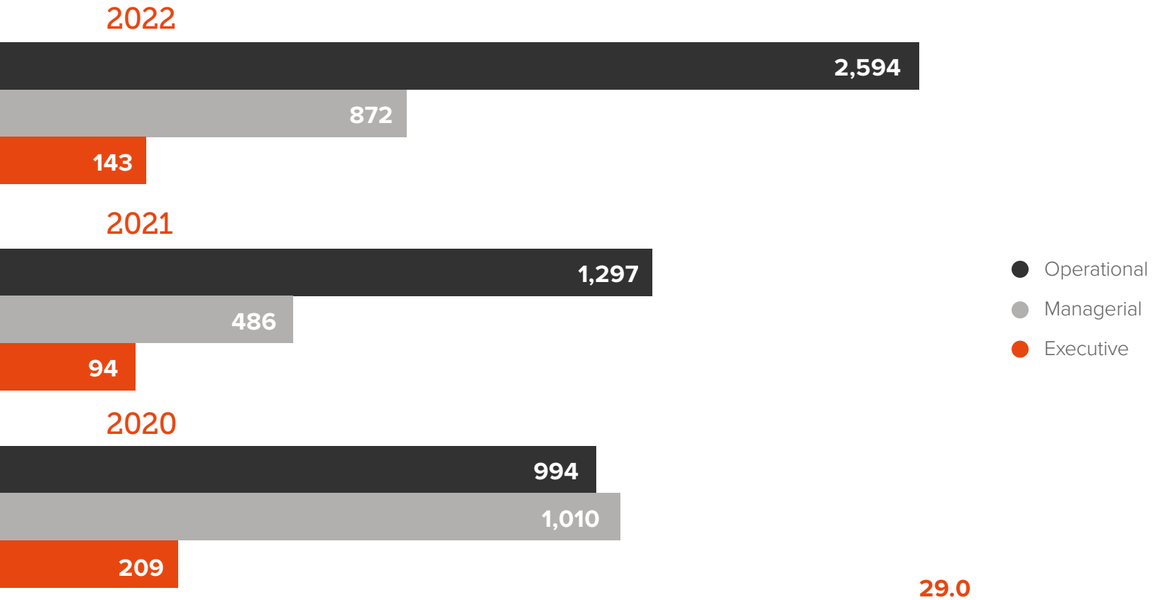
Gayosso Sullivan, Mexico City

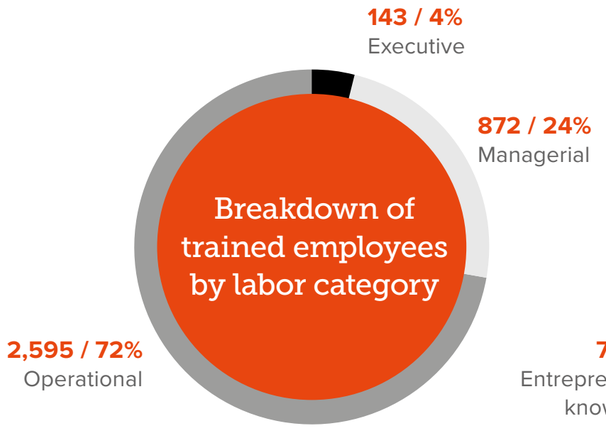
50%
Female
1,822

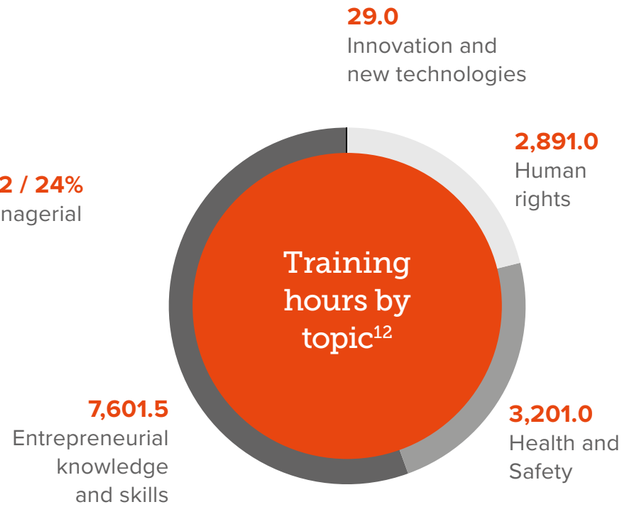


50%
Male
1,787

Trained employees by labor category

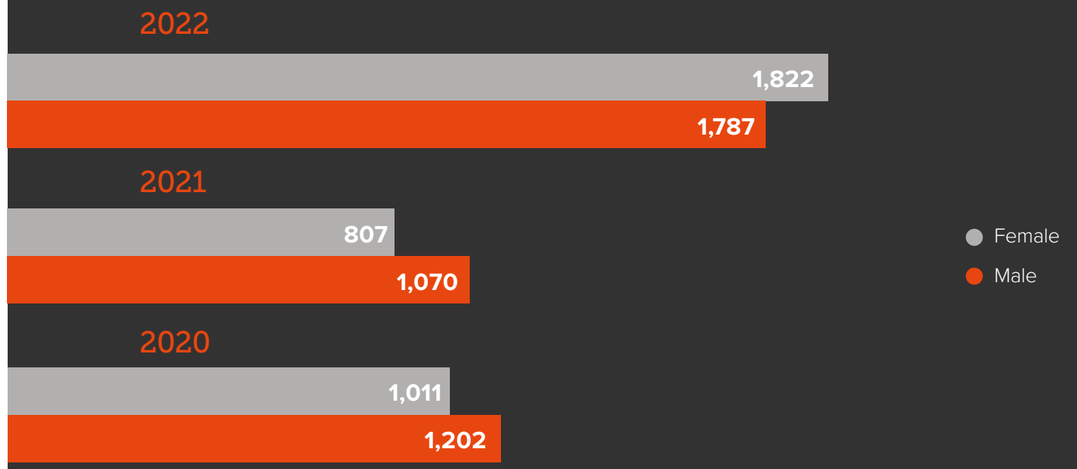






1.4 million pesos invested in employee development, equivalent to 0.29% of the total payroll in 2022

Trained employees by gender [11,12]



[11] Number of participants in training sessions.
[12] Includes 2,557 employee participations and 1052 participations by specialized service providers; 9,268 hours were employee training and 4,454.5 were training for specialized service providers.

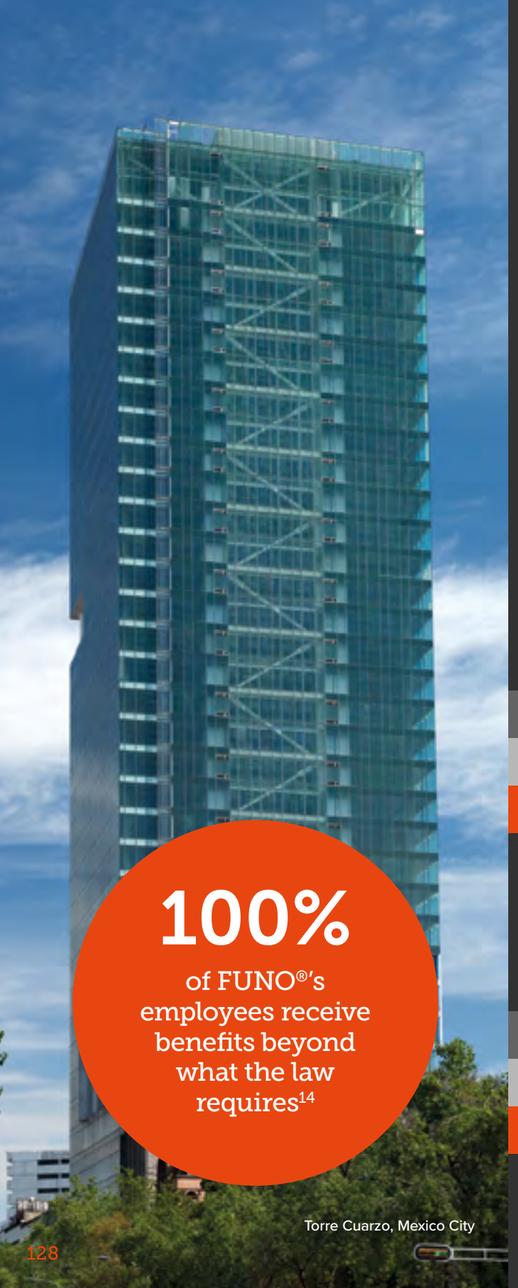
Performance evaluations

GRI 3-3
404-3

We have an institutional process for evaluating the performance of our employees, based on the SMART methodology. Each employee's performance is reviewed and annual goals are set; their performance-based bonus percentage is established based on the results of this process.

We evaluated the performance of 100% of our employees under a non-standardized scheme. In 2022, the evaluation process was audited and executed as a good practice, as well as a suggestion for evaluation. For 2023, we intend to systematize the process and make it mandatory for all employees in corporate headquarters.

Torre Mitikah, Mexico City



100%

of FUNO®'s employees receive benefits beyond what the law requires[14]

Torre Cuarzo, Mexico City

COMPENSATION

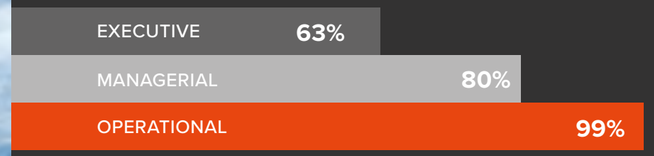
GRI 2-4, 3-3

GRI 201-3, 401-2, 405-2

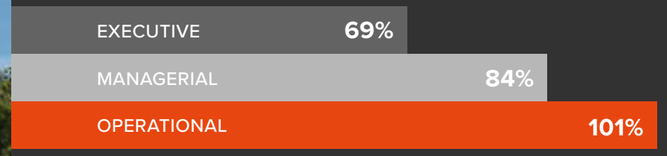
We want to ensure the overall well-being of our employees, so we offer competitive pay and benefits. All of our salaries are above the minimum wage established by Mexican law. Paychecks are given on time, and permit our employees to improve their quality of life.

Salary ratio of women vs. men

Basic salary



Basic salary + benefits and compensation



Compensation plan

The **annual bonus is linked** individually to **ESG goals,** depending on the role and rank of each employee within the organization.

[14]After a trial period.

Job satisfaction

In 2022, we once again surveyed employees to learn about how satisfied they were in the organization. The results show us that there is an overall perception of fair treatment, respect for diversity, support for equality and pride in belonging to FUNO®. We conclude that our human capital enjoys their work, feels an increasing commitment to the organization and feels motivated to achieve both individual and organizational goals.

778
employees participated in the GPTW survey in 2022

81%
confidence level

Torre Mayor, Mexico City

Employees who responded to the survey stated the following:

94%, say people are treated fairly regardless of their sexual preference or orientation

91%, say people are treated fairly regardless of sex

91%, say people are treated fairly regardless of ethnic group or race

90% feel proud when they see what we have achieved

89%, say people are treated fairly regardless of age

88%, say FUNO® is a physically safe place to work

87%, say the facilities constitute a good working environment

86% are proud to tell others that they work for FUNO®

86%, feel good about the way we contribute to society

85%, say leaders do their jobs honestly and ethically

Social Capital:
partnerships for development

"FUNO® has been a fundamental part of my personal and professional development. I have the confidence, pride and satisfaction that I belong to a solid company, with a high-level opportunities and social responsibility; this certainty means a positive attitude that allows me to take on new challenges and make better decisions."

