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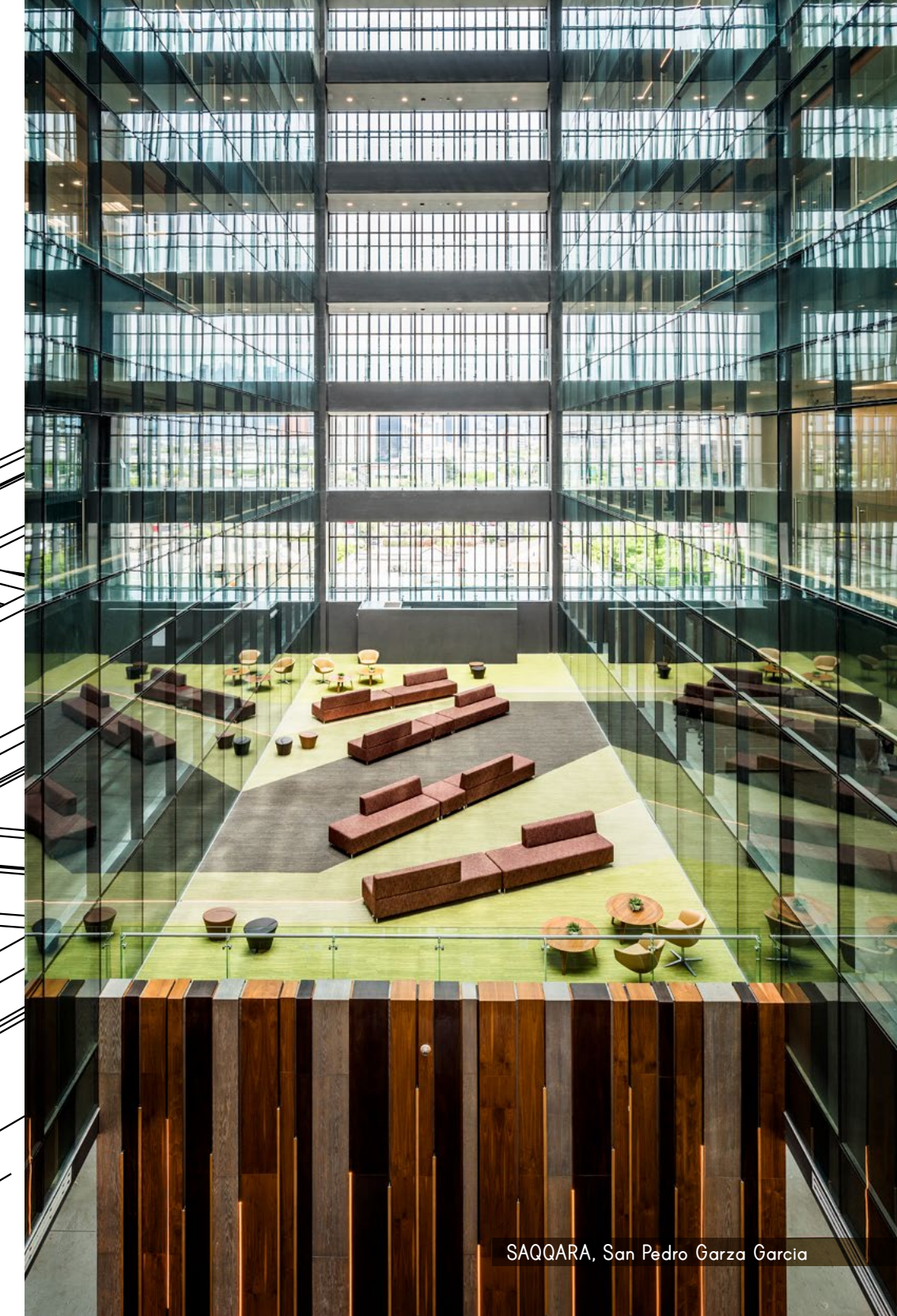
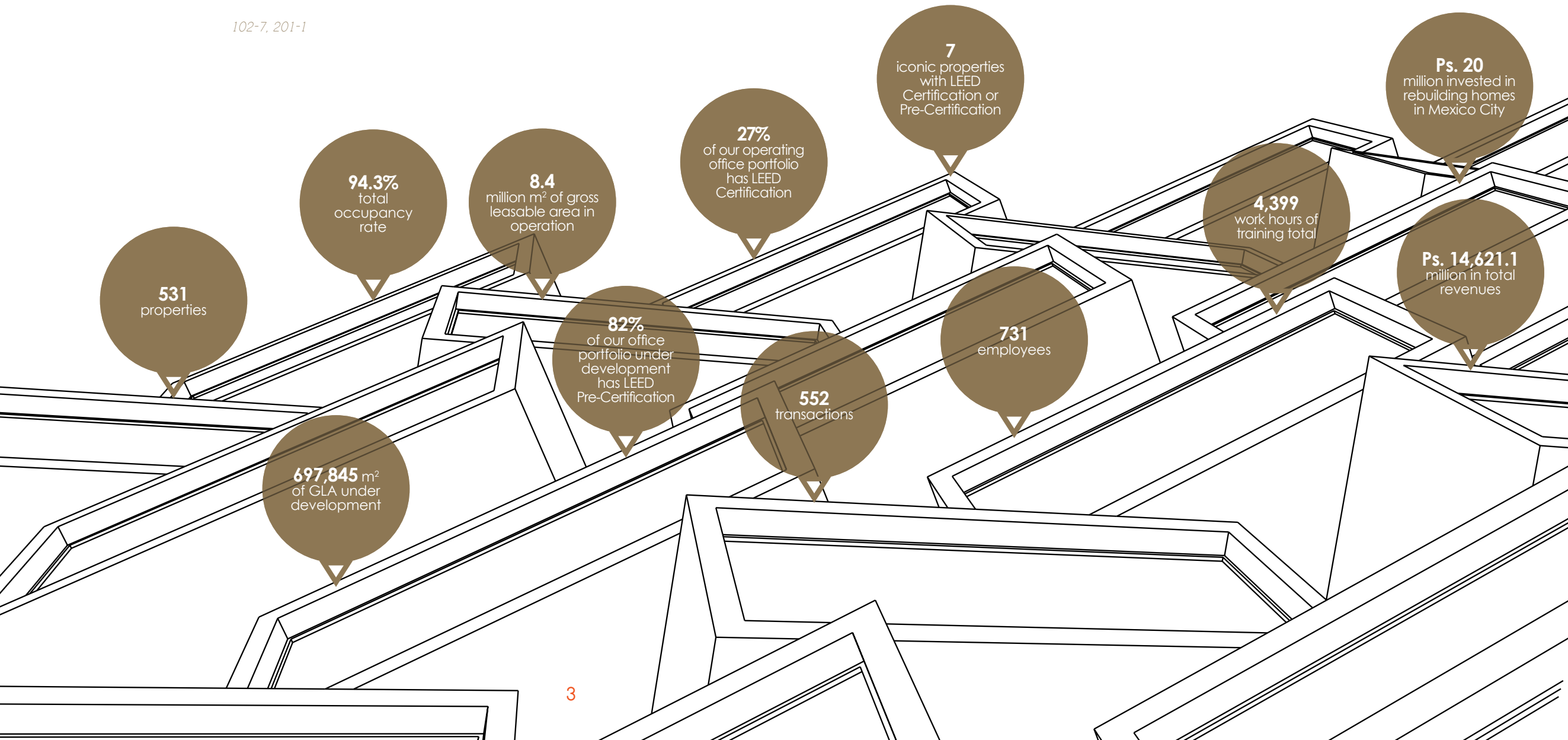
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We are FUNO, the first and largest REIT (Real Estate Investment Trust, or FIBRA for its Spanish acronym) in Mexico. We focus on generating sustainable value for our stakeholders through the operation, acquisition and development of real estate for retail, industrial and office use.

We are known as a young, dynamic trust that is always looking to innovate and expand. We are able to face the challenges we encounter through the extensive experience and expertise of our directors... our guides on the path to success, and thanks to whom we have been able to transcend.

2017 AT A GLANCE

102-7, 201-1



ABOUT OUR REPORT

102-45, 102-48, 102-49, 102-50, 102-54, 102-56

We are pleased to present this 2017 Annual and Sustainability Report, in which, once again, we reaffirm our commitment to transparency and sustainability. FUNO is a pioneer in many respects, and we remain at the forefront of our industry, which is why we have prepared this report in accordance with GRI Standards: Core Option.

Because our Sustainability Strategy is grounded in the UN Sustainable Development Goals, this document details the actions through which we at FUNO pursue these goals, in addition to the parameters established by the GRESB Real Estate Assessment.

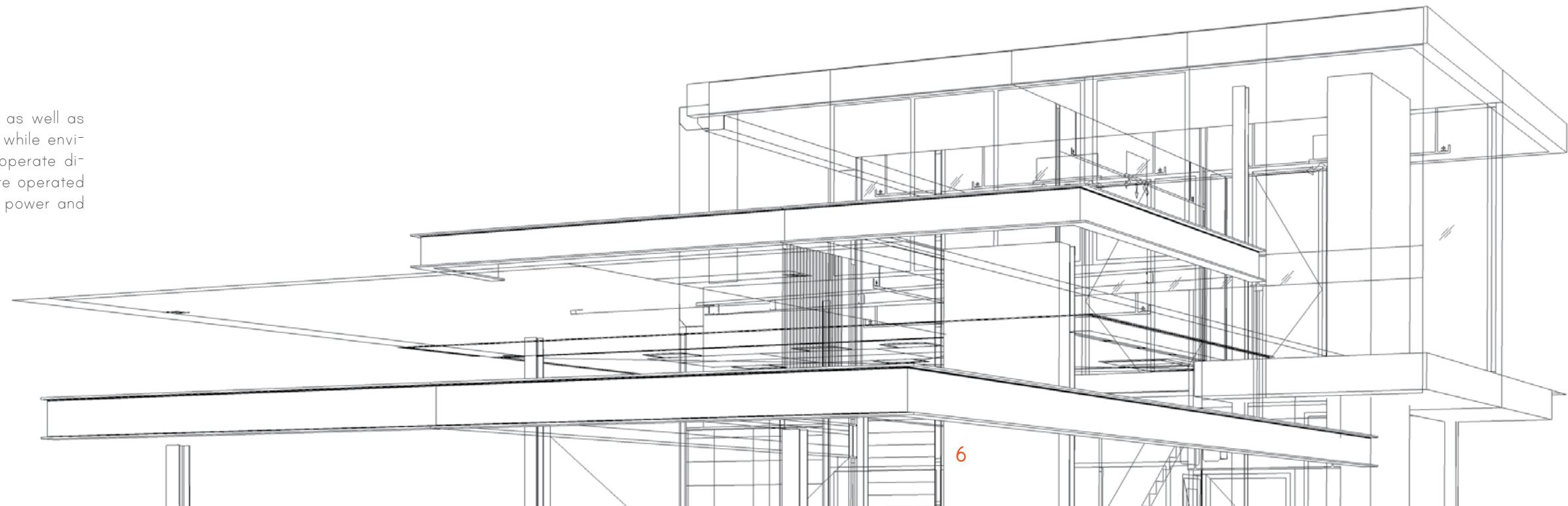
This report contains the most relevant results, data and events for FUNO and its stakeholders, in economic, social and environmental terms, from January 1 to December 31, 2017.

The reported social, corporate governance, safety and health results, as well as those relating to Human Capital, encompass all of FUNO's operations, while environmental data reflect the performance of 89 properties which we operate directly and through third parties. Note that the rest of the properties are operated under the triple-net-rent model, in which tenants directly pay for their power and water services.

Amounts are expressed in Mexican pesos, unless some other currency is specified.

Last year, our consumption of electrical and fossil fuel energy was reported in kilowatt-hours (kWh), while for fiscal year 2017 they are presented in gigawatts (GW) and in gigajoules (GJ), respectively. Energy intensity of electricity use is expressed in kilowatt-hours per square meter (kWh/m²).

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

GRI 201: 103-1, 103-2, 103-3
102-10, 102-14, 102-15, 201-1

To our investors and employees,

I am pleased to present to you FUNO's solid results for the year 2017.

It is with great satisfaction that I announce a notable 10.5% increase in total revenues for the year. Our operating margin remains close to 80% and our gross leasable area now stands at 8.4 million square meters, with a consolidated total occupancy rate of 94.3%.

 **Gross leasable area of 8.4 million square meters and a consolidated total occupancy rate of 94.3% at the close of 2017**

The FUNO's operating performance is a source of great pride to us, because even in an adverse financial climate, we once again proved the solidity of our business model.

The fourth quarter of 2017 was one of the most active in FUNO's history: on October 5, we released our fifth public offering totaling Ps. 12.80 billion, through the issue of 420 million CBFIs on local and international markets. In retrospect, we're pleased to have floated this offering successfully amid the turbulent waters we were called upon to navigate during the past year.

Also on the financial front, we issued Securities Certificates on the local market, using the proceeds to pay off a short-term bond in advance. We issued a total of Ps. 7.10 billion in peso-denominated bonds; one at 10 years and a fixed rate for Ps. 1 billion, with a coupon of 9.2%, and a 5-year bond at a floating rate of 85 basis points over the TIIE, for Ps. 6.10 billion.

In keeping with the commitment we made on Investors' Day in November 2017, we were able to finalize a number of the acquisitions we planned. We completed our acquisition of La Teja, the remaining portion of the Frimax Portfolio; we also closed on the acquisition of 13 properties in the Turbo Portfolio; and we signed on the purchase of the Apolo II Portfolio, made up of 16 properties. We agreed on the terms for acquisition of an office building at Montes Urales 620 in Mexico City, and finally, sold a plot of land in Celaya from the Kansas Portfolio. Today, we are still awaiting finalization of the purchase of two additional retail properties in the Turbo Portfolio.

I'd like to point out that the sale of the Celaya property shows how we view the disposal of assets in this phase of our Portfolio's development. We received an unsolicited but reasonable offer for a non-core property, which also implied a substantial premium over its book value. In other words, it was a good price, so we decided to sell. The income from that sale was used mainly as part of the distribution we announced more recently. To the extent we continue to receive attractive offers for our properties, we can expect to act in a similar manner, selling at a good price. Going forward, we expect to distribute the revenues from such sales, or reinvest them in options with greater potential value, including FUNO's own CBFIs.

During the past year we opened operations in various properties that had been under development, for example at Patio Tlalpan in the retail segment. Late in 2017, we took delivery of part of Torre Cuarzo, which is now completely rented, and we continue to await delivery from the developer of the rest of the building, which continues in the rent-out process. These are significant milestones, because we at FUNO have always devoted a substantial amount of resources to developing new properties. This benefits us with a higher return on invested capital, but "costs" us in the sense of having capital locked away in investments that do not generate flows in the early years of investment.

We added some new projects to our Development Portfolio, like retail sites in Guanajuato and Tapachula, which we received with the Turbo Portfolio, and the Escato industrial project, which is part of the Frimax Portfolio, and we have already begun development of La Isla II in Cancun. You will recall that FUNO's strategy is to keep assets under development to 10% or less of the total, which enables us to maintain a portfolio of young properties, attend to our clients' need for growth, and obtain higher yields on investment for our shareholders.

I am aware that the political climate in Mexico this year will keep the markets in the same mood of volatility we have been facing for the past few years. But despite the challenges this trust faces, we will continue to strengthen FUNO's sustainability strategy and underscore our commitment to our employees, the environment and the communities where we operate, through ratification of our membership in the United Nations Global Compact, and by developing initiatives that contribute to pursuit of its 10 Principles.

 **I remain convinced that Mexico is a great investment destination, especially the real-state industry**

The transactions we carried out in the last quarter of 2017 fortified our balance sheet and today we have solid credit metrics that give us access to growth opportunities in the most attractive market for investment: Mexico.

Sincerely,

André El-Mann
CEO

MESSAGE FROM THE DEPUTY CHIEF EXECUTIVE OFFICER

102-14, 102-15

Dear investors and employees,

Strength, success and stability are the terms that best describe 2017 for FUNO. Despite market uncertainty over the domestic and international climate, FUNO was able to understand the looming challenges and take advantage of opportunities as they arose.

Thus, in the last quarter of the year, together with the acquisition of the Apolo II portfolio, we completed a global offering of CBFIs and issued debt on the local market, both successful events that attest to our investors' confidence in the future of FUNO and our country.

 **The global offering of CBFIs and local debt issuance of late 2017 attest to the our investors' confidence in the future of FUNO and the country**

2017 was clearly a significant year for FUNO, although also one that required more effort than 2016. But despite the difficult climate, it was a good year for us in terms of growth and consolidation.

This same context augurs satisfactory results in 2018, because combined with our exceptional locations and the rising value of each property on its own, it will be a year in which the revenues from the rental of new portfolios –both from acquisitions and because their development is complete– will be reflected.

Clearly, the cornerstones of FUNO's success are the experience of our leaders and the best corporate governance practices that guide our actions, as well as the philosophy that defines us. With this model, we have succeeded in making FUNO –a young, world-class trust with a long-term vision– transcend in Mexico.

FUNO is a pioneer and leader in various aspects. Today we are the 23rd leading trust in the global Real Estate Investment Trust (REIT) industry; we intend to improve this ranking and we are firmly convinced that we can do so by enhancing quality processes through continuous improvement and technology development.

Our people are key on this path, because they are one of FUNO's most valuable assets, and they make this a unique trust. The talent we have is one of our greatest competitive advantages, so we consider it our responsibility to provide them with the best opportunities for growth and advancement.

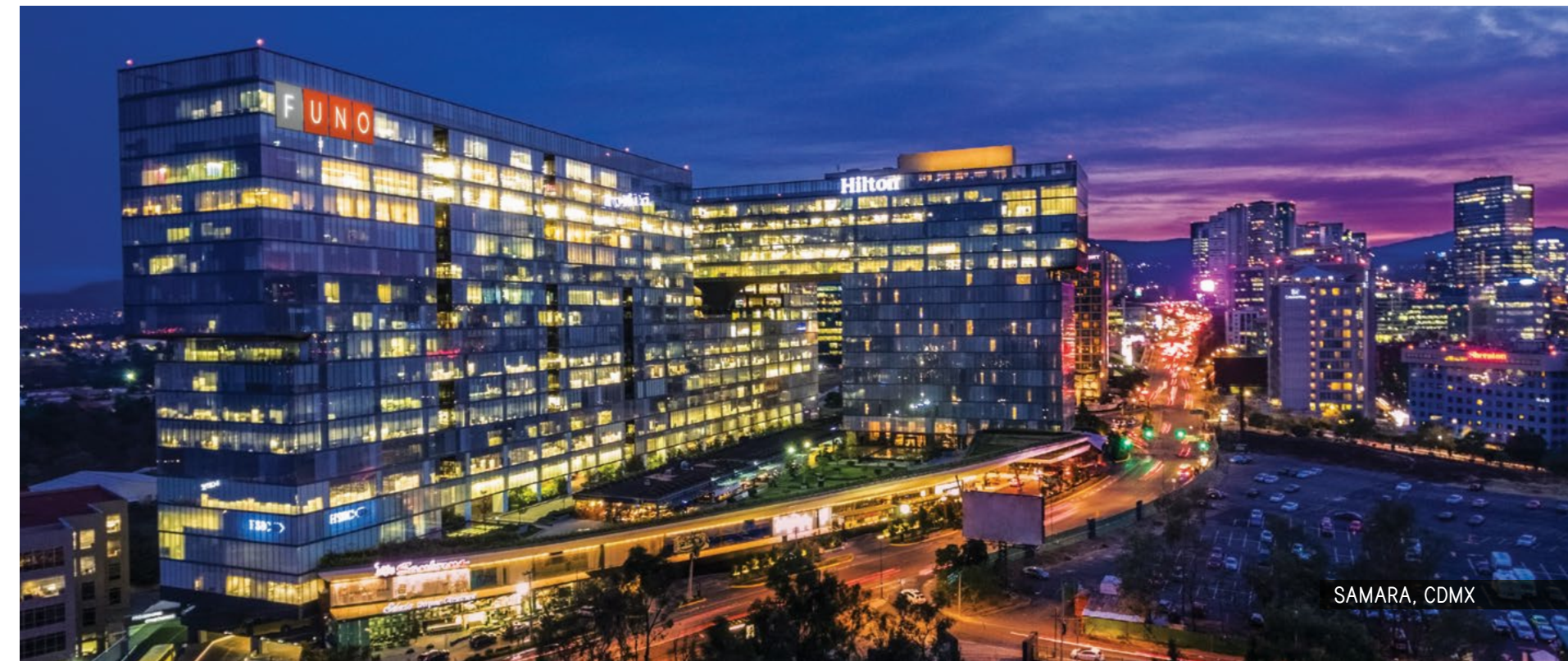
In keeping with our commitment to continuous improvement, 2018 will be a decisive year in terms of sustainability, because we will continue our work on various environmental and social goals that we have set for ourselves. One of these is to acquire, develop and remodel more properties within the portfolio of sites that meet Leadership in Energy & Environmental Design (LEED) certification standards, as we did with Torre Mayor, a building in which we are also focusing efforts to make it a self-sustainable building in terms of water resources for fiscal year 2019.

I am very proud to share with you one of the FUNO's greatest achievements in social terms. I am referring to the creation of FUNO Foundation, a benchmark for commitment to the communities where we are present, where we hope to give back something of what they have given to us, through infrastructure and housing.

 **In 2017, we created FUNO Foundation, a sign of our commitment to the communities where we operate**

We are deeply grateful for the efforts of all our employees to make FUNO a successful trust, as well as to our investors, tenants and suppliers for sharing our philosophy and for placing their trust in FUNO. Mexico transcends, and we reiterate our commitment to this country's progress, and our interest in continuing to invest in it, fulfilling our aim of creating sustainable, long-term value.

Gonzalo Robina
Deputy Chief Executive Officer



SAMARA, CDMX

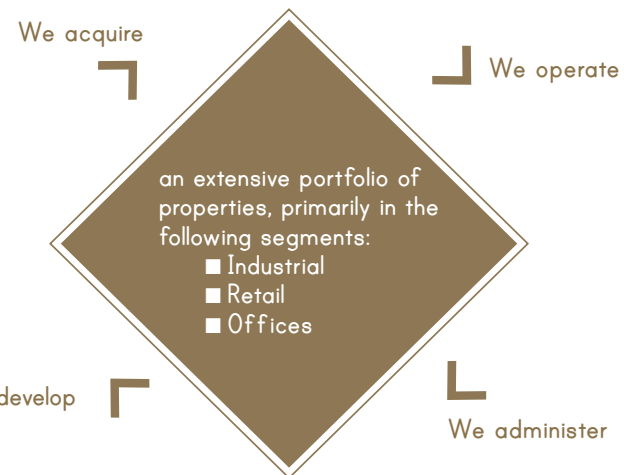
WE ARE NUMBER 1

102-1, 102-2, 102-5, 102-6

FUNO is the first and largest FIBRA in the Mexican market

We are the first and largest real-estate investment trust in Mexico. FUNO began operations in 2011 as a vehicle to promote investment in the real-estate industry and grow through development and acquisitions. We offer investors regular cash distributions, the proceeds of our real-estate leasing activities. We focus on investing in ideally-located, high quality properties, diversified by geography, segments and tenants.

At FUNO...




