SOLID PERFORMANCE

Integrated Report 2019
MESSAGE FROM OUR CEO

A year of great challenges, 2019 gave us the opportunity to demonstrate once again our grit, and we were able to provide excellent integrated results. Every business decision at FUNO® is taken under the sustainable management umbrella. We invite you to take a deep dive into our performance with our first integrated report.

For us, innovation has always been a distinctive factor, and in 2019 it proved to be such again with the signing of the first sustainability-linked syndicated committed credit line in Latin America. Said credit line interest rate is linked to our performance in energy intensity. Connecting our environmental, social, and financial performance has been a constant commitment at FUNO® and it shows the way we perceive sustainability. Looking at the long-term performance of the company from all perspectives.

In 2019 we approach environmental and social issues made our commitment towards Mexico evident, allowing us to continue our operations and our contribution to the communities in which we are present.

We made a social investment of $84.9 million pesos, with an estimated direct positive impact on more than three million Mexicans, additionally, we reduced our energy and water intensity by 4.5% and 16% respectively, which reflects in our NOI.

Although we are fully aware that 2020 will be a year full of new challenges, we are also positive that FUNO® will persevere on its path of being a growth and cohesion driver for many Mexican communities, as it has been until today.

The relationship with our stakeholders is ever stronger and closer; our closeness to tenants is clear, and, where possible, we have established a “one on one” communication strategy, directly negotiating and supporting them in their growth. Together with our analysts and investors, work has been continuous, and in 2019 we conducted several tours for them to become familiar with FUNO®’s properties, experimenting our business model. As to what the communities in which we operate concerns, these are, with no doubt, the most diverse and complex stakeholder we have. Our social investment has increased considerably every year and in 2019 we launched the “FUNO® te ayuda a ayudar” (FUNO® helps you to help), through which we will support five vulnerable communities, four of them in Guerrero and one other in Quintana Roo.

Managing risks
FUNO®’s Technical Committee acknowledges the importance of forging a culture of transparency and responsibility; in line with the tenth Principle of the UN Global Compact, FUNO® fights against corruption in all its forms, including extortion and bribery. With this, we continue our support to the UN Global Compact and its ten principles for the 5th year in a row.

Each one of our employees is responsible for the corresponding controls in their areas and departments and we strive to provide them with the necessary tools to act and work under the most ethical standards; mainly focused on ongoing training in our Code of Ethics as well as the availability 24/7, 365 days a year of our ethics line, operated by a third independent party. The Ethics Committee is responsible for monitoring every case reported, as well as its investigation.

We will continue on, working for contributing to Mexico, forging relations of trust with investors, banks, communities, tenants, and of course, our people.

André El-Mann

Torre Mexicana, CDMX.

12.3% of growth NOI by CBFI.

[36x564]MESSAGE
[36x532]FROM
[36x500]OUR CEO

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Torre Mexicana, CDMX.
Our performance

19.2 billion pesos in net income (+11.5% vs 2018)

10,130,413 sqm of gross leasing area (+17.6% vs 2018)

910,566 sqm of LEED Certified

94.5% occupancy

615 properties

63.9 kWh per occupied sqm (-4.5% vs 2018)

0.030 Ton CO$_2$e per occupied sqm (-17.8% vs 2018)$^1$

1.7 m$^3$ of water per occupied sqm (-16% vs 2018)

$^1$The emission intensity shown considers Scope 1 and Scope 2. The total emissions can be found on page 57.
We are the first and largest REIT in Mexico. Creating sustainable value for our investors and other stakeholders is the focus of our business strategy, through the lease, operation, acquisition, development and sale of real estate.

With more than 615 properties, a total surface of 10.1 million sqm. of gross leasing area and a 94.5% occupancy, FUNO® takes pride in offering spaces that foster economic dynamism across the country. This allows us to be a natural accelerator of sustained growth for the communities we operate in, generating an economic impact of $962 million pesos through the contracting of 90% of local suppliers, and another of $213.5 million pesos by creating direct jobs and boosting human talent.

$282,782 million pesos invested in retrofitting and updating assets.
Our sustainability pathway

- Adherence to the UN Global Compact
- Creation of the Sustainability Management Department
- First Materiality Analysis
- Establishing FUNO’s Sustainability Strategy

2016

- Members of the DJSI MILA
- Strengthening the link between our business model and the sustainability strategy
- Strengthening the institutionalization of sustainability within FUNO
- Reinforcement of our sustainability strategy, with a focus on the material aspects for FUNO
- Publishing the first sustainability report

2017

- Development of our Sustainability Policy
- First sustainability risks mapping process
- Members of the FTSE4Good Index
- Development of the first carbon footprint

2018

- Inclusion in DJSI Emerging Markets Index
- Implementation of FUNO’s Sustainability Committee
- Creation of the Sustainability Committee in AMEFIBRA
- Sharing best practices and lessons learned with other Mexican REITs
- Presidency of the Sustainability Committee of AMEFIBRA

2019

- Adherence to the UN Global Compact
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As a good corporate governance practice, at FUNO®, all relevant resolutions are voted on, individually at the CBFI holders’ meeting and the results are made public for each resolution independently. The foregoing, taking into consideration the opinions and results of the risk analysis that we carry out and monitor annually which includes all of the company’s stakeholders. Additionally, our ethics line through which we receive their comments, concerns and needs, strengthening both our business and sustainability concerns is publicly available for all stakeholders and the information is available on property offices, Code of Ethics, as well as on our webpage.

40 cases received and attended through our ethics line.
Value Creation Model

Since 2015 we have taken up the task of linking our sustainability lines of action to our business priorities. Thus, we achieve that these lines of action are transversal to the business strategy, ensuring that the vision of responsible and sustainable growth is fully integrated into the company’s decision-making.

This has resulted in our Value Creation Model, which was revised and updated in 2019 to adapt to the methodology of the International Integrated Reporting Framework.® With our Mission and Vision as the central axis of the model, we identify our differentiators as a company, which are sustained by our business priorities fully aligned to the lines of action we follow for an increasingly sustainable management. We achieve this with the support of the corporate governance body of the company.

MISSION
To create sustainable value through leasing, operating, acquiring and developing real estate in key locations with high economic dynamics and favorable growth prospects in Mexico. Always looking to match our business model with our tenants’ growth strategies, mainly in the retail, industrial and office segments.

VISION
a) Be the first option to satisfy our tenants’ real estate needs.

b) Maintain geographic and segment diversification in markets with favorable growth prospects.

c) Continue to be the leading real estate lessor and developer in Mexico.

d) Contribute positively to the development of Mexico and of the communities where we operate real estate.

e) Grow our property portfolio through profitable acquisitions and developments, under favorable financing conditions aiming at creating sustainable value for our investors.

f) Maintain our commitment towards social and environmental responsibility.

g) Always seek to operate in a sustainable manner.

BUSINESS PRIORITIES

EXCEPTIONAL PORTFOLIO AND UNIQUE LOCATION
100% LONG-TERM VISION REIT
CONTRACTS POTENTIAL CONVERSION AND BETTERMENT OPTIONS
FOCUS ON TENANTS
TALENT DEVELOPMENT
FINANCIAL PRUDENCE LONG-TERM RELATIONS WITH CONTRACTORS AND SUPPLIERS

SUSTAINABILITY LINES OF ACTION
ETHICS
CORPORATE SOCIAL RESPONSIBILITY
OUR PEOPLE
WATER RESOURCE MANAGEMENT
ENERGY ECO-EFFICIENCY
EMISSIONS CONTROL

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ENERGY ECO-EFFICIENCY
EMISSIONS CONTROL
Corporate governance: Vertical leadership

SDG 16: Peace, justice and strong institutions.
Other indicators: C1.1b; F4.2b; W6.2b.

Highest governance body that, through a series of resolutions, establishes the regulations in accordance to its competency's areas.