Diana de la Vega Lazo

General Manager Fashion Mall Chihuahua
6 years, 6 months at FUNO®

Value added to the society as a result of Social Capital Management: 110.7 million pesos

Value distributed to the government 641.3 million pesos

CHAIN OF COMMAND

Goals

GRI 410-1

Area	Goal	Strategy	
Community Social responsibility	Increase and develop new social responsibility activities in our buildings and in corporate offices	• Provide continuing education to park employees in the north of Mexico State. • Create a monthly program of support and donations to vulnerable groups.	Ongoing
	Guarantee respect for human rights within and beyond FUNO®	• Design action plans to addressed human rights risks identified through the study.	2023
	Invest MXN160 million in social projects to generate positive impacts in at least 300 communities where we operate	• Put out annual "FUNO® helps You to Help" call for project submissions to receive financing. • Open the doors to our properties for civil society organizations to promote their causes (presence in shopping centers, art galleries). • In-kind donations.	2030

Area	Goal	Strategy	
Community FUNO® Foundation	Launch at least one initiative in each strategic line in 100% of the properties where we control operations.	All properties must carry out a community improvement activity in: • Education • Health • Environment • Social infrastructure	Ongoing
	• Increase number of educational initiatives supported by 20% • Devote 20 hours of corporate volunteer time to support educational work	• Create internal "FUNO® helps You to Help" network to encourage ongoing volunteer work among employees and publicize various social causes for them to support. • Increase the number of alliances and strengthen ties with various organizations and institutions.	2023
	• Support 10 health-related causes • Increase number of volunteer hours for health causes by 20% • Increase donations to health-related causes by 10%		
	• Increase the number of social initiatives supported by FUNO® Foundation by 10% • Increase the number of social organizations supported by 10%		

Area	Goal	Strategy	
Health and wellness	Promote health	• Encourage the adoption of healthy lifestyles by holding tournaments and sporting events and giving functional classes at FUNO® Center. • Hold campaigns and webinars and provide consultancy and advice on the use of major medical expense insurance. • Resume the health circuit.	Ongoing
		• Provide mandatory training to corporate and property leaders about psycho-social wellness.	Ongoing
		• Follow up on implementation of the action plan created in 2021 in the remaining 16 buildings identified as having medium, high or very high psycho-social risk. • Check improvement in employee perceptions in buildings that require improvements in healthy work environment.	2023
		• Comply fully with official measures to prevent the spread of COVID-19. • Continue applying the COVID-19 action manual and health protocols. • Guarantee social security in the value chain.	Ongoing
	Zero accidents	• Train 100% of personnel. • Hold emergency drills in 100% of the properties. • Introduce safety protocols in 100% of our properties. • Provide personal protection equipment to 100% of employees.	Ongoing

Area	Goal	Strategy	
Safety	Guarantee building safety	• Continue automating building access. • Reinforce safety controls inside and outside of buildings.	2023
Innovation	Improve tenants' and visitors' experience	• Provide accessibility and inclusion training to managers in our shopping centers, cleaning staff and security guards to ensure discrimination-free spaces.	Ongoing
Cybersecurity	Standardize security procedures	• Create and implement security policies and procedures on most common processes.	Ongoing
	• Guarantee security, integrity, and business continuity at FUNO® • Guarantee confidentiality, integrity and availability of FUNO®'s information assets	• Close the vulnerabilities reported in the annual analysis.	Ongoing
		• Introduce identification tools for security purposes.	2023
Supply chain	Trim supplier portfolio by 7%	• Successfully incorporate acquisitions or achieve expected synergies with suppliers that can benefit FUNO® operations. • Check that suppliers meet progress goals established in their contracts. • Prioritize current purchasing categories.	2023
	• Creation of contracts in the system • Optimizing purchasing area productivity	• Improve document management protocol, simplify and streamline information input and access to data.	2023
	Supplier certification	• Make companies who want to be FUNO® suppliers aware of the importance of setting their own certification goals. • Assist suppliers in this process.	2023

Our communities

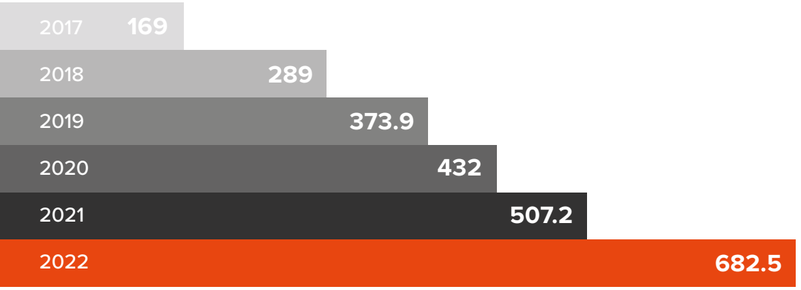
GRI 3-3
GRI 203-1, 203-2

We are convinced that, to help build more inclusive, sustainable societies, we need to support the development of communities where we operate, and to do this we believe health, education and resilient infrastructure are crucial for improving quality of life in Mexico.

Ambar Fashion Mall Tuxtla, Chiapas

Community engagement

GRI 2-28

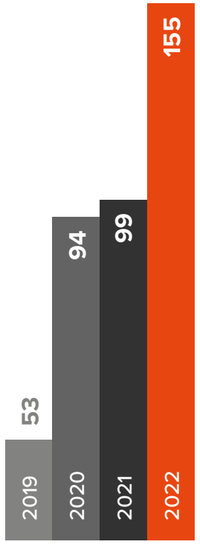


Accured financial donations (MILLION PESOS)

MXN
131.7
million pesos in social investment[15]

1,926
in-kind donations

In-kind donations



155
organizations supported

Organizations supported

[15] Includes: MXN110.7 million in financial donations and MXN21.0 million in-kind donations.

Organizations supported:

1. Cruz Roja Mexicana Texcoco
2. Ejército de Salvación, A.C. Hogar de Niños Chihuahua
3. Asilo de Ancianos / Junta de Caridad de Guaymas AC
4. Vive un mejor azul para México
5. IMSS Sonora
6. DIF Municipal
7. Periódico La Opinión
8. IMSS Baja California
9. Manitas Pintando Arcoiris
10. Banco Tapitas
11. Centro de acopio de Reciclaton, Delegación municipal Solidaridad de la Cruz Roja. DIF Municipal
12. Comisión de Derechos Humanos de la Ciudad de México
13. Educación para la paz
14. Municipio de Mérida
15. Orquesta Sinfónica con causa
16. Cruz Roja Mexicana Baja California
17. INE Chihuahua
18. Asociación Furales
19. Protección Civil, Bomberos y Guardavidas
20. IMSS Guerrero
21. Instituto de Salud del Estado de México
22. Dirección Cultural de Acapulco
23. IMSS Querétaro
24. Casa Hogar el Refugio
25. Escala Educación Musical
26. Fundación Innovación México
27. Cruz Roja Mexicana Playa del Carmen
28. CANACO
29. Casa hogar "Alfa y omega"
30. DIF (Nayarit)
31. CONAGUA
32. Agustín Custodio y su alto nivel
33. IMSS Tabasco
34. Academia Fabres
35. Acción Animal
36. Secretaría Nacional del Empleo
37. Adopta.MX
38. Secretaría de Salud Pública Chihuahua
39. Secretaría de Finanzas del Poder Ejecutivo del estado de Querétaro
40. Ayuda en Acción

Torre Duraznos, Mexico City

41. Special Olympics Mexico
42. Secretaría de Salud Pública Baja California Sur
43. Fundación ASAC
44. Perros en Adopción Cancún
45. T&S Studio
46. NRM Comunicaciones
47. Antonio Mendoza
48. Karina Gym
49. CCYTET (Consejo de Ciencia y Tecnología del Estado de Tabasco)
50. Artística Tabasqueño
51. Evelyn Citlali Tapia Ruiz
52. Cruz Roja Mexicana Querétaro
53. IMSS Ixtapaluca
54. Activistas de Hermosillo
55. Centro Metropolitano para la Prevención de la Contaminación y Gestión Integral
56. Starbucks
57. Cash Apoyo Efectivo
58. Cruz Roja Mexicana Cuatitlan Izcalli
59. Fundación Vuela
60. Casa de la Amistad
61. ISSSTE Regional Norte "Juarez"
62. Manos que sanan
63. Dirección de Juventud, H. Ayuntamiento Ixtapaluca
64. IMSS Chihuahua
65. Espiral Espacio Artístico Villahermosa
66. TKD Centro Panamericano
67. Secretaría de Seguridad Ciudadana CDMX
68. DIF Querétaro
69. Instituto Municipal de la Cultura y las Artes de Solidaridad (IMCAS)
70. Ballet Xocoyotzin
71. Colegio Salesiano
72. Locatarios Villahermosa, Tabasco
73. Yolanda Ramos
74. Mila Academia
75. Pablo Lazo
76. Colectivo de Artistas Tabasqueños
77. Secretaría de Cultura del Estado de Querétaro
78. Huellitas Cambiando Vidas Cancún
79. UNICEF
80. Ectagono

81. Dance studio
82. Secretaría de Bienestar
83. PROFECO
84. Ballet Dance Studio CDB
85. CONCANACO
86. Dirección General de Protección Civil Bomberos Ciudad Juárez
87. Instituto Moderno de Aprendizaje Superior
88. Taekwondo Panamericano
89. Plaza Sendero
90. Pedro Demóstenes Gutiérrez
91. Ninjato
92. Enlace Distrofia Muscular
93. IMSS Ciudad de México
94. ACNUR
95. DIF del estado de Chihuahua
96. Ejército de Salvación, A.C. HOGAR DE NIÑOS Yucatán
97. Liverpool Nayarit
98. Tribu Mommiz
99. Instituto Municipal para la atención de la Juventud (IMJUVE)
100. Academia de música Amadeus
101. Instituto Yucateco de Emprendedores (IYEM)
102. GHOSTS dance Academy
103. CANACINTRA Yucatán
104. Secretaría Desarrollo Sustentable Yucatán
105. CRIT Yucatán
106. Grupo Sentimiento Bohemio
107. Secretaría De Seguridad Y Protección Ciudadana
108. Promostar
109. Concierto Por La Paz
110. Un kilo de Ayuda
111. International Fundraising
112. Save the Children
113. OXFAM
114. Médicos sin fronteras
115. Elige México
116. Productores Locales
117. Aldeas Infantiles SOS
118. Greenpeace
119. Niños por la ciencia

Portal San Ángel
Mexico City

120. One Voice
121. Child fund
122. Únete
123. Blooders
124. Asociación Mexicana de lucha contra el cáncer
125. Aquí Nadie se Rinde
126. UNOC
127. Petco
128. Cruz Roja Mexicana Ciudad de México
129. Fundación Tláloc
130. Alex Rodarte Artistas
131. Bécalos
132. Alejandro Dorantes
133. César Menchaca
134. Bárbara Antolinni / Grace Keller
135. Personas beneficiadas con concentradores
136. Asilo Primavera
137. Casa Hogar Nuestra Señora de la Paz
138. Dar es más que ayudar
139. Yarika creación sin límites
140. Fundación Hogar Dulce Hogar
141. Gobierno del Estado de México
142. Manantial de vida AC
143. APAC
144. Fundación "Te queremos ayudar"
145. Reinserta
146. Cruz Roja Mexicana
147. Ríos Tarango (Ectagono)
148. Pro ayuda a la mujer origen
149. AMPIP
150. Instituto Tecnológico y de Estudios Superiores de Monterrey
151. Pacto Mundial
152. Cemefi
153. Kadima AC
154. Centro de Documentación e Investigación Judío de México
155. Sociedad de Beneficencia Alianza Monte Sinaí IAP

149 social initiatives
in our properties

846,712
total beneficiaries
in 2022

MXN1.2 million
donated
to Think Tanks

Social investment

GRI 413-1

FUNO® remains deeply committed to the United Nations Sustainable Development Goals (SDG)

FUNO® remains deeply committed to the United Nations Sustainable Development Goals (SDG), and we strive to bring value to communities through projects that improve local health, education, environmental care, jobs and infrastructure. In 2022 Fundación FUNO® supported various projects, among them:

A donation to the Asociacion Pro Personas con Parálisis Cerebral (APAC), to purchase an exoskeleton for therapeutic stimulation of child patients.	Alliance with REINSERTA to finance the “Sobrevivientes” project, providing pscychologcal and legal support to minors who have been victims of violence, in our country and their caregivers.
CONTRIBUTION: MXN1.5 MILLION	CONTRIBUTION: MXN3.7 MILLION
Donation to the Mexican Red Cross (Delegación Lázaro Cárdenas, Tlalnepantla, Mexico State) to fund remodling of the operating room, emergency room and hospital area and ensure dignified, quality medical care.	Support for various organizations like Te Queremos Ayudar”, which supports children who are burn patients; “Aquí Nadie se rinde,” “Casa de la Amistad” and “Fundación Vuela,” providing comprehensive assistance for children with cancer.
CONTRIBUTION: MXN4.6 MILLION	CONTRIBUTION: MXN13.6 MILLION

Additionally, we continue to support civil society organizations by providing spaces for them and including a new concept of gallery space in our shopping centers where they can let people know about their causes.