Identification of operations close to Natural Protected Areas (ANP)

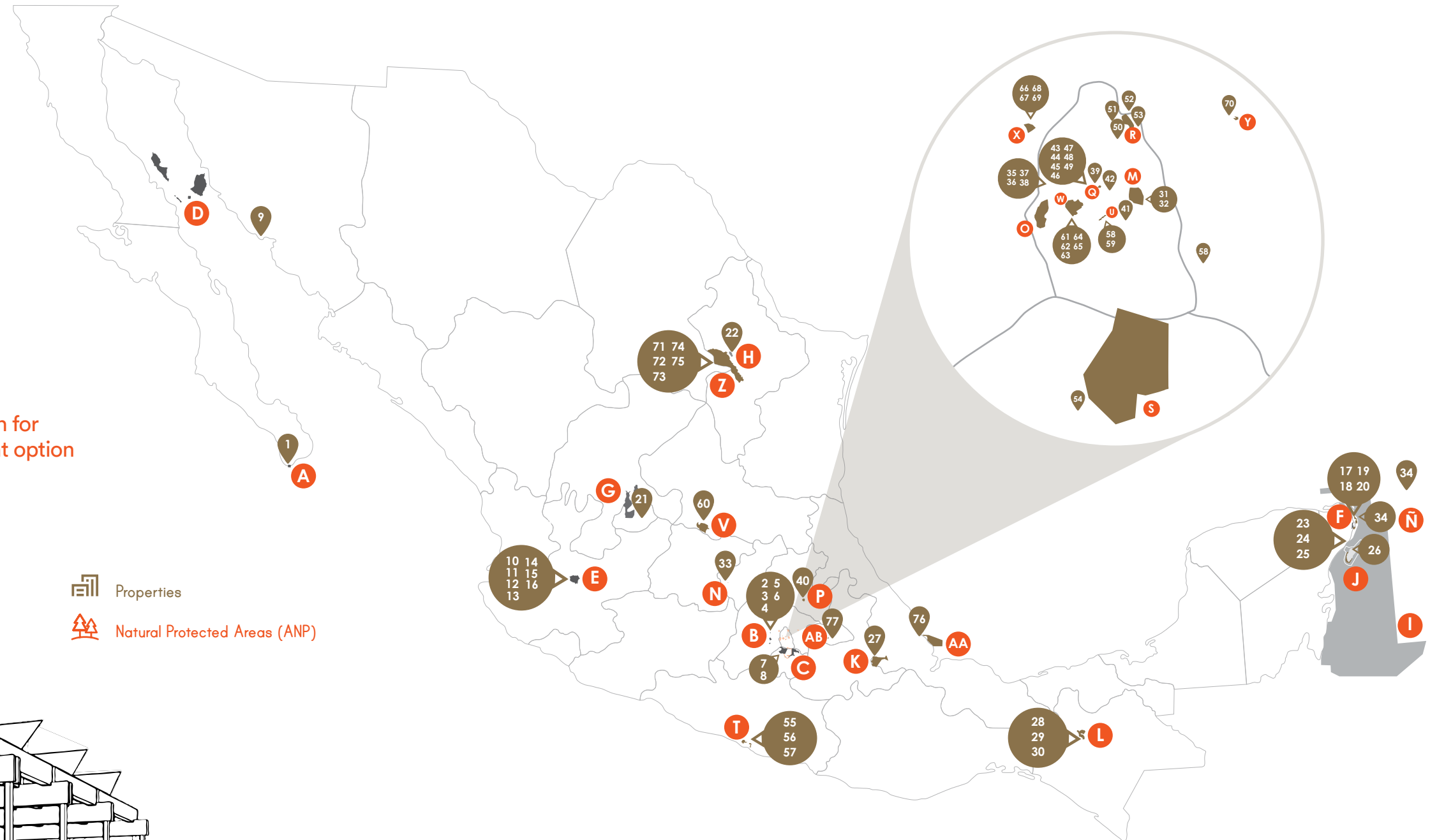
Flora and Fauna Protection Area	Natural Monument	National Park	National Park
A Cabo San Lucas	H Cerro de la Silla	37 Patio Santa Fe	V Gogoron
1 Los Cabos	22 California Guadalupe	38 Samara	60 California Logistik I
B Cienegas del Lerma		39 Torre Santa Fe	W Lomas de Padierna
2 Lerma I	Biosphere Reserve	P El Chico	61 Olivar de los Padres
3 Lerma Park I	I Mexican Caribbean	40 Gran Patio Pachuca	62 Terraza Pedregal
4 Maravillas II	23 La Isla Cancun	Q Historical Centre of Coyoacán	63 Anillo Periférico
5 Tollocan	24 Centro Maya	41 Cuernavaca	64 Blvd. Adolfo Ruiz Cortines
6 Doña Rosa	25 Americas Playa	42 Miguel Angel de Quevedo	65 Torre Platinum
C Chichinautzin Biological Corridor		43 Insurgentes Monasterios	X Los Remedios
7 Cuernavaca (Indiana Portfolio)	National Park	44 Torre Diamante Insurgentes	66 Naucalpan Juárez 2
8 Cuernavaca (Apolo II Portfolio)	J Cozumel Coral Reefs	45 Patio Revolucion	67 Av. Lomas Verdes
D Gulf of California Islands	26 Punta Langosta	46 Insurgentes Sur 1787	68 Corporativo San Mateo
9 Guaymas	K Río Blanco Canyon	47 Insurgentes Sur 1811	69 Lomas Verdes
E La Primavera	27 Patio Río Blanco	48 Revolucion 1877	Y Molino de Flores Nezahualcōyotl
10 Zapopan UVM	L Sumidero Canyon	49 Mitikah	70 Gran Patio Texcoco
11 Outlet Guadalajara	28 Americas Tuxtla	R El Tepeyac	Z Cumbres de Monterrey National Park
12 Puerta de Hierro	29 Tuxtla II	50 Rio de los Remedios	71 C Doblado Esq. Vasconcelos
13 Patio Santa Anita	30 Tuxtla Fashion Mall	51 Av. Instituto Politécnico Nacional	72 Corporativo Constitución
14 Mariano Otero	M Cerro de la Estrella	52 Acueducto	73 Av. Bosques del Valle
15 Galerías Guadalajara	31 Tlahuac	53 La Villa	74 Gomez Morin 940
16 El Palomar	32 Tlahuac DP	S El Tepozteco	75 Galerías Valle Oriente
F Nichupte Mangroves	N Cerro de las Campanas	54 Morelos	AA Veracruz Coral Reef System
17 Malecon	33 Queretaro	T El Veladero	76 Avenida Independencia
18 Av. Tulum	Ñ West Coast National Park of Isla Mujeres, Punta Cancun and Punta Nizuc	55 Acapulco BK	AB Xicotencatl
19 Outlet Cancun	34 Forum By the Sea	56 Acapulco Diana	77 Gran Patio Tlaxcala
20 Parque Empresarial Cancun	O Desierto de los Leones	57 Acapulco	
Natural Resources Protection Area	35 Chili's Santa Fe	U Fuentes Brotantes de Tlalpan	
G C.A.D.NR 001 Pabellon Arteaga	36 Corporativo Santa Fe	58 Patio Tlalpan	
21 Maine Aguascalientes		59 Corporativo Cuspide	

102-3, 102-4, 102-13

We are present in 32 states of Mexico, headquartered in Mexico City.

 **FUNO is a member of the Mexican Real-Estate FIBRA Association (AMEFIBRA).** Our Deputy CEO was Chairman of this organization in 2017. This important involvement enables us to remain leaders in the industry and help define standards and best practices for real estate in Mexico

 **We are the best real-estate solution for clients and also the best investment option in the Mexican real-estate market**



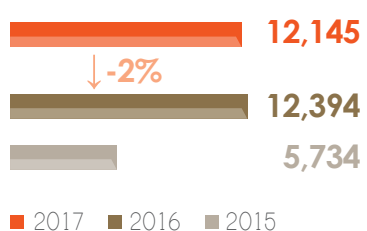
CONFIDENCE THAT TRANSCENDS

102-7, 201-1

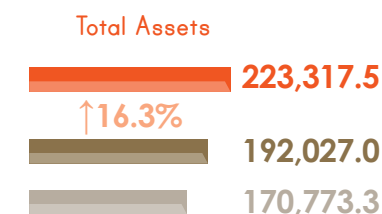
We are very pleased to announce that FUNO's solid performance in 2017 generated excellent results in terms of sustainable value creation. This is just one of the signs that we are on the right path, motivating and repaying the trust that our investors have placed in FUNO.

Key indicators ⁽¹⁾	2017	2016	2015	Δ% 2017 vs 2016
Financial indicators				
Total revenues	14,621.1	13,252.8	10,724.9	10.3%
Net Operating Income (NOI)	11,741.3	10,667.1	8,645.6	10.1%
NOI Margin ⁽²⁾	90.8%	89.5%	88.9%	1.4%
Flow from Operations (FFO)	6,670.3	6,411.3	5,763.2	4.0%
FFO Margin ⁽³⁾	51.6%	53.8%	59.3%	-4.1%
Distribution per CBFI	2.0	1.9	1.9	3.6%

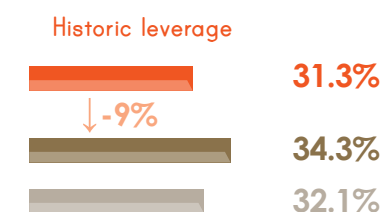
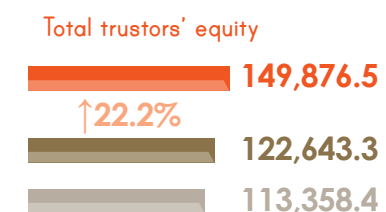
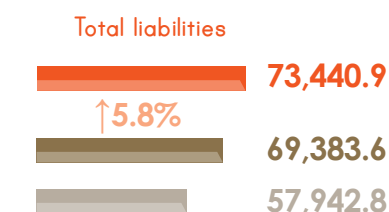
Consolidated net income per year



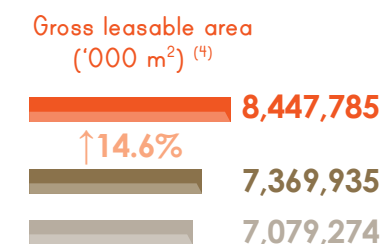
Key indicators ⁽¹⁾	2017	2016	2015	Δ% 2017 vs 2016
Assets				
Current assets	12,473.4	11,673.2	13,715.8	6.9%
Non current assets	210,844	180,353.7	157,057.5	16.9%



Key indicators ⁽¹⁾	2017	2016	2015	Δ% 2017 vs 2016
Liabilities and Equity				
Long-term liabilities	66,838.5	65,258.7	45,173.7	2.4%
Short-term liabilities	6,602.5	4,124.9	12,241.3	60.1%



Key indicators	2017	2016	2015	Δ% 2017 vs 2016
Operating indicators				
CBFIs outstanding (million)	3,956.8	3,249.3	3,197.6	21.8%
Gross leasable area under development (m ²) ⁽⁵⁾	697,484.5	792,800	957,536	-12.0%
Total occupancy	94.3%	94.4%	95.0%	-0.1%



⁽¹⁾ Figures in millions of Mexican pesos.

⁽²⁾ Margin over total revenues

⁽³⁾ Margin over rental revenues

⁽⁴⁾ Includes total GLA of Torre Mayor, Torre Latino, Torre Diana and Mitikah.




⁽⁵⁾ Includes the Mitikah mixed-use development and developments with joint venture partners; GLA adjusted for SEP occupancy of Centro Bancomer.

■ 2017 ■ 2016 ■ 2015

CONTINUOUS IMPROVEMENT

We know that the path to excellence requires strategic guidelines on continuous improvement. With this in mind, every year we set goals and take actions that keep us on this path, a determination that enables us to maintain our leadership and remain a benchmark in the industry.

Finances

2017 Commitments	Progress	Description	Actions	2018 Commitments
 Complete execution of the exchange-rate hedge	✓	In 2016 we increased our debt in USD by 500 million dollars and promised the market to take on no more dollar debt. 2017 Results: Execution of USD450 million.	<ul style="list-style-type: none"> Execute USD-MXN swap. Pay off USD70 million in debt, closing out the hedge. 	
 Increase capital to finance the purchases of Apolo II and Turbo	✓	In November 2016, we announced our intention of acquiring the Apolo II and Turbo portfolios.	<ul style="list-style-type: none"> Carried out the acquisition with equity. Executed the follow-on. Established a program of up to 1.5 billion CBFIs, of which 419.5 million were placed. 	Keep bond issuance programs on shelf listing, ready to execute as necessary. To be used only for acquisitions.
 Redeem FUNO 13 Bond issuance in advance	✓	We expected market volatility and set ourselves the goal of having few maturities coming up on the 2018 elections and NAFTA renegotiation.	In December 2017, we issued 7.10 billion in bonds in 2 issues, paying off maturing debt for 6.9 billion.	Refinance FUNO 15 bond, which comes due in 2019.

Other goals for 2018

- Conclude implementation of the systems necessary to comply with new IFRS 15 and IRS 9 standards.
- Support the Mitikah project to obtain financing without recourse to FUNO and complete the project.
- Modify FUNO's accounting policies as necessary to capitalize the interest on debt corresponding to the developments, rather than as interest expense, in order to ensure a symmetrical accounting treatment.



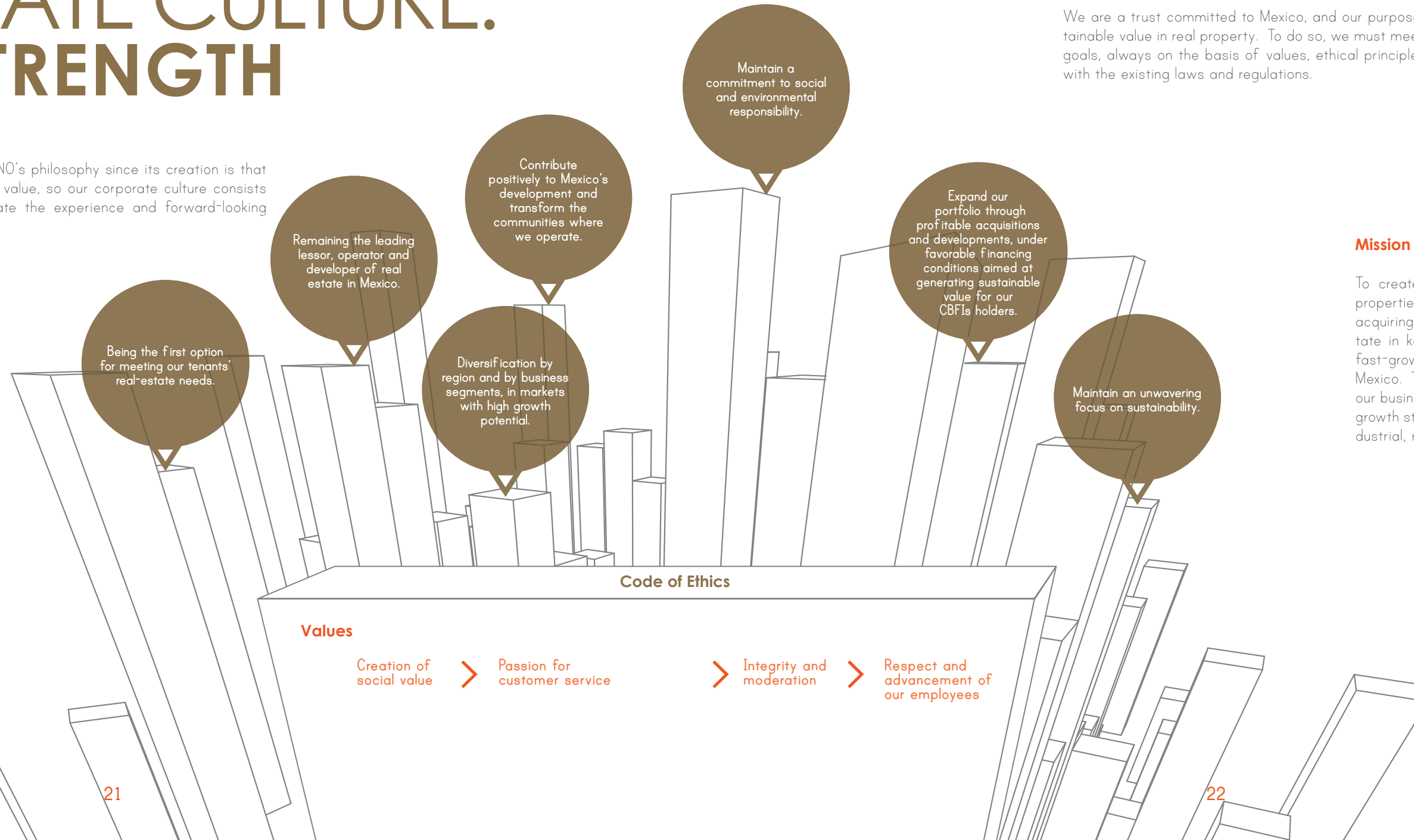
CORPORATE CULTURE: OUR STRENGTH

GRI 206: 103-1, 103-2
102-16

The premise that has characterized FUNO's philosophy since its creation is that we must grow by generating long-term value, so our corporate culture consists of various key factors that demonstrate the experience and forward-looking focus that make us unique.

Vision

Our focus to fulfill our mission is on abiding by our target principles, which include:



We are a trust committed to Mexico, and our purpose is to create sustainable value in real property. To do so, we must meet our fundamental goals, always on the basis of values, ethical principles and compliance with the existing laws and regulations.

Mission

To create sustainable value in our properties by leasing, operating, acquiring and developing real estate in key locations with dynamic, fast-growing economies throughout Mexico. To do so while synchronizing our business model with our tenants' growth strategies, primarily in the industrial, retail and office segments.

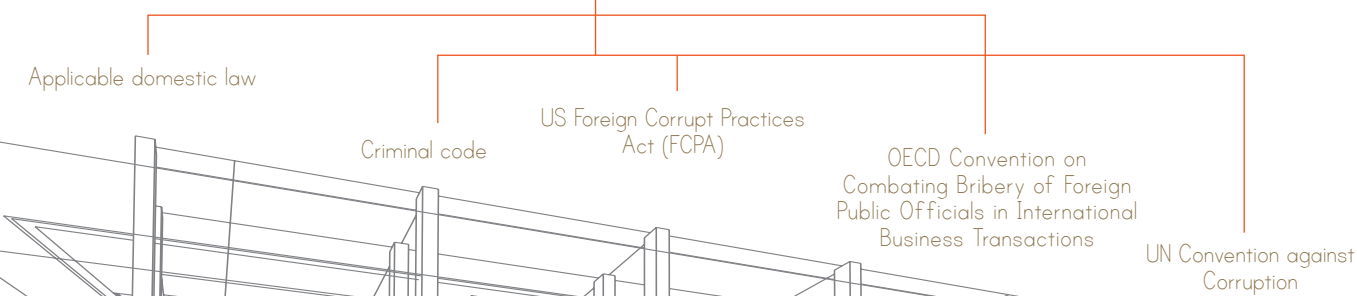
PHILOSOPHY THAT TRANSCENDS

GRI 205: 103-1, 103-2, 103-3
205-1, 205-2, 205-3

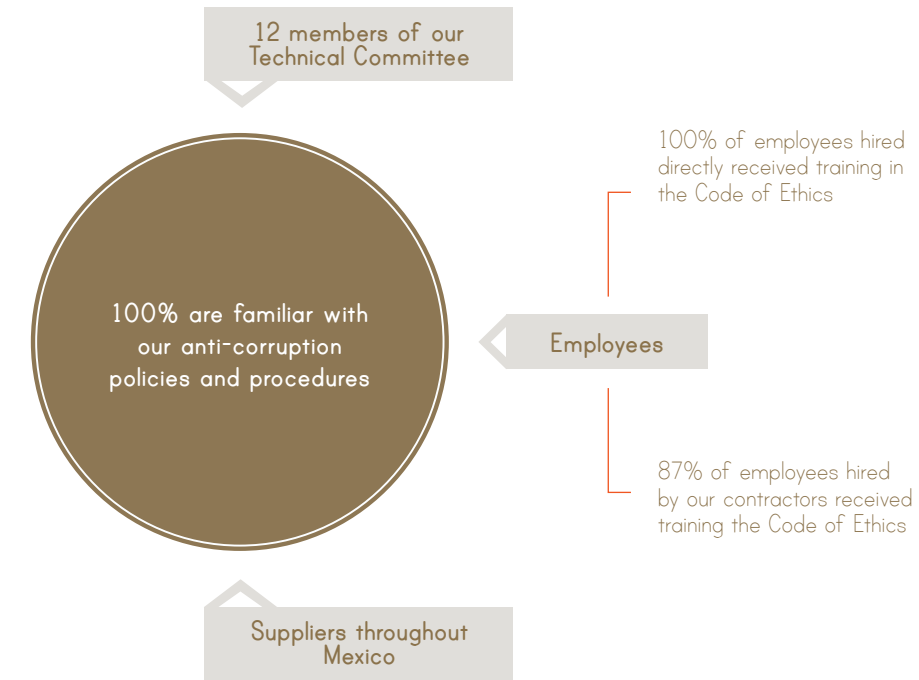
We are a trust committed to creating and complying with anti-corruption practices. We do this most importantly by following our Code of Ethics, an instrument that also requires us to work only with suppliers who comply with their tax obligations and apply good business and anti-corruption practices.

Because of this, when we select our suppliers and acquire their products and services, we follow management and negotiation systems to ensure established standards are met. The results of these procedures are evaluated through internal and external controls and audits.

2017 was an important year for FUNO in various ways. One of these was that we extended our values and principles toward the value chain: in addition to our own strict compliance with the applicable legal provisions and the Universal Declaration on Human Rights, starting this year we required the following of all our suppliers and employees:



Promoting our own convictions both within and outside of FUNO, and encouraging our stakeholders to live our philosophy, has already produced outstanding results in terms of awareness of anti-corruption values, principles and policies, as shown in the following graph:



As a result of our compliance with existing laws and regulations, and sharing our philosophy with stakeholders, in 2017 we once again reported zero cases of corruption with legal or financial repercussions



Patio Tlalpan, Mexico City

WHISTLEBLOWERS HOTLINE

102-17

A year after we opened the Whistleblowers Hotline, we continue to build awareness and use of this channel. In 2017 we received 18 tips and three reports with additional information. Note that any tenant, supplier or employee can communicate suggestions and complaints about conduct that violates our principles, in total anonymity.

Every report or opinion received through the Whistleblowers Hotline is channeled to the Ethics Committee for attention and follow-up, until it is completely resolved and the necessary measures have been taken to guarantee ethical conduct within FUNO.

Our Whistleblowers Hotline works as follows:



The Whistleblowers Hotline is managed by an independent third party and is available 24/7

The Whistleblowers Hotline is available 24/7 all year round, through the following channels:

Website:
www.tipsanonomos.com/funo

Email:
funo@tipsanonomos.com

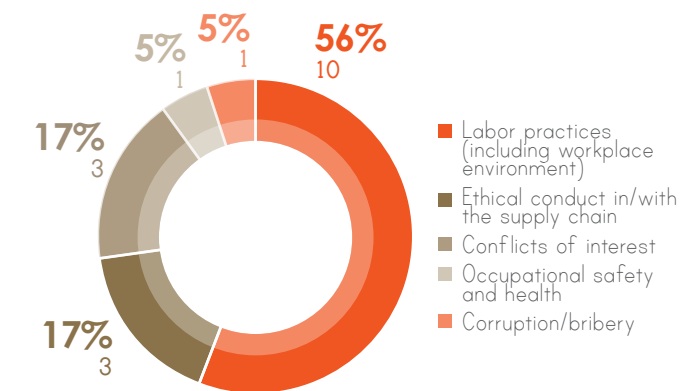
Phone:
01 800 91 0031

Fax:
(55) 5255 1322

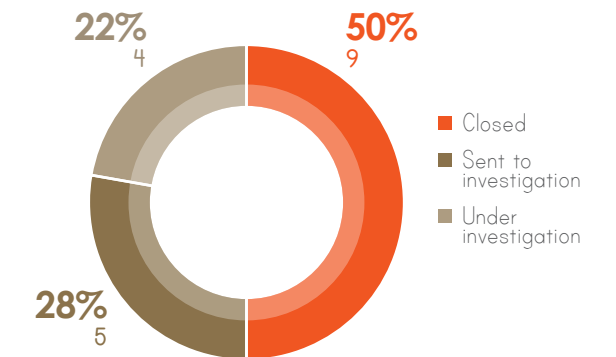
Address:
Galaz Yamazaqui Ruiz Urquiza S.C., A.P CON-080, Mexico City, CP 06401

The following is a breakdown of the reports received during the year by type:

Breakdown of reports received in 2017 by category



Status of complaints



In 2017, all 18 tips received through our Whistleblowers Hotline were addressed and monitored, and 50% of them were closed in the same period; the remaining 9 cases remained under investigation at the close of the year.