IT IS:

PLURAL: COMPOSED OF EVERY PERSON THAT ACQUIRES CBFI'S THROUGH THE PUBLIC MARKET OR ANY OTHER MEANS.

INDEPENDENT: THE VAST MAJORITY OF INVESTORS OWN 70% OF THE CBFI'S AND ARE REPRESENTED BY A UNIQUE INDEPENDENT TRUST THAT ACTS AS A COMMON REPRESENTATIVE. THIS INDEPENDENCE IS GUARANTEED BY THE OWN LEGAL PROVISIONS AND OUR TRUST CONTRACT.

Delegates the execution of all the relevant actions for assuring the compliance of the resolutions taken in:
- EXECUTIVE COMMITTEE
- COMMERCIAL COMMITTEE
- COLLECTIONS COMMITTEE
- SUSTAINABILITY COMMITTEE
- ETHICS COMMITTEE

Responsible for FUNO®'s sustainability performance.

In order to guarantee the correct functioning of the company, it receives support from:

- DEPUTY CEO
- VICE PRESIDENTS
- AUDIT COMMITTEE
- COMPENSATION AND NOMINATION COMMITTEE

Internal committee:

- Technical committee: Composed of 12 members; five of them independent and seven of them owners.
- All of the independent members participate in three Committees - Audit, Corporate Practices and Compensation Practices.
- It has a non-member Secretary.
- The chair of the Technical Committee is not an executive of the organization.
- It's the recipient of the guidelines issued by the Holders Assembly.
- It's the chair of the Technical Committee.
- It provides information and advice to the Holders Assembly.
- It's responsible for establishing and approving the organization's purpose, values, mission, strategy, policies and objectives.
- It's the chair of the Corporate Practices Committee.

In order to guarantee the correct functioning of the company, the Trust Assembly receives support from:

- SUBCOMMITTEES
- ETHICS COMMITTEE

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- SUBCOMMITTEES
- ETHICS COMMITTEE

Risk management and preventive decision making.
Corporate Governance Body. This is the first decision making.
Decisions mainly focus on environmental decision making.
Strategic decision process regarding economic issues.
Decisions regarding social, community engagement and health and safety issues.

The process of delegating responsibilities from the CFB Holders Assembly, passing through the Advisory Body to the executives, is described in FUNO®'s statutes.
One of FUNO®’s main competitive advantages is the solidity and reputation of its Technical Committee. It represents an exceptional support with a wide expertise, characterized by transparency and tenacity to guide the organization towards building the success that defines us. This Committee is responsible for providing information on the performance of its functions when the CBFI Holders Assembly so requires.

The holders can count on an extensive source of public information about the operation, risks, as well as the governing terms and conditions of the Trust. Furthermore, to facilitate the decision-making process, the holders have the power and possibility to carry out the consultation processes that they consider necessary or convenient to deliberate, vote for or against matters related to economic, environmental and social aspects that are object of the Assembly. They are also empowered to request further information from the highest governance body for consultation and advice on specific issues.

The Technical Committee exercises its functions with the support of the Committees that depend on it and it is these bodies responsibility to communicate all critical concerns (including socio-environmental concerns) detected, based on the interaction they hold with stakeholders. This way, the Technical Committee has all the faculties to address and resolve these types of concerns. Except when, due to its relevance, the issue is exclusively for the Holders Assembly attention. If so, the Assembly is in charge of addressing and resolving them based on FUNO®’s provisions and applicable legislation.

The nomination of the new members for the Technical Committee is responsibility of the Nominations and Compensations Committee, whose independence is represented by 60% of its members, while ratification is carried out by the Holders Assembly. For compensation decisions, only independent committee members have the right to vote and it must be accepted at the Holders Assembly.

This mechanism ensures that the interests of potential members are aligned to the business objectives.

Committee Members have a vast experience regarding the management of the topics corresponding to each Committee and, given that FUNO® is a young company, the average tenure the members of the Committees is eight years.

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1 The names and information of the Technical Committee members is available at https://funo.mx/inversionistas/esg-sustainability/corporate-governance/committee
Compliance and Resolution for Conflict of Interests

To safeguard the integrity of our processes, we have developed FUNO®’s Conflict of Interests Policy, for the benefit of our CBFIs holders by mitigating any situation that may arise. Such Policy establishes that, for the decision making process and before formalizing any contract, transaction or relationship with any related person, the vote of approval of the majority of the members of the Technical Committee is required, as well as the positive vote of most of the independent members of said Committee.

In addition, our conflict of interest mechanism, acquisitions or joint venture policies with related parties, including taxpayers and relevant family members, also require the affirmative vote of the majority of the independent members of our Technical Committee and the positive vote of the majority of the members of said Committee.

To learn more about the process, please refer to https://en.funo.mx/esg/administracion_de_riesgos.php

Risk Management

Proactive risk partaking is central to our core business and strategy. Risk management at FUNO® is not about eliminating or avoiding them, but about preventing them as much as possible and developing action protocols in case of occurrence.

In 2018 we carried out a non-financial risk assessment, which was updated in 2019 with a holistic assessment carried out by a third-party. Derived from this, the five most relevant and highest impact ESG risks found for FUNO® are:

- Theft, assault or violence inside a property
- Wage gap in same positions due to gender, age, etc.
- Guest accidents when visiting the shopping centers
- Changes in energy regulations
- Communication and engagement with tenants
Money laundering prevention practices
SDG 16: Peace, justice and strong institutions.
GRI Standard: 415-1.

Given the nature of our business, money laundering prevention practices are one of the main actions carried out to maintain a disciplined financial operation that generates value to our holders, as well as to comply with the Federal Law for the Prevention and Identification of Operations with Illegitimate Origin Resources.

Our Legal and Tax departments collaborate strategically to achieve a successful and effective management of this risk, by maintaining a close communication and safeguarding of tenants’ personal data and the company’s cashflow, generated through monthly collections.

In the same sense, we have a specialized team that monitors the relevant transactions, and monthly reports in accordance with the procedures manual for said transactions, thereby complying with the issuance of reports and the required transparency processes.

It is important to highlight that FUNO® does not grant any economic or any other kind of contributions to political parties.

Vulnerability and physical risks due to Climate Change assessment
GRI Standard: 201-2
Other indicators: SG 01.6 CC; SG 01.7, 01.8 CC.

It is vitally important to anticipate ourselves to global challenges, such as Climate Change. In this sense, our commitment for 2020 is to assess physical risks and vulnerabilities of our properties in the face of the effects of this phenomenon as a crucial element to be able to adapt to different climate scenarios and thereby achieve an early transition to resilient properties.

Climate scenarios are being analyzed at the national level towards 2050, taking into account two Representative Concentration Pathways (RCP4.5 and RCP8.6) given by the IPCC (Intergovernmental Panel on Climate Change) and based on the TCFD® guidelines including variables such as temperature and precipitation that allow us to identify vulnerabilities in our properties against the following risks:

» Increase of the median temperature
» Floods
» Water availability
» Changes in sea levels

The second phase of this project will identify the financial risks related to these physical risks and in the third phase, we will look at developing adaptation strategies aiming at achieving a more resilient portfolio.

These will be part of our risk management process. Furthermore, we will define the impact of such risks on the leverage levels and their alignment with the company’s CAPEX and OPEX policies. In this phase we will be able to obtain an estimated amount of the investment required for adaptation to Climate Change.

In the same sense, we have a specialized team that monitors the relevant transactions, in accordance with the procedures manual for said transactions, thereby complying with the issuance of reports and the required transparency processes.

(5) To consult information about our strategy and tax payment, please go to: https://en.funo.mx/panel/archivos_subidos/data-yPpPsgM2CD.pdf. This information corresponds to and responds to the GRI Standard 207 published in 2019.