Health and well-being

Within FUNO®

GRI 3-3
GRI 403-3, 403-4, 403-5, 403-6, 403-7

FUNO® supports the health and well-being of its employees, and in 2022 we expressed this support through various initiatives:

Industrial Park
Monterrey Guadalupe,
Nuevo Leon

Health

- Flu vaccine campaign in partnership with the IMSS
- Continuing to offer health benefits like major medical expense, dental and life insurance
- Health talks on using major medical expense and dental insurance benefits
- Promotion of oral health
- Health policies that include direct family members—spouses and children—for all corporate employees and property staff
- Webinar on breast cancer prevention
- Training on COVID-19 prevention
- Talks on identifying anxiety disorders, prevention of workplace violence and definitions of job stress and burnout
- Remote and in-person consults with general physicians, pediatricians and nutritionists, free to all corporate employees and their direct dependents

Well-being

- Survey to identify cases of stress, anxiety, grief, depression, etc.
- Agreement on psychological counseling by phone
- Flexible work hours
- Agreements with fitness clubs
- Agreements for discounts on childcare close to the workplace
- Communication channel for receiving reports of psycho-social risk

Civil protection

- Training in:
  - First aid
  - Civil protection legal framework
  - Fire prevention

- Formation of brigades
- Safety and Hygiene Commission courses
- Course on Ministry of Labor regulations for building leaders within 3 months of hiring
- Safe condition check at workplaces

We protect our employees' confidentiality in various ways:

- An external broker to provide advice or follow-up in major medical expense insurance inquiries

- Two staff members specialized in monitoring cases involving employee physical and mental health

- External consultant in mental health to guarantee doctor-patient confidentiality

- Psychologists, nutritionists and physicians included in health policy coverage who guarantee the confidentiality of the beneficiary

- Privacy notice and confidentiality agreement for each employee (signed at the moment of hiring)

Indicators

GRI 3-3
GRI 403-1, 403-2, 403-8, 403-9, 403-10

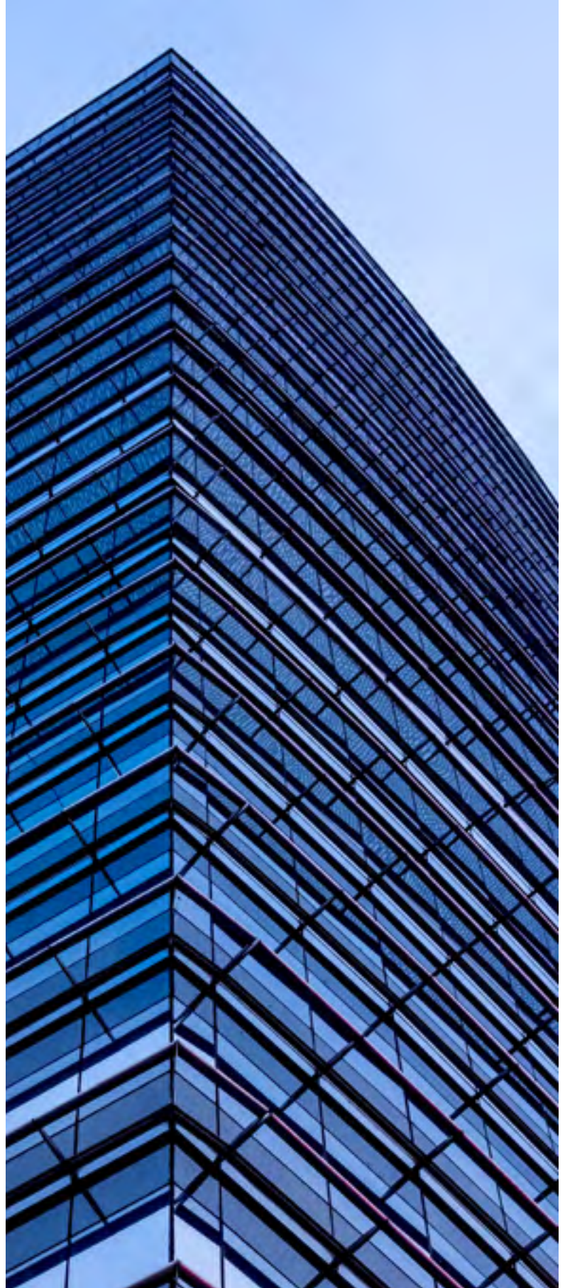
Indicator	FUNO® Employees	Specialized service providers
Number of accidents	2	14
Number of fatalities	0	1
Disabling injury rate	122.44261	488.14671
Work-related fatality rate	0.001001	0.00146
Recordable injury rate	0.01602	0.0204
Number of work-related illnesses	0	0
Absentee rate	0.00781	0.02416
Number of total work-hours	2,354,445	1,635,736

Notes:

- Main types of work-related injury for FUNO® employees and specialized service providers: falls and accidents.
- Rates calculated based for each 200,000 work-hours.

We have a management system applicable to FUNO® employees and specialized service providers.

Work-related incidents in 2022 directly cost employees and the organization MXN298,154.98, including actions taken by the authorities, property damage, health care and indemnification paid to employees. 31.7% of this amount related to accidents involving FUNO® employees, and 68.3% specialized service providers.



1,232 employee[16]
participations in
health and safety training

3,201 work-hours
of health and safety
training average
of 2.6 hours
per employee

[16] Including specialized service providers. Out of the total employee participations in health and safety training, 797 were FUNO® employees (1,226 hours/person) and 435 were specialized service providers (1,975 hours/person).

Well-being program

GRI 2-27

Our Policy on Prevention of Psycho-Social Risks and Promotion of Well-Being aims at establishing, developing and putting in place the necessary protocols for generating and maintaining positive working conditions so that we can foster a culture of holistic health and well-being for employees throughout the organization.

One way we do this is by following regulations established by the Ministry of Labor and Social Planning (STPS) that guide us in identifying, analyzing and preventing psycho-social risk in every workplace.

Based on these regulations, we conduct a bi-yearly survey to identify psycho-social risks. The last was taken in 2021; in 2022, twenty of our properties completed the action plans to mitigate the identified risks.

Furthermore, based on the results of the latest survey, we created training plans for leaders, a refresher on effective feedback for property leaders, and steps for mitigating and avoiding seven psycho-social risk factors: working conditions, lack of control over one's job, workloads, excessive working hours, interference in work-family relations, negative leadership/negative relations, and workplace violence. After completing the training, leaders took an exam and were required to pass with an 80% grade. This ensures the effectiveness of the training.

We also have a communication channel at bienestar@fibrauno.mx, through which employees can report conduct involving one of the above-mentioned factors. In 2022, we received seven reports, which were analyzed, addressed and resolved by the Well-Being Committee.

Punta Santa Fe, Mexico City

100%

of the Steering Committee members received training in psycho-social wellness

100%

of property leaders received training in psycho-social wellness

528 work-hours of training in psycho-social wellness **given to 210 property leaders 2.5 hours average** per employee

In 2022, our efforts to support stakeholder well-being took a number of forms, among them:

484

people received diversity and inclusion training, extending to security and cleaning services

Ecosystem restoration, like construction of the Barranca de Tarango reservoir in Mexico City, for the constant infiltration of

580,000

liters of water to the subsoil

Samara, Mexico City

FUNO® Foundation

GRI 3-3

We want to boost capacities in the communities where we operate, create value and contribute significantly to improving their quality of life, so that we can fulfill our goal of being a source of positive transformation for the environment and lives of hundreds of families.

CHAIN OF COMMAND

FUNO® Foundation Strategy

Society

We forge alliances with other organizations to support education and contribute to the development of Mexican communities.

Education

Our goal is to advance learning in all trades, from building and operation through spaces for talent development.

Infrastructure

We promote communities' optimum development, through sustainable, resilient infrastructure, supporting local economies.

Strategic alliances

To learn more about FUNO® Foundation's actions, visit: https://funo.mx/ESG-sustainability/foundation.

Our tenants

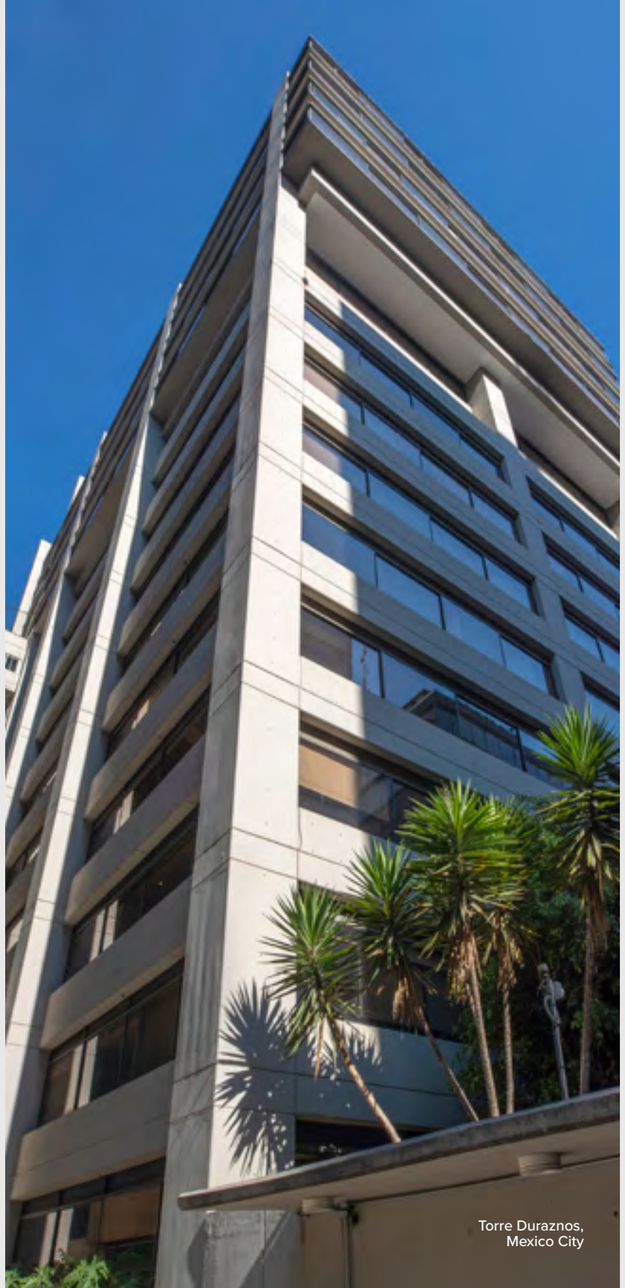
Tenant engagement strategy

IF-RE-410a.3

A cooperative, harmonious relationship with our tenants is fundamental for generating value in all our properties, which is done by applying best ESG practices.

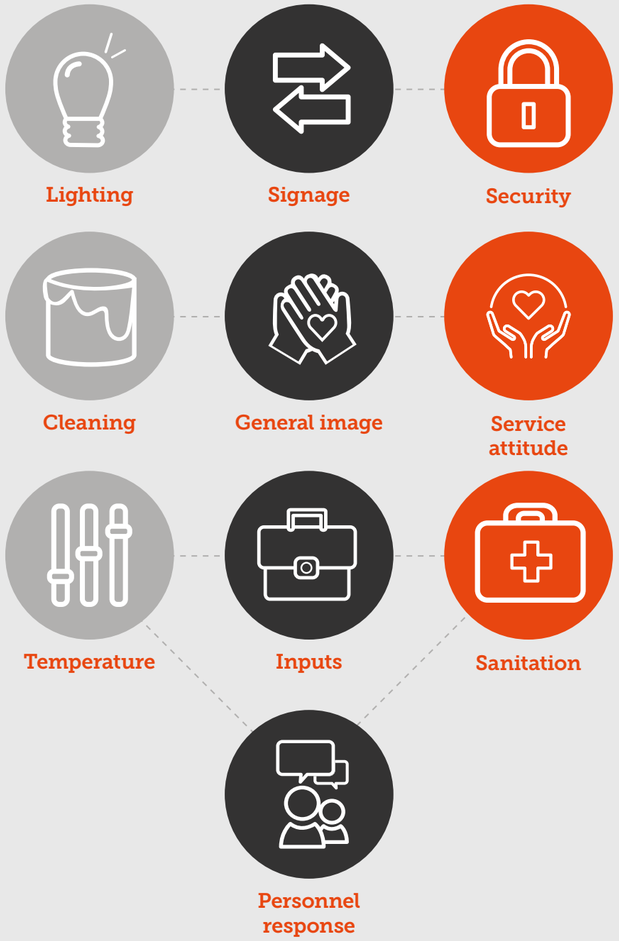
These practices enable us to reduce energy and water consumption and GHG emissions, apply human rights operating and action protocols, foster social inclusion and prevent risks, together with service providers (security and cleaning) in our properties, to positively impact quality of life and well-being of employees, tenants and visitors.

We stay in touch with our tenants to learn about aspects like their consumption of diesel, gasoline, natural gas, and energy, and their management of waste, water and emissions. This information helps us pursue our goal of cutting down on emissions and creating a better strategy for reducing our own carbon footprint.



Torre Duraznos, Mexico City

In 2022, we conducted our annual tenant survey, touching on the following topics:



We obtained an overall satisfaction rating of 84.8%, based on responses from 58% of our tenants who occupy 10% of our Gross Leasable Area (GLA).

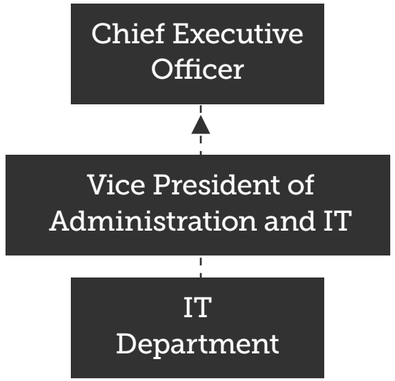
Cybersecurity and data protection

GRI 3-3

FUNO® is committed to the integrity, availability and confidentiality of information. We have processes and strategies for minimizing the attack surface based on a set of policies, procedures and best practices in risk management, incident control, infrastructure changes and security reinforcements, grounded in international standards like NIST, CERT and ISO 27001.

We have a Business Continuity Plan (BRP) and a Disaster Recovery Plan (DRP), the latter implemented in 2016 and tested every three months. To date, all scenarios have been satisfactory.

CHAIN OF COMMAND



The Technical Committee regularly received information through the Audit Committee on cybersecurity issues and events throughout the organization. The Chief Executive Officer, assisted by the Vice President of Administration and IT, reviews and approves the cybersecurity strategy proposed by the IT area, which has a thorough knowledge of security tools and executes security plans, handles minor contingencies and creates the disaster recovery plan.

Our cybersecurity and data protection initiatives in 2022 were as follows:

We engaged an independent consultant to conduct an internal and external perimeter security check according to the policy on analysis of vulnerabilities.

We conducted a social engineering exercise.

We introduced various resources to bolster systems security:

- Business Email Compromise (BEC) protection tool, which also protects against ransomware and spam.
- Unified cybersecurity platform for detection and high-level investigation of security events.
- Hardware and software-based encryption solution for protecting laptop and desktop computers.
- Cloud application security.

Also, to raise all of our employees' awareness about IT security, the use of technological tools and software, we have deployed policies, procedures and banners on the corporate Intranet.