In 2017, we laid the groundwork for keeping our 2018 commitment to open this line of communication to our tenants, suppliers and visitors, because we want our philosophy to transcend to all groups who interact with FUNO.

Economic impact: Ps. 94,600 allocated to operation of the Whistleblowers Hotline in 2017

61% of complaints were received through the website

89% were made anonymously

WE CREATE VALUE THROUGH MEXICO AND FOR MEXICO

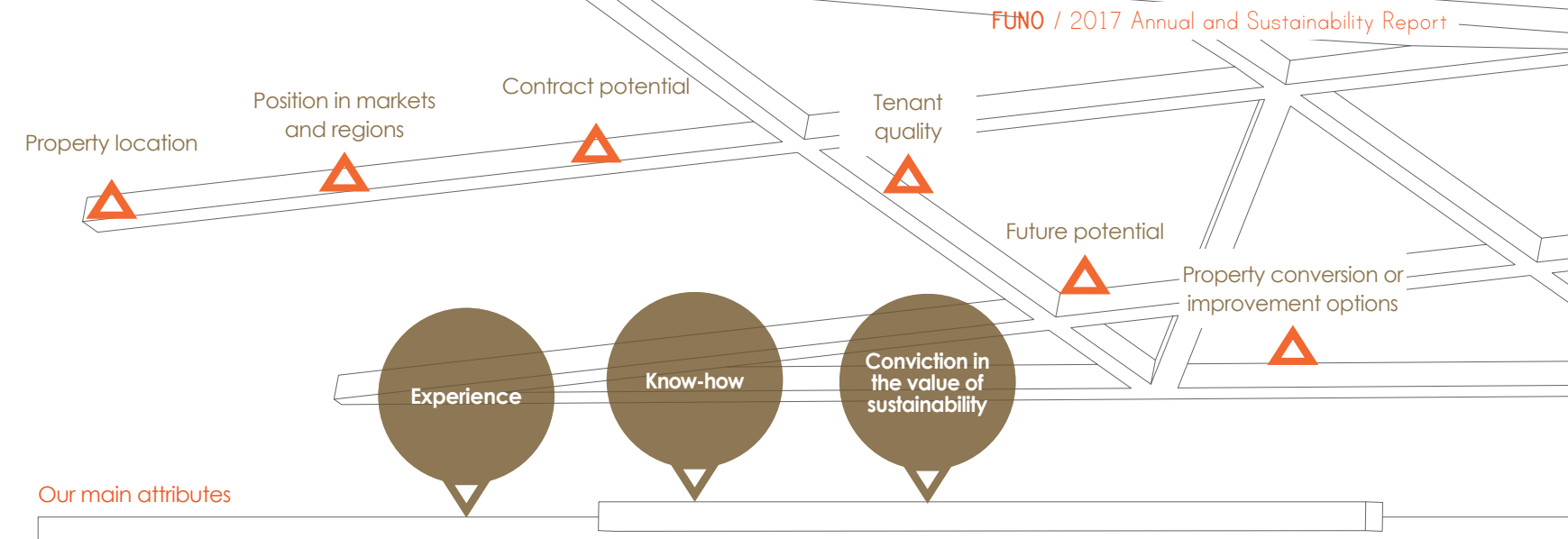
GRI 201, 206: 103-1, 103-2, 103-3
102-12, 102-46, 102-47

At FUNO, we are known for our proven capacity to create value. Our primary competitive advantage is knowing how to efficiently invest resources, because we have a 100% real-estate focus, with a long-term vision that benefits our various stakeholders.

Mexicans cities and the population are growing rapidly, which translates into a rising demand for quality goods and services. One of the immediate consequences of this process is a scarcity of optimally-located real estate, which makes them more valuable and sought after.

 **Our locations are unique and irreplaceable; the intrinsic value of FUNO comes from the assets in which we invest**

We are number one in the operation, acquisition and development of real-estate in Mexico, because together with the experience and know-how of our administrative team in developing and operating in all segments of the real-estate market, we guarantee the profitability of the business by taking into account various factors, among them:



At FUNO, sustainability is a part of our institutional fiber, and we make it an absolute priority, because it is a quality intrinsic to our business model: We create sustainable value for all our stakeholders, bringing them real-estate services with a positive impact on the community and natural environment wherever we operate, in absolute respect for Human Rights.

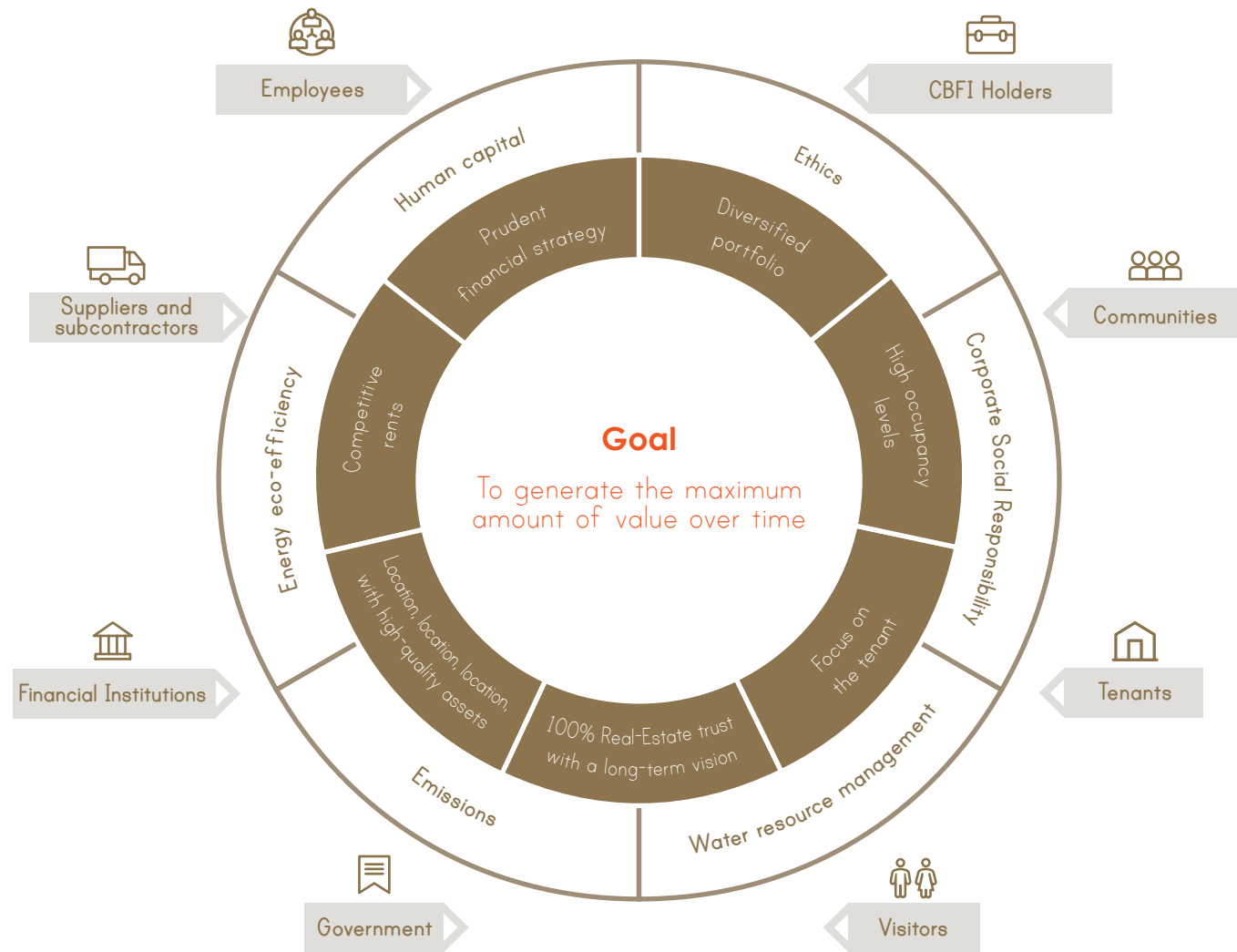
Thus, in keeping with our commitment to the UN Global Compact and Sustainable Development Goals, and with the findings established in our 2016 materiality study, at FUNO we continue to work on strengthening the 2017-2020 lines of action, which address issues that have a transcendent impact on the trust's capacity to maximize value in the short, medium and long term.

These strategic guidelines and solid business management are the ideal equation, underpinning a robust value creation model that favors steady and increasing cash flow generation, both inside and outside this trust, guaranteeing the sustainability of our business and our continuing position as leaders of our industry.

To learn more about our 2016 materiality study and 2017-2020 lines of action, visit: <http://en.funomx.com/investors/esg/sustainability-management>

102-40, 102-42, 102-43, 102-47

VALUE CREATION MODEL










■ Business model □ Lines of action ■ Who benefits? ■ How do they benefit? ■ What is the impact? ■ Communication channels

	<ul style="list-style-type: none"> Financial results: sustainable returns Business stability and continuity Transparency 	<ul style="list-style-type: none"> Confidence Reinvestment Growth in revenues 	<ul style="list-style-type: none"> Investor Relations Office FUNO Day Participation in conferences Meetings with analysts, banks, rating agencies, etc. Quarterly surveys Annual report Press releases
	<ul style="list-style-type: none"> Social commitment = creation of FUNO Foundation Shopping centers as spaces for communication and integration Support in natural disasters 	<ul style="list-style-type: none"> Contribution to creating indirect jobs = tourism = development of local economies Facilitation of climates that are good for progress Support for vulnerable groups 	<ul style="list-style-type: none"> Social networks Website Regional manager
	<ul style="list-style-type: none"> Quality services Speedy, efficient applications and processes 	<ul style="list-style-type: none"> Contribution to generation of indirect jobs = local economic development Trust and loyalty by tenants Customer (tenant) satisfaction Brands strengthened by presence 	<ul style="list-style-type: none"> Sole Project Representatives (RUP) Regional Managers Collections Office Tenant coordination Office Social networks One-on-one meetings
	<ul style="list-style-type: none"> Guaranteed safety Best experience in the visit Innovative services 	<ul style="list-style-type: none"> Contribution to comprehensive development of society Helping to improve quality of life for Mexican families Rise in tourism 	<ul style="list-style-type: none"> Social networks Regional manager Suggestion box On-site marketing
	<ul style="list-style-type: none"> Compliance with guidelines and regulations Cooperation with authorities Prompt submission of information to authorities Anti-corruption practices On-time tax payments 	<ul style="list-style-type: none"> Transparency Development of social programs Investment in infrastructure Elimination of corruption 	<ul style="list-style-type: none"> Senior management Legal counsel Regional manager
	<ul style="list-style-type: none"> Sustainable financial results Transparency 	<ul style="list-style-type: none"> Feedback for continuous improvement 	<ul style="list-style-type: none"> One-on-one meetings Investor Relations Office Vice Presidents of Treasury and Finance
	<ul style="list-style-type: none"> Free competition Transparent selection processes On-time payment Engagement of local suppliers 	<ul style="list-style-type: none"> Supplier loyalty Quality inputs and services = greater economic benefits for suppliers Operation under ethical standards Building long-term, mutually beneficial commercial relationships Contribution to development of local economies 	<ul style="list-style-type: none"> Procurement of office Area that engages or requests the service Contracts Suppliers' Portal One-on-one meetings
	<ul style="list-style-type: none"> Job security Competitive benefits Helping to improve quality of life for employees and their families Comprehensive advancement Occupational safety and health 	<ul style="list-style-type: none"> Motivation and challenges Being part of the culture and the institution Keeping jobs (acquisitions) Increased retention index Employee satisfaction 	<ul style="list-style-type: none"> Open-door policy Workplace environment surveys Integration day Human Resources Office Meeting of building Managers Whistleblowers Hotline E-mail

CONTINUOUS IMPROVEMENT

At FUNO, we are confident that experience-based learning and continuous improvement are a direct path to success. This is why we continuously strengthen our business model by making annual commitments and taking specific action that show us our progress and help us fulfill our purpose: generating long-term value in multiple respects.

Business growth

2017 Commitments	Progress	Actions
 Public Offering of Equity and Debt	✓	<ul style="list-style-type: none"> Called CBFH Holders' Assembly. Approved call to CBFH Holders' Assembly. Prepared offering prospectus for the Public Offering.
 To reach a gross leasable area of 9.8 million square meters by the year 2020		<ul style="list-style-type: none"> Incorporation of 1.4 million square meters to our portfolio through acquisitions. Completion of 700,000 square meters of projects under development. Completion of the first phase of Mitikah. <p>2017 Results: 8.4 million square meters distributed across 531 properties, with an occupancy rate of 94.3%.</p>
 Acquire the Apolo II and Turbo portfolios	✓	<ul style="list-style-type: none"> Negotiation with clients. Due diligence (review and audit). Incorporation of contracts into the FUNO Platform.
 Renew expired contracts		Reduce renewal and signature term to 30 days.
 Register important FUNO brands	✓	Study, defend and obtain trademark registries.




2020 Commitment

Reach a gross leasable area of 9.8 million square meters by the year 2020 (+17% compared to the area at the close of 2017).

2018 Commitments

- Stabilize and integrate acquired portfolios.
- Reduce and negotiate past-due accounts.
- Recover possession of locales.
- Consolidation of condominium ownership regimes.
- Continue the process of contract renewal.

Sustainability

2016 Commitments	Our strategy	Progress	Actions	2017 Commitments	Progress	Actions
Strengthen and communicate our commitment to sustainability.	Institutionalize sustainability at FUNO.	✓	<ul style="list-style-type: none"> Creation of a sustainability area in May 2016. First training and talks for directors and managers on sustainability issues. 	Concentrate on best practices to maintain the trust and profitability of clients and CBFH holders.	✓	<ul style="list-style-type: none"> Became part of the DJSI MILA Pacific Alliance. Participated in the NAREIT ESG Forum. Reported to the Global Compact based on SDG. Created an ESG website, where all the non-financial information is available.
Increase the transparency of our sustainability results and compliance with our obligations.	Measure and monitor our results in terms of the environment, society, ethics, risks, human rights, human capital, supplier relations, etc.		<ul style="list-style-type: none"> First corporate study of materiality. Define sustainability strategy. Signing of United Nations Global Compact in June 2017. 	Increase the frequency of publication of sustainability results.	✓	<ul style="list-style-type: none"> Strengthened various practices, like collection and other social initiatives. Carried out first corporate reforestation campaign.
Adopt best practices and sustainability guidelines.	Report and make our sustainability results more transparent under the GRI methodology.		<ul style="list-style-type: none"> First time report in keeping with the Global Reporting Initiative G4 Guidelines 	Strengthen our alliance with the Global Compact and collaborate to encourage a culture of sustainability in FUNO.	✓	<ul style="list-style-type: none"> Expanded the Bio-PAPPEL initiative to the entire SAMA-RA building.
Conceptualize sustainability within FUNO.	Make this information permanently available to our stakeholders through the web page.		<ul style="list-style-type: none"> First time report to DJSI and CDP. Development of Corporate Governance Section in our web page. 			
Strengthen the culture of sustainability within FUNO	Adhere to the United Nations Global Compact.	✓				<ul style="list-style-type: none"> Build and reinforce FUNO's image and reputation internally and externally through initiatives that impact different audiences. Increase FUNO's brand presence in communications media strategic to our target audiences.
						<ul style="list-style-type: none"> Maintain transparency in information to preserve the trust and profitability of our clients and CBFH holders. Compare similar properties for water and energy consumption each quarter. Increase participation in real-estate industry sustainability forums.

2018 Commitments

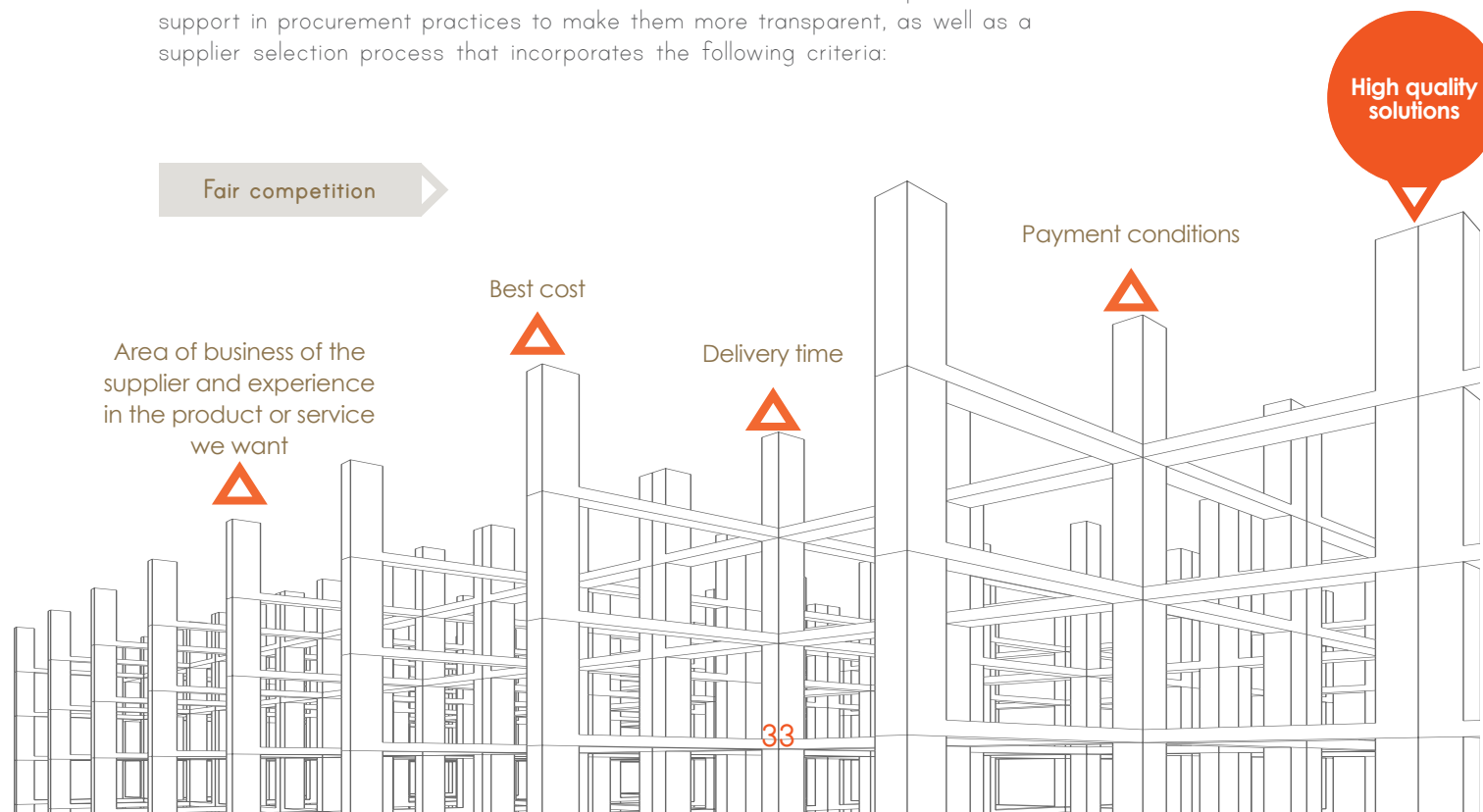
ALLIANCES THAT GENERATE VALUE

GRI 205: 103-1, 103-2, 103-3
102-9, 102-10


Our value chain is one of the processes through which we contribute to Mexico's progress, because it encourages the creation of indirect jobs, and therefore helps improve the quality of life for Mexican families.

It is crucial that we have a responsible value chain, because this positively impacts the services we offer our tenants and visitors.

To make sure of this, we have instruments to optimize our management processes, like the Procurement Area Policies and Procedures, which represent the support in procurement practices to make them more transparent, as well as a supplier selection process that incorporates the following criteria:



In this process, we promote fair competition, which favors service quality and improves prices from vendors, while helping us to meet our goal of offering investors and clients the best price-quality ratio.

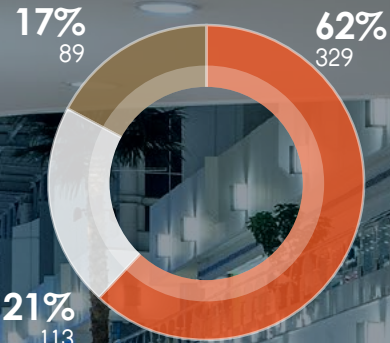
 We have 2,811 active suppliers, 856 of which were incorporated in 2017

 Ps. 2.39 billion in supplier payments in 2017

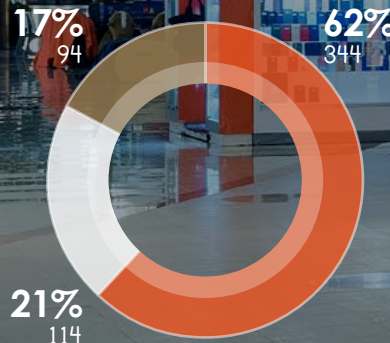


Plaza Las Americas, Cancun

Number of operating properties by segment



Operations ⁽¹⁾



⁽¹⁾ Number of properties by type of operation: 552.
Total number of properties: 531.

68 suppliers of maintenance services for chillers, air conditioning, etc.

38 security service suppliers

43 cleaning service suppliers

CONTINUOUS IMPROVEMENT

Treasury

2017 Commitments

Progress

Our strategy

Actions

2018 Commitments


Expansion of Procurement area



Centralize acquisition of key and services in order to handle request more efficiently and take advantage of economies of scale.

- Hire specialized personnel.
- Train new employees.

- Stabilize purchasing processes and achieve a more mature Area.
- Handle all purchasing requests in the Area as a whole instead of individually.
- Establish the basis for a "reliable supplier" policy, a list of suppliers specializing in their area, stressing those considered critical.


Second check



In-depth check of payment files to avoid errors.

Development of an internal tool.

- Handle at least 95% of purchasing requirements in 30 days or less.


Have lines of credit available



Goal:
Ps. 2 billion in short-term, unsecured lines of credit.

Negotiation with banks for the amounts, terms and rates that are best for FUNO.

- Keep lines of credit open with the best conditions possible.

2017 Results:
Ps. 5.3 billion in lines of credit, of which only Ps. 3.3 billion were used.


Reduce interest rates on lines of credit



Focus on short-term lines of credit.

2017 Results: :
Reduced average rate by 150 to 100 basis points.


Launch of Integrity, an online tool for bank account reconciliation



2017 Results:
100% of Treasury operations conducted with the Integrity tool.

- Update of the tool version.
- Employee training.



Plaza Las Americas, Cancun

OVER **500** PROPERTIES



GREATNESS OF OUR PORTFOLIO

102-7, 102-10, 302-1, 302-3, 303-1, 303-3

At FUNO, we have the best portfolio of properties in Mexico, because it the largest, most diversified and best located in the country.