(6) Present in the document “The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities” by the IPCC (Intergovernmental Panel on Climate Change) and based on the TCFD® guidelines including variables such as temperature and precipitation that allow us to identify vulnerabilities in our properties against the following risks:

Portal San Ángel, CDMX

INTEGRATED REPORT 2019 FUNO®

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The Technical Committee, through its Audit Committee, reviews risks (financial, environmental, social and governance) on a quarterly basis, informed by an independent third party who acts as an internal auditor.

$36,937.7 million pesos in economic impact through the investment in our stakeholders.
One of the most important actions to maintain leadership on all fronts is effective communication and dialogue with our stakeholders. Without their feedback and perception of the company, it would be impossible to clearly define the elements that allow us to generate value. For this, we identify the capital, business activities, resources, production and results that lead us to be the first and only REIT in Mexico with a proven vision of sustainable growth.

In accordance with the six capitals established in the methodology of the International Framework for Integrated Reporting (IFIR), and our Value Creation Model, we report in the following graph the challenges, progress, initiatives, commitments and stakeholders addressed in 2019. The Sustainable Development Goals, GRI standards and other international indicators to which we contribute and respond to are also identified.

**WHAT’S THE IMPACT**

- Financial results: sustainable profitability
- Stability and business continuity
- Transparency
- Contribution to the generation of indirect jobs - development of the local economy
- Trust and loyalty from tenants
- Customer satisfaction (tenants)
- Strengthening of brands by presence
- Contribution to the integral development of society
- Contribution to the improvement in the quality of life of Mexican families
- Increased tourism
- Safe spaces for recreation
- Transparency
- Development of social programs
- Investment in infrastructure
- Ending corruption
- Feedback for continuous improvement
- Supplier loyalty
- Quality in supplies and services (greatest economic benefit for suppliers)
- Operation under ethical standards
- Consolidation of long-term business relationships and mutual benefits
- Contribution to the development of local economies
- Motivation through challenges
- Globalization and institutionalization
- Expansion of the REIT business
- Increase in retention rate
- Employee Satisfaction

**HOW WE ENGAGE WITH THEM**

- Investor Relations Team
- FUNO® Day
- Participation in conferences
- Quarterly surveys
- Annual Report
- Press releases
- Quarterly calls
- Personalized meetings
- Tenant Satisfaction Survey
- Unique Project Representatives (RUP)
- Property Manager
- Collection Office
- Tenant Coordination Department
- Social networks
- Personal meetings
- Tenant Satisfaction Survey
- Social networks
- Property Manager
- Website
- Social activities in the buildings
- Ethical line
- FUNO® Foundation
- Property Manager
- Top Management
- Legal Department
- Property Manager
- Investor Relations Department
- Vice Presidents of Treasury and Finance
- Procurement Team
- Areas requiring goods and services
- Suppliers portal
- Personal meetings
- Ethical line
- Open door policy
- Work climate surveys
- Human Resources Team
- Annual Meetings of Managers
- Ethical line
- Emails

**CREATED OR DISTRIBUTED VALUE**

<table>
<thead>
<tr>
<th>Created or distributed value</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16,766 million pesos</td>
<td>$16,843 million pesos</td>
<td>$88.2 million pesos</td>
<td>$81.4 million pesos</td>
<td>$559.6 million pesos</td>
</tr>
</tbody>
</table>

**NUMBER OF PEOPLE**

<table>
<thead>
<tr>
<th>Certificates</th>
<th>Contracts</th>
<th>Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,928,194,243</td>
<td>8,134</td>
<td>615</td>
</tr>
</tbody>
</table>

**CBFs AND BONUS HOLDERS**

- FUNO® Foundation
- Ethical line
- Social activities in the buildings
- Website
- Property Manager
- Online marketing
- Collection Office
- Social networks
- Tenant satisfaction survey
- Social networks
- Property Manager
- Website
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**TENANTS**

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**GUESTS**

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**COMMUNITIES**

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**EMPLOYEES**

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We make available 24/7 our Ethics line for all stakeholders. It is anonymous and confidential:

Phone: 01 800 9100 311  
E-mail: funo@tipsanonimos.com  
Web: www.tipsanonimos.com/funo

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<th>CBFIs AND BONUS HOLDERS</th>
<th>TENANTS</th>
<th>GUESTS</th>
<th>COMMUNITIES</th>
<th>GOVERNMENT</th>
<th>FINANCIAL INSTITUTIONS</th>
<th>SUPPLIERS</th>
<th>EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Building trust</td>
<td>• Financial capital; Manufactured capital, Natural capital</td>
<td>• Quality services</td>
<td>• Security guarantee</td>
<td>• Social commitment • creation of the FUNO® Foundation</td>
<td>• Compliance with guidelines and regulations</td>
<td>• Sustainable financial results</td>
<td>• Work safety</td>
<td></td>
</tr>
<tr>
<td>• Renovation</td>
<td>• Social and relationship capital, Manufactured capital, Natural capital</td>
<td>• Speed and efficiency in processes and procedures</td>
<td>• The best visitor experiences</td>
<td>• Recreation activities in the buildings</td>
<td>• Cooperation with authorities</td>
<td>• Transparency</td>
<td>• Competitive benefits</td>
<td></td>
</tr>
<tr>
<td>• Income growth</td>
<td>• Social and relationship capital, Manufactured capital, Natural capital</td>
<td>• Real-estate improvements to benefit tenants</td>
<td>• Health Campaigns in shopping centers</td>
<td>• Support for foundations and social assistance institutions</td>
<td>• Timely sending of information to authorities</td>
<td>• Fine competition</td>
<td>• Contributing to improving the quality of life of employees and their families</td>
<td></td>
</tr>
<tr>
<td>• Meetings with analysts, bankers, qualified persons</td>
<td>• Social and relationship capital, Manufactured capital, Natural capital</td>
<td>• Marketing activities in favor of tenants</td>
<td>• Health campaigns</td>
<td>• Support in case of natural disasters</td>
<td>• Anti-corruption practices</td>
<td>• Human capital</td>
<td>• Integral development</td>
<td></td>
</tr>
<tr>
<td>• Dividend distribution</td>
<td>• Social and relationship capital, Manufactured capital, Natural capital</td>
<td></td>
<td></td>
<td></td>
<td>• Timely payment of taxes</td>
<td>• Occupational safety and health</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>RELATED CAPITALS</th>
<th>• Competitive prices and occupancy</th>
<th>• Competitive prices and occupancy</th>
<th>• Competitive prices and occupancy</th>
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<th>• Competitive prices and occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Financial capital; Social and relationship capital, Manufactured capital, Natural capital</td>
<td>• Ethics and Corporate Social Responsibility</td>
<td>• Corporate Social Responsibility</td>
<td>• Ethics and Corporate Social Responsibility</td>
<td>• Ethics</td>
<td>• All</td>
<td>• Future potential</td>
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<tr>
<th>LINE OF ACTION</th>
<th>• Timely payment of taxes</th>
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<td>• All</td>
<td>• Cooperatives</td>
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<th>BUSINESS PRIORITY</th>
<th>• Focus on the tenants</th>
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</tr>
</thead>
<tbody>
<tr>
<td>• Tenants quality and unique location; Strategic positioning in markets and regions</td>
<td>• Competitive prices and occupancy</td>
<td>• Strategic positioning in markets and regions</td>
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<td>• Strategic positioning in markets and regions</td>
<td>• Competitive prices and occupancy</td>
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<tr>
<td>• Contracts potential</td>
<td>• Exceptional portfolio and unique location</td>
<td>• Strategic positioning in markets and regions</td>
<td>• Contracts potential</td>
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</table>
Our purpose drives us to add value to the life of our stakeholders: beyond the brick and cement of our properties.

In the following pages, we report on the value that our operation has created, in financial, physical and social results. This would not be possible without the responsible investment approach that characterizes us.

In 2019 we closed the first sustainability linked, revolving, syndicated and committed credit line in Latin America, for $21,350 million pesos.
The innovation represented by our business model is reflected in our double-digit growth, as well as through the strategy of acquisitions and property development.