At the close of 2022 we were working on a policy on minor contingencies and developing various security tools that we plan to install in 2023, such as:

Event correlator

Security event organizer and automated response

Technology for granular control of devices that can access the network

+MXN8.2 million invested
in cybersecurity

This set of actions has reinforced the confidentiality, integrity and availability of our information assets, through tools for management, access control, log correlation and other tools. These serve to strengthen the trust of employees, investors, analysts and other external stakeholders.

In 2022 a cybersecurity incident occurred, but it was contained in accordance with our incident response policy and best practices recommended by the manufacturer of the tool involved; there was no impact on the availability, confidentiality or integrity of our information.

Our supply chain

GRI 2-6, 3-3
GRI 204-1, 308-1, 308-2, 414-1, 414-2

Supply chain management is a strategic activity for FUNO®, because we guarantee operating continuity through supplier network management. The central goals of our purchasing model are:

- To guarantee that we are supplied with high-quality goods and services
- To create and update policies, procedures and tools for planning supplies, negotiations and purchases
- To maintain long-term relations with our suppliers to improve the cost-benefit ratio of negotiations for the products and services acquired
- To reinforce a culture of communication based on transparency and integrity, which reflects our goals and the well-being of its suppliers

680
active suppliers

Our supply chain encompasses 36 categories of purchases, distributed into two types of suppliers:

Level 1	Level 2
Suppliers essential for building operation: security, cleaning, maintenance, and utilities.	Suppliers that provide other services, like consultants and other non-critical goods.

The geographic zones where most of our suppliers and contractors are located are:

- Mexico City
- Bajío
- North
- South
- Gulf of Mexico

We have a supplier development program whose goals are:

- Transforming business relations between the anchor company and its suppliers
- Creating mutual benefits with a “win-win” approach
- Improving companies’ competitiveness along with the quality of their products and/or services
- Boost the competitive capacities of strategic industries by strengthening our productive chain

The benefits of this program translate into effective supplier communications, cost reduction and competitive prices.

In 2022 we took various actions to improve our supply chain management, including:

- Control of supplier registry process
- Independent audits
- Trimming the supplier portfolio
- Control of purchase requisitions

Close to MXN1.25 billion paid to suppliers; 100% paid to local suppliers

Escato, Centro Operativo, State of Mexico

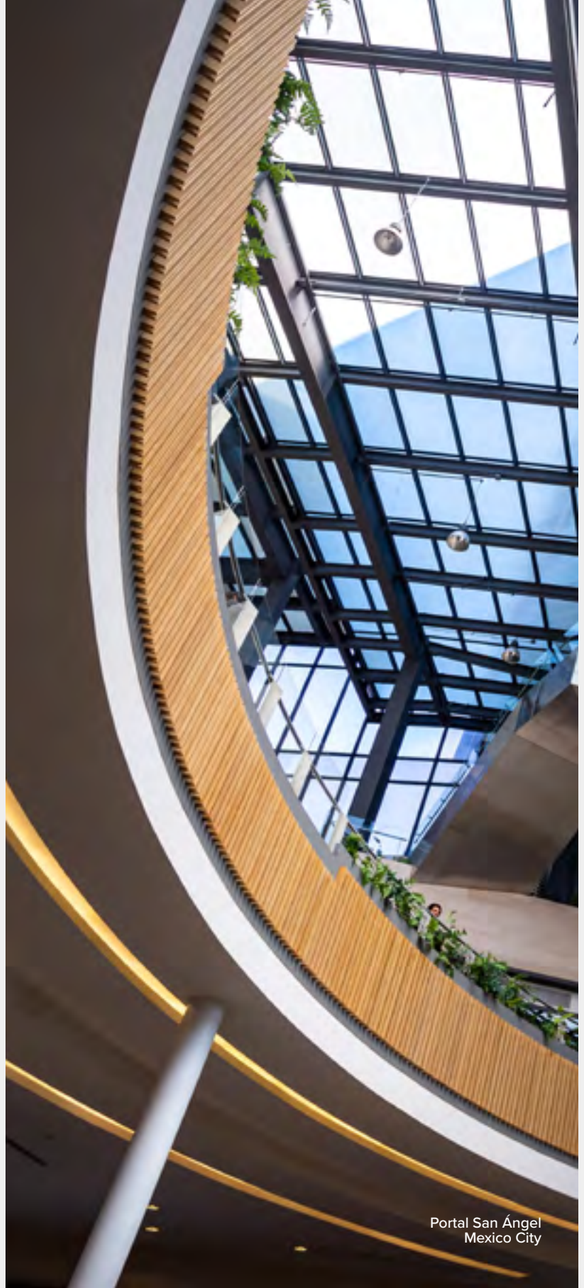
Supplier selection

GRI 3-3
GRI 407-1

When selecting our suppliers, we consider various factors: their area of business and experience, cost, delivery time and payment conditions. To learn about how well they perform according to contract and their quality, we ask for references from their existing clients.

We closely monitor risks in our supply chain, and have mapped a number of them, including:

- Non-compliance with FUNO® labor practices by security, cleaning and landscaping service suppliers
- Discriminatory acts
- Breach of environmental regulations



Portal San Ángel
Mexico City

100%

of our suppliers meet ESG requirements

As part of the selection process, all suppliers must meet a series of ESG requirements, among them:

Environmental criteria

- Environmental management plan or certification.
- Waste management policy.
- Program for recycling or reuse of products or packaging.
- Environmental certification.
- Monitoring carbon footprint according to national or international guidelines.

Social criteria

- Labor responsibility.
- Social security for employees.
- Avoid hiring minors.
- Employee training in human rights and ethics.
- Analysis of psychosocial risks.
- Policies on diversity and inclusion.

Governance criteria

- Signing of supplier guidelines:
  - Anticorruption clause
  - Respect for and alignment with the Universal Declaration of Human Rights
  - Alignment with our Code of Ethics
  - Anticorruption and money laundering prevention programs
  - Personal data protection
  - Audits
  - Whistleblower's hotline
- Certification of compliance from tax authority to guarantee correct and transparent payment of taxes.

All of our contracts include an anticorruption clause, which states suppliers' commitment to FUNO®'s corporate values and includes a set of instructions and process definitions, backed by training and communication measures. This ensures collective action and an ongoing process of learning, adaptation and improvement.

Additionally, each supplier recognizes that its suppliers in turn respect and comply fully with all anticorruption and money-laundering laws and regulations, including all applicable national laws: the Criminal Code, the Federal Law on Prevention and Identification of Transactions with Illegally Obtained Resources and its secondary regulations; international treaties and conventions like the Inter-American Convention against Corruption, the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention Against Corruption.

Patio Hermosillo, Sonora

Supplier certification

In 2022 we began the work of creating a supplier certification process. Among the requirements suppliers must meet in this process are:

Effective and efficient management of processes to supply services that meet the requirements of the internal client	Initiatives for the development of their employees through training and awareness-building, to ensure they are competent in the performance of their duties
Prevent environmental damage by identifying and controlling the environmental aspects of their operations	Efficient management of assets through a strategic plan that includes technical and financial data for making informed decisions based on cost risk and performance

All companies who wish to be FUNO® suppliers must meet these requirements for certification, and must share the goals of our organization. In 2023, we will deploy a broad-based strategy for reinforcing decision-making, assisting suppliers in the implementation of best practices and making them aware of the mutual benefits to be gained from this process.

Natural Capital:
Surpassing our goals

"I am so proud of being part of FUNO®; we are a driver to considerably contribute to Mexico's growth in aspects that had been previously abandoned."

Luis Antonio Rodríguez

Senior Treasury Analyst
7 years, 9 months at FUNO®

Value added to the society as a result of Natural Capital management: MXN512 million

CHAIN OF COMMAND

- Audit Committee
- Chief Executive Officer
- Sustainability Committee
- Energy Committee
- Manager of Environment and Climate Change
- Property managers
- Property administration
- Property maintenance

Goals

Area	Goal	Strategy	
Energy	Optimize energy consumption	• Install high-efficiency technology. • Upgrade equipment for more efficient energy consumption. • Automate and control energy in properties. • Adjust property meters.	2023
	20% renewable energy in our properties	• Projects to generate and/or acquire renewable energy. • Seek out renewable energy suppliers with low-risk contracts. • Install equipment and technology compatible with biofuels. • Install solar panels.	2030
Water	Reduce m^3 of water consumed per occupied sqft by 30%	• Continue reviewing facilities to avoid leaks. • Introduce high-efficiency technologies to reduce and optimize consumption.	2030
Waste	Zero trash	• Continue tenant awareness campaign. • Apply manual and roadmap for waste management. • Classify waste and align metrics. • Optimize management of solid waste and batteries. • Install special containers for recovery and separation of solid waste. • Recycle paper and cardboard in industrial parks. • Replace pine used in benches with recycled material. • Continue providing training on waste separation stations at corporate headquarters.	2030

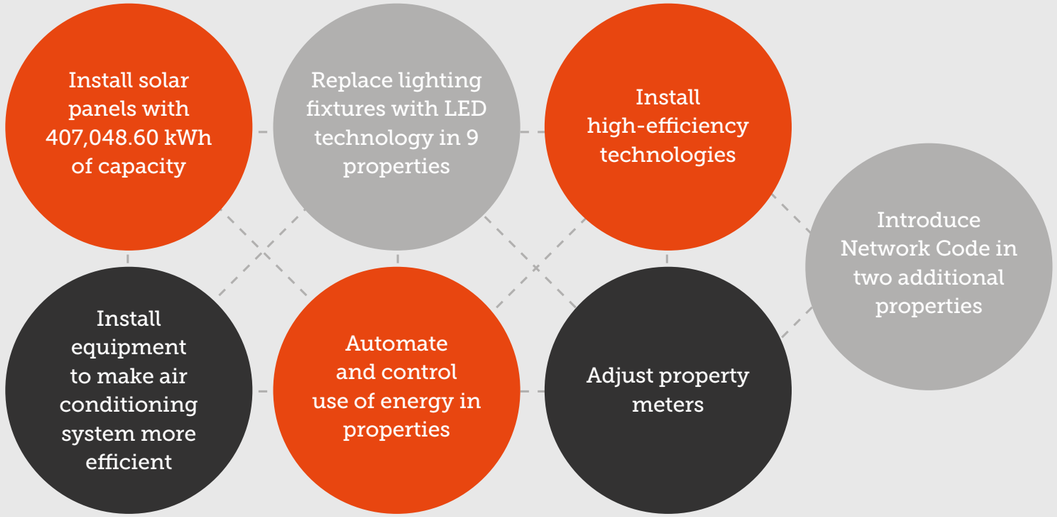
Area	Goal	Strategy	
SBTi emissions	Reduce metric tons of CO_2e by 67%	• Reduce electrical energy consumption. • Install technologies with high energy efficiency. • Onsite renewable energy generation. • Zero trash strategy. • Reforestation and maintenance of green areas.	2030
Conservation	Regenerate 5 ecosystems	• Monitor Barranca de Tarango reservoir in México City. • Regenerate traditional floating-island farms and clean canals in Xochimilco, Mexico City.	2030
Certifications	Certify 47.4 million sqft by LEED, BOMA or EDGE = 37.7% of GLA	• Retrofit assets. • Remodeling and repairs. • Install more efficient lighting technology. • Optimize vertical transport. • Design spaces with natural lighting. • Adjustments to allow for natural ventilation. • Provide tenant training. • Introduce new waste collection and separation practices. • Implement operating practices.	2030

Hilton Vallarta, Jalisco

Energy management and efficiency

GRI 3-3
GRI 302-1, 302-2, 302-3, 302-4, 302-5, CRE1
IF-RE-130a.2, IF-RE-130a.5, IF-RE-410a.2, IF-RE-410a.3

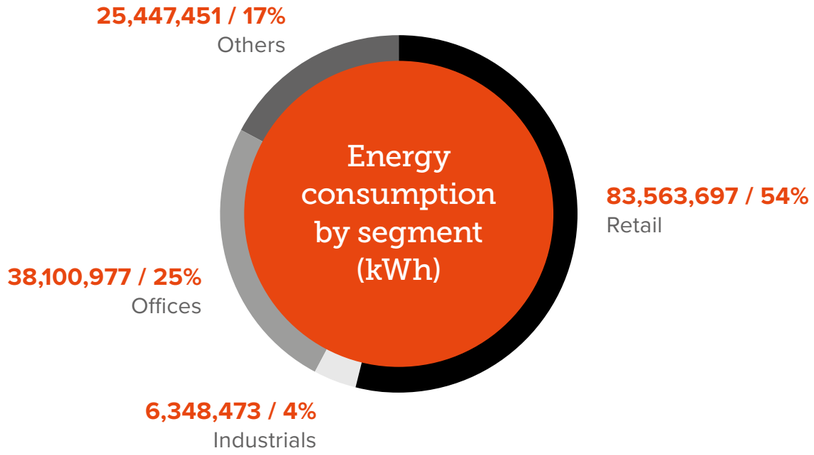
2022 Initiatives



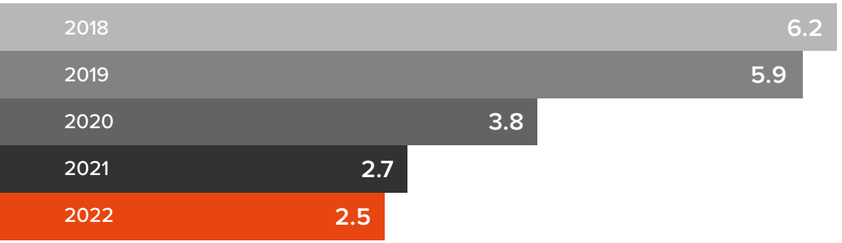
Electric energy consumption
(kWh)

Notes:

- In 2022, the company consumed 153,460,598.4 kWh of electricity in properties in which FUNO® controls operations. Another 3,971,936 kWh were registered in independently managed properties.
- 100% of electricity consumed in 2022 came from the public grid.