531 properties	8,447,785 m² of gross leasable area	94.3% total occupancy rate
697,485 m² of gross leasable area under development	Ps. 14.62 billion in revenues	Ps. 337 million in property taxes, 4% more than in 2016
Ps. 152 million in insurance, 6% more than in 2016	11,037,267 m³ of water consumed nationwide	161 Gigawatts of electrical energy consumed nationwide; 70 kWh/m ² ⁽¹⁾
10,173,634 GJ from fossil fuels consumed nationwide ⁽¹⁾⁽³⁾	Ps. 105 million paid for water supply; 23% higher than the year before	Ps. 227 million paid for electrical energy; 15% more than in 2016

⁽¹⁾ Environmental data include the operation of 89 buildings in which F1401 and the designated administrators are responsible, meaning they do not include consumption for which the tenants are responsible.
⁽²⁾ The breakdown of water consumption by source is as follows: 8,124,398.05 m³ from the municipal water supply; 445,941.16 m³ in tanker trucks; 2,453,530.16 m³ from underground wells; and 13,398 m³ in wastewater from another organization which we treat and reuse.
⁽³⁾ The consumption of fossil fuels included in this calculation is as follows: 254,318,863 ft³ natural gas (conversion factor: 0.040 GJ); 384 gallons of gasoline (conversion factor: 0.13176 MJ); and 5,658 gallons of diesel (conversion factor: 0.14652 MJ).

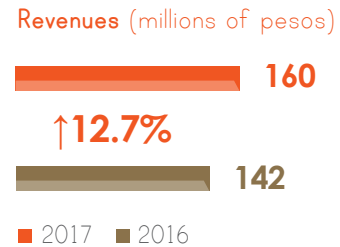
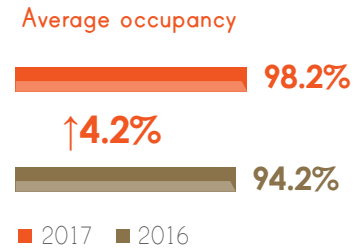
One of FUNO's greatest achievements in 2017 was the completion of five acquisitions that added another 38 properties to our portfolio:

	Turbo	Apolo II	Office Building	SAQQARA	Frimax
Various locations	Various locations	Montes Urales / Paseo de la Reforma, Mexico City	San Pedro Garza Garcia, Nuevo Leon	State of Mexico	
16 properties	17 properties	1 property	1 property	3 properties	
Ps.7,551 million	Ps.7,874 million	USD 60 million	Ps.702 million	Ps.3,278 million	
Ps.0	Ps.1,568 million	USD 0	Ps.108 million	Ps.0	
Ps.650 million	Ps.817 million	USD 5 million	Ps.73 million	Ps.468 million	
322,087 m ²	237,050 m ²	17,087 m ²	11,236 m ²	230,061 m ²	
Ps.9,016 million	Ps.9,442 million	USD 60 million	Ps.110 million	Ps.3,278 million	
Acquisition price	Additional investment	NOI	Gross leasable area	Total investment	

FASHION MALL CHIHUAHUA

A REGIONAL MEETING PLACE AND A BENCHMARK FOR THE INDUSTRY

Started operations in 2002 under the Condominium system



174,696 m²
Total surface area

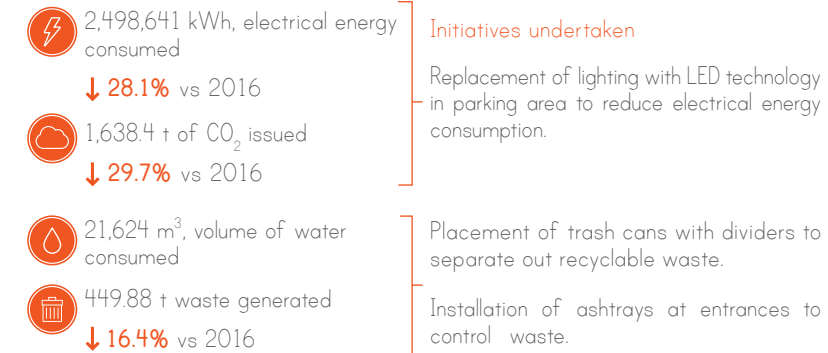
188
commercial locales, with premium brands recognized nationally and internationally

77,027 m²
leasable area

Certified as a Tobacco Smoke-Free Building in 2017 by the State Commission for Protection Against Sanitary Risks (COESPRIS)

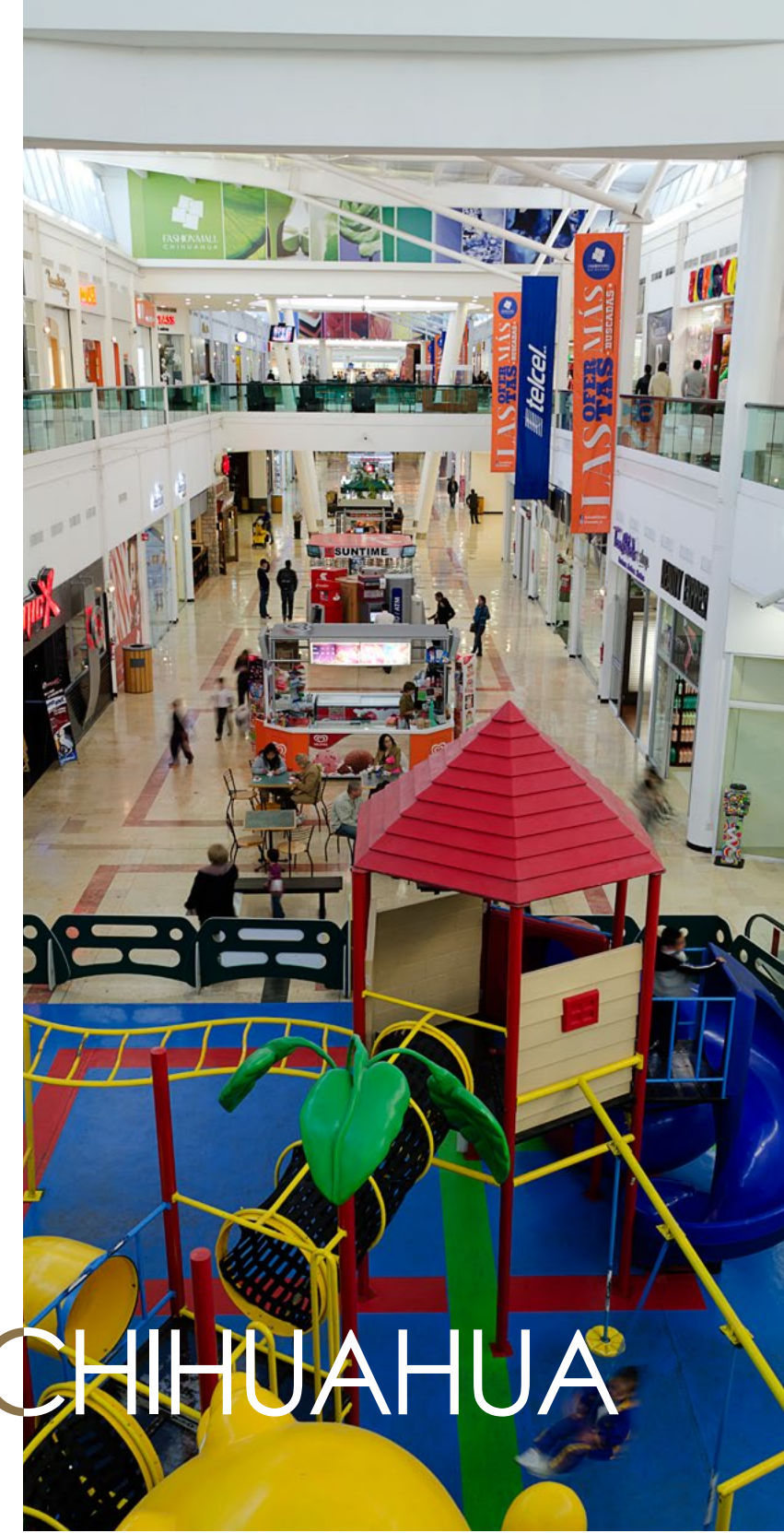
Its location, affluence and renown are factors that enable it to compete with shopping malls in the United States and position FUNO as a leading operator of shopping centers in Northern Mexico.

2017 Environmental Results



2017 Social Actions

- Supported Municipal and State Police in the "Citizen Approach and Assistance" campaign, aimed at informing visitors about the new structure of the state and municipal police forces, through:
 - Support Center in the parking lot with a school bus design.
 - Module inside the shopping center.
- Emphasis on security in the parking area, together with state and municipal authorities, reducing the number of vehicle and car part robbery reports to zero.
- Support for public health through a designated area for providing flu vaccines to children and senior citizens.



FASHION MALL CHIHUAHUA

TORRE MAYOR

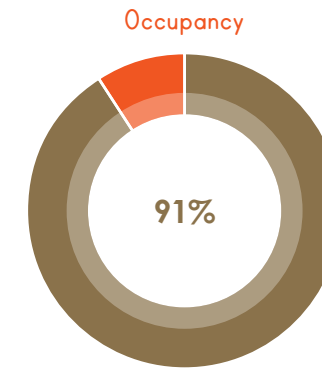
COMMITMENT AND WORLD-CLASS EFFICIENCY

FUNO has a 49% stake in the trust rights of Torre Mayor.

Torre Mayor is an example of FUNO's commitment to preserving the environment, because the building has earned various recognitions for its best social and environmental practices, including:



83,971 m²
Gross leasable area



20,873, average annual visitors

77,000 m² of construction

10,683,421 elevator rides

Efficiency 2017 Environmental Results

<p>927,823 kWh, average electrical energy consumption</p> <p>↓ 4.3% vs 2016</p>	<p>11,938 m³, average volume of water consumed</p> <p>↓ 9% vs 2016</p>	<p>3,079 m³, average volume of water treated per year</p>
<p>969,461 kWh consumo promedio de energía eléctrica en 2016</p>	<p>13,087 m³, average volume of water consumed 2016</p>	<p>13,495 kWh of electrical energy consumed in operation of the wastewater treatment plant</p>
<p>Ps. 52,588, average cost of electricity per day</p>	<p>Ps. 49.48, average cost per m³ of water consumed</p>	<p>Ps. 17, cost per m³ of treated water</p>

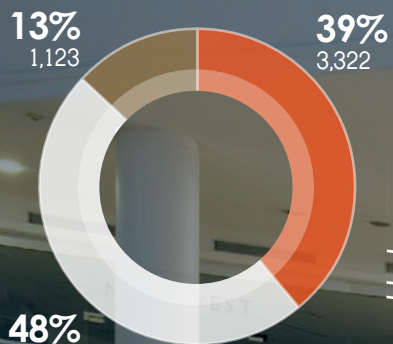
*Environmental data as of the close of December 2017.

TORRE MAYOR



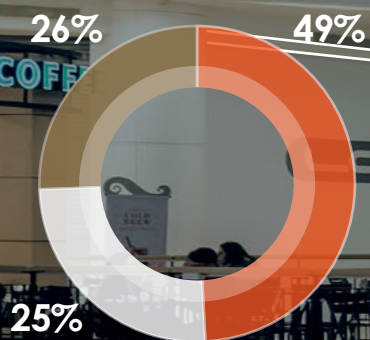
102-7, 102-9, 201-1

Gross leasable area ('000 m²) by segment



■ Retail ■ Industrial ■ Offices

Revenues by segment



Vertical transportation

Vertical transportation

Ps. 44 million invested in vertical transportation

17 vertical transportation suppliers

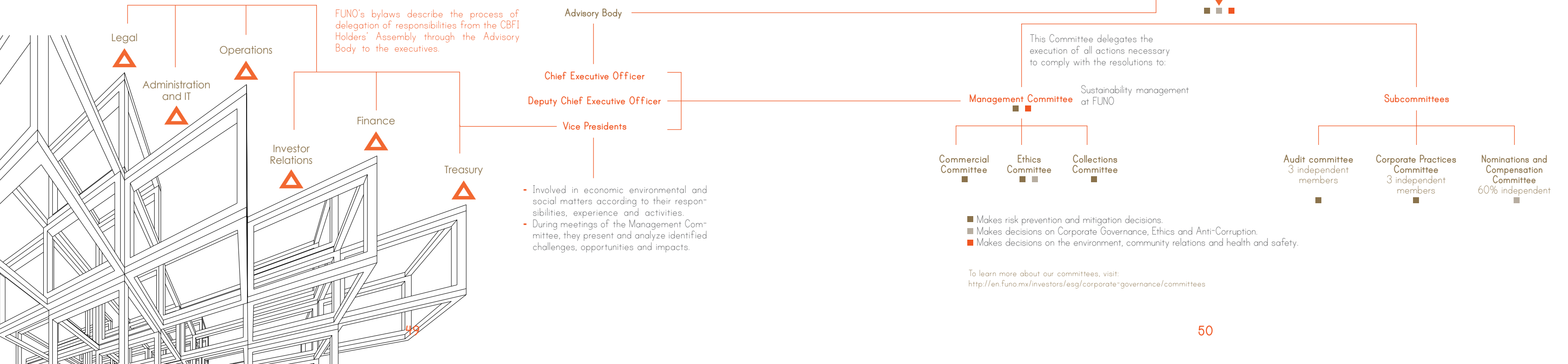
Vertical transportation maintenance

EXPERIENCE THAT MAKES US LEADERS

102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-26, 102-29, 102-32

At FUNO, we are fully convinced of the success of our governance and administrative structure, which is grounded in the experience of our leaders, transparency, and an open-door policy that enables us to bolster our strategy through innovative ideas.

Our corporate governance is structured as follows:



102-20, 102-24, 102-25, 102-27, 102-31, 102-33

Nomination of Technical Committee members is initiated by the Nominations and Compensation Committee, and members are ratified by the CBFH Holders' Assembly.



The independence of Technical Committee members is based on the provisions of the Securities Market Law, as well as the provisions of the Trust Agreement, which also establish that the relevant decision making requires the favorable vote of all independent members. The ratification of this independence lies with the Holders Assembly.

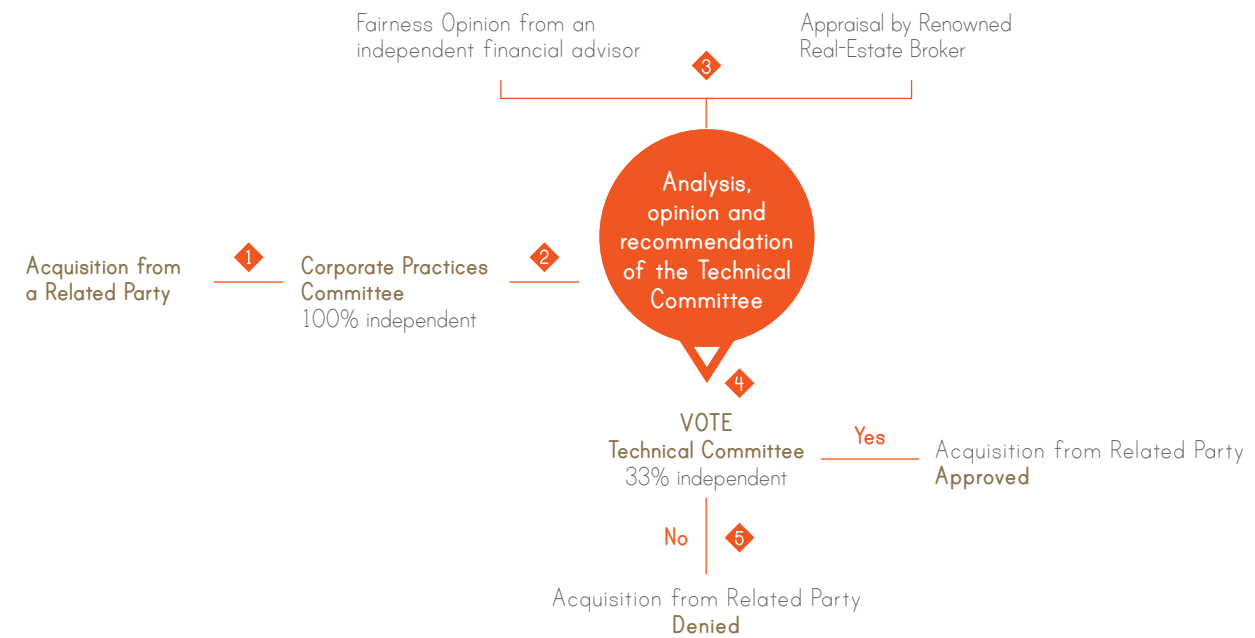
◀▶ All members of the Technical Committee have extensive experience in economic, social, environmental, political and cultural matters relating to the trust's purpose

As regards communication on economic, social and environmental matters that require attention, the Vice Presidents inform the Management Committee, if the matter involves the Technical Committee it is advised of the fact in the corresponding meetings. If the Technical Committee believes it is warranted it will bring the matter before the CBFH Holders' Assembly. If in accordance with the Trust Indenture there is some issues that is not relevant for the CBFH Holders' Assembly and Technical Committee, it is communicated to the stakeholders in question through Vice Presidencies.

RESOLVING CONFLICTS OF INTEREST

FUNO has a process in place to prevent conflicts of interest, both in the CBFH Holders' Assembly and in the Technical Committee, in accordance with the guidelines established in the Mexican Securities Market Act and Unified Issuers' Bulletin, as well as the provisions of the Trust Indenture itself. When a conflict of interest arises, the party involved must abstain from voting on it.

Transactions with Related Parties



- 1 The related party transaction is presented to the Corporate Practices Committee.
- 2 The Corporate Practices Committee, which is 100% independent, analyzes the related party acquisition.
- 3 A fairness opinion and appraisal by a renowned real-estate broker is required for the Corporate Practices Committee to analyze the transaction.
- 4 The Corporate Practices committee, based on its analysis, issues its opinion and recommendation to the Technical Committee.
- 5 In order for the acquisition to go forward, the following is required: (i) approval of a majority of members of the Technical Committee; and (iii) the favorable vote of a majority of the Independent Members of the Technical Committee. If either of these requisites is not met, the transaction is denied.

It is contemplated that the key families should abstain from voting in those cases in which there is a conflict of interest; this provision is established in the Trust's contract.

Commitments and agreement of related parties



For more information, visit our webpage at: <http://en.funomx.com/investors/esg/corporate-governance/risk-management>

RISK MANAGEMENT

GRI 419: 103-1, 103-2, 103-3
102-28, 102-30, 102-31

Given the nature of our business, we at FUNO have a solid process in place for identifying and mitigating economic, social and environmental risks to avoid them impacting the operations.

When there are transactions whose size require higher approval, these are dealt with in ordinary and extraordinary assemblies of CBFH Holders, which authorizes the procedure, receives the due diligence reports and votes on the matter taking into account its economic, environmental and social impact.

The Technical Committee –the foundations of which are contained in Article 80 of the Credit Institutions Law– is responsible of managing the Trust Indenture and, supported by the Corporate Practices and Audit Committee, of quarterly review –or whenever it is required– of the risk factors for guaranteeing the effective and efficient trust operation. In this way, the risk management process is executed.

Some of the Technical Committee functions are:

- 01
🔍
Review the Trust's financial statements and decide on the best way to manage the available resources.
- 02
📄
Decide on the policies for investment of the Trust Equity, according to eligibility criteria in the economic, financial, environmental and social spheres.
- 03
📈
Approve investments, acquisitions, transfers, sales and divestitures in amounts up to 19.99% of the Trust Equity, based on previously disclosed financial information.
- 04
👥
Approve policies on Related Party Transactions, with the opinion of the Corporate Practices Committee in order to avoid conflicts of interest.
- 05
✅
Define accounting policies, with the opinion of the Audit Committee, to guarantee the mitigation of risks and operating impacts, as well as compliance with the existing internal regulations.
- 06
📄
Approve the acquisition of performance insurance for members of the Technical Committee and Key Executives of the Administrator.
- 07
⚖️
Establish policies on Trust Equity leverage.
- 08
🏢
Appoint and remove the Independent Auditor, by recommendation of the Audit Committee.
- 09
⚠️
Identify and mitigate, together with the Corporate Practices and Audit Committees, the risks and impacts that may be generated by the Trust Equity.

102-21

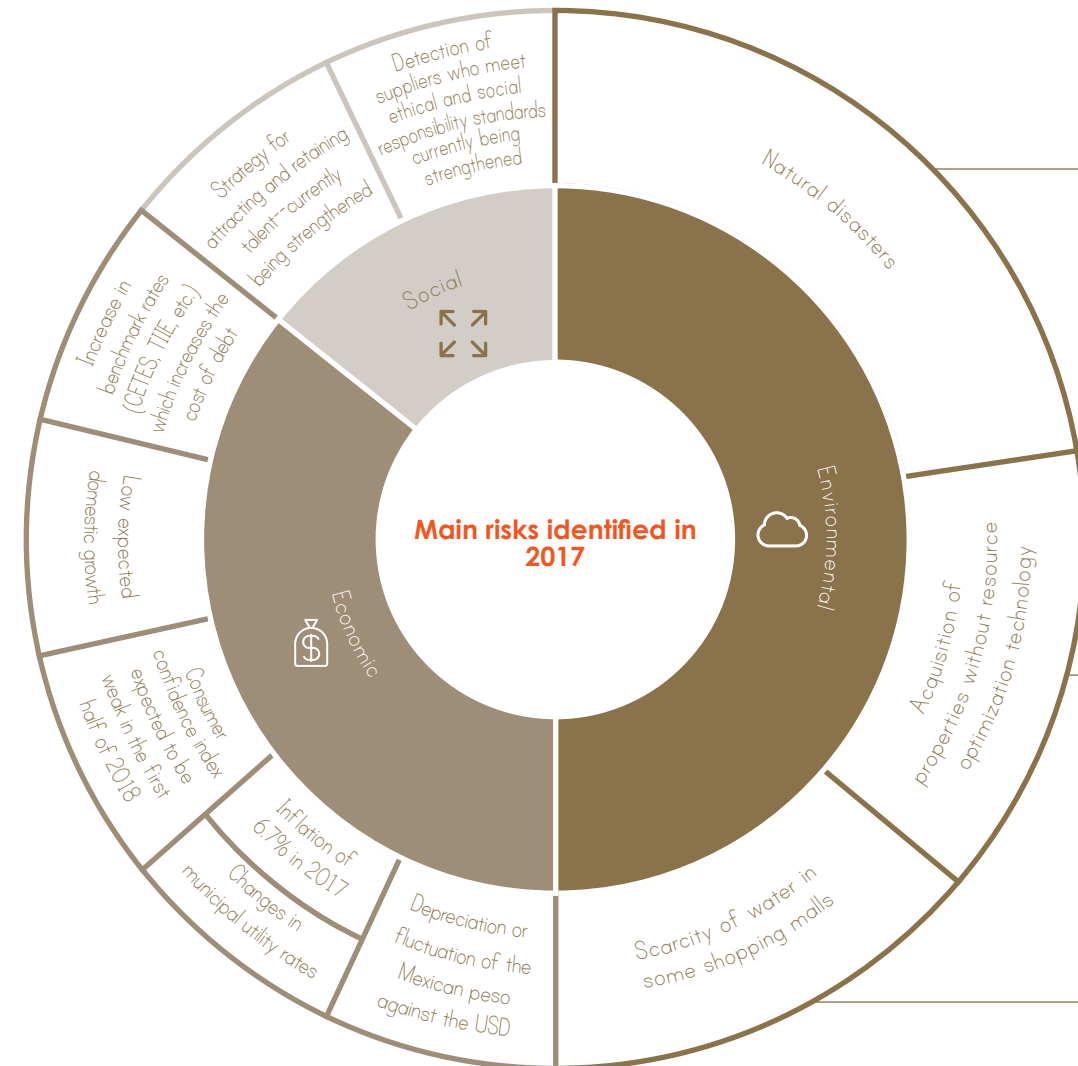
When appropriate, the Technical Committee also has the authority to reach out to stakeholders, and when necessary, experts specializing in economic, environmental and social matters. This in order to gain a broader perspective on decisions that must be made regarding certain transactions affecting the Trust Equity or the community in which its actions are taken.