Innovating has to do with analyzing the best locations, portfolios, as well as improving what has already been developed if necessary.

How we create value?

In a constantly changing environment due to economic uncertainty and driven by technology, at FUNO® we understand that the source of our economic value no longer depends only on our base of properties that generate traditional income, but rather on how we develop, manage and use these properties to contribute to social and environmental well-being. The way in which we adapt to change is the way to guarantee that we extract the greatest and best use from each property, considering the needs of stakeholders and, thus, fulfill our purpose of sustainable growth. For this reason, the creation of social and environmental value when evaluating and making business decisions is core to our investment decisions and operations.
**Industrial Capital: Our properties portfolio**

At FUNO®, we are developers of sustainable infrastructure. 85% of the office building developed by us, is LEED certified.

In all of them we have included toxic-free materials, and within possibilities, certified materials. We have 910,556 sqm. LEED certified in our portfolio. The internal policies foresee that our properties are generators of social welfare, not only creating spaces for amusement, recreation, safe work or engines of economic growth; but also favor the development and installation of public services for surrounding communities, such as drinking water, drainage, sewage and nearby transportation. The above, respecting the free passage in communication routes for the communities, and their access to all the elements of their environment.

<table>
<thead>
<tr>
<th>BUSINESS PRIORITY ADDRESSED</th>
<th>SUSTAINABILITY LINE OF ACTION</th>
<th>STAKEHOLDER</th>
<th>FINANCIAL RESOURCES ALLOCATED</th>
<th>IDENTIFIED RISK ADDRESSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts potential</td>
<td>• Energy-efficiency</td>
<td>CBFS holders</td>
<td>• $1,267 million pesos, corres-</td>
<td>• Probability of theft, assault or violence inside a property</td>
</tr>
<tr>
<td></td>
<td>• Exceptional portfolio and unique location</td>
<td></td>
<td>ponding to the 7.5% of our yearly net income</td>
<td>• Property damage due to meteorological events</td>
</tr>
<tr>
<td></td>
<td>• Focus on tenants</td>
<td>Tenants</td>
<td></td>
<td>• Changes in water and energy regulations</td>
</tr>
<tr>
<td></td>
<td>• Energy-efficiency</td>
<td>Guests</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Water management</td>
<td>Communities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Energy-efficiency</td>
<td>Suppliers</td>
<td></td>
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</tr>
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<td></td>
<td>• Emissions control</td>
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**How we create value?**

We invest capital where we believe that sustained value can be created for all stakeholders and it is possible to mitigate the risks identified for our operation by diversifying our real estate portfolio at the sector and geographic level. We continue to invest in well-located properties and providing efficient and high-quality spaces that meet the needs of tenants and guests, thereby achieving attractive and competitive developments. Furthermore, we ensure growth in rents, while maintaining our operating margins and improving cash flow. We keep our commitment to optimizing the consumption of water and energy in our properties, taking into account our occupancy growth and the demand for these resources.

In 2019, we moved towards this purpose as follows:

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<th>PROGRESS VS 2018 MAIN INITIATIVES / RESULTS IN 2019</th>
<th>2020 COMMITMENTS</th>
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<td>4.4% of our industrial portfolio and 38% of the office portfolio (including that developed and acquired by FUNO®) is LEED certified.</td>
<td>• Completed. fianc.</td>
<td>• Increase financial support.</td>
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<tr>
<td></td>
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<td>• Increase the number of projects received.</td>
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<td></td>
<td>• By 2030, increase the certified sqm. by 1 million.</td>
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<td>• Development of three new projects, all of them LEED certified.</td>
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<td>• Three LEED Gold certified projects were delivered:</td>
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<td></td>
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<td>• Metropol Jalisco</td>
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</table>
210 direct jobs generated by these properties

9,623 million indirect jobs generated by LEED properties

25,377 million in value creation

LEED CONSIDERS THE FOLLOWING ELEMENTS:

- Procuring local materials when acquiring goods and services for properties
- Toxic-free construction materials
- Reduction in water and energy consumption
- Respect of surrounding communities
- Less traffic in local transit
- Accessibility to public transportation
- Zero impact of the construction on local biodiversity

LEED CERTIFIED SQM

<table>
<thead>
<tr>
<th>Year</th>
<th>Area (sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>499,007</td>
</tr>
<tr>
<td>2018</td>
<td>706,368</td>
</tr>
<tr>
<td>2019</td>
<td>910,566</td>
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</tbody>
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FUNO® INTEGRATED REPORT 2019
Human Capital: Our employees and their integral development

Human Capital: Our employees and their integral development

SDGs 4, 5 and 8: Quality education; Gender equality; Decent work and economic growth.
GRI Standards: 403-1 to 10.
ESG Factor: Social.

BUSINESS PRIORITY ADDRESSED SUSTAINABILITY LINE OF ACTION STAKEHOLDER FINANCIAL RESOURCES
ALLOCATED IDENTIFIED RISK ADDRESSED
• Future potential (talent development)
• Ethics
• Our people
• Corporate Social Responsibility
• Employees and contractors
• $1,303 million pesos
• Safety and possible accidents in the operations
• Difference between male and female salaries in identical work positions (wage gap)

How we create value?
Our employees are the driving force to our success, leaving lasting impressions through the connections they make. Therefore, we strive at all times to ensure that they are committed to and aligned with the Mission and Vision of the company. By signing and agreeing to the Code of Ethics, and the correct implementation of our Personnel Attraction, Selection and Recruitment Policy, we ensure that the people who come to collaborate with us, even when they come from different profiles and backgrounds, become part of FUNO®’s competitive advantage.

2019 COMMITMENTS PROGRESS VS 2018 MAIN INITIATIVES / RESULTS IN 2019 2020 COMMITMENTS
EMPLOYEE SATISFACTION LEVEL.
• Application of the climate survey to all employees.
• Publication of the results and dissemination among the participants.
• The second survey was applied at the Corporate level in the fourth quarter of 2019.
• Assess work climate bi-annually.
• Seek the “Great Place to Work” Certification.

IMPLEMENT IPE MERCER METHODOLOGY FOR ACHIEVING EQUALITY IN SALARIES.
• Ongoing.
• The valuation project with IPE MERCER began.
• Continue with the development of the valuation project with IPE MERCER.

ESTABLISHMENT OF WORK STANDARDS POSITIONS BY 100%.
• Ongoing.
• 95% of the catalog of standard positions was established.
• Update the catalog for the vice presidencies and the structure.

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• 95% of the catalog of standard positions was established.
• Update the catalog for the vice presidencies and the structure.
We invest time and resources in recruiting and developing high-performing individuals. A committed workforce positively contributes to our aspirations to remain an employer of choice. We regularly carry out employee satisfaction surveys to obtain a better overview of our management and identify areas of improvement. In 2019, the ratio of wages in FUNO® was 29.7 x vs the median.
IDENTIFY AREAS OF OPPORTUNITY FOR INDIVIDUAL AND GROUP PERFORMANCE, TO TRANSFORM VICE-PRESIDENCIES IN HIGH-PERFORMANCE TEAMS.

- Graduation of the first generation of the “Domino” program, aligned with 20 managers.
- Kickstart of the second generation (20 managers).
- Follow up on the projects launched in the first generation.
- The adaptation to the formal norms was made in suggestions from students and teachers.
- Results tables were included in the selection dynamics.
- 2018 projects are channeled to those responsible for the Operations, Facility Management and Sustainability department.
- The development of specific competencies in each module was established.
- The projects were aligned with specialists in entrepreneurship projects.
- The content of the diploma was refined.
- The results of the joint evaluations (ITESM-FUNO®) were analyzed.
- Update the course taking into consideration the experience of the first generation of students.
- Integration of introductory presentations in each module.
- Strengthen effective monthly feedback campaigns between leaders and staff.
- Continue reinforcing the daily feedback from employees.
- The Effective Feedback Workshop, with an external specialized consultant was established in the annual training plan. 60% of Corporate Leaders (Executives and Managers) with staff in charge are contemplated.
- This workshop was evaluated with an overall rating of 9.04.
- The project was evaluated with an overall rating of 9.84.
- The content of the diploma was refined.
- The results of the joint evaluations (ITESM-FUNO®) were analyzed.
- The development of specific competencies in each module was established.