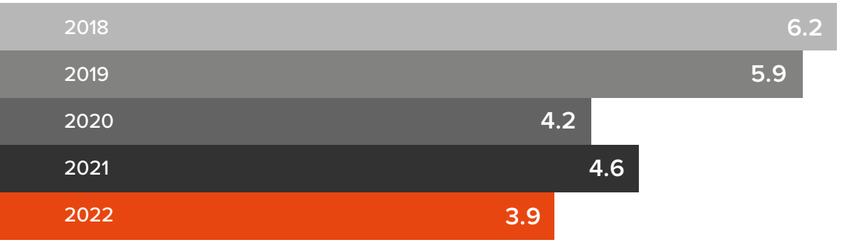
Global energy intensity
(kWh/occupied sqft)



Note. Global energy intensity from 150 properties totaling 61,502,541.8 occupied sqft.

-59.8%
in global energy intensity vs. 2018

Energy intensity in relation to syndicated revolving credit linked to sustainability
(kWh/occupied sqft)



-37.3%
in energy intensity in relation to our sustainability-linked credit vs. 2018 (baseline)

Notes:

- The sustainability-linked revolving syndicated loan was taken out in 2019 for a term of five years; it was signed with 11 financial institutions.
- This commitment includes the performance of 110 properties. in which FUNO® has operational control, comprising 33,475,273.8 occupied sqft.

Torre Reforma Latino, Mexico City

2022 fossil fuel consumption

Fuel	Properties where FUNO® has operational control (GJ)	Properties managed by third party (GJ)
Diesel	341.6	-
LP gas	408.0	6,475
Natural gas	6,455.2	-
Gasoline	10.9	-
Total	7,215.7	6,475

Note. 2,004,363 kWh from non-renewable sources in properties in which FUNO® controls operations.

MXN21.2 million invested
in energy efficiency management

To learn more about our energy initiatives, visit https://funo.mx/ESG-sustainability/eco-efficient-operations/energy. FUNO® has only one energy supplier, which in its public report states that 38.7% of the energy it produces comes from renewable sources (hydroelectric, nuclear, geothermal).

CuautiPark II, State of Mexico

Water stewardship

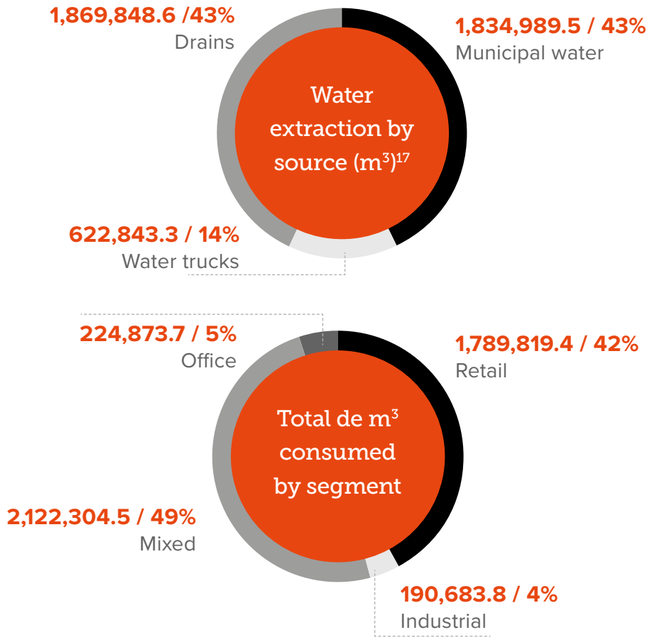
GRI 3-3
GRI 303-5, CRE2
IF-RE-140a.2, IF-RE-140a.3, IF-RE-140a.4, IF-RE-410a.2

In 2022, FUNO® consumed 4,327,681.5 m³ of water, of which 66,245.6 m³ were consumed in zones of high or very high water stress, equivalent to 2% of the total consumption in our portfolio, over a surface area of 3,279,273.26 sqft, equivalent to 3% of the total portfolio.

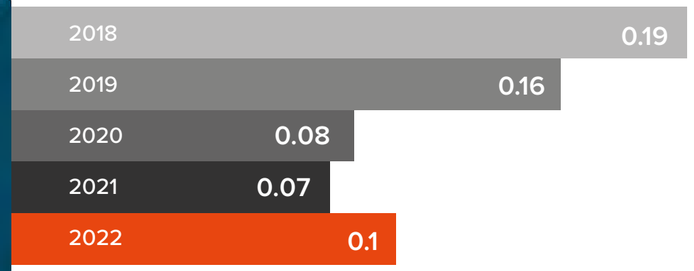
2022 initiatives

- Reconditioning of wastewater treatment plants (WWTP) at 2 properties
- Creation of an inventory of WWTP laboratory tests and analysis
- Automation of water discharge calculation
- Continuing review of facilities to avoid leaks
- Introduction of high-efficiency technologies to reduce and optimize consumption

For more information about water stewardship at FUNO®, visit: https://funo.mx/ESG-sustainability/eco-efficient-operations/water.



Water intensity
(m³/occupied sqft)



28 wastewater treatment plants operating

336,686.9 m³ of treated water[18]

MXN14.1 million invested in water management

-49% in water intensity vs. 2018

[17] Water consumption includes 140 properties under our operational control, equivalent to a GLA of 50,708,456.3 sqft or 42% of our total GLA. An additional consumption of 10,323 m³ of water is reported from 63 properties operated independently, equivalent to a GLA of 11,289,481.9 sqft.

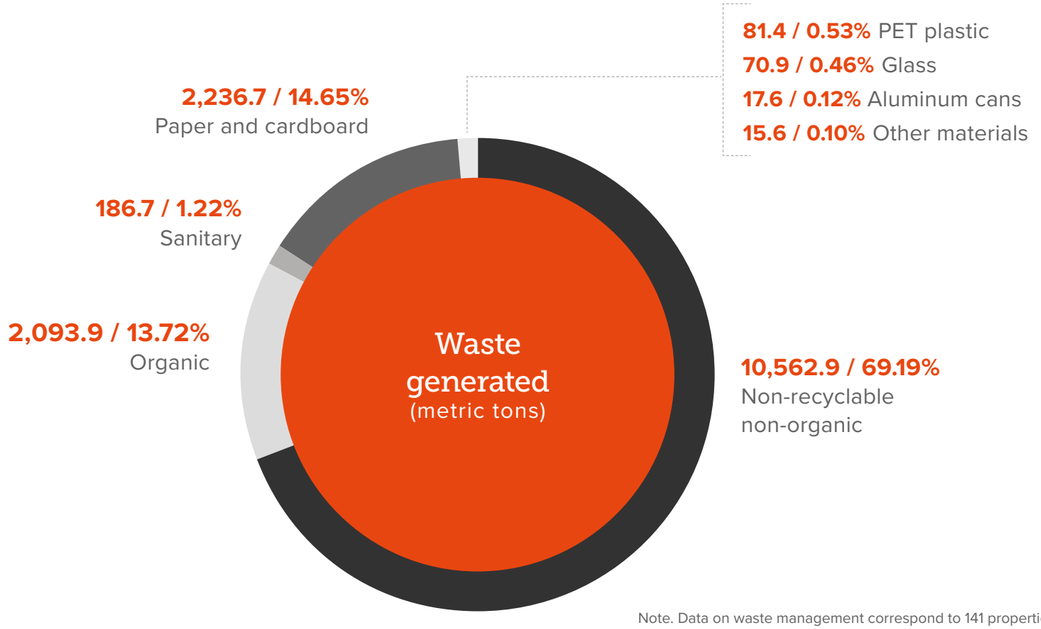
[18] The volume of water treated corresponds to 28 properties whose operations are directly controlled by FUNO®, representing 8,866,151.2 sqft of GLA. Another 3,767.6 m³ of treated water was registered in 8 properties that are independently managed, covering 2,546,171.5 sqft of GLA.

Waste management

GRI 3-3
GRI 306-3, 306-4, 306-5

In 2022, our properties generated 15,265.5 metric tons of waste.

2022 initiatives



Note. Data on waste management correspond to 141 properties whose operations are controlled by FUNO®, equivalent to a GLA of 30,563,982.1 sqft.

In properties operated independently, 113.2 metric tons of waste were generated, 105.8 metric tons of which were inorganic and 7.4 metric tons were hazardous waste.

Waste disposal is not done directly by the properties; they engage outside suppliers who are responsible for the final disposal of the waste in landfills.

2,203.7 metric tons of waste recycled; 14.4% of the total

MXN14.5 million invested in waste management

To learn more about our waste management initiatives, visit https://funo.mx/ESG-sustainability/eco-efficient-operations/waste.

Climate change strategy

GRI 3-3

Our strategy for managing our carbon footprint and dealing with climate change is organized into three areas:

Emission reduction

Reducing emissions by improving our buildings' energy efficiency and optimization.

Emission monitoring

Each property reports its data and documentation on an internal platform on a monthly basis, which produces a database that, together with our GHG emissions calculator, enables us to monitor GHG emissions generated and measure our consolidated annual carbon footprint.

Prevention of climate-related risk

We evaluate climate-related risks, specifically analyzing our properties' vulnerability to risks such as: rising medium/average global temperatures, flooding, water availability, and changing sea levels.

Additionally, there are action protocols in place for each of our properties to deal with the possibility of extreme meteorological phenomena. These protocols are continually strengthened and updated to ensure our properties' resilience to such effects.

In order to contribute to the transition toward reducing the pollution that comes from combustion engine automobiles, we are working together with several automotive firms to install charging stations where electric vehicles can be charged at our properties.

102

charging stations for electric vehicles in our properties

To learn more about our climate change strategy, visit: https://funo.mx/ESG-sustainability/eco-efficient-operations/climate-change/strategy#emissions-monitoring.

Carbon footprint management

GRI 3-3
GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, CRE3

We calculate our carbon footprint on the basis of the following data:

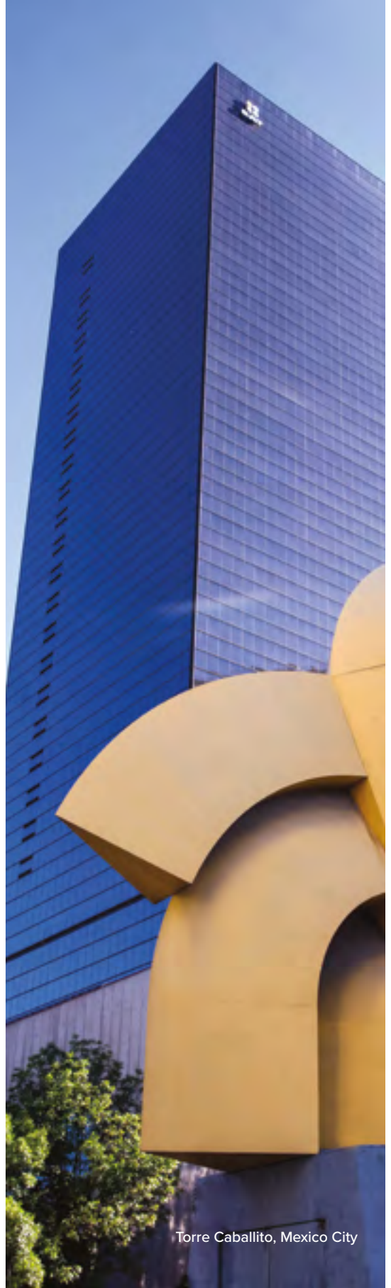
Operation of properties in the various business segments

Sources of carbon emissions, such as:

- Electricity consumption
- Diesel consumption
- Natural gas consumption
- Refrigerants
- Business travel
- Commuting

Other factors such as:

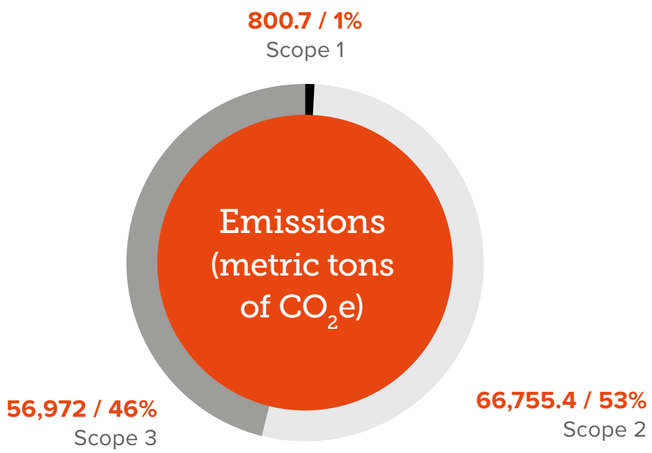
- Climate conditions
- Building design
- Construction materials used
- Segment
- Number of visitors
- Tenant practices
- Energy sources



Torre Caballito, Mexico City

2022 initiatives

- Reduced electrical energy consumption
- Installed high energy-efficiency technologies and onsite renewable energy generation
- Zero-trash strategy
- Reforested and maintained green areas



In 2022, we emitted **67,556.1 metric tons of CO_2e**[19]

Note:

- Our Carbon footprint is made up of the following sources of emissions:
  - Scope 1: Consumption of fossil fuels, refrigerant gases and emissions produced by our wastewater treatment plants.
  - Scope 2: Consumption of electrical energy.
  - Scope 3: Leased assets, goods and services acquired, associated with energy use, waste disposal, employee commuting, business travel and independently operated assets.
    Scope 3 emissions totaled 56,978.8 metric tons of CO_2e, divided into the following categories: Leased assets (27,144.4 metric tons of CO_2e), Goods and services acquired (1,505.7 metric tons of CO_2e), associated with energy use (18,158.1 metric tons of CO_2e), waste disposal (7,688.1 metric tons of CO_2e), employee commutes (213.6 metric tons of CO_2e), business travel (90.8 metric tons of CO_2e) and independently operated assets (2,178.1 metric tons of CO_2e).