Parque Industrial Tlane Park III, Tlalnepantla

102-11, 102-15, 201-2

In order to detect the main risks stemming from economic, environmental and social issues, in 2017 we focused our efforts on a risk evaluation based on internal control organizational and financial processes an observation. The results of this Risk Assessment, applicable to 2018, are:



Mitigation Measures



- Emergency recovery plan that protects critical hardware and software = guaranteed recovery of information in less than 24 hours.
- Security systems in properties located in coastal areas and regions of seismic activity = greater response capacity in emergency situations.
- Insurance on all properties and requirement that all tenants insure their merchandise.
- Modifications to policy on capitalizing expenses, together with external auditors, to support investment in infrastructure, obtain benefits and ensure compliance with applicable accounting standards.
- Water brought in by outside suppliers; still, this increases operating costs by around 10 to 15 percent, so it is considered a corrective measure when such a service is needed.



- Compliance with laws and regulations applicable to our operation, administration and management.
- Advance refinancing when possible, monitoring the risk of Mexico's political and social climate.
- Monitoring trends, legislative reforms and policies that could affect our operations = Prevention and early reaction.
- Taking out financial instruments to hedge risks.



- Improvement in employee benefits and opportunities for advancement.
- Defining job responsibilities for each position.
- Establishing ethical standards for suppliers.

According to our financial statements, 2017 was a year of progress and consolidation for the trust, reflected in:

- A 10.5% increase in total revenues.
- An increase in the Administrative and Operations teams (170 more employees).
- Acquisition of the Turbo, Apolo II Frimax, SAQQARA portfolios and a building on Montes Urales in Mexico City.
- Our meeting of risk management commitments, goals and targets.

Risk Management

Primary measure:

Offering of retail, office, mixed-use and industrial properties, which ensures the stability and continuity of our revenues.



In 2017 we met all of our commitments, goals and targets in the area of risk management

CONTINUOUS IMPROVEMENT

Corporate governance

2016 Commitments	Our strategy	Progress	Actions	2017 Commitments	Progress	Actions	2018 Commitment	
<ul style="list-style-type: none"> Identify the main risks to the trust. Strengthen employee management at all levels; particularly as regards ethics. Comply with laws and regulations. Ensure Human Rights are respected throughout FUNO and in our operations with other stakeholders. Reject all forms of discrimination. Maintain and work on consolidating corruption- and bribery-free spaces. 	Internally review maturity model and basic collection of existing information.	✓	<ul style="list-style-type: none"> Carry out first sustainability analysis and obtain an overview of sustainability at FUNO, according to GRI and GRESB guidelines. Conduct first survey of organizational climate among all FUNO employees. Continue mechanisms for feedback with investors, analysts and banks, through quarterly interviews by Grayling. Conduct first materiality study, in consultation with KPMG; by which we identified our maturity against the industry and risks of various kinds. Publication of the Code of Ethics and training of all employees. Launch of the Whistleblowers Hotline, managed by an independent firm. 	<p>Continue training our employees in specific topics of Human rights, ethics and anti-corruption.</p> <p>Wider dissemination of the tools available for managing and applying the Code of Ethics.</p> <ul style="list-style-type: none"> Maintain feedback mechanisms with employees and investors up to date. Improve and strengthen new channels with other groups, like suppliers and clients. <p>Adhere to the Global Compact for implementation of Principle 10, regarding anti-corruption and ethics.</p> <p>Involve our suppliers in FUNO ethical and anti-corruption practices.</p> <p>Increase the percentage of committee members.</p>	↻	<ul style="list-style-type: none"> 112 hours of training in issues of Ethics and anti-corruption. 10 key employees in senior management, subdirectors, management and staff. 	<p>Re-launch/reinforce communication campaign and extend it to visitors and tenants; with this, we will have covered 100% of our stakeholders.</p>	
	Interview stakeholders to learn about their expectations (employees, clients, CBFI holders, committee members, suppliers, etc.).	↻			✓			Existing channels were kept open.
	<ul style="list-style-type: none"> Carry out a materiality study. Identify priority issues, maturity and risks. 	✓			✓			Anti-corruption course for three employees in the finance, comptroller's and sustainability areas.
	Design and publish the code of Ethics applicable to the entire trust and its affiliates.	✓			✓			100% of our suppliers adopted the Code of Ethics and signed an anti-corruption clause included in their contracts.
	Train employees in issues of ethics, anti-corruption and Human Rights.	↻		✓	✓	We included a new independent committee member.		

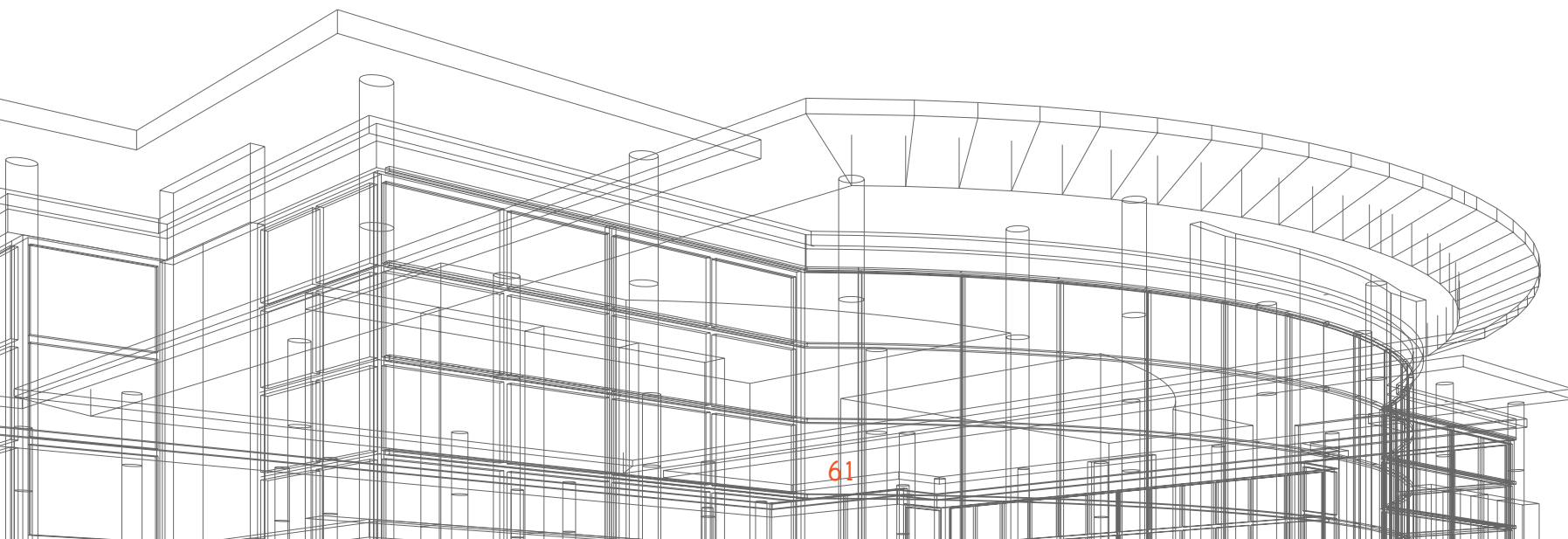


OUR TEAM: HUMANE AND MEXICAN

GRI 401: 103-1, 103-2, 103-3






At FUNO, we are fully convinced of the importance of creating jobs and having the best team, because our human capital is the engine of our success. For this reason, we view the FUNO's culture and needs as essential to our talent recruitment effort, and we strive to create an environment that favors the comprehensive wellness of all our employees.

To this end, we work to expand our social responsibility by providing the best working conditions and a professional, attractive workplace environment, through respect for human rights and by guaranteeing diversity and equal opportunities for all. This enhances employees' commitment and sense of belonging, and therefore leads to greater stability, retention of talent, and a stronger human organizational culture.



RECRUITMENT AND RETENTION OF THE BEST TALENT

The basic instruments that enable us to best manage the extraordinary and diverse team that makes up FUNO are:

- 
Talent recruitment and retention
 We maintain an open environment in which employees are free to apply for new positions within FUNO, by analyzing their job qualifications and through follow-up and feedback.
- 
Code of Ethics
 Employees can freely and confidentially report any acts that go against FUNO's values and principles.
- 
Partnerships for all personnel
 Inclusiveness events for all employees, through which they receive benefits like discounts on services and products for various interests.
- 
Training
 Open to all levels and positions, provided the purpose is justified and FUNO and employee commit jointly to it.
- 
Long-term Incentives (LTI)
 We offer an employee stock program by which we assign FUNO CBFIs to our executives, based on their position and their seniority.

We also have mechanisms for evaluating our own actions, to make sure we are on the right path in terms of talent management, such as:

- We hire an independent auditor to evaluate our salary, recruitment, hiring and training processes.
- We accept opinions on the services FUNO offers.

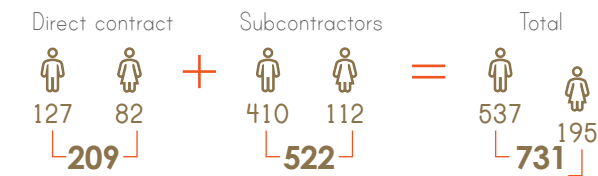
Work force

102-7, 102-8, 401-1

We have a total of 731 employees, 209 of them hired under direct contract, and who hold key positions with the operation, and 522 employees through subcontractors.

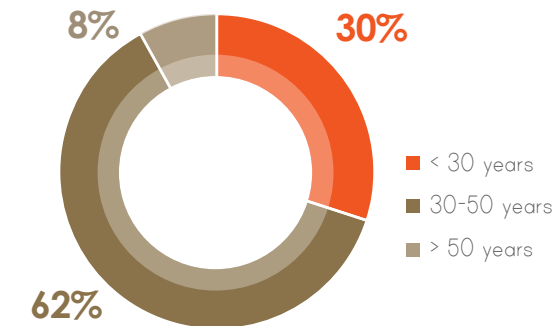
At FUNO, our work force is growing steadily as we incorporate new properties, because when we include a new property to our portfolio we also bring on board the employees who were working there.

Breakdown of workforce by contract type and gender



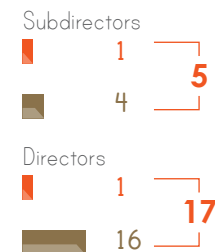
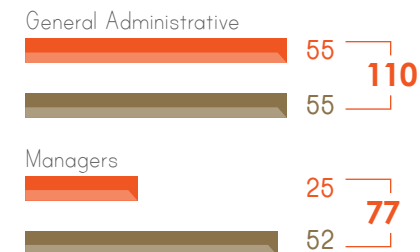
Note: All employees work full time, except for interns and scholarship hires.

Breakdown by workforce by age group (direct contract)



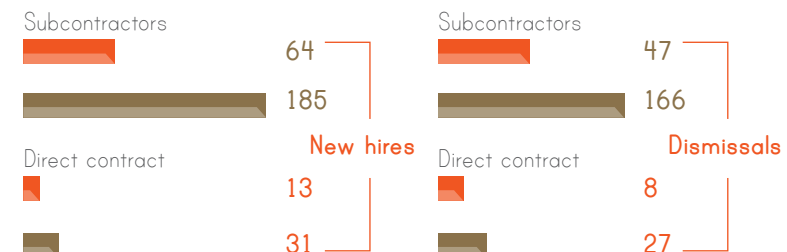
731 employees, 29% of them under direct contracts and 71% through subcontractors

Breakdown of workforce by position (direct contract)



■ Women ■ Men

Ratio of new hires and dismissals by employee and contract type



Employees are a pillar for FUNO, so we believe it is essential to evaluate their performance and commitment with the trust. To do so, we have recognition programs in place that focus on two areas:

Recognition for academic excellence

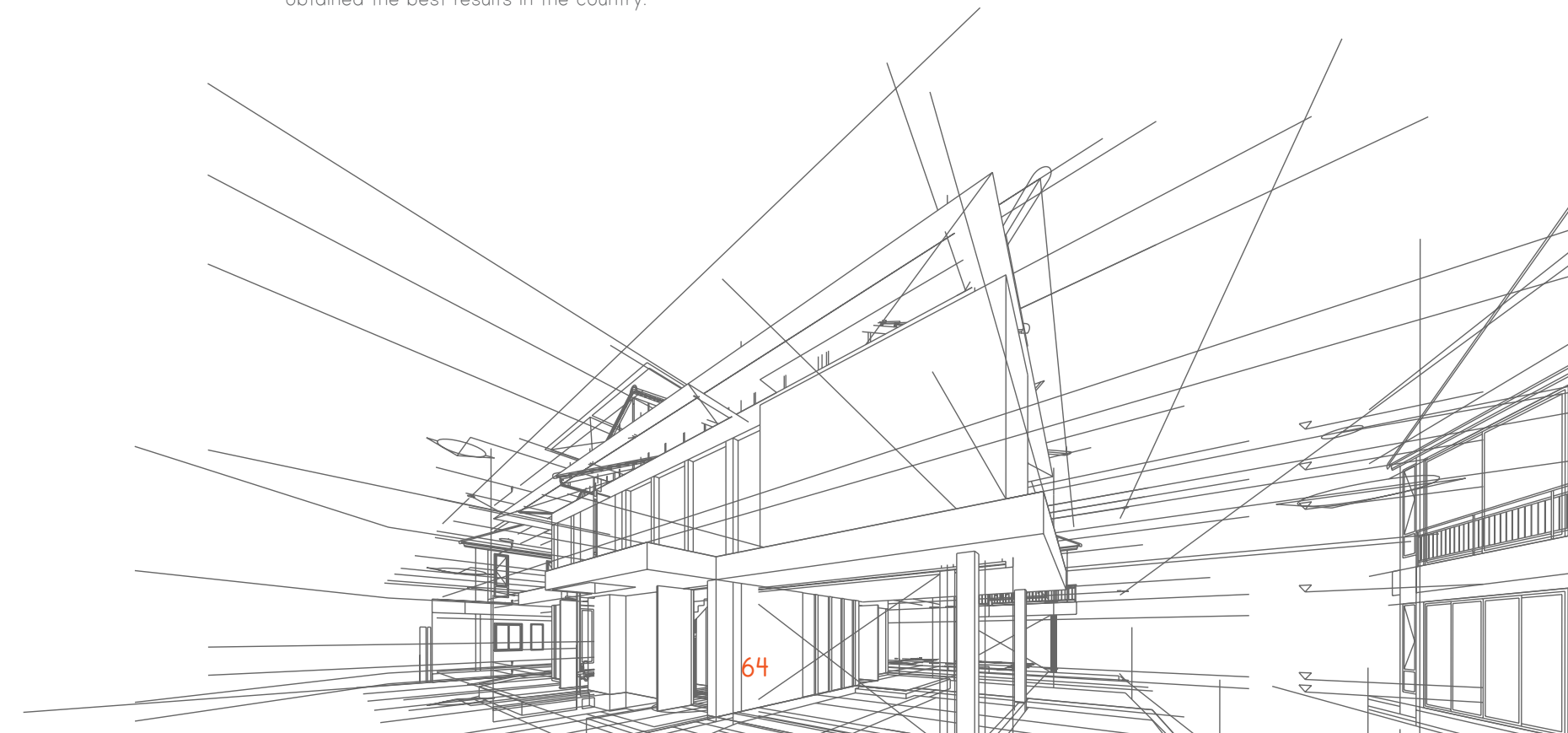
This program rewards the employee children of school age who obtain a grade point average of 9.0 (out of 10), as well as their parents, for the joint effort.

Recognition of operational managers

During our annual operating meeting we recognize managers who obtained the best results in the country.

100% of our senior management –Subdirectors, Directors, Vice Presidents, Deputy Chief Executive Officer and Chief Executive Officer– are from Mexico City

Employee turnover in 2017: 16.7% direct hires 36.3% in subcontractors



EFFECTIVE COMMUNICATION

GRI 401: 103-2; GRI 402: 103-1, 103-2, 103-3
102-34, 102-44

One of the main actions to ensure optimum workplace conditions is communication with each employee, because this is vital for understanding their needs and improving our talent management, and for sharing FUNO's plans, strategies and achievements with them while making them aware of how important their participation is for achieving them.

FUNO views itself systemically, as a holistic entity made up of pieces that are interrelated through a shared vision, a structure for detecting areas of opportunity and comprehensive progress, in terms of our human capital, our resources and processes. Confidential, one-on-one attention to each element of our system enables us to work toward sustainable growth and development.

Means of communication with employees

Information on results

E-mails

A tool by which we inform employees of key news and events by e-mail.

Audiovisual elements (screens)

A support tool for announcing and sharing material information or FUNO results.

One on one

Information presented individually or in a group.

Corporate events

A forum for publicizing FUNO's performance and main achievements.

Talent management

Personalized feedback

Provided bi-yearly and annually, according to the team audit project and talent mapping for internal promotions.

Performance adjustment interviews

Conducted during the first three months after a new hire, as part of the FUNO orientation process.

Interventions

From time to time, depending on area restructuring, new positions in FUNO or employment difficulties.

Surveys

Conducted online, from time to time depending on the event or purpose.

Through these channels, over the course of the year we were able to identify various areas of interest to our employees, which we addressed appropriately. Among these were:

Main issues mentioned by employees



Greater opportunities for professional growth through internal promotions and feedback with leaders



Expansion of institutional partnerships to benefit employees



Systematization and update of policies and procedures

FUNO's response

We made a record of existing job descriptions and requirements, considering each newly-created position, providing support, documentation and reliability in internal promotions through:



Technical evaluation



Compatibility with requirements



Compatibility with the position



Evaluation of competencies (psychometric evaluation)

We created a number of partnerships to support the comprehensive wellness of employees, such as:



Corporate sales



Gym memberships



Service cart with daily breakfast in a kitchenette

- We formalized and updated the orientation process.
- We updated policies on: vacations, recruitment, selection, hiring, training and development; as well as uniforms for specialists in maintenance, landscaping, etc.
- We systematized management of sick days and vacation.
- We acquired a corporate membership with LinkedIn.
- We modified our online organizational charts.
- We renewed dental and major medical insurance policies.

We intend to continue taking action to guarantee effective communication with employees, in order to together generate long-term value. Among the main commitments we have assumed are:

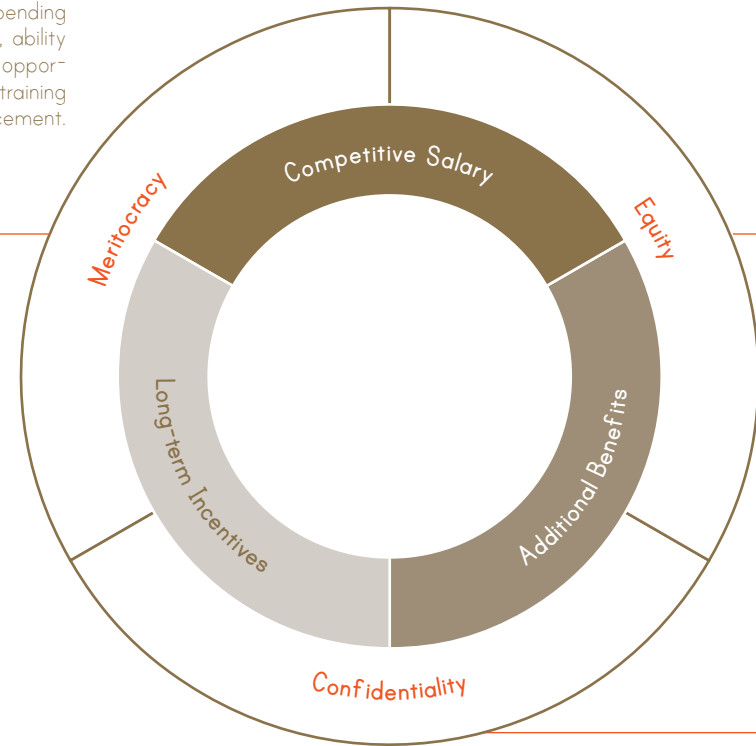
- Implement integration plans at the corporate level, to help build better communication between areas.
- Strengthen feedback of area heads and leaders regarding the annual results of each employee and the trust.
- Optimize corporate marketing activities focused on communication, in order to better disseminate key messages among employees.
- Address opinions, suggestions and complaints from employees, so they can be more confident that these are being effectively handled.

EMPLOYEE BENEFITS

GRI 405: 103-1, 103-2
102-35, 102-36, 102-37, 401-2, 405-2

FUNO is committed to improving quality of life for our employees, so we make sure we offer them the most competitive salaries—higher than the minimum wage in all cases, for both direct hires and sub-contractors. Our employee compensation scheme is based on three pillars:

In keeping with the goals achieved, we offer performance bonuses; also, depending on the employee's skills, ability and position, we offer opportunities for technical training and professional advancement.

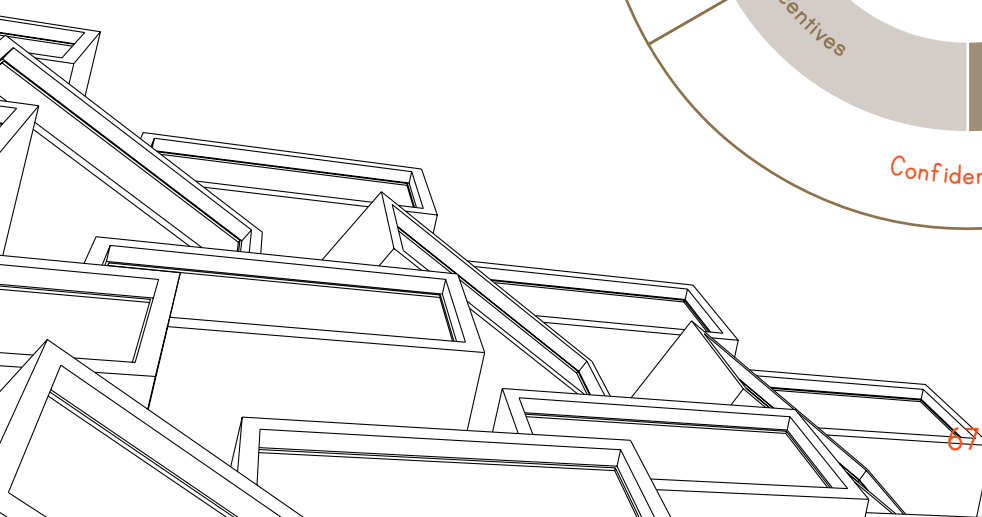


We have internal tools that are constantly revised to ensure that salaries in equal positions are maintained within a range of equity. In this way, we guarantee that there is no discrimination or preferences for any person, regardless of gender, age, ethnicity, etc.

Because of the social, political and economic climate prevailing in the areas where we operate, we have an internal policy of not publishing our employees' salaries, to avoid exposing them to social risks and problems.

Our employee benefit plan offers them support in a variety of areas, among them:

- Additional benefit plan, paid for out of ordinary FUNO funding.
 - Major medical insurance
 - Grocery vouchers
 - Meal support
 - Discounts on health care and recreation
- Employee savings fund, through an independent fund made up of employee contributions, which matched one-for-one by FUNO.
- Life insurance to guarantee security for employees' families, covering 36 months of their salary.



TALENT DEVELOPMENT

GRI 404: 103-1, 103-2, 103-3
404-1

At FUNO, because we are a young, dynamic trust, training our employees is fundamental, part of the continuous learning process we provide to help them do their jobs better and thus achieve job satisfaction and professional growth.