DEVELOPMENT OF AN ACTUAL AND POTENTIAL TALENT INVENTORY.
- Ongoing.
- Succession (development) plans and replacement templates for key positions at FUNO®.
- Define the succession plans and potential candidates for replacement, in order to ensure retention and development, by applying the established methodology.
- Develop a talent retention plan including an individual development plan, compensation schemes, and other benefits.
- Identify the 50 suppliers for the valorization of good practices on inclusion issues.
- Continue with the “Diversity and Inclusion” strategy, addressing issues such as awareness raising, integration of other vulnerable groups and intergenerational relations.
- Advance to the next stage of PwD integration (replacing the inclusion modality).
- By 2020, achieve that 5% of FUNO®’s employees belong to vulnerable groups.
- Apply in specific areas the NMX-R-025-SCFI-20115 questionnaires on labor equality and non-discrimination.

MANAGER TRAINING IN MANAGEMENT ABILITIES AT 100% BY 2023.
- Ongoing.
- The first generation of managers graduated.
- Continue the training of the second generation of managers to obtain an advance of 50% of our management staff.

MANAGEMENT TRAINING IN MANAGEMENT ABILITIES AT 100% BY 2023.

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MANAGER TRAINING IN MANAGEMENT ABILITIES AT 100% BY 2023.
Occupational Health and Safety

The health and safety of every employee at FUNO® is crucial for the continuity of operations, the well-being of our guests and tenants, as well as the promotion of comprehensive well-being that allows the consolidation of an optimal working climate at FUNO®.

To guarantee the safety of our workplace, we have several mechanisms, some of them are:

- Compliance with applicable regulations and legislation on security issues.
- The support of an external expert accredited in emergency management, who trains the staff in our properties as well as with subcontractors.
- Manuals of operations in buildings with service codes for each type of incident which are constantly updated.
- A management system through which 25 accidents were registered in 2019. The main ones were cuts or minor injuries, as well as accidents on the way to the workplace. These include direct and indirect employees and only one accident was related to occupational risk.
- Brigades established in accordance with the Emergency management program.
- Training to reinforce emergency care.
- Drills in which employees, tenants and guests participate.
- Health Inventory that specifies the general health status of each employee, contact details in case of emergency and sensitive information for consultation in the Human Resources area.

TARGET STRATEGY 2019 KPIs 2020 TARGET ECONOMIC IMPACT GENERATED IN 2019

- Guarantee Social Security and Law benefits in the value chain.
- Provide training to employees for the performance of their work.
- 100% compliance.
- 100% training program.
- Strengthen the requirement for social security coverage with suppliers in their contracts.
- 100% of properties receive training in risk prevention per month.
- 100% of employees have access to health and safety training.
- 100% of properties receive training in risk prevention per month.
- 100% of properties receive training in risk prevention per month.
- 100% of properties receive training in risk prevention per month.
- 100% of properties receive training in risk prevention per month.

Maintain Safe, Healthy and Hygienic Workplaces for All Employees.

- Focus on maneuvering yards, warehouses and machine and waste rooms.
- Inventory of structural spaces that create a risk for employees, clients and guests (slippery floors, etc.)
- 78%.
- Reach 90%.

Maintain Health and Safety Brigades Updated with Related Information.

- Civil Protection training is carried out annually to build the Emergency management folder. The same personnel who participate in the training provided by FUNO® on Occupational Health and Safety topics participate in them.
- 80%.
- 100%. It will be achieved along with updates to the Civil Protection folders.

Develop a Drills Inventory.

- There is an annual drill program for the stewardship of the Civil Protection dept portfolio and additional drills are carried out when the authorities require it (macro drills in September or any other date).
- 100%.
- Update drills schedule in 100% of our properties.

Torre Mayor, CDMX

$193.5 mp

INTEGRATED REPORT 2019 FUNO®
As owners and operators of infrastructure, our relationship with neighboring communities is a priority in our sustainability strategy. The economic legacy of infrastructure and real estate has an impact that spans years and generations and can have significant direct results for the local and community benefit. These impacts include, for example, job creation, greater retention of talent and workforce, better safety, health and social welfare practices, greater technical skills in workers, and even reduction of insecurity.

How we create value?
A property impacts positively or negatively on the surrounding environment. Aware of the responsibility this entails, at FUNO® we have taken various steps so that our properties are engines of growth and social development. In addition to the due diligence processes on impacts to soil, water and air we carry out before we acquire a portfolio, we also seek to prevent the displacement or relocation of communities. Likewise, we not only develop real estate, but we also create wellness and social recreation centers, where tenants, guests and communities converge.

BUSINESS PRIORITY ADDRESSED SUSTAINABILITY LINE OF ACTION STAKEHOLDER FINANCIAL RESOURCES ALLOCATED IDENTIFIED RISK ADDRESSED
• Contracts potential • Focus on tenants • Talent development • Strategic positioning in markets and regions
• Ethics • Corporate Social Responsibility • Our people
• $84.9 million pesos co-correspondent to 0.4% of our income per lease
• Communication with tenants • Probability of theft, assault or violence involve a property • Guests accidents when visiting the shopping center • Impacts on the infrastructure surrounding the property • Water scarcity and intensive use/consumption

How we create value?
A property impacts positively or negatively on the surrounding environment. Aware of the responsibility this entails, at FUNO® we have taken various steps so that our properties are engines of growth and social development. In addition to the due diligence processes on impacts to soil, water and air we carry out before we acquire a portfolio, we also seek to prevent the displacement or relocation of communities. Likewise, we not only develop real estate, but we also create wellness and social recreation centers, where tenants, guests and communities converge.

2019 COMMITMENTS PROGRESS VS 2018 MAIN INITIATIVES / RESULTS IN 2019 2020 COMMITMENTS ECONOMIC IMPACT GENERATED IN 2019

INCREASE AFFLUENCE OF GUESTS IN 5%.
• 100%. • A concurrence of more than 450 million guests was achieved, that is, 15% more than in 2018.
• Maintain annual affluence levels.

DEVELOP AND IMPLEMENT A CAMPAIGN AIMED AT TENANTS AND GUESTS FOR THE OPTIMIZATION OF ENERGY, WASTE AND WATER RESOURCES IN RETAIL PROPERTIES.
• Ongoing. • Support for the transition to an eco-efficient vehicle park.
• Waste containers were installed, separating, organic, inorganic, recyclable and batteries in 111 properties.
• The initiative to change LED luminaires in our properties kickstarted.
• Develop education and awareness campaigns on the use of electricity, waste and water consumption.

MAKE THE ETHICS LINE AVAILABLE TO GUESTS.
• 100%. • All our properties have public information available.
• Continue with the disclosure of the ethical line in our properties.

ADDRESS WATER SCARCITY IN SOME SHOPPING CENTERS.
• In 2018, we remodeled and commissioned 15 Wastewater Treatment Plants (WTPs).
• By 2019, five WTPs were stabilized throughout the country.
• By 2020 four main initiatives will be established to reduce water consumption:
• Installation of dry urinals
• Optimization of WTPs
• Installation of remote meters
• Efficiency valves installation

MONITOR AND REDUCE SECURITY INCIDENTS IN SHOPPING CENTERS.
• CCTV technology was updated.
• 236 robberies and 13 accidents or injuries were reported in our properties.
• Support Mexican society with initiatives aimed at supporting women in dangerous situations.
• Reduce security incidents in shopping malls.