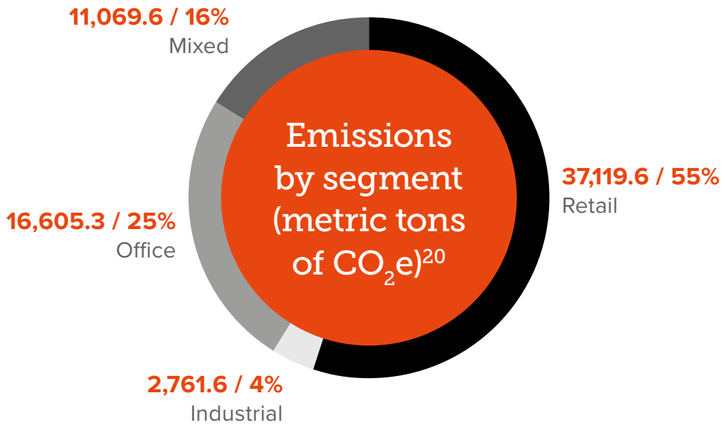
[19]Includes Scope 1 and 2 emissions.

Fuel type (Scopes 1 and 2)

Fuel	CO_2 (metric tons of CO_2e)	CH_4 (metric tons of CO_2e)	N_2O (metric tons of CO_2e)	HFC (metric tons of CO_2e)	Total (metric tons of CO_2e)
Electric energy	66,755.4	-	-	-	66,755.4
Diesel	25.3	0.029	0.054	-	25.4
Dry gas	362.1	0.181	0.171	-	362.5
Gasoline and naphtha	0.8	0.001	0.002	-	0.8
LP gas	25.7	0.011	0.011	-	25.8
Refrigerants		-	-	382.6	382.6
WWTP		3.7	-	-	3.7
Total	67,169.3	4.0	0.2	382.6	67,556.1

Notes:

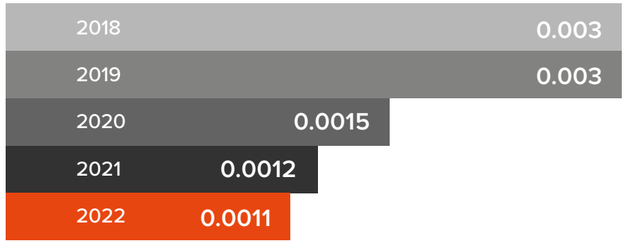
- Based on the calculation method recommended by the Greenhouse Gas Protocol, using emission factors, global warming powers[19] and heating powers published by the Mexican Ministry of the Environment and Natural Resources (SEMARNAT); this applies to scope 1 and 2 emission calculations. The emission factors used for scope 3 emissions are based on US Environmental Protection Agency (EPA) references.
- For electrical energy, we used the emission factor of the National Electrical System.



To learn more about how we monitor our emissions, visit: https://funo.mx/ESG-sustainability/eco-efficient-operations/climate-change.

[19] The global warming powers pertaining to CO_2, CH_4 and N_2O, are based on the IPCC Fifth Assessment Report.
[20] Includes Scope 1 and 2 emissions.

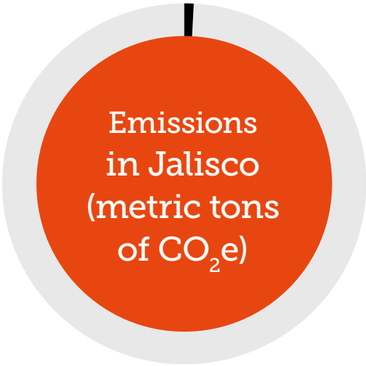
Emissions intensity
(metric tons of CO_2/occupied sqft)



Note: emissions intensity includes only scopes 1 and 2.

-67%
in emissions intensity vs. 2018

Climate Alliance Jalisco



6,859.7 metric tons of CO_2e emitted in Jalisco in 2022

Industrial capital: sustainable, inclusive cities

GRI 3-3
GRI 416-1, CRE8

IF-RE-130a.5

Ámbar Fashion Mall, Chiapas

CERTIFIED PORTFOLIO

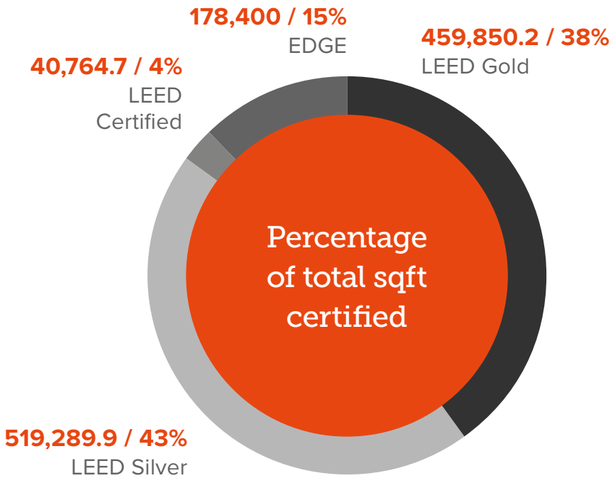
Our properties are the foundation of our business, which is why we are especially concerned about aspects of sustainability throughout their lifecycle. This includes every phase from development, design and acquisition though their possible sale, by way of management, maintenance and operation.

In this latter phase, which is the most significant when it comes to measuring a property's environmental footprint, we focus on reducing energy and water consumption, and on minimizing or mitigating our atmospheric emissions and solid waste generation.

AT THE CLOSE OF 2022, WE HAD

12,522,914 a sqft

in LEED, BOMA, EDGE and Well certified properties



Biodiversity

GRI 3-3
GRI 203-1, 203-2, 304-3, 304-4, 413-1

In 2022, we funded construction of a water reservoir in partnership with Ectagono and the Mexico City authorities, at Barranca de Tarango in the alcaldía of Álvaro Obregón. This high-impact socioenvironmental project is designed around rainwater capture.

The project involved **building a water reservoir** and carrying out maintenance activities to conserve species for reforestation. It generated temporary jobs through an alliance with REINSERTA. The project was also supported by 304 volunteers, 34% of them FUNO® employees.

34%
FUNO®
employees

304
volunteers

BENEFITS

Improvement of habitat for flora and around 20 species of local fauna like the volcano rabbit, eastern cottontail, sparrow, Mexican finch, northern cacomixtle, broad-billed hummingbird, barn swallow, Mexican bullsnake and lizard

Accessible water for fighting fires in the zone

Approximately 2,000 examples of various native species were planted during the 2022 reforestation day, including sage, willow, blind prickly pear, ash, golden dewdrop, white cedar, broom bush, *lechugilla* agave, green maguey, and Mexican dragonfruit cactus

Constant source of water for plants throughout the year to conserve between 258,333.6 and 301,389.2 sqft of area by watering once a month

Infiltration to a 580 m^3 aquifer

Increase in relative humidity, soil retention and capture of natural runoff on the site

Water supply to areas under restoration

Photography: Construction of the FUNO® water reservoir in Barranca de Tarango.

Annexes

About this report

GRI 2-1, 2-2, 2-3, 2-29, 3-1
IF-RE-130a.1, IF-RE-410a.2, IF-RE-000.C

2022 was a year of satisfactory results for Fibra Uno (FUNO®), despite surrounding challenges resulting from the effects of the pandemic, across-the-board inflation, higher interest rates and market volatility. Fortunately, we were able to meet those challenges thanks to our solid business model and firm focus on sustainability.

Our 2022 Integrated Annual Report presents the results of our performance in financial, economic, environmental, social and governance aspects, and covers the period from January 1st to December 31st 2022.

The report was prepared in accordance with the 2021 version of the Global Reporting Initiative (GRI) and it conforms to the foundations and principles for determining the content and quality of the report established by that organization. We also report results according to the criteria established by the GRESB Real Estate Assessment, the recommendations of the Task Force On Climate Related Financial Disclosures (TCFD), the Principles for Responsible Investment (PRI) developed by the United Nations Environment Program Finance Initiative (UNEP FI) and the United Nations Global Compact (UNGC), as well as our alignment with the 10 Principles established by the UNGC.

To offer investors financially material information that is precise, transparent, comparable and reliable for decision making purposes, we report according to the guidelines of the International Financial Reporting Standards Foundation (IFRS Foundation), an institution that incorporates the former Climate Disclosure Standards Board (CDSB) and Value Reporting Foundation (VRF), comprising the Integrated Reporting Framework (<IR> Framework), a global nonprofit organization created through the merger of the SASB Foundation and the International Integrated Reporting Council (IIRC). We use SASB disclosure standards for the infrastructure industry and specific standards for real estate.

We present the results of our management of material issues, and as part of our commitment to continuous improvement, we communicate some of the World Economic Forum Stakeholder Capitalism Metrics. We also discuss the processes that substantially affect our possibilities of creating value in the long term and address the needs of our stakeholders. For more information about our materiality study, see page 74 of this report, or visit our website at: https://funo.mx/ESG-sustainability/management/materiality.

These topics have been validated by our stakeholders through the following process:

1. Definition of stakeholders to consult during the year:

- Permanent: employees, authorities, investors, tenants.
- Revolving: suppliers, foundations, banks, insurance companies, communities.

2. Definition of mechanisms for interaction. In 2022, these mechanisms included e-mail, one-on-one meetings, online surveys and virtual calls.

3. Identification of the most recurring topics and main concerns by the area responsible for interacting with each stakeholder group, so that they could be presented to the sustainability committee. The areas responsible for relations with each type of stakeholder are the following:

- Employees → Human resources
- Investors → Investor relations
- Tenants → Regional managers, operating directors and project coordinators
- Suppliers → Purchasing
- Competitors and other FIBRAs → Chief Executive Officer
- Government → regional managers, operating directors, official FUNO® spokespersons
- Foundations, nongovernmental organizations and civil associations → FUNO® foundation
- Communities and neighborhood groups → Regional managers and project directors
- Banks → Treasury

4. Formation of initiatives to address each topic and group, and areas responsible for generating the execution and resolution plan.

5. Evaluation of the results of the plans executed and resumption of the cycle.

We have 612 operations. The social, environmental, safety and health indicators we are reporting pertain to 100% of these, broken down as follows:

- 150 properties where we directly control operations, meaning we have the authority to establish policies to improve our operation in social, environmental, health and safety terms.
- 63 industrial properties administered by an independent party, equivalent to 11,289,481.9 sqft, or 9.5% of our total GLA.

In 462 operations, tenants control operations, so to avoid duplication of data, they are responsible for publishing that information.

The results of corporate governance and human capital performance refer to all of our properties.

The environmental results are compared against the 2018 numbers, which is the baseline for calculating our environmental footprint.

Independent Review Report

GRI 2-5

KPMG

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Reforma Social, Miguel Hidalgo,
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Teléfono: +01 (55) 5246 8300
kpmg.com.mx

Independent Limited Assurance Report on Key Sustainability Performance Indicators (Non-Financial Information)

To the Board of Directors of F1 Management, S. C.

We were engaged by the Management of F1 Management, S. C. (hereinafter "FUNO") to report in the form of an independent conclusion of limited assurance on Key Sustainability Performance Indicators (Non-Financial Information) prepared by the Sustainability Management of FUNO, that are detailed in the Annex A attached to this report, and have been included in the Integrated Annual Report of FUNO 2022 ("the Report") for the period from January 1 to December 31, 2022.

Management responsibilities

The Management of FUNO, through the Sustainability Management is responsible for the preparation and presentation of the Key Sustainability Performance Indicators included in the Report, in accordance with the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) standards (jointly "the Criteria"); as well as the information included in them, and to establish and maintain appropriate internal control systems from which the information subject to our review is derived.

The Management of FUNO, through the Sustainability Management is also responsible for preventing and detecting fraud, and for identifying and ensuring that FUNO complies with the laws and regulations applicable to its activities.

The Management of FUNO, through the Sustainability Management is responsible for ensuring that the personnel involved in the preparation and presentation of the indicators are adequately trained, the information systems are duly updated and that any changes in the presentation of data and/or in the form of reporting, include all significant reporting units.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and express an independent conclusion of limited assurance based on the work performed and evidence obtained. We carry out our work in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," issued by International Auditing and Assurance Standards Board, this standard requires that we plan and perform our procedures to obtain a limited assurance regarding whether, based on our work and the evidence obtained, nothing has come to our attention that causes us to believe that the Indicators contained in the Report for the period from January 1 to December 31, 2022, are not presented in all material respects, in accordance with the Criteria.