For this reason, we have a number of tools that support us in the training process:

4,399 work-hours of training total; an average of 26.8 hours per employee

4,161 hours of technical training

By applying these instruments, we achieved the following:



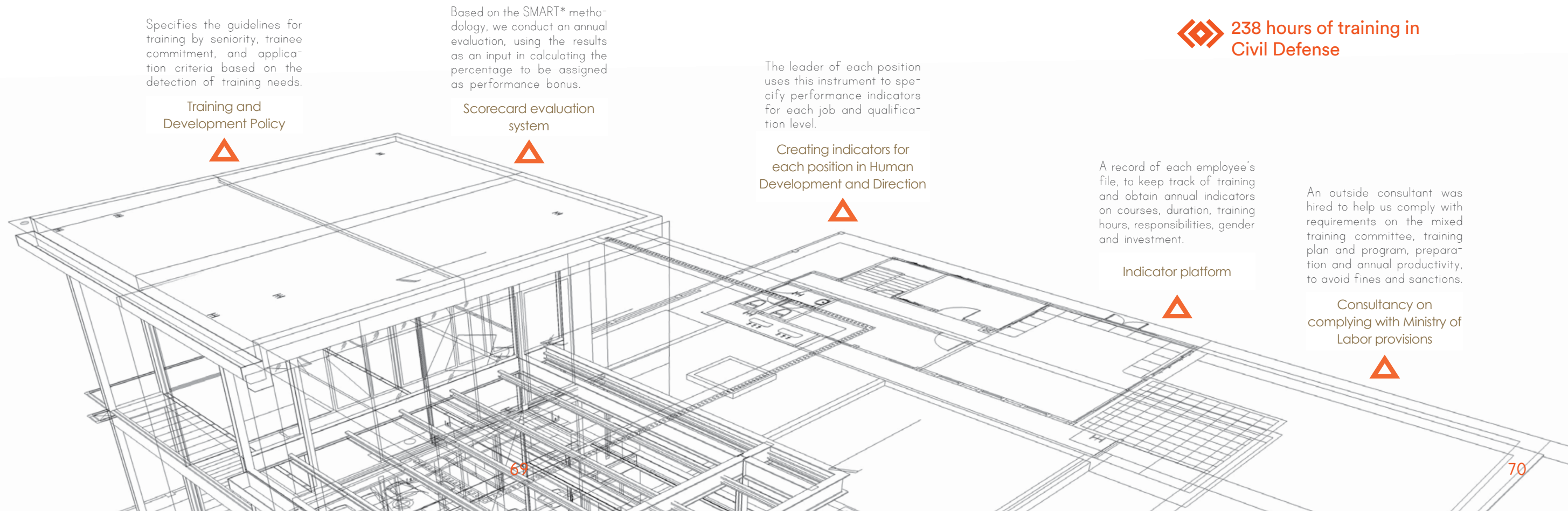
238 hours of training in Civil Defense

- 46 hours of training in ethical matters -gifts and anti-corruption-
- 100% of our employees received training on the Code of Ethics
- 164 employees trained: 76 women and 88 men

Average hours of training by gender, 2017



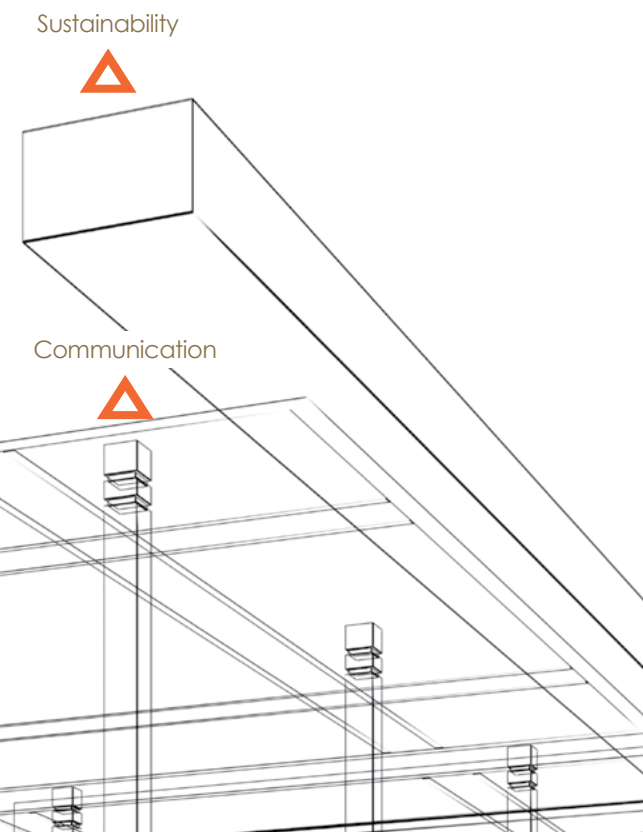
*SMART: Specific, Measurable, Attainable, Relevant, and Time-Related.



JOB SATISFACTION

GRI 401, 402, 403, 404, 405: 103-3

With an eye to strengthening job satisfaction at FUNO, we conduct regular organizational climate surveys, the primary purpose of which is to measure and analyze how satisfied our employees are, and their perceptions of various aspects that might encourage, block or influence their productivity. The variables that play in to an organizational climate, and which we analyze in this survey, are:



Leadership



We also evaluated six dimensions, which in turn incorporate various criteria:

Motivation



Reciprocity



Cooperation



Communication



Sustainability



Through this analysis, we can identify factors that influence performance results, FUNO behavior, and the efficacy of the measures taken, and on this basis take corrective action by introducing new initiatives or strengthening existing ones.

 **72 employees participated in the organizational climate survey in 2017**



???, Mexico City



Some of the main findings were:

- 97% of employees surveyed said they were motivated and proud to work at FUNO; that they identified with its philosophy and expected to remain in their position
- 90% were satisfied with intra- and inter-area cooperation
- 81% of employees surveyed were satisfied with the effectiveness of communication at FUNO and the contribution to organizational culture
- 84% of those surveyed were satisfied with FUNO's leadership in terms of feedback, encouragement for excellence and teamwork, and dispute resolution
- 77% were satisfied with the level of reciprocity at FUNO, which refers to processes, working conditions and salary
- 83% were satisfied with FUNO's sustainability, consisting of gender equity, respect and social responsibility

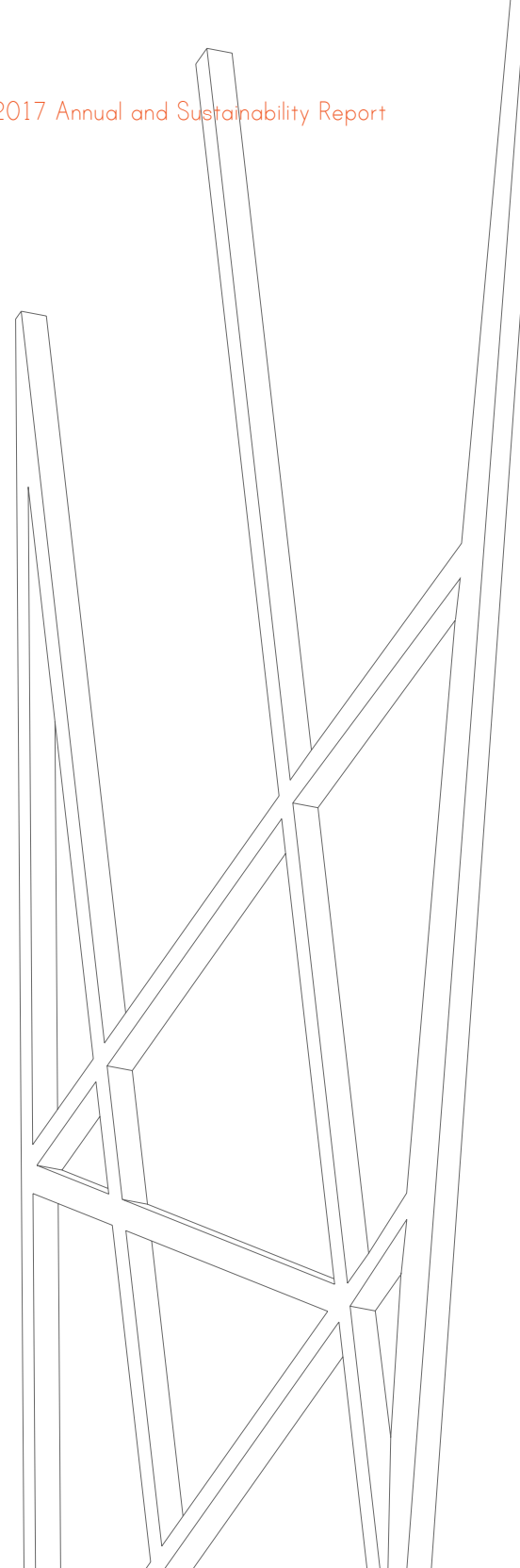
In analyzing these results, we were able to identify various areas of opportunity, among which were:

Corrective actions

- Generating strategies to encourage work in cross-area teams, through integration events and joint projects
- Creating and keeping employees informed of processes, procedures and standards
- Measuring performance with clear indicators of progress against goals
- Personnel training and development
- Establishing and measuring effectiveness of communication channels between leaders and employees
- Follow-up on sustainability strategy (social-environmental)

Strengthening actions

- Communication and celebration of institutional achievements (pride and sense of belonging)
- Monitoring and compliance with the Code of Ethics
- Maintain an open-door policy with leaders
- Teamwork within areas
- Maintain friendly working relations
- Encourage care for workplace premises (safety, ergonomics, etc.)



CONTINUOUS IMPROVEMENT

Human Capital

2017 Commitments

Redesign the structure of Human Resources to add performance indicators for the selection and recruitment of talent, as well as better management of the organizational structure



- Approval of new hires with ad hoc qualifications, to attract talent to specialized positions.
- Reduced the time it takes to fill a vacancy by 50%.
- Classified all properties into categories: A, B, C, and C.
- Cooperation with the Operations Area to standardize structural criteria for each property according to building classification.

Stabilize and release the Open HR platform to migrate from the testing environment to a productive environment.



- Systematized 70% of manuals and processes.
- Recorded hires and dismissals through interface, identifying duplication of responsibilities.
- Identified areas of opportunity.

Team training on the use of the Open HR platform so that all users, particularly remote ones, can begin using the new system.



- Training of a pilot group of 20 building managers.
- Training given on site to managers in all buildings in Mexico.
- Creation of visual material for training sessions (videos).

Orientation program with first-need and quality content, together with a field visit.



Started the program in June 2017.

Introduce strategy derived from the organizational climate survey.



- Strengthened the process of comparing job positions with their occupants, to identify correlations not just in academic terms but in terms of soft and hard skills.
- Covered 73% of standard positions at FUNO.
- Applied this correlation to 100% of new hires.
- Start of team audit program.

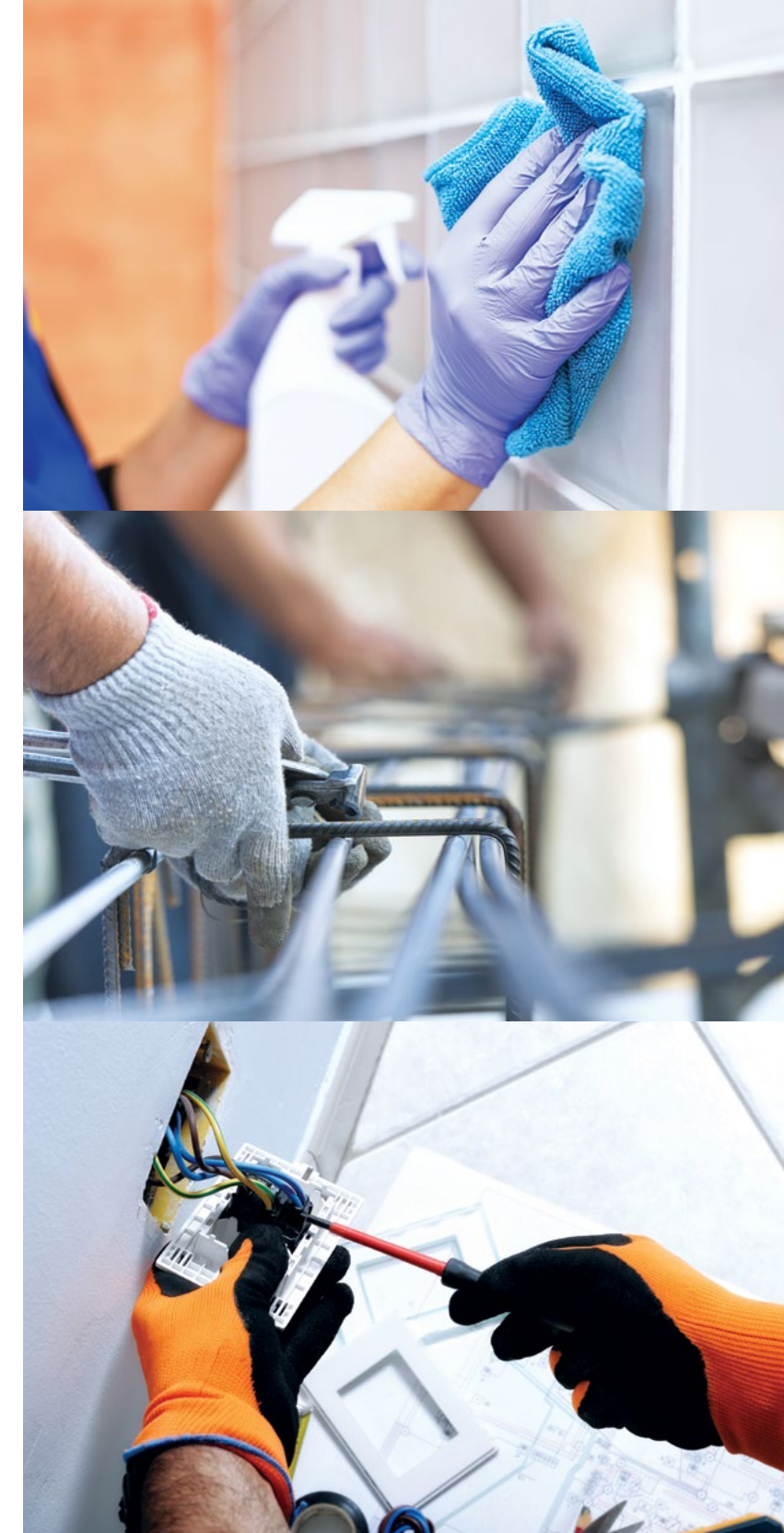
Improve training at the administrative level.



- Hold 16 training courses, impacting 170 employees with more than 4,399 work-hours of training.

2018 Commitments

- Create a strategic Human Resource Plan for the next three years.
- Take inventory of current and potential talent.
- Establish a catalog of standard positions for 100% of jobs.
- Apply HAY methodology for fair remuneration practices.
- Introduce work attendance standardization program in 100% of properties, as a result of the productivity study.
- Finalize team training on the use of Open HR.
- Provide orientation in the form of e-learning to 100% of newly hired managers.
- "FUNO WAY" diploma for building managers; to develop or empower managers' skills in the way we operate at FUNO.
- Train 100% of properties managers with management skills.
- Expand Organizational Climate survey to buildings.
- Introduce at least two organizational development strategies in areas where it seems feasible to increase job satisfaction, whether through training or climate and integration.
- Identify business-critical positions to generate a succession plan.
- Develop content using the andragogic approach (educational materials developed with adults in mind).
- Identify areas of opportunity for individual and team feedback sessions, to transform vice presidencies into high-yield teams.
- Train 100% of area heads in the DISC methodology (evaluation and competence).
- Apply 360° survey at Corporate level.
- Create organizational development matrix.

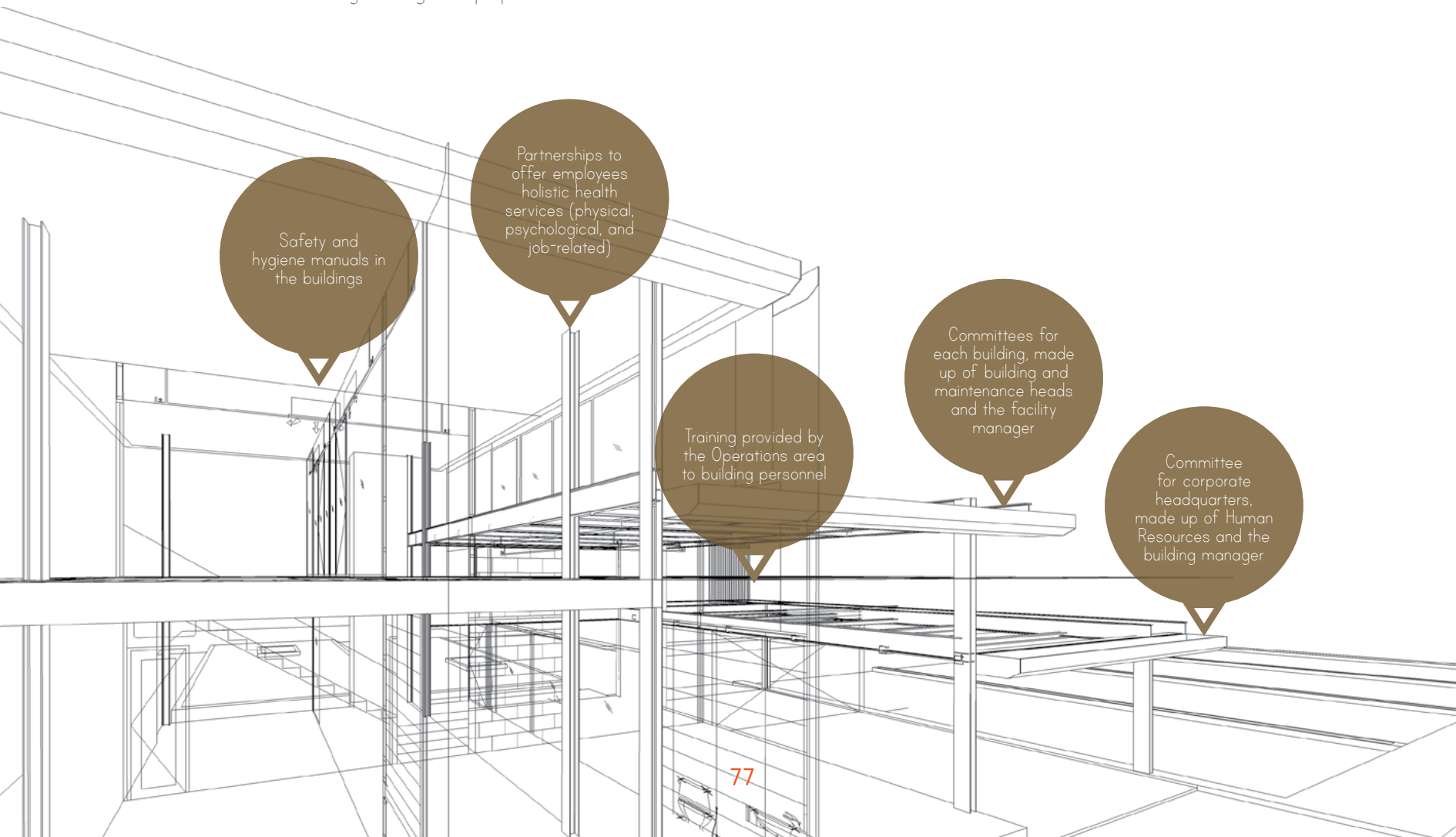


OCCUPATIONAL SAFETY AND HEALTH

GRI 403: 103-1, 103-2, 103-3
403-1

Occupational safety and health is an increasingly important topic for FUNO, because with this we guarantee our employees' physical health and job safety, promoting wellness and strengthening commitment among those who work here, ultimately contributing to higher performance.

Some of the mechanisms we have to ensuring compliance with safety and health standards governing our properties are:



As a result of actions taken to strengthen occupational safety and health management, we achieved the following in 2017:

- Provided training in:
 - Civil Defense
 - First Aid
- Provided safety training to 63 employees (31 women and 32 men), totaling 238 work-hours of training.
- Took safety measures against influence, raising employee awareness about preventive measures.
- Signed a partnership with a fitness center to provide physical health services to employees.
65 active employees

Updated and assembled Civil Defense Brigades:

- Communication
- Pumping equipment
- Firefighting
- First Aid
- Evacuation
- Rescue



Gomez Morin, Monterrey

CONTINUOUS IMPROVEMENT

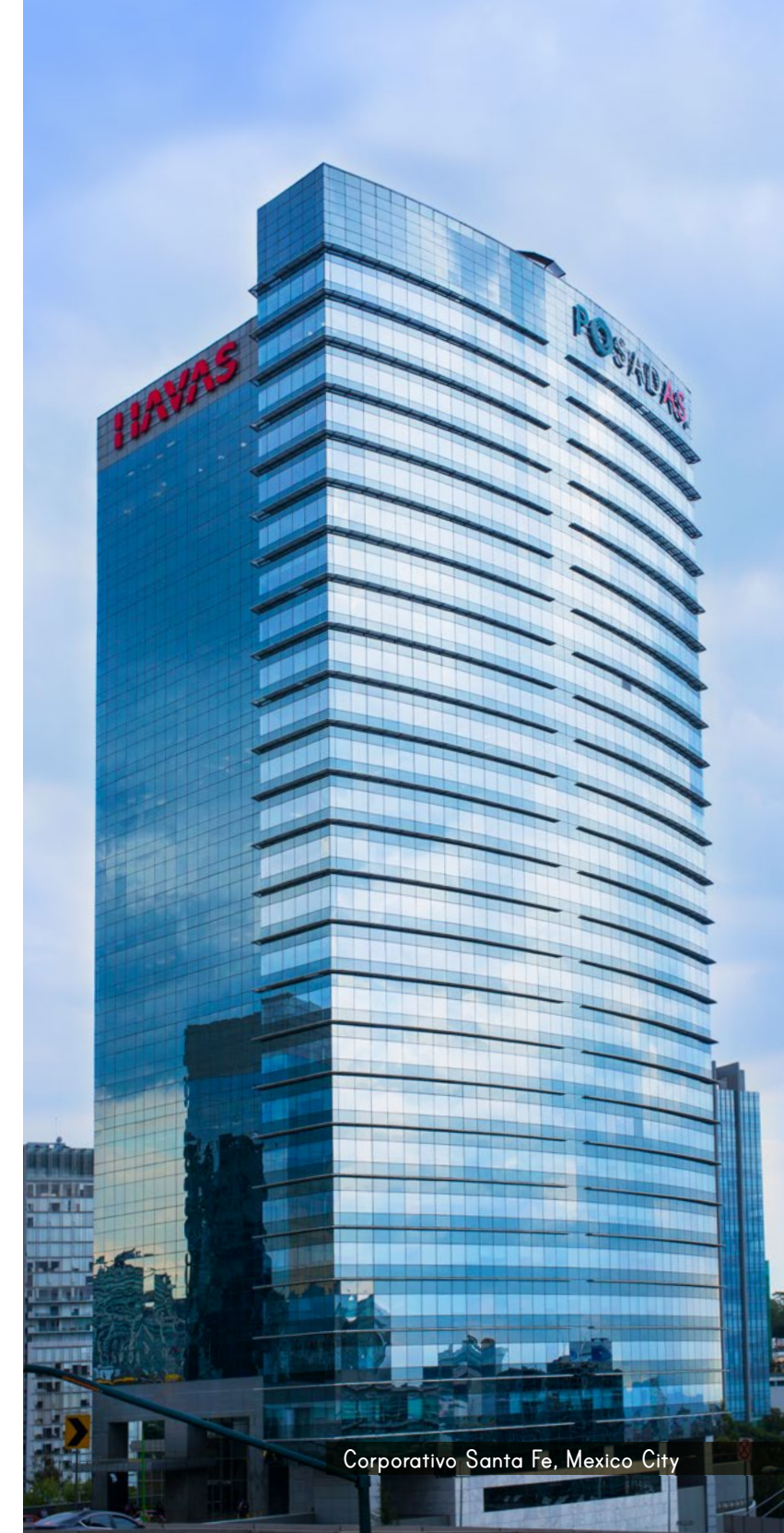
FUNO is committed to guaranteeing the safety of our employees, tenants and visitors, so in 2017 we continued our efforts to fortify safety and health management in all our buildings.