NATURAL DISASTERS ASSISTANCE.
• In 2018, a strengthening of the informatics security protocol was carried out.
• In 2019, it is still considered a significant risk to be addressed, so the reduction of physical risks derived from the effects of Climate Change began to be considered as potential risks.
Creating value for our communities:
FUNO® FOUNDATION

Through the FUNO® Foundation we have reached the communities in which we operate strategically, generating mutual benefits of growth and social equity. The Foundation’s pillars of action are as follows:

**SOCIETY**

- We help improve the quality of education through working together with other organizations.

- We help the economic development of communities through local employment.

- We support the communities where we have a presence.

**INFRASTRUCTURE**

- We facilitate the development of reliable, sustainable, resilient and quality infrastructure, supporting the economic development and well-being of our tenants and the communities where we operate.

- We make the most of other institutions’ expertise and generate alliances.

**SAFETY**

- We help reduce violence and collaborate with authorities to find solutions to insecurity.

$84.9 million pesos of investment for the benefit of more than three million people through 209 organizations that seek to improve the quality of life of the communities in which we operate.
• Three institutions were supported financially.
• Pro-Bloque de Daipayap Trust: Donation for the construction of the Lomas park.
• A Favor del Niño: Donation for water supply and sewage infrastructure of this private assistance institution. Provides teaching in kindergarten, elementary, middle and high school levels.
• In 2019 we carried out the call for social projects with the communities, with the aim of strengthening ties and promoting interaction between tenants, guests and communities. We received 75 projects, of which three were selected for support.
• United by Montana: Three communities in the high mountains of Guanajuato.
• United by Atitlan: Quetzaltenango, Quetzaltenango, Guatemala.
• Support at least five institutions financially.

Support more than 100 construction workers, suppor ted through the “Manos al futuro” project.

• We signed a strategic alliance with the Instituto Nacional para la Educación de los Adultos with the aim of motivating and make available to all users of the “Manos al futuro” Comprehensive Training Model, the possibility of completing their basic education studies primary and / or secondary in the community centers established in each of our training centers.
• We built a specialized practice together with the UNAM National School of Social Work, with the purpose of knowing and analyzing the identity links between the community and the territory in order to influence the construction of positive relationships with the MITRAKH real estate project.
• We developed a Comprehensive Training Model that includes a training, evaluation and certification program for job skills.
• We formed multidisciplinary teams made up of architects, engineers, construction supervisors, industrial security specialists, social work specialists, historians, education specialists, among others.
• We designed a social study and apply diagnostic instruments to assess levels of knowledge, skills, attitudes and values in workers.
• We proposed the index of construction trades with their respective procedures.
• We produced records for the forwarding of trade with 25 procedures, records for the carpentry trade with 15 procedures, records for the bricklaying trade with 30 procedures.
• We integrated construction supervision teams with Bovis Mexico to review the trades booklets.
• We identified job categories: assistant, officer and corporal and design specific training programs according to their different responsibilities.

Conclusion of the “Manos al futuro” project.

• R2D construction workers, suppor ted through the “Manos al futuro” project.

$747.4 mp

$10.2 mp

Donations of articles in kind to 10 institutions:
• Condonados Iguala AC
• Casa Refugios AC
• Milos de Eugenia AC Foundation
• Corredor de Consultorio de Derechos Humanos Foundation
• Firefighters of the Municipality of Ixtapaluca
• Mujeres Reconstituyendo Historia AC Foundation
• Daunis Gente Exceptional AC
• Reformation activities with CONAFIR

Donation of spaces for Development and Integration activities for the community:
• Local artisan markets
• Gastronomic and / or tourist promotion projects in the communities
• Support to different local NGOs
• Gastronomic and / or tourist promotion projects in the communities
• Support to different local NGOs

Donations of articles in kind to 10 institutions:
• UNICEF
• Save The Children
• CORENA
• RED CROSS
• UNHCR
• UNICEF
• UNHCR
• UNICEF
• Save The Children
• CORENA
• RED CROSS
• UNHCR

Donations of space in support of Institutions:
• COFIDES Natural Resources Commission
• Fonacot, PROFECO, Predial modules, etc.
• Safety campaigns: Automobile-Tattooed
• Cancer awareness campaigns and activities
• Commodity contract in favor of the Red Cross
• Reforestation activities with CONAFOR
• Donation of spaces in support of Non-Governmental Organizations
• UNHCR
• UNICEF
• Save The Children
• UNICEF
• RED CROSS
• CORENA
• UN Hijo de Ayuda
• Greenpeace

Donations of space in support of Non-Governmental Organizations:
• Anti-rabies campaign and canine and feline sterilization
• Donations of space in support of Non-Governmental Organizations
• UNHCR
• UNICEF
• Save The Children
• UNICEF
• RED CROSS
• CORENA
• UN Hijo de Ayuda
• Greenpeace

Donations of space in support of Non-Governmental Organizations:
•Anti-rabies campaign and canine and feline sterilization
•Donations of space in support of Non-Governmental Organizations
Natural Capital: Building sustainable spaces

The resilience of our properties is a priority. We consider natural capital to be all renewable and non-renewable environmental resources and processes that support the current and future prosperity of our business and that of all our stakeholders. Our 2030 plan and goals prove our commitment with communities and the natural environment.

SDGs 4, 6, 7, 11, 12 and 13: Quality education; Clean water and sanitation; Affordable and clean energy; Sustainable cities and communities; Responsible consumption and production; Climate action.

GRI Standards: 302-1 to 4, 303-1 to 5, 304-1 to 304-4, 30-51 to 305-7.
Other indicators: SASB IF-410a.1; SASB 1IF-RE-130a.1; C3.1a, d; C1.3a.
ESG Factor: Environment.

How we create value?

In environmental matters, we have focused our efforts mainly on reducing water and energy consumption, due to its impacts on the environment and our operating costs. The processes and results are directly supervised by the Vice President of Operations and the Sustainability Direction, as well as by the maintenance directors and managers. On site, they are supervised by property managers as well as maintenance personnel.

The focus of our natural capital comprises the following four dimensions, which we address from diverse fronts:

- Contracts potential
- Exceptional portfolio and unique location
- Focus on the tenants
- Financial prudence
- Ethics
- Energy and efficiency
- Emissions control
- Water management
- Waste management
- $ 1.276 million pesos corresponding to 7.6% of our lease income
- Changes in energy regulations
- Natural disasters (attention and contingency management)
- Impacts on the infrastructure surrounding the property
- Better management of solid waste
- Water scarcity/intensive use

For us, facing Climate Change means implementing sustainable strategies in our properties, thus increasing efficiency in the use of resources and preventing financial and operational impacts. For this reason, and in order to guarantee the greatest reliability of the information, in 2019 and again in 2020 we carried out the audit of the material indicators of our sustainability report, by an independent third party.

The resilience of our properties is a priority. We consider natural capital to be all renewable and non-renewable environmental resources and processes that support the current and future prosperity of our business and that of all our stakeholders. Our 2030 plan and goals prove our commitment with communities and the natural environment.
Value through measuring energy consumption in our portfolios

The rising cost of electricity in Mexico has significant implications for our business and our tenants. One of the top environmental risks identified are those related to changes in energy regulations. In addition to this, we are aware of the environmental footprint implied by high energy consumption, particularly that coming from non-renewable sources, which is why we continually seek to establish energy efficiency strategies that allow us to reduce our energy operating costs and therefore reduce our impact in this area.

<table>
<thead>
<tr>
<th>Year</th>
<th>Energy Intensity kWh per occupied sqm</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>66.3</td>
</tr>
<tr>
<td>2017</td>
<td>66.4</td>
</tr>
<tr>
<td>2018</td>
<td>66.9</td>
</tr>
</tbody>
</table>

7% of our income from leases is allocated towards energy, water and efficiency.