KPMG Cárdenas Dosal, S. C. ("the firm") applies the International Standard on Quality Control 1 and, therefore, maintains a comprehensive system of quality control, including policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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Ciudad de México.
Ciudad Juárez, Chih.
Culiacán, Sin.
Chihuahua, Chih.
Guadalajara, Jal.
Hermosillo, Son.
León, Gto.
Mérida, Yuc.
Mexicali, B.C.
Monterrey, N.L.
Puebla, Pue.
Querétaro, Qro.
Reynosa, Tamps.
Saltillo, Coah.
San Luis Potosí, S.L.P.
Tijuana, B.C.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The procedures selected depend on our knowledge and experience of the indicators presented in the Report and other circumstances of the work, and our consideration of the areas in which material errors may occur.

When obtaining an understanding of the indicators contained in the Report, and other work circumstances, we have considered the process used to prepare and present the indicators, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of FUNO's internal control over the preparation of the indicators presented in the Report.

Our engagement also includes assessing the appropriateness of the main subject, the suitability of the criteria used by FUNO in the preparation and presentation of the indicators, assessing the appropriateness of the methods, policies, and procedures, as well as models used.

The procedures performed in a limited assurance engagement vary in nature, timeliness, and scope than in a reasonable assurance engagement, and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained in the case of a reasonable assurance engagement.

Criteria

The criteria on which the preparation of the indicators has been evaluated refer to the established requirements in the standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), which are detailed in the Annex A.

Conclusion

Our conclusion has been formed based on, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on our review and the evidence obtained, nothing has come to our attention that causes us to believe that the indicators detailed in the Annex A attached to this assurance report, prepared by the Sustainability Management of FUNO and contained in the Integrated Annual Report of FUNO 2022, for the period from January 1 to December 31, 2022, are not prepared in all material aspects, in accordance with the Criteria.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party to acquire rights against us other than the Board of Directors and the Sustainability Management of FUNO for any purpose or in any other context. Any party other than the Board of Directors and the Sustainability Management of FUNO who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the extent permitted by law, we do not accept or assume any responsibility and disclaim any liability to any party other than FUNO for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Cárdenas Dosal, S. C.

Joaquín Aguilera
Partner
Mexico City, June 13, 2023

ANNEX A

The indicators considered as the object of our assurance work are the following:

GRI Standards	Topic
GRI 2-26 (2021)	Mechanisms for seeking advice and raising concerns
GRI 302-1 (2016)	Energy consumption within the organization
GRI 302-2 (2016)	Energy consumption outside of the organization
GRI 302-3 (2016)	Energy intensity
GRI 302-4 (2016)	Reduction of energy consumption
GRI 303-4 (2018)	Water discharge
GRI 303-5 (2018)	Water consumption
GRI 305-1 (2016)	Direct (Scope 1) GHG emissions
GRI 305-2 (2016)	Energy indirect (Scope 2) GHG emissions
GRI 305-3 (2016)	Other indirect (Scope 3) GHG emissions
GRI 306-3 (2020)	Waste generated
GRI 306-4 (2020)	Waste diverted from disposal
GRI 306-5 (2020)	Waste directed to disposal
GRI 403-9 (2018)	Work-related injuries
GRI 404-1 (2016)	Average hours of training per year per employee
GRI 405-2 (2016)	Ratio of basic salary and remuneration of women to men
GRI 413-1 (2016)	Operations with local community engagement, impact assessments, and development programs

SASB Standards	Topic
IF-RE 130a.2	(1) Total energy consumed by portfolio area with data coverage (2) percentage grid electricity (3) percentage renewable, by property sector
IF-RE 130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector
IF-RE 140a.1	Water withdrawal data coverage as a percentage of: (1) Total floor area and (2) Floor area in regions with High or Extremely High Baseline Water Stress, by property sector
IF-RE 140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) Percentage in regions with High or Extremely High Baseline Water Stress, by property sector
IF-RE 140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector

GRI Content Index

Statement of use	FUNO® has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Construction and Real Estate (CRE)

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
General Disclosures							
GRI 2: General Disclosures 2021	**2-1**	Organizational details	20, 22, 202, 234				
	2-2	Entities included in the organization's sustainability reporting	202				
	2-3	Reporting period, frequency and contact point	202, 234				
	2-4	Restatements of information	128				
	2-5	External assurance	205				
	2-6	Activities, value chain and other business relationships	20, 25, 164				
	2-7	Employees	110				
	2-8	Workers who are not employees	110				
	2-9	Governance structure and composition	32. For further information about the independence of the members of the Technical Committee, please refer to the page: https://funo.mx/ESG-sustainability/corporate-governance/committees/TC/independentmembers				Quality of Governing Body

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	**2-10**	Nomination and selection of the highest governance body	36. https://funo.mx/ESG-sustainability/corporate-governance/committees/NCC In our Technical Committee there is no restriction on the terms of mandate for non-executive or independent members.				
	2-11	Chair of the highest governance body	32				
	2-12	Role of the highest governance body in overseeing the management of impacts	32, 84				Governing Purpose Risk and Opportunity Oversight
	2-13	Delegation of responsibility for managing impacts	32, 58, 84				Governing Purpose Risk and Opportunity Oversight
	2-14	Role of the highest governance body in sustainability reporting	32. All areas that make up FUNO® provide information for the Report, while the Sustainability Department is responsible for its preparation and presentation to the Technical Committee for approval.				Governing Purpose

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	FUNO®'s Conflicts of Interest Policy is the instrument through which we ensure the integrity of our processes and mitigate the materialization of this type of risk, for the benefit of the CBFI Holders. This policy establishes that, in order to make decisions and prior to the formalization of any contract, transaction or relationship with a related person, the affirmative vote of the majority of the members of the Technical Committee is required, as well as the affirmative vote of the majority of the independent members. Together with the aforementioned, the acquisitions or co-investments with related parties, including the contributors and members of the relevant families, also require the affirmative vote of most of the independent members of our Technical Committee and the affirmative vote of most of the members. https://funo.mx/ESG-sustainability/corporate-governance/risk-mgmt/col-resolution				
	2-16	Communication of critical concerns	42, 45, 46				Stakeholder Engagement
	2-17	Collective knowledge of the highest governance body	58				
	2-18	Evaluation of the performance of the highest governance body	No performance evaluation processes of the members of the Technical Committee have been performed; however, the Holders Meeting requests information to this Committee when it deems it appropriate, in order to assess the results of the Trust.				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-19	Remuneration policies	38. The CEO's executive (variable) compensation is based on the following parameters: • Procurement fee • Management fee • Long-term incentives aligned with the organizational compensations plan The CEO and other members of the Technical Committee own 25.8% of the outstanding CBFIs and FUNO® does not have specific requirements for this.				Quality of Governing Body
	2-20	Process to determine remuneration	38. The compensation plan is presented by management to the Nominations and Compensations Committee, which makes changes and recommendations and then sends it to the Technical Committee for final approval.				
	2-21	Annual total compensation ratio	28.9x vs. the median of all the employees.				Dignity and equality
	2-22	Statement on sustainable development strategy	6, 10, 58				Risk and Opportunity Oversight
	2-23	Policy commitments	50, 58				
	2-24	Embedding policy commitments	50, 58. https://funo.mx/site_media/uploads/otros/codigo_etica-eng.pdf				
	2-25	Processes to remediate negative impacts	64, 76, 82, 84				Risk and Opportunity Oversight

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	46				Ethical Behaviour
	2-27	Compliance with laws and regulations	48, 68, 152. The timely management of ESG risks and the culture of compliance we are known for, allowed us to comply with current and applicable economic, social and environmental regulations in 2022.				
	2-28	Membership associations	140				
	2-29	Approach to stakeholder engagement	25, 26, 202				Stakeholder Engagement
	2-30	Collective bargaining agreements	100% of our employees are unionized and enjoy freedom of association.				
Material topics							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	74, 202				
	3-2	List of material topics	74				Stakeholder Engagement
Economic performance							
GRI 3: Material Topics 2021	3-3	Management of material topics	92				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	92				Employment and wealth generation Innovation in better products and services Community and social vitality
	201-2	Financial implications and other risks and opportunities due to climate change	82				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	We have an additional benefit plan, which covers retirement plans by means of regular FUNO® resources.				
	201-4	Financial assistance received from government	FUNO® does not receive financial assistance from the government.				Employment and wealth generation
Indirect economic impacts							
GRI 3: Material Topics 2021	3-3	Management of material topics	140, 156				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	196				Employment and wealth generation
	203-2	Significant indirect economic impacts	196				Employment and wealth generation
Procurement practices							
GRI 3: Material Topics 2021	3-3	Management of material topics	164				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	164				
Anti-corruption							
GRI 3: Material Topics 2021	3-3	Management of material topics	42, 45, 48				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	48				Ethical Behaviour
	205-2	Communication and training about anti-corruption policies and procedures	48				Ethical Behaviour
	205-3	Confirmed incidents of corruption and actions taken	During the reporting period there were no confirmed cases of corruption.				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
Anti-competitive behavior							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	42, 45, 49				
GRI 206: Anti-competitive Behavior 2016	**206-1**	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Derived from our actions in favor of fair competition, FUNO® has not been subject to any legal action for monopolistic or anti-competitive behavior, nor have we received significant fines or sanctions for noncompliance with unfair competition laws or regulations.				
Tax							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	49				
GRI 207: Tax 2019	**207-1**	Approach to tax	The focus of our tax strategy is to comply properly with the tax provisions of the Income Tax Law (ISR), specially, articles 187 and 188, which establish the obligations of REITs.				Community and social vitality
	207-2	Tax governance, control, and risk management	In order to guarantee compliance, we have a Tax Sub-Directorate, which reports to the Financial Information Department and is in charge of timely and properly following up on the tax matters that concern FUNO® in order to generate sustainable value for our Holders.				
	207-3	Stakeholder engagement and management of concerns related to tax	The management of tax matters is always carried out in compliance with current tax laws and regulations; the priority stakeholders in this process are the holders, who receive their results and distributions in accordance with the provisions of articles 187 and 188 of the valid Income Tax Law.				Stakeholder Engagement

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 207: Tax 2019	**207-4**	Country-by-country reporting	For having the status of REIT, FUNO® does not generate ISR. In this case, the CBFIs' Holders are the ones generating ISR; therefore, for FUNO® there is no differential between the estimated tax rate and the effective tax rate payable. The only direct tax paid by FUNO® corresponds to property tax, which in 2021 amounted to MXN$641.3 million pesos.				Community and social vitality
Energy							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	178				
GRI 302: Energy 2016	**302-1**	Energy consumption within the organization	178. Fossil fuel consumption in 2021 was as follows: - 190,986,014 liters in properties whose operational control was performed by FUNO®. The breakdown is the following: 9,066 liters of diesel, 15,621 LP gas, 190,961,000 natural gas and 328 gasoline. - 195,394 liters of gasoline in the properties managed by a third party. The conversion factors used are those established by the National Commission for the Efficient Use of Energy (CONUEE, for its Spanish acron m), of the Ministry of Energy (SENER, for its Spanish acronym), in the document: https://www.gob.mx/cms/uploads/attachment/file/619062/Lista_Combustibles_2021_26feb2021.pdf.				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 302: Energy 2016	302-2	Energy consumption outside of the organization	178				
	302-3	Energy intensity	178				
	302-4	Reduction of energy consumption	178. To know FUNO®'s performance with respect tothis indicator, since 2018 (base year) we consider the reduction in energy intensity from electricity consumption.				
	302-5	Reductions in energy requirements of products and services	178. To know FUNO®'s performance with respect to this indicator, since 2018 (base year) we consider the reduction in energy intensity from electricity consumption.				
Water and effluents							
GRI 3: Material Topics 2021	3-3	Management of material topics					
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	https://funo.mx/ESGsustainability/eco-efficient-operations/water				Fresh water availability
	303-2	Management of water discharge-related impacts	https://funo.mx/ESGsustainability/eco-efficient-operations/water				Fresh water availability
	303-3	Water withdrawal	No water sources have been significantly affected by FUNO® consumption.				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 303: Water and Effluents 2018	303-4	Water discharge	3,990,995 m^3 of water discharge; a figure that corresponds to 140 properties that are responsible for their water discharges, equivalent to a GLA of 44,520,094.3 sqft. 5,490.6 m^3 of water discharge; a figure hat corresponds to 63 properties managed by a third party, equivalent to a GLA of 11,289,481.9 sqft. The total volume of water discharged in water stressed zones is equal to the volume of water withdrawn in the same zones. FUNO® water discharges comply with NOM-002 and NOM-003 and its destination is the municipal drainage system.				Water pollution
	303-5	Water consumption	184				
Biodiversity							
GRI 3: Material Topics 2021	3-3	Management of material topics	196				
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	https://funo.mx/site_media/uploads/documentos/documento-fBv61-1656604226.pdf, p. 152				Nature loss