Health and Safety

2015/2016 Commitments	Our strategy	Progress	Actions
Maintain safe, healthy and clean spaces for our employees.	Keep protection and emergency response equipment in optimum condition.	✓	<ul style="list-style-type: none"> ■ Begin reporting results on safety and health. ■ Create multi-disciplinary safety brigades at all retail properties, involving the different levels of FUNO.
	Create partnerships with safety professionals to guarantee the highest quality services.	↻	<ul style="list-style-type: none"> ■ Hold the Health Round in corporate headquarters for the 2nd year in a row.
Encourage an organizational culture in which safety, health and wellness for all are the pillar of our activities.	Comply with applicable laws and regulations.	✓	<ul style="list-style-type: none"> ■ Continue holding drills, courses and practical training in key areas.
	Provide the necessary information, education, training, instruction and supervision for FUNO to do its work safely.	✓	<ul style="list-style-type: none"> ■ Communication campaign on the safety manual for all shopping centers.
	Introduce and check that emergency and response protocols are correctly applied in our buildings.	✓	<ul style="list-style-type: none"> ■ Continued audits of building safety equipment and protocol.
Promote spaces free of violence and discrimination.	Continuously check for improvement opportunities.	↻	
	Introduce processes for identifying and preventing risk.	↻	

2017 Commitments	Progress	Actions
Keep spaces safe, healthy and clean for our employees.	✓	<ul style="list-style-type: none"> ■ Maintain multi-disciplinary safety brigades at all retail properties, involving the different levels of FUNO. ■ Continue holding drills, courses and practical training in key areas. ■ Continued audits of building safety equipment and protocol. ■ Preventive maintenance of fire-fighting systems.
Encourage an organizational culture in which safety, health and wellness for all are the pillar of our activities.	✓	
Keep our properties in optimum condition to withstand natural phenomena.	✓	
Promote spaces free of violence and discrimination.	✓	

2018 Commitments
<ul style="list-style-type: none"> ■ Keep spaces safe, healthy and clean for our employees. ■ Specialized training for Civil Defense Brigades. ■ Hold at least two drills a year in order to build employee awareness on risk prevention and optimum emergency response. ■ Effective communication on Civil Defense through visual and electronic media. ■ Replace fire-fighting systems in seven buildings in order to comply fully with existing safety standards. ■ Continue the annual program of health rounds, helping our employees to keep track of indicators like glucose, triglycerides and cholesterol. ■ Begin modifying recruitment policies for hiring handicapped people.



ENVIRONMENTAL COMMITMENT

GRI 302, 303, 305, 306, 307: 103-1, 103-2; GRI 307: 103-3 102-20, 307-1

ENVIRONMENTAL MANAGEMENT

In the interests of keeping our promises to Mexico and to investors, creating long-term value, environmental preservation is an essential responsibility for FUNO.

Although one of our main challenges is that some of the buildings we have acquired are not equipped with resource efficiency technology, every time we add a property to our portfolio, we conduct an environmental impact analysis and implement progressive improvements in them to reduce their effects on the environment.

The priority issues we monitor to reduce the impact of our operations on the environment are water and energy consumption, along with emissions and waste generation. We are currently working on introducing initiatives to:

- Control electrical energy and water consumption.
- Encourage the re-use of water in our buildings.
- Contribute to improving the environment, by mitigating emissions of contaminating gases.



Sign of the environmental and social responsibility that moves us towards the value creation and that generates confidence in our investors.

It is our philosophy that compliance with environmental regulations is an essential part of obtaining the results we aspire to. We constantly emphasize the need for our buildings to fully meet all regulations that apply to them, such as:

With the instruments we have in place to guarantee compliance with existing environmental laws, there were no reported violations in 2017

Water consumption and reuse

NOM-001-SEMARNAT-1996
Establishes permissible limits on contaminants in wastewater discharged into national bodies of water and land.

NOM-002-SEMARNAT-1996
Establishes maximum permissible limits on contaminants in wastewater discharged to urban or municipal sewage systems.

NOM-003-SEMARNAT-1997
Establishes maximum permissible limits on contaminants in treated wastewater re-used in services to the public.

Electrical energy measurement

NOM-EM-007-CRE-2017
Systems for measuring electrical energy use. Specifications and testing methods for multi-function meters and instrument transformers.

Use of electrical energy

NOM-001-SEDE-1999
Contains technical provisions and specifications that must be met by facilities used to generate electrical energy, in order to create appropriate safety conditions for people and properties.

Emissions

NOM-041-SEMARNAT-2015
Establishes maximum permissible limits on emission of contaminating gases from exhaust by gasoline-fueled automotive vehicles on the road.

Appropriate management of energy and water consumption permit us to identify areas of opportunity in our operations and to optimize decision-making to maximize efficiency and economic savings in these two areas, which are among FUNO's largest expense items. Environmental management is overseen by the Vice President of Operations, who in turn delegates observance to Sole Project Representatives (RUPs), as well as to Sub-Directors and Maintenance Managers.

Environmental compliance assurance

General lines of action

- Continuous inspection and audit
- Personnel training in environmental compliance
- Exhaustive environmental audits when acquiring new properties

Contracts that include environmental clauses to:



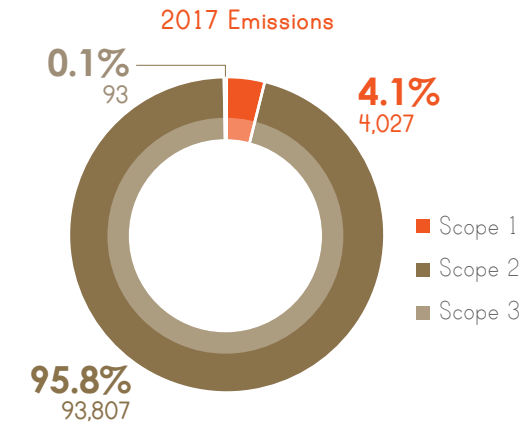
RESOURCE EFFICIENCY INITIATIVES

GRI 302, 303, 305, 306: 103-3
302-4, 305-1, 305-2, 305-3, 305-5, 305-7, 306-2

By complying with environmental laws and introducing initiatives to improve our environmental performance, we have been able to obtain satisfactory results for energy and water consumption, as well as the generation of waste and emissions, as summed up in the following table:

Energy	Water	Waste	Emissions
<p>2017 Goal</p> <p>Reduce electrical energy consumption in internally-operated commercial properties</p> <p>Specific lines of action</p> <ul style="list-style-type: none"> Preventive maintenance of emergency power plants, elevators, electrical infrastructure and transformers. Correct use of energy, setting times for turning elevators and air conditioning equipment on and off. Replace incandescent lighting for LED-technology fixtures. Pilot testing at Patio Pachuca. <p>2017 Achievements</p> <ul style="list-style-type: none"> Saved 3% of kWh consumed nationwide. Reduced electricity consumption by 1,575 kWh through recycling actions. 	<p>2017 Goal</p> <p>Optimize operation of Wastewater Treatment Plants (PTAR) to reuse water and reduce the impact of wastewater discharge.</p> <p>Specific lines of action</p> <ul style="list-style-type: none"> Replace old technology for new low-consumption equipment. Maintain and operate 19 PTARs. Rebuild, stabilize or expand 6 PTARs. Reuse water from PTAR in bathrooms, urinals and watering. <p>2017 Achievements</p> <ul style="list-style-type: none"> Annual savings of 7% on water used in buildings where PTAR were optimized. 81 m³ of water reduced through recycling actions. 	<p>2017 Goal</p> <p>Reduce waste generation.</p> <p>Specific lines of action</p> <ul style="list-style-type: none"> Use of recycled paper. Reuse of vegetable oil. <p>2017 Achievements</p> <p>100% of paper used in corporate headquarters is recycled.</p>	<p>2017 Goal</p> <p>Reduce air conditioning and generate fewer emissions.</p> <p>Specific lines of action</p> <ul style="list-style-type: none"> Preventive maintenance of air conditioning Waterproofing of buildings. Reforestation. <p>2017 Achievements</p> <ul style="list-style-type: none"> 49 properties waterproofed. 75 metric tons of CO₂ mitigation due to reforestation. 9 metric tons of CO₂ mitigation due to recycling actions.

In 2017, our greenhouse gas emissions broke down as follows:



- Calculation of scope 1 emissions include the performance of 89 buildings we operate directly and through third parties, as well as the following emission sources: stationary combustion (125 metric tons of CO₂e); mobile sources (62 metric tons of CO₂e); refrigeration and air conditioning equipment (3,840 metric tons of CO₂e).
- Calculation of scope 2 emissions includes the performance of 89 buildings we operate directly and through third parties, as well as emissions from the purchase and consumption of electricity (93,807 metric tons of CO₂e).
- Calculation of scope 3 emissions include business travel by corporate employees to provide service to 100% of our portfolio (93 metric tons of CO₂e).
- All emissions were calculated using the EPA Simplified GHG Emissions Calculator, except for electrical energy consumption, for which we used the emission factor published by SEMARNAT for the National Electrical System in 2017.
- Emissions by fuel and/or source of emission included in the calculation were as follows:

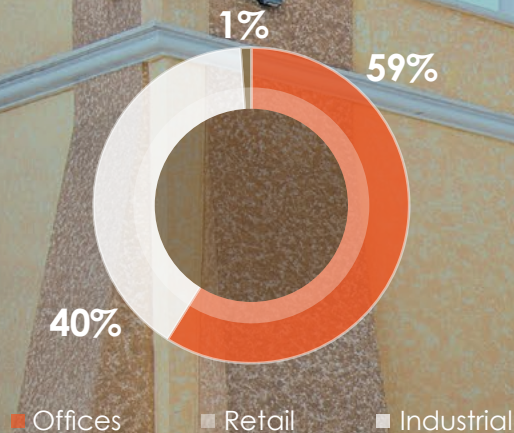
Fuel Type	CO ₂	CH ₄	N ₂ O
Natural gas	124,542.4 kg	2,356.4 g	2,28.8 g
Train travel	122 kg	7.5 g	2.7 g
Diesel used in emergency power plants	5,658 gal	3,225.1 g	1,471.1 g
Other uses of gasoline	384 gal	192 g	84.5 g
Electricity	193,433,314.8 lb	10,973.2 lb	2,043.8 lb

- The refrigerants category includes the entire inventory of refrigerants existing in our equipment as of December 2017; in subsequent years we will report only changes in that inventory.



102-9, 303-1

Water consumption by segment



Our wastewater discharge complies with environmental quality standards NOM-002 and NOM-003

We take advantage of natural light

Ps. 4.5 million invested in the Wastewater Treatment Plants (PTARs)

Savings of 5.2% by treated water

Wastewater Treatment Plants (PTARs)

78 suppliers of water

OUR LEED PORTFOLIO

TANGIBLE PROOF OF OUR ENVIRONMENTAL COMMITMENT

Leadership in Energy & Environmental Design (LEED) is a system developed by the US Green Building Council (USGBC); it is a certification given to buildings that meet the highest standards of sustainability, including:



FUNO is committed to adopting the best sustainability practices, so we strive to obtain this certification both for new developments and for existing buildings.

Certified

	Torre Mayor (2015)	Torre Diana (2017)	Torre Reforma Latino (2017)
	157,000 m ²	138,634 m ²	88,513 m ²
	83,971 m ²	64,000 m ²	45,816 m ²

Pre-certified

	Centrum Park ⁽¹⁾ (2015)	Mitikah ⁽¹⁾ (2016)	Midtown Jalisco ⁽¹⁾ (2016)	SAQQARA (2009)
	180,000 m ²	67,178 m ²	279,600 m ²	27,000 m ²
	97,731 m ²	67,178 m ²	105,000 m ²	11,236 m ²

Construction GLA

FUNO is proud to have the number 1 portfolio in Mexico, not just in terms of size, quality, diversification and location, but also in the amount of square meters of construction that have LEED Certification.

⁽¹⁾ Properties under development.
⁽²⁾ Average of our LEED certified buildings compared to similar non-LEED certified buildings in the same area.

27% gross leasable area of operating office portfolio in 2017 with LEED Certification

82% of gross leasable area in our office portfolio in the process of construction in 2017 has obtained LEED pre-certification.

Our Goal
 To acquire, remodel and develop more properties under this standard in the next 10 years.

We create value in all we do

Benefits for FUNO

- Faster rental of LEED buildings
- Preservation of high value in properties
- 25% more** rent per m² ⁽²⁾
- Tangible proof of FUNO's commitment to sustainability
- 25% saving** on energy consumption ⁽²⁾
- 11% saving** on water consumption ⁽²⁾
- 9% saving** on operating costs ⁽²⁾

Benefits for our tenants

- Reduced maintenance and operation costs
 - Air quality and recreational spaces for optimum employee yield.
 - High safety standards
- Efficiency

FUNO stands out in the market as Mexico's largest FIBRA, and because our assets maintain the highest standards of quality, safety, environment and social responsibility, factors that help us achieve our Mission of creating and maximizing sustainable value in our properties over time.

LEED

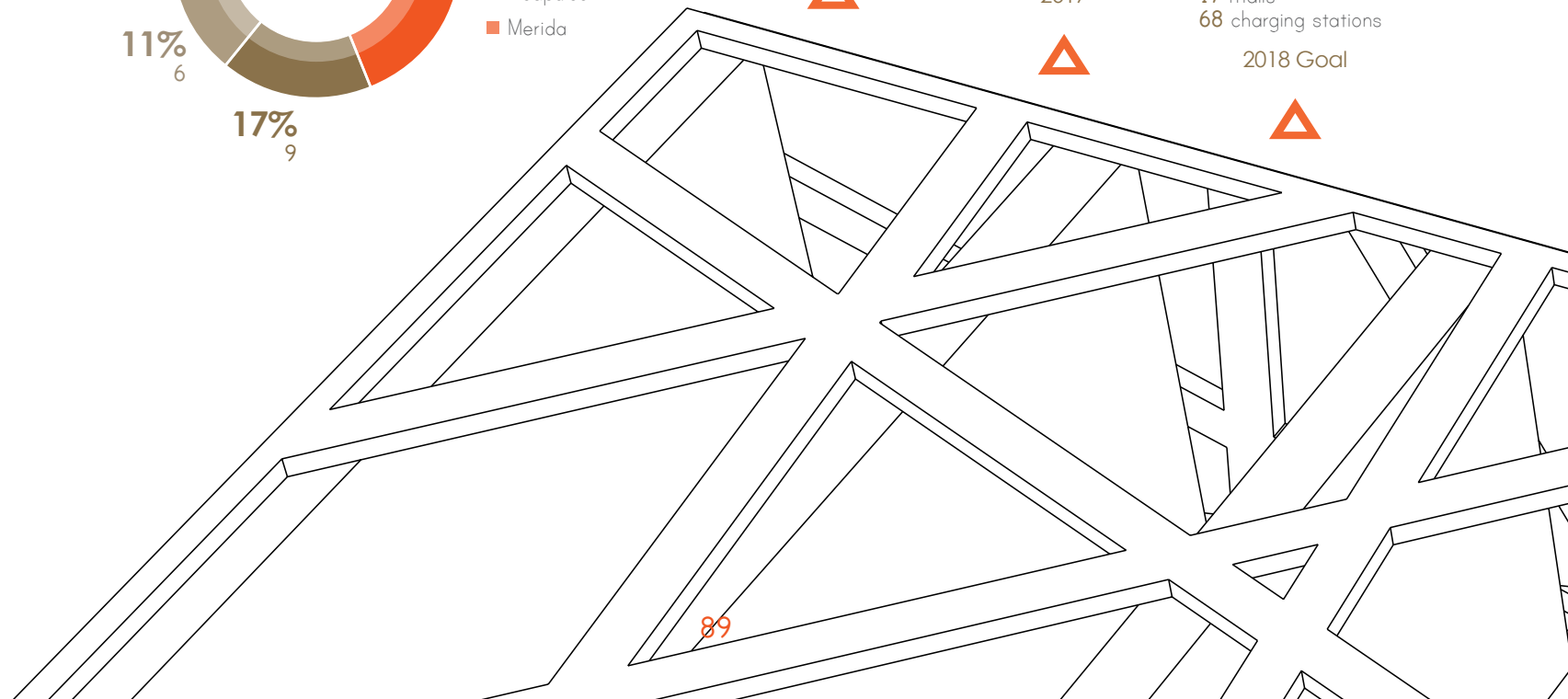
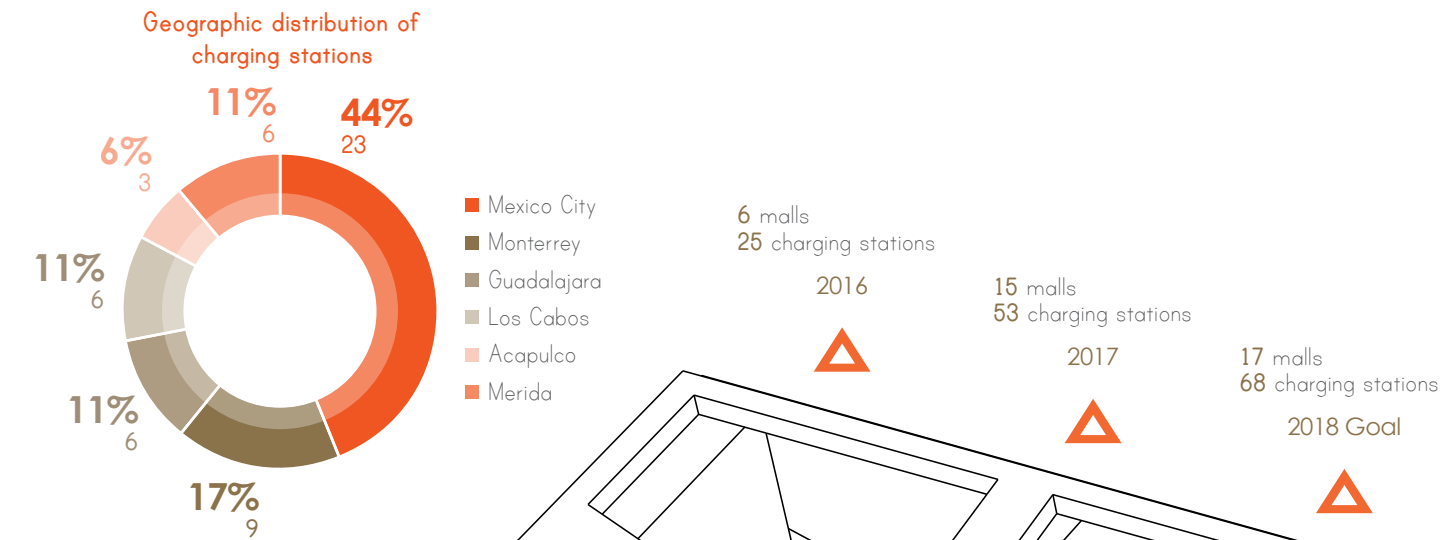


Torre Diana, Mexico City

GRI 305: 103-2, 103-3

At FUNO, our pledge is to transcend. We know that because of our leadership, our practices will become standards for the Mexican real-estate industry.

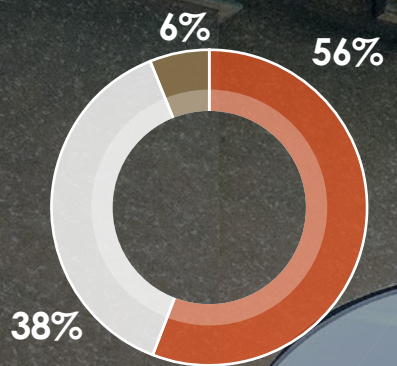
For this reason, we forged strategic partnerships with firms like Tesla, BMW and Nissan, creating charging stations are out building that promote and make it easier to use electric cars, a trend that is on the rise, and will continue to grow in the future:



Parques Polanco, Mexico City

102-9, 302-1, 305-1, 305-4, 305-5

Electrical energy consumption by segment ⁽¹⁾



Offices Retail Industrial



Evacuation route



No smoking



Fire extinguisher

We have high standards in our health and safety protocols

45 waste collection service suppliers

⁽¹⁾ Environmental data reflect the performance of 89 properties which we operate directly and through third parties.

LED light

One supplier of electrical energy (the CFE)

Offsets of 84 metric tons of CO₂e

97,843 metric tons of CO₂e emitted into the atmosphere

Ps. 4.5 million invested in greenhouse gases reduction actions

0.04 metric tons of CO₂e per m²

We introduce energy saving measures

Visitors

BIODIVERSITY

All of our developments are located on already converted land, meaning none of them resulted in the transformation of habitat. Some of our properties, however, are located close to or inside areas of valuable biodiversity, such as mangroves or even protected natural areas.

To help care for and preserve the environment, and to improve the natural landscape around our buildings, FUNO carries out reforestation campaigns at corporate offices and in some shopping centers. We contribute maintenance of the planted species by installing watering systems and applying protocols on avoiding the use of hazardous fertilizers and chemicals.

To learn more about the properties located within Natural Protected Areas, see the chapter entitled "We are number 1" in this report.

CONTINUOUS IMPROVEMENT

Environment

2016 Commitments	Our strategy	Progress
Improve operating efficiency by reducing water and energy consumption as much as possible.	Work together with all levels of government to meet legal and regulatory requirements.	✓
Prevent and mitigate environmental risks that might damage our operations.	Begin measuring and monitoring environmental results for our properties.	↻
Show better operating efficiency, particularly in energy and water.	Support the implementation of innovative and technological solutions to improve our environmental performance and reduce consumption and waste.	↻
Contribute positively to the environment, creating shared value in the communities where we operate.	<ul style="list-style-type: none"> ■ Conserve and, when possible, improve the natural environment around our properties. ■ Use safe materials, promoting the use of recycled or certified resources. ■ Promote environmentally responsible actions for the well-being of communities where we operate. 	✓

Actions

- Keep our commitment to make every new FUNO development a sustainable development; today, we seek LEED certification on all properties and/or integrate water, energy and heat efficiency technology as well as community engagement.
- Work together with NGOs, government institutions and others to exponentialize efforts in environmental initiatives like reforestation and waste reuse.
- Carry out first emissions measurement including energy consumption, business travel and the use of refrigerants in all properties directly operated by FUNO.
- Carried out first measurement of consumption and discharge of water; identified sources affected by the use and discharge of water.
- Began replacing lighting in properties across the country, replacing old technology for new, more efficient solutions and better materials.
- Participated actively in various environmental awareness raising campaigns, through shopping centers across Mexico.

2017 Commitments

- Continue working together with NGOs and government to start up and continue environmental initiatives.
- Join corporate offices in reforestation campaigns.
- Monitor and track the consumption of energy, water and refrigerants each month.
- Identify the impact and location of properties in areas of valuable biodiversity.
- Use safe materials, promoting the use of recycled or certified materials.
- Establish similar metrics for all properties so that good practices can be compared and replicated.

Progress

- ✓
- ✓
- ✓
- ✓
- ✓
- ✓

Actions

- Collaboration with CONAFOR, SEMARNAT and Bio-PAPPEL.
- Besides reforesting in areas around buildings, carry out first corporate reforestation campaign in an alliance with CONAFOR, reforesting five hectares of the Tarango Ecological Park in Mexico City.
- Create Bizagi FUNO, an internal tool for consolidation of data on all our properties each month, including environmental, social, safety and health indicators.

2018 Commitments

- Environmental management**
- Startup of internal audit project in the Operations Area.
 - Investment of Ps. 145 million in eco-efficiency projects
- Energy**
- Replicate pilot testing at Patio Pachuca in other buildings.
 - Replace incandescent lighting for LED in more shopping centers.
 - Optimize air conditioning technology in four cities.
 - Replace two transformers and optimize backup power plant technology, to improve efficiency in reducing diesel emissions and consumption by at least 40%.
 - Save 5% on consumption of electrical energy through efficient technologies.
- Water**
- Adapt 11 PTAR to meet NOM-003 standard for reuse of water in watering, irrigation and toilets.
 - Save 5% on water consumption through reuse of water treated at the PTARs.
- Emissions**
- Waterproof another 33 buildings.