INTEGRATED REPORT 2019

PROGRESS VS 2018 (7) MAIN INITIATIVES / RESULTS IN 2019 (8) 2025 COMMITMENTS (9) ECONOMIC IMPACT GENERATED IN 2019

### INSTALLATION OF COMPLIANCE AND HARMONIC FILTERS

- Initiative presented in 2019.
- In 2019, compensation and harmonic filters were installed, which generated a reduction of approximately 14% in energy consumption in 12 load centers.
- Continue with the installation of compensation and harmonic filters, expecting a 20% saving in electricity consumption of the modified load centers.

### USE OF SOLAR PHOTOVOLTAIC ENERGY TECHNOLOGIES

- This target was established in 2018.
- In 2019, strategies for the implementation of solar energy technologies were searched and selected.
- Install photovoltaic panels with an air chamber, which is expected to save approximately 2,400,000 kWh.

### LED LIGHTING TECHNOLOGIES IN PARKING LOTS

- This target was established in 2018.
- Review of the current lighting type and on and off times.
- Assessment of lighting needs of buildings.
- Continue with the installation of LED technologies, expecting savings of approximately 16% in energy consumption compared to 2018.

### EVALUATION OF THE IMPLEMENTATION OF BMS (BUILDING MANAGEMENT SYSTEM)

- Initiative presented in 2019.
- In 2019, the monitoring and automation system was implemented in La Isla Shopping and Crystal Clean Tlahuac.
- Continue with the implementation of BMS to reduce electricity consumption by 7%.

### DECREASE THE ELECTRICAL INTENSITY BY 4.5% BY 2023

- Initiative presented in 2019.
- In 2019, the reduction in electrical intensity was achieved by 4.5% compared to 2018.
- Continue implementing electricity efficiency strategies.

### ANALYZE DIFFERENT OPTIONS FOR THE INCORPORATION OF RENEWABLE ENERGIES IN OUR PROPERTIES

- Initiative presented in 2019.
- A consultancy was sought and selected for the analysis of renewable energy purchase proposals.
- Begin the management of the purchase of clean or renewable energy if market and regulations make it possible.

The estimated savings shown in this column are the savings expected to be had in the global consumption of electricity.

The total consumption of electricity in 2015 was 184,407,504 MWh. This figure corresponds to the consumption of 17 properties that operated under the commitment in Colombia.

The total consumption of electricity in 2018 was 170,933,653 MWh.

The total consumption for 2018 and 2019 was calculated based on the consumption and property data of 119 properties. The above in accordance with the commitment regarding our sustainability linked committed revolving credit facility signed with 11 financial entities.
Value through water consumption metering

Our water stewardship focuses on ensuring its supply and optimization in the operation of our properties, as well as in the administration and monitoring of its consumption, which is based on the demand of our tenants and guests. In terms of water resources, the current challenges are increasing, since the maturity of regulation, the availability of the resource and its accessibility are elements that continually force us to develop sustainable strategies such as the installation of water efficiency technologies, as well as the uptake and maintenance of wastewater treatment plants.

Our target is to reduce water intensity 30% by 2030.
Value through emissions reduction

At FUNO®, we are committed to supporting the reduction of greenhouse gas (GHG) emissions. GHG emissions calculations, generated by FUNO®, include the consumption of electricity, use of fossil fuels and refrigerants in each property, business trips paid by the organization, as well as employee commuting to the workplace. Emissions are classified under three scopes: Scope 1 (direct emissions), Scope 2 (primarily indirect emissions from the consumption of electricity) and Scope 3 (indirect emissions generated by a third party). The calculation methodology is based on the “Green House Gases Protocol”; scope 1 and 2 emissions calculations use emission factors, refrigerant’s Global Warming Potential and calorific power given by Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT). Regarding Scope 3 emissions, the emission factors are those based on references of the Environmental Protection Agency (EPA).

### 2019 COMMITMENTS PROGRESS VS 2018 MAIN INITIATIVES / RESULTS IN 2019

**INCREASING OUR CHARGING STATIONS FOR ELECTRIC VEHICLES.**
- Initiative presented in 2016.
- In 2018 there were 63 charging stations.
- In 2019 we doubled the number to a total of 102 charging stations.

**OPTIMIZE THE MONITORING AND CONTROL OF OUR GHG EMISSIONS.**
- Ongoing.
- Our survey of transfers to work centers was updated for our scope 3 emissions.
- The intensity of emissions (scope 1 and 2) was reduced by 17.8% compared to 2018.

**CARBON FOOTPRINT TOOL.**
- Implemented in 2018.
- In 2019, the tool was updated, and an emissions intensity indicator (tCO₂e / occupied sqm) was included in our KPIs.

**2020 COMMITMENTS**
- Establish an emission reduction objective based on the “Science based targets” methodology.
- Continue to implement strategies for saving and efficient use of energy to reduce our Scope 2 emissions.
- Have an advance of at least 30% in the development of the environmental management plan and manual in terms of GHG.

**2023 and 2030 Goals**
- Reduce GHG emissions intensity by 18% and 20%, respectively.

---

**Total emissions by Scope (tonCO₂e)**

- **Scope 1 Emissions by GHG**
  - CO₂: 549.2
  - CH₄: 0.3
  - N₂O: 0.001
  - HFCs: 1.1

- **Total Scope 1, 2 and 3 emissions: 95,863.1 tons of CO₂e (Scope 1, 2 and 3) emitted**

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(13) The values of the Global Warming Potentials relative to CO₂, CH₄ and N₂O are based on the Fifth IPCC evaluation report.

(14) Base year 2018.

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For 2018 intensity, the Scope 2 emissions were recalculated with a result of 93,188.7 tonCO₂e.

Emission intensity was calculated based on scope 1 and scope 2.

Scope 3 emissions consider employees commuting to work centers and business trips paid by the organization.
Value through a correct and measured waste management

Solid waste management is one of the emerging challenges that we have identified, making it of vital importance to our operations. Our waste management is highly dependent on municipal and external collection, transport and management services. However, this presents a challenge, as it directly affects the operating costs of the tenants and does not present direct financial returns for FUNO®.

In 2019, nearly 1,005 tons of waste were sent to recycling.

<table>
<thead>
<tr>
<th>2019 COMMITMENTS</th>
<th>PROGRESS VS 2018</th>
<th>MAIN INITIATIVES / RESULTS IN 2019</th>
<th>2020 COMMITMENTS</th>
<th>ECONOMIC IMPACT GENERATED IN Pesos</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVELOP AND IMPLEMENT A CAMPAIGN AIMED AT TENANTS AND GUESTS, TO OPTIMIZE WASTE MANAGEMENT IN OFFICES AND SHOPPING CENTERS.</td>
<td>• Relaunch and reinforcement of communication campaign.</td>
<td>• In 2019, the first approach was made with tenants considered large generators. • The “Zero waste 2030” objective was established • Portal San Ángel was defined as the pilot building for the implementation of the waste management diagnosis. • Consultants were selected for the diagnostic.</td>
<td>• Implement the diagnosis of waste management in Portal San Ángel. • Execute the waste management survey in shopping centers and offices. • Define the guidelines and strategies of the “Zero waste 2030” Plan.</td>
<td></td>
</tr>
<tr>
<td>GLASS COLLECTION AGREEMENT WITH GRUPO MODELO.</td>
<td>• Initiative presented in 2019.</td>
<td>• The collection of food-grade glass was established in three properties: Patio Santa Fe, Samara and Punta Santa Fe.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAMPAIGN FOR THE ELIMINATION OF PLASTICS FOR A SINGLE USE ON OUR PROPERTIES THROUGHOUT THE COUNTRY.</td>
<td>• Initiative presented in 2019.</td>
<td>• During 2019, 1,005,801.4 kg of cardboard were sent to recycling. • We voluntarily signed with the government of CDMX an agreement to eliminate single use plastics in our properties: • PET • Aluminum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELECTRICAL AND ELECTRONIC WASTE</td>
<td>• Proper disposal of electronic devices at our HQ.</td>
<td>• In 2019, 255 electronic devices were sent to recycling and final disposal.</td>
<td>• Continue with the identification and monitoring of recoverable waste in our properties:</td>
<td></td>
</tr>
</tbody>
</table>

In 2019 we recovered $1.1 million pesos through recycling & recoverable waste.