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	https://funo.mx/site_media/uploads/documentos/documento-fBv61-1656604226.pdf, p. 152				
	304-3	Habitats protected or restored	196				
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	196				
Emissions							
GRI 3: Material Topics 2021	3-3	Management of material topics	188, 190				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	190				Climate change
	305-2	Energy indirect (Scope 2) GHG emissions	190				Climate change
	305-3	Other indirect (Scope 3) GHG emissions	190				Climate change
	305-4	GHG emissions intensity	190				
	305-5	Reduction of GHG emissions	190				
	305-6	Emissions of ozone-depleting substances (ODS)	190				
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	190				Air pollution

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
Waste							
GRI 3: Material Topics 2021	3-3	Management of material topics	186				
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	https://funo.mx/ESG-sustainability/eco-efficient-operations/waste				
	306-2	Management of significant waste-related impacts	https://funo.mx/ESG-sustainability/eco-efficient-operations/waste				Solid waste Resource availability
	306-3	Waste generated	186				
	306-4	Waste diverted from disposal	186				
	306-5	Waste directed to disposal	186				
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3	Management of material topics	164				
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	164				
	308-2	Negative environmental impacts in the supply chain and actions taken	164				
Employment							
GRI 3: Material Topics 2021	3-3	Management of material topics	104, 116				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	116				Skills for the future Employment and wealth generation
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	128				
	401-3	Parental leave	In 2022, 13 female employees were entitled to temporary maternity leave: 7 FUNO® employees and 6 of specialized services. 100% of them took their leave, returned to work at the end of the period; 69% remained in their position one year after their return. 6 employees were entitled to temporary paternity leave: 1 FUNO® employee and 5 of specialized services. 100% of them took their temporary leave, returned to work at the end of the period; 83% remained in their position one year after their return to work.				
Labor/management relations							
GRI 3: Material Topics 2021	3-3	Management of material topics	104				
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	At FUNO®, employees are given between 10 and 15 days advance notice of changes in company operations or in the areas where they work, depending on the situation in each building.				
Occupational health and safety							
GRI 3: Material Topics 2021	3-3	Management of material topics	148, 150				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	150				
	403-2	Hazard identification, risk assessment, and incident investigation	150				Health & wellbeing
	403-3	Occupational health services	148				
	403-4	Worker participation, consultation, and communication on occupational health and safety	148				
	403-5	Worker training on occupational health and safety	122, 148				
	403-6	Promotion of worker health	148				Health & wellbeing
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	148				
	403-8	Workers covered by an occupational health and safety management system	150. 100% of FUNO® employees and specialized services.				
	403-9	Work-related injuries	150				Health & wellbeing
	403-10	Work-related ill health	150. There is no positions relating to work-related accident or illness.				Health & wellbeing

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
Training and education							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	121, 126, 128				
GRI 404: Training and Education 2016	**404-1**	Average hours of training per year per employee	122				Skills for the future
	404-2	Programs for upgrading employee skills and transition assistance programs	122				
	404-3	Percentage of employees receiving regular performance and career development reviews	126				
Diversity and equal opportunity							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	50, 106				
GRI 405: Diversity and Equal Opportunity 2016	**405-1**	Diversity of governance bodies and employees	110, 114				Quality of Governing Body Dignity and equality
	405-2	Ratio of basic salary and remuneration of women to men	128				Dignity and equality
Non-discrimination							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	50, 106				
GRI 406: Non-discrimination 2016	**406-1**	Incidents of discrimination and corrective actions taken	During the reporting period, there were no confirmed cases of discrimination.				Dignity and equality

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
Freedom of association and collective bargaining							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	168				
GRI 407: Freedom of Association and Collective Bargaining 2016	**407-1**	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	168				Dignity and equality
Child labor							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	50, 168				
GRI 408: Child Labor 2016	**408-1**	Operations and suppliers at significant risk for incidents of child labor	168				Dignity and equality
Forced or compulsory labor							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	50				
GRI 409: Forced or Compulsory Labor 2016	**409-1**	Operations and suppliers at significant risk for incidents of forced or compulsory labor	50				Dignity and equality
Security practices							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	50				
GRI 410: Security Practices 2016	**410-1**	Security personnel trained in human rights policies or procedures	135				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
Rights of indigenous peoples							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	50, 84				
GRI 411: Rights of Indigenous Peoples 2016	**411-1**	Incidents of violations involving rights of indigenous peoples	As a result of our due diligence process, we have ensured that during the reporting period there were no cases of violation of the rights of indigenous peoples.				
Local communities							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	84, 156				
GRI 413: Local Communities 2016	**413-1**	Operations with local community engagement, impact assessments, and development programs	146, 196				
	413-2	Operations with significant actual and potential negative impacts on local communities	84. https://funo.mx/ESGsustainability/sustainable-communities/impact				
Supplier social assessment							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	164				
GRI 414: Supplier Social Assessment 2016	**414-1**	New suppliers that were screened using social criteria	164				
	414-2	Negative social impacts in the supply chain and actions taken	164				

GRI Standard / other source	Disclosure		Location / Direct response	Omission			Stakeholder Capitalism Metrics (WEF)
				Requirement(s) omitted	Reason	Explanation	
Public policy							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	48				Ethical Behaviour
GRI 415: Public Policy 2016	**415-1**	Political contributions	48. FUNO® does not make any contributions to political parties or public servants. We prohibit the use of company communication tools and channels, economic or cybernetic resources or any other type to benefit any political party, candidate or public servant.				
Customer health and safety							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	84, 194				
GRI 416: Customer Health and Safety 2016	**416-1**	Assessment of the health and safety impacts of product and service categories	194				Innovation in better products and services
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	With timely management of ESG risks and the culture of compliance we are known for, there were no instances of non-compliance with health and safety regulations in our products and services in 2022.				
Customer privacy							
GRI 3: Material Topics 2021	**3-3**	Management of material topics	42, 46, 160				
GRI 418: Customer Privacy 2016	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no complaints concerning breaches of customer privacy and losses of customer data.				

Construction and Real Estate Sector Standard		
CRE1	Building energy intensity	178
CRE2	Building water intensity	184
CRE3	Greenhouse gas emissions intensity from building	190
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity	We reported global intensity per occupied sqft, in other words, all operating properties where we maintain operational control.
CRE5	Land remediated and in need of remediation for the existing or intended land use, according to applicable legal desgnations	100% of our developments are reorganizations, so it was not necessary to modify habitats; therefore, they required no change of zoning.
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	100% of FUNO® employees and specialized services.
CRE7	Number of personas voluntarily and involuntarily displaced and/or resettled by development, broken down by project	FUNO® does not engage in any activities that require the displacement or relocation of communities; neither have we acquired any properties to date that were formerly occupied by indigenous groups.
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction management, occupation and redevelopment	194

SASB Disclosure

Infrastructure sector: Real Estate
Sustainability disclosure topics and accountability metrics

Topic	Accounting metric	Unit of measure	Code	Page / location of response
Energy management	Energy consumption data coverage as a percentage of floor area, by segment	Percentage (%) by floor area	IF-RE-130a.1	Please refer to About this report, pg. 202. **Segment** / **Electric energy comsumption per GLA** Retail 54.5% Industrial 4.1% Office 24.8% Mixed 16.6%
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage of renewable energy, by segment	Gigajoules (GJ), percentage (%)	IF-RE-130a.2	Please refer to Energy management and efficiency section, pg. 178.
	Percentage change in energy consumption for the portfolio area with data coverage, by segment	Percentage (%)	IF-RE-130a.3	**Segment** / **Intensity (kWh/ocuppied sqft)** 2022 / 2021 / **Variation** Retail 3.4 3.7 -8.1% Industrial 0.3 0.3 0.0% Office 4.5 5.1 -11.8% Mixed 4.4 6.0 -26.7%
	Percentage of eligible portfolio that (1) has an energy rating and (2) has an ENERGY STAR certification, by segment	Percentage (%) by floor area	IF-RE-130a.4	ENERGY STAR is not a valid certification in Mexico; however, we present the existing LEED Certification in our portfolio.
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	IF-RE-130a.5	Please refer to these sections: - Climate change risk vulnerability analysis, pg. 82. - Principles for Responsible Investment, pg. 84. - Energy management and efficiency, pg. 178. - Industrial Capital: sustainable, inclusive cities, pg. 194. Please visit: https://funo.mx/ESGsustainability/eco-efficient-operations.

Topic	Accounting metric	Unit of measure	Code	Page / location of response
Water management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by segment	Percentage (%) by floor area	IF-RE-140a.1	Please refer to Climate change risk vulnerability analysis section, pg. 82. 3,279,273.8 sqft of properties which withdraw water in zones of high and very high water stress, equivalent to 2.7% of our total portfolio surface area. **Segment** / **Water consumption by GLA** Retail 41% Industrial 4% Office 5% Mixed 49%
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage water withdrawn in regions with High or Extremely High Baseline Water Stress, by segment	Thousands of cubic meters (m^3), percentage (%)	IF-RE-140a.2	Please refer to Water stewardship section, pg. 184. 66,245.6 m^3 of water withdrawn in areas of high and very high water stress, equivalent to 1.5% of total consumption.
	Percentage change in water withdrawn for portfolio area with data coverage, by segment	Percentage (%)	IF-RE-140a.3	**Water stress extraction** / **m^3** High 1,942.0 Very high 64,303.6 **Total** 66,245.6 / 2%
	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	IF-RE-140a.4	**Surface area of properties with extraction** **Zones of water stress** / **sqft** High 575,115.6 Very high 2,704,157.7 **Total** 3,279,273.3 / 3% **Total** **119,392,915.5**

Topic	Accounting metric	Unit of measure	Code	Page / location of response
Management of tenant sustainability impacts	(1) Percentage of new leases that contain a cost recovery clause for capital improvements related to resource efficiency and (2) associated leased area, by segment	Percentage (%) by floor area, square feet (ft^2)	IF-RE-410a.1	Please refer to Principles for Responsible Investment, pg. 84.
	Percentage of tenants that have their own or separate meters for (1) grid electricity consumption and (2) water withdrawal, by segment	Percentage (%) by floor area	IF-RE-410a.2	Please refer to these sections: - Energy management and efficiency, pg. 178. - Water stewardship, pg. 184. - About this report, pg. 202.
	Discussion of approach to measure, incentivize, and improve tenant sustainability impacts	n/a	IF-RE-410a.3	Please refer to these sections: - Tenant engagement strategy, pg. 158. - Energy management and efficiency, pg. 178.
Climate change adaptation	Area of properties located in 100-year flood zones, by segment	Square feet (ft^2)	IF-RE-450a.1	Please refer to Climate change risk vulnerability analysis, pg. 82.
	Description of climate change risk exposure analysis, degree of systemic portfolio exposure, and strategies for mitigating risks	n/a	IF-RE-450a.2	Please refer to these sections: - Climate change risk vulnerability analysis, pg. 82. - Climate change strategy, p. 188.

Activity metric	Unit of measure	Code	Page / location of response
Number of assets, by segment	Number	IF-RE-000.A	Please refer to Operations section, pg. 20.
Leasable floor area, by segment	Square feet (ft^2)	IF-RE-000.B	**Segment** / **GLA (sqft)** Retail 32,274,166 Industrial 64,586,834 Office 12,208,781
Percentage of indirectly managed assets, by segment	Percentage (%) by floor area	IF-RE-000.C	Please refer to About this report, pg. 202.
Average occupancy rate, by segment	Percentage (%)	IF-RE-000.D	Please refer to Operations section, pg. 20.

TCFD Recommendations

Recommendations	Reference page
Governance Organizational governance around climate-related risks ans opportunities	
Board oversight of climate-related risks and opportunities	Our CEO is responsible for approving all matters related to sustainability management, including the strategy for climate change-related risks and opportunities.
Management's role in assessing and managing climate-related risks and opportunities	
Strategy Current and potential impacts of climate-related risks and opportunities on the organizations business, strategy, and financial planning	
Climate-related risks and opportunities the organization has identified in the short, medium, and long term	Please refer to Climate change risk vulnerability analysis, pg. 82.
Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario (IPCC)	
Risk management How the organization identifies, assesses, and manages climate-related risks	
Organization's processes for identifying and assessing climate-related risks	Please refer to Climate change risk vulnerability analysis, pg. 82.
Organization's processes for managing climate-related risk	Through our Sustainability Committee, we define climate-related physical and transitional risk management strategies. This includes adaptation and resilience initiatives for our properties and the involvement of the Operations and Finance departments.
How the processes for identifying, assessing, and managing climaterelated risks are integrated into the overall risk management of the organization	Currently, the Sustainability Committee, through the Sustainability Department, integrates the processes to identify, evaluate and manage climate-related risks. We plan that in the mid-term, the management process will be developed in a transversal strategy with the Audit Committee, through the organization's comprehensive risk management.

Recommendations	Reference page
Metrics and objectives Used to assess and manage relevant climate-related risks and opportunities	
Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	- Climate change scenarios provided by the IPCC - Number of properties with high vulnerability to physical risks - Financial and operational implications of physical and transitional risks - Metric tons of CO_2e generated by the organization
Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Please refer to Climate change risk vulnerability analysis (pg. 82) and Carbon footprint management sections (pg. 190).
Targets used by the organization to manage climate and performance-related risks and opportunities compared to objectives	Please refer to Climate change risk vulnerability analysis (pg. 82), Objectives (pg. 175) and Carbon footprint management sections (pg. 190).

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Information on sustainability

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