$18 mp
Value through the conservation of biodiversity

For FUNO® it is essential to support the conservation of biodiversity in the communities where we operate. For this reason, in 2019, we participated in the annual reforestation of CONAFOR, in which 570 trees of the Pinus Montezumae species were planted in the Magdalena Pelalacalco ejido of the Tlalpan mayor’s office.

In addition to this reforestation, we maintained 750 trees located around the Mitikah project, thereby improving their plant health.

In 2019, FUNO® decided to collaborate with Mexican authorities in the maintenance of green areas in Mexico City. This collaboration aims at protecting and reforesting green areas with native and endangered species. This will contribute to increasing the presence of pollinators in urban areas (thanks to the presence of selected endemic species).

88 tonCO₂e were captured approximately through our reforestation initiatives.\(^1\)

Our 2020 commitment is to continue our operations without biodiversity loss and supporting biodiversity conservation projects near our properties.

\(^1\) For the calculation of the tons captured, the figure reported by the Carbon neutral initiative, available at https://carbneutral.com.au/e/, was used as a reference.
Financial Capital: Economic growth in balance

SDGs 1 and 7: No poverty; Sustainable cities and communities. GRI Standards: 203-1, 203-2. Other indicators: SS 01.6 CC; SS 01.7, 01.8 CC. ESG Factor: Governance

Our financial capital is the set of funds available for investment deployment, which includes debt, retained earnings and capital funds. We are the first and largest Mexican REIT operating a wide range of properties in various states, generating economic benefits for our CBFIs holders, communities, and tenants.

BUSINESS PRIORITY ADDRESSED SUSTAINABILITY LINE OF ACTION STAKEHOLDER FINANCIAL RESOURCES ALLOCATED IDENTIFIED RISK ADDRESSED

- Contracts potential
- Exceptional portfolio and unique location
- Focus on tenants
- Financial prudence
- Energy efficiency
- Emissions control
- Water management
- Impacts on the infrastructure surrounding the property
- Changes in energy and water regulations

As aforementioned in previous capitals, the way we manage and use our financial capital is fundamental in order to create sustained value for our stakeholders. Our ability to access financing either through equity or debt is key in our success. Maintaining strong credit metrics and the group’s ability to manage its total cost of capital make a significant contribution to our sustainability and ability to finance the expansion of our income-generating distributable asset base. This would not be possible without strong discipline that allows us to maintain constant economic growth, healthy finances, as well as ethical decision-making.

How we create value?

As aforementioned in previous capitals, the way we manage and use our financial capital is fundamental in order to create sustained value for our stakeholders. Our ability to access financing either through equity or debt is key in our success. Maintaining strong credit metrics and the group’s ability to manage its total cost of capital make a significant contribution to our sustainability and ability to finance the expansion of our income-generating distributable asset base. This would not be possible without strong discipline that allows us to maintain constant economic growth, healthy finances, as well as ethical decision-making.

2019 COMMITMENTS VS 2018 MAIN INITIATIVES / RESULTS IN 2019 2020 COMMITMENTS

COORDINATE AND DOCUMENT THE CELEBRATION OF ASSEMBLIES AND SESSIONS OF THE DIFFERENT FUNO® COMMITTEES, TO COMPLY WITH THE OBJECTIVES AND PURPOSES, AS WELL AS APPLICABLE LEGISLATION.

- 100%.
- 100% attendance
- 100% attendance
- 100% attendance
- 100% attendance

IMPLEMENT A COLLECTION SYSTEM THAT ALLOWS 100% MONITORING OF FUNO®’S PORTFOLIO.

- 80%.
- 100% design
- 100% development
- Implementation 0%
Continuity Plan.

Establish a Business Distribution.

Increase shareholder appreciation and the returns on our shareholders capital value and in the returns on the transactions that result from the lease contracts.

Internalization of portfolios and preparation of 100% of the lease contracts.

Add value through transactions resulting in our shareholders, capital value appreciation and in distributions.

Establish a Business Continuity Plan.

Third part assurance

Our responsibility

We are responsible to review the information related to the Company included in the Integrated Report 2019 of Fideicomiso Fibra Uno pursuant to the Standards for Sustainability Assurance Engagements (GRI Standards: Core, 2018). We conducted our review in accordance with the International Standard on Assurance Engagements (ISAE No. 3000, Assurance Engagements: General Purpose Financial Information) issued by the International Auditing and Assurance Standards Board (IAASB). We conducted this assurance engagement in accordance with the Standards for Sustainability Assurance Engagements (GRI Standards: Core, 2018). The result of the assurance engagement is reported in the separate assurance part of the report. The conclusion expressed above is based on our observations and the evidence obtained, nothing caught our attention that causes us to believe that the information included in the report is not in accordance with the criteria established in the Standards for Sustainability Assurance Engagements (GRI Standards: Core, 2018), and to our knowledge, it is true and fair and in accordance with international standards. The management is responsible for the preparation of the information subject to our review, free from material misstatement.

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

KPMG Cárdenas Dosal, S.C. (the "Firm") has also complied with all other applicable laws, regulations, guidelines and other relevant requirements.

This assurance report is intended for the users of this report and is addressed to the Sustainability Committee of Fideicomiso Fibra Uno. This report is not intended to be used by anyone other than the intended users.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than, the procedures performed in an assurance engagement described in the ISAE No. 3000 (ISAE 3000), because the engagement is a limited assurance engagement and only limited assurance is provided about whether, based on our work performed and the evidence obtained, nothing caught our attention that causes us to believe that the information included in the report for the year ended December 31, 2019, is not prepared, in all material aspects, in accordance with the GRI Standards: Core, 2018.

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Criteria
The criteria on which the preparation of the Contents has been assessed, refers to the requirements established in the Handbook for Sustainability Assurance (AA1000AS, 2018) and the Global Reporting Initiative (GRI).

Conclusion
Our conclusion has been formed on the basis of, 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 the procedures performed and the evidence obtained, nothing caused us to believe that the Contents detailed in Appendix A, attached to this assurance report, prepared by FUNO’s Vice-Presidencies and by the Sustainability Direction, and included in FUNO’s Integrated Report for the period from January 1 to December 31, 2019, are not prepared in all material aspects, in accordance with the Standards for Sustainability Assurance (AA1000AS, 2018) and the Global Reporting Initiative (GRI) Standards.

Restriction of use of our report
Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than FUNO’s Vice-Presidencies and the Sustainability Direction, for any purpose or in any other context. Any party other than FUNO’s Vice-Presidencies 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 fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than FUNO for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to FUNO, on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

KPMG Cárdenas Dosal, S.C.
Partner
Mexico City, May 29th, 2020.

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Description of the Contents of the limited assurance engagements:

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<td>Energy</td>
<td>Energy intensity per m² occupied (ratio between consumed electrical energy and occupied square meters).</td>
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</tr>
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<td></td>
<td></td>
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This Report may include projections or forward-looking statements that involve risks and uncertainty. Words such as "estimates", "project", "plans", "believes", "expects", "anticipates", "tries", and other similar expressions should be identified as forecasts or estimates. FUNO advises readers that the statements or estimates in this document, or those made by FUNO’s administration, are entirely subject to risks and uncertainty that may cause changes based on various factors that are not under FUNO’s control. Estimates for the future do not reflect the judgment of FUNO as of the date of this document, and FUNO reserves the right to update the statements contained in this document or that emanate from it when deemed appropriate. FUNO’s past or present performance is not an indicator of future performance.