Fumigation service

We have all the facilities that our tenants and visitors require

Supplier of LP Gas

Annual consumption of 7,201,508 m³ of LP Gas

Landscaping service

Ps. 8,090,553 invested for landscaping

53 charging stations

BUILDING COMMUNITY

GRI 413: 103-1, 103-2, 103-3
413-1, 413-2

In Mexico today, it is an undeniable reality that shopping malls play a fundamental role in community relations, and have come to replace the town square or central plaza as a place for gathering and leisure activities.

FUNO has analyzed the communities where we operate and have identified two main stakeholder groups:

- Visitors, those who come to our buildings and contribute to our tenants' revenues.
- Neighbors, who are directly affected by our buildings, either positively or negatively.

◊◊◊ **Twelve of our shopping centers were in the top 20 of the Digital Marketing benchmarking 2017**

For this reason, effective communication with visitors, neighbors and tenants is a highly important commitment. To this end, we conduct regular visits, surveys, monthly audits and interest-monitoring, in order to gather the information we need to understand their preferences and meet their expectations.

Furthermore, today, social networks play a key role in the trust's communication with the world around it, and are a crucial mechanisms for understanding FUNO's position in the market. We participate in a Digital Marketing benchmarking study, which in 2017 encompassed 56 shopping centers, among which were 33 of our properties; 12 of FUNO's buildings were in the top 20.

Through these channels of communication –particularly through surveys– we have found that one of the most important issues for communities is security. This is a matter that lies outside of our building operations, but we are clearly responsible for dealing with it in the areas surrounding our properties. We have therefore taken steps to guarantee this: security and civil defense protocols, manuals, and policies, and hiring private security firms.

We are a trust aware of our environment, and we assume responsibility for the impact our buildings can have on communities, both positive –such as development of the local economy and increased traffic to their businesses– and negative, like the impact of a major shopping mall on the revenues of small business in the area. In most cases, especially in those where our properties are under development, we carry out mitigation and infrastructure improvement programs. Some examples of this are:



Galerías Diana, Acapulco



Drainage

Topographic survey and master plans for wastewater treatment in remediation works.

Roads

- Repaving.
- Lighting and curbs installed.
- Construction of an underpass and renovation of the crossway at Avenida Universidad.
- Remediation works.
- Retention mesh.
- Pavement markings.

Surroundings

- Restoration of the church of San Sebastián, declared heritage of humanity.
- Supervision and support for restoration work.
- Assisted in registering church with the National Anthropological and Historical Institute (INAH).
- Helped neighbors with home repairs.
- Supply and installation of cyclone mesh fencing.
- Contributions to various community causes.

Ps. 370 million invested in mitigation and infrastructure improvement in the area surrounding Mitikah

Ps. 42 million invested in mitigation and infrastructure improvement in the area surrounding Patio Tlalpan



Water

Drilling and equipping a well.

Drainage

- Rainwater collector.
- Review of rainwater collection capacity.

Roads

- Vehicular access from Avenida Insurgentes toward Arenal.
- Expansion of left-hand turn lane from Arenal onto Cuautla.
- Creation of 34 parking spaces for neighbors on Cuautla.
- Creation of a U-turn on Limantitla street toward Av. Insurgentes (with a left turn to the North).
- Road improvement project on Avenida Insurgentes, involving:
 - Expansion of Insurgentes Sur to three lanes in the segment between Ayuntamiento and San Fernando.
 - Creation of a new left-hand turn lane on the northbound side of the intersection of Limantitla and Insurgentes.
- Reinforced vertical and horizontal signage on streets neighboring the building.

Environs

Construction of a community center.

In addition to these efforts, we are proud that our shopping centers can serve as safe and friendly community centers and family gathering spaces, and we create community participation programs and take inclusiveness actions in 100% of them. These include:

- Taking advantage of our buildings as an open forum for the display of works by local artists.
- Setting up supply collection centers to support families whose homes were lost or damaged in the 2017 earthquakes.

CONTINUOUS IMPROVEMENT

Marketing

2017 Commitments

Progress

Strategy to meet them

Actions

2018 Commitments


Increase flow of shoppers by 5%



■ Take the actions necessary to create the FUNO experience:
- Generate promotions and advertising to attract shoppers to all our shopping centers.
- Strengthen shopping centers as places for social and family togetherness.

- Improve ambience.
- Invest Ps. 70 million a month in radio, television and outdoor advertising.

- Increase flow of shoppers by 5%.
- Generate promotions that boost our tenants' sales.


Reach 4 million "likes" on social networks



Continue strengthening social networks, which are our primary tool of communication.

- Document and communicate tenant offers.
- Transmission of live events.
- Become a place for families and communities to interact in the areas where we operate.

- Reach 4.5 million "likes" on social networks.


Increase engagement by 4%



- Live streaming.
- Dissemination of 360° movement #UnidosSomosMexico.
- Create action plans for continuous improvement of shopper satisfaction.

FUNO FOUNDATION

102-20

We are proud to announce that in 2017 we once again gave tangible evidence of our commitment to creating value for Mexico and its communities, with the creation of FUNO Foundation.

Although it was created only recently, FUNO Foundation already has a defined process for decision-making, and resolutions concerning the development of specific communities in which it is involved are passed jointly with the Management Committee.

FUNO Foundation

is a second-floor foundation.

Through it, we work to:

Take advantage of the experience of other charitable institutions.

Support the communities where we are present.

This is one more sign of the commitment made by FUNO and its founders to the development of Mexico and the communities where we work.

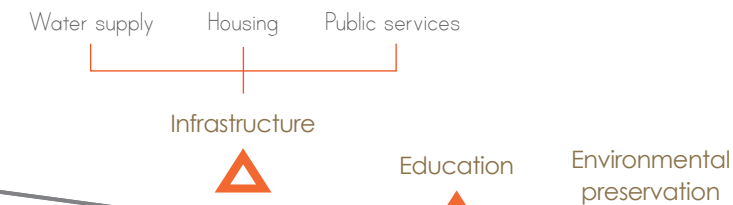


Also through this initiative: We hired local labor, contributing to...

Economic development

Building skills for people in trades like bricklaying, carpentry, welding, and others.

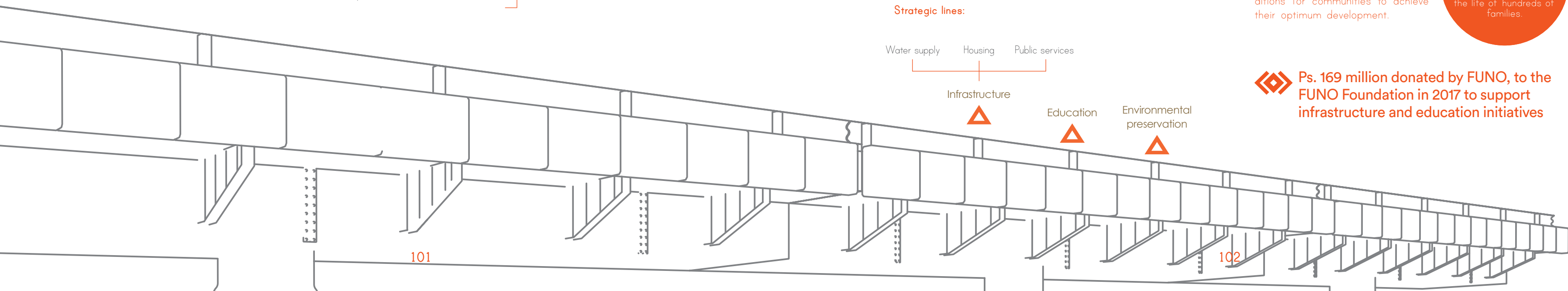
Strategic lines:



Ps. 169 million donated by FUNO, to the FUNO Foundation in 2017 to support infrastructure and education initiatives

Goal
To remain an engine of positive transformation in the environment and the life of hundreds of families.

We are convinced that, through sustainable, high-quality infrastructure, we can help establish the basic conditions for communities to achieve their optimum development.



CONTINUOUS IMPROVEMENT

Corporate Social Responsibility

2015/2016 Commitments	Our strategy	Progress	Actions
Proactively involve ourselves in social, economic and cultural development in communities where we work.	Create jobs, encouraging decent, well-paid work.	✓	<ul style="list-style-type: none"> ■ Create new jobs and preserve jobs in our acquisitions. ■ Train employees.
Encourage a culture of respect, inclusion, peace and security.	Introduce strategies to reduce inequality based on personal merit and competition in carrying out work.	↻	<ul style="list-style-type: none"> ■ Promote a philosophy and culture by which FUNO keeps its commitments to suppliers and clients.
Support initiatives that promote Mexican competitiveness and infrastructure.	Encourage our employees to advance themselves, train and grow, so they can contribute ideas as innovations to FUNO and the communities where we work.	↻	<ul style="list-style-type: none"> ■ All FUNO developments under construction have LEED certification or pre-certification.
Pursue responsible investment in new FUNO developments, with environmentally and socially friendly buildings, and sustainable infrastructure that improves upon its surroundings.	Support the elimination of all forms of forced or coerced labor; work to eradicate child labor.	✓	
	Work with suppliers and other stakeholders to increase FUNO's positive economic spillover.	↻	
	Require, where possible and economically feasible, new developments to maintain the highest social and environmental standards.	✓	
Invest positively and responsibly in our acquisitions and in our communities with a long-term vision, improving their surroundings.	LEED or other certification to promote best practices.	✓	

2017 Commitments	Progress	Actions
Strengthen internal processes for human capital development.	✓	
Introduce an organizational change strategy based on timely intervention and team audits to improve current levels of job satisfaction.	✓	
Have all suppliers sign contracts that include ethics and anti-corruption clauses.	✓	
Maintain high social and environmental standards in all buildings; obtain LEED certification for all our developments whenever it is economically feasible.	✓	

2018 Commitments

- Train employees.
- Draft job descriptions for each position.
- Systematize processes.
- 100% of our supplier contracts include ethics and anti-corruption clauses.
- Acquire, develop and remodel more properties that meet Leadership in Energy & Environmental Design (LEED) certification standards.
- Support initiatives that promote Mexico's competitiveness and infrastructure.
- Increase our social investment in supporting infrastructure by at least Ps. 20 million over fiscal year 2017.
- Strengthen FUNO Foundation's endowment.
- Support infrastructure improvements in at least two communities where we operate.

2020 Commitment

Increase the number of buildings we operate that have LEED Certification by 20%.



Torre Reforma Latino, Mexico City

PRINCIPLES FOR PREPARING THIS REPORT

FUNO's 2017 Annual and Sustainability Report was prepared in accordance with the principles for determining the content and the quality of the report, as established by the Global Reporting Initiative, as follows:

FUNO's nature is to work to generate growing, lasting value, so sustainability is conceived as part of what we are since this trust was founded. Throughout this report, we detail the actions by which we have pursued our Sustainable Development goals, the targets set for the business, and the positive impacts on our stakeholders.

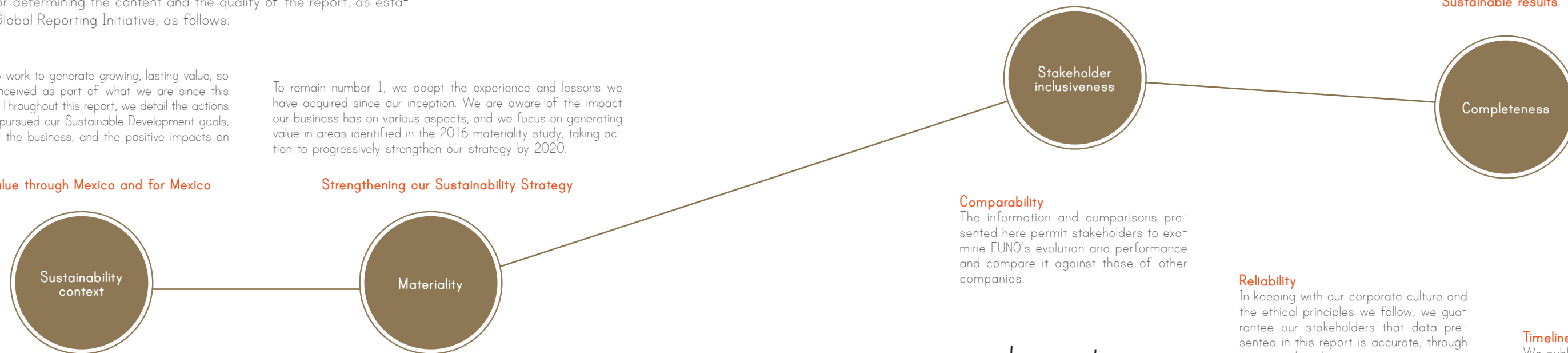
To remain number 1, we adopt the experience and lessons we have acquired since our inception. We are aware of the impact our business has on various aspects, and we focus on generating value in areas identified in the 2016 materiality study, taking action to progressively strengthen our strategy by 2020.

As a fundamental component of our materiality study and part of our process of continuous improvement, this report takes into account the opinions communicated to us by our stakeholders through a variety of channels regarding the management of aspects that are material both to them and to FUNO.

We present an exhaustive explanation of the results of FUNO's performance in economic, social and environmental terms, expressing the significant impact in material areas and the coverage of each of these.

Our stakeholders inspire us to be the best

Sustainable results



We create value through Mexico and for Mexico

Strengthening our Sustainability Strategy

Sustainability context

Materiality

Stakeholder inclusiveness

Completeness

Accuracy

We provide sufficiently precise qualitative and quantitative information for our stakeholders to evaluate FUNO's performance.

Balance

In order to provide a well-grounded framework for understanding FUNO's development, we objectively report on the positive and negative aspects of our management.

Clarity

The information is expressed in terms understandable to stakeholders who have a reasonable knowledge of the industry and the trust.

Comparability

The information and comparisons presented here permit stakeholders to examine FUNO's evolution and performance and compare it against those of other companies.

Reliability

In keeping with our corporate culture and the ethical principles we follow, we guarantee our stakeholders that data presented in this report is accurate, through an internal audit process.

Timeliness

We publish this report every year to provide the data our stakeholders require to make informed decisions.

GRI CONTENT INDEX

102-55

GRI Standard	Disclosure	Page / Direct Response	Omission
General Disclosures			
Organizational profile			
102-1	Name of the organization	13	
102-2	Activities, brands, products, and services	13	
102-3	Location of headquarters	15	
102-4	Location of operations	15	
102-5	Ownership and legal form	13	
102-6	Markets served	13	
102-7	Scale of the organization	3, 17, 41, 47, 63	
102-8	Information on employees and other workers	63	
102-9	Supply chain	33, 35, 47, 85, 91, 95	
102-10	Significant changes to the organization and its supply chain	7-9, 33, 35, 41	
102-11	Precautionary Principle or approach	57	
102-12	External initiatives	27	
102-13	Membership of associations	15	
Strategy			
102-14	Statement from senior decision-maker	7-9, 10-12	
102-15	Key impacts, risks, and opportunities	7-9, 10-12, 57	

GRI 102:
General
Disclosures
2016

GRI Standard	Disclosure	Page / Direct Response	Omission
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	21	
102-17	Mechanisms for advice and concerns about ethics	25	
Governance			
102-18	Governance structure	49	
102-19	Delegating authority	49	
102-20	Executive-level responsibility for economic, environmental, and social topics	49, 51, 81, 101	
102-21	Consulting stakeholders on economic, environmental, and social topics	49, 56	
102-22	Composition of the highest governance body and its committees	49	
102-23	Chair of the highest governance body	49	
102-24	Nominating and selecting the highest governance body	51	
102-25	Conflicts of interest	51	
102-26	Role of highest governance body in setting purpose, values, and strategy	49	
102-27	Collective knowledge of highest governance body	51	
102-28	Evaluating the highest governance body's performance	54	
102-29	Identifying and managing economic, environmental, and social impacts	49	

GRI 102:
General
Disclosures
2016

GRI Standard	Disclosure	Page / Direct Response	Omission	
GRI 102: General Disclosures 2016	102-30	Effectiveness of risk management processes	54	
	102-31	Review of economic, environmental, and social topics	51, 54	
	102-32	Highest governance body's role in sustainability reporting	49	
	102-33	Communicating critical concerns	51	
	102-34	Nature and total number of critical concerns	65	
	102-35	Remuneration policies	67	
	102-36	Process for determining remuneration	67	
	102-37	Stakeholders' involvement in remuneration	67	
	102-38	Annual total compensation ratio	-	For security reasons, this information is confidential.
	102-39	Percentage increase in annual total compensation ratio	-	For security reasons, this information is confidential.
	Stakeholder engagement			
	102-40	List of stakeholder groups	29	
	102-41	Collective bargaining agreements	FUNO is not a party to collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	29		
102-43	Approach to stakeholder engagement	29		
102-44	Key topics and concerns raised	65		

GRI Standard	Disclosure	Page / Direct Response	Omission	
GRI 102: General Disclosures 2016	Reporting practice			
	102-45	Entities included in the consolidated financial statements	5	
	102-46	Defining report content and topic Boundaries	27	
	102-47	List of material topics	27, 29	
	102-48	Restatements of information	5	
	102-49	Changes in reporting	5	
	102-50	Reporting period	5	
	102-51	Date of most recent report	2016	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	3 rd cover	
	102-54	Claims of reporting in accordance with the GRI Standards	5	
	102-55	GRI content index	107	
	102-56	External assurance	5	
Material topics				
Generation of long-term value				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	7-9, 27	
	103-2	The management approach and its components	7-9, 27	
	103-3	Evaluation of the management approach	7-9, 27	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3, 7-9, 17, 47	

GRI Standard	Disclosure	Page / Direct Response	Omission	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	57	Environmental and climate change risks are mapped in FUNO's risk management process, but they have not by quantified or estimated.
	201-3	Defined benefit plan obligations and other retirement plans	There are no retirement plans.	
	201-4	Financial assistance received from government	FUNO does not receive financial assistance from the government.	
Ethics				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	23, 33	
	103-2	The management approach and its components	23, 33	
	103-3	Evaluation of the management approach	23, 33	
GRI 205: Anti- corruption 2016	205-1	Operations assessed for risks related to corruption	23	
	205-2	Communication and training about anti-corruption policies and procedures	23	
	205-3	Confirmed incidents of corruption and actions taken	23	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 27, 33	
	103-2	The management approach and its components	21, 27, 33	
	103-3	Evaluation of the management approach	27, 33	

GRI Standard	Disclosure	Page / Direct Response	Omission	
GRI 206: Anti- competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	FUNO prizes free competition in all relationships with its stakeholders; there are no lawsuits pending with regard to unfair competition during the period of this report.	
Energy eco-efficiency				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	81	
	103-2	The management approach and its components	81	
	103-3	Evaluation of the management approach	83	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	41, 91, 95	
	302-3	Energy intensity	41	
	302-4	Reduction of energy consumption	83	
Water resource management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	79, 81	
	103-2	The management approach and its components	81	
	103-3	Evaluation of the management approach	83	
GRI 303: Water 2016	303-1	Water withdrawal by source	41, 85 The breakdown of water consumption by source is as follows: 8,124,398.05 m ³ from the municipal water supply; 445,941.16 m ³ in tanker trucks; 2,453,530.16 m ³ from underground wells; and 13,398 m ³ in wastewater from another organization which we treat and reuse.	
	303-2	Water sources significantly affected by withdrawal of water	No water sources have been significantly affected by FUNO consumption.	

GRI Standard	Disclosure	Page / Direct Response	Omission
GRI 303: Water 2016	303-3	41 27,493,356.19 m ³ of wastewater discharge nationwide in 2017; 13,398 m ³ of which can from another organization and were treated and re-used by FUNO.	

Emissions

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	81	
	103-2	The management approach and its components	81, 89	
	103-3	Evaluation of the management approach	83, 89	

GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	83, 91	
	305-2	Energy indirect (Scope 2) GHG emissions	83	
	305-3	Other indirect (Scope 3) GHG emissions	83	
	305-4	GHG emissions intensity	91 Emission intensity includes the gross leasable area of the 89 buildings we operate directly and indirectly (2,312,775 m ²) and scope 1 and 2 emissions.	
	305-5	Reduction of GHG emissions	83, 91	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	83	

Effluents and Waste

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	81	
	103-2	The management approach and its components	81	
	103-3	Evaluation of the management approach	83	

GRI Standard	Disclosure	Page / Direct Response	Omission																			
GRI 306: Effluents and Waste 2016	306-1	Water discharge by quality and destination	<table border="1"> <thead> <tr> <th>Destination</th> <th>Quality</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Drainage network</td> <td>Wastewater</td> <td>20,412,186.20 m³</td> </tr> <tr> <td>Drainage network</td> <td>Treated wastewater (NOM-002 and NOM-003)</td> <td>7,038,381.98 m³</td> </tr> <tr> <td>Discharge to surface water bodies</td> <td>Treated wastewater (NOM-003)</td> <td>142,348.33 m³</td> </tr> <tr> <td>Reinjection to subsoil</td> <td>Treated wastewater (NOM-003)</td> <td>439.68 m³</td> </tr> <tr> <td colspan="2">Total</td> <td>27,593,356.19 m³</td> </tr> </tbody> </table> <p>In our water discharge there is a loss of water from evaporation and use in chillers and air conditioning, but the calculations take into account tenant water discharge, which is added to our discharges. The latter are not the product of FUNO consumption; they are waste water resulting from consumption by our tenants. Even so, they are counted as FUNO discharges.</p>	Destination	Quality	Amount	Drainage network	Wastewater	20,412,186.20 m ³	Drainage network	Treated wastewater (NOM-002 and NOM-003)	7,038,381.98 m ³	Discharge to surface water bodies	Treated wastewater (NOM-003)	142,348.33 m ³	Reinjection to subsoil	Treated wastewater (NOM-003)	439.68 m ³	Total		27,593,356.19 m³	
			Destination	Quality	Amount																	
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	Reinjection to subsoil	Treated wastewater (NOM-003)	439.68 m ³																			
Total		27,593,356.19 m³																				
306-2	Waste by type and disposal method	83	Total weight of waste. Information unavailable due to the fact that the waste collection service is carried out by external suppliers.																			
306-3	Significant spills	No spills in the period reported.																				
306-4	Transport of hazardous waste	FUNO does not transport waste; this service is outsourced to contractors.																				
306-5	Water bodies affected by water discharges and/or runoff	No water body was significantly affected by FUNO discharges, because these are compliant with NOM-002 and NOM-003.																				

Environmental Compliance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	81	
	103-2	The management approach and its components	81	
	103-3	Evaluation of the management approach	81	

GRI Standard	Disclosure		Page / Direct Response	Omission
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	81	
Human Capital				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	61	
	103-2	The management approach and its components	61, 65	
	103-3	Evaluation of the management approach	61, 71	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	63	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	67	
	401-3	Parental leave	Four women and two men took maternity/paternity leave in 2017; 100% of them returned to work afterwards. With respect to employees who took advantage of this leave in 2016, 100% of them kept their jobs 12 months after returning to work following maternity/paternity leave.	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65	
	103-2	The management approach and its components	65	
	103-3	Evaluation of the management approach	65, 71	
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 trust operations or in the areas where they work, depending on the situation in each building.	

GRI Standard	Disclosure		Page / Direct Response	Omission
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	77	
	103-2	The management approach and its components	77	
	103-3	Evaluation of the management approach	71, 77	
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal joint management-worker health and safety committees	77	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Zero workplace accidents. 4,493 days lost to work-related incapacity, illness and maternity.	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	There were no expenses relating to work-related accident or illness.	
	403-4	Health and safety topics covered in formal agreements with trade unions	FUNO is not a party to collective bargaining agreements.	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	69	
	103-2	The management approach and its components	69	
	103-3	Evaluation of the management approach	69, 71	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	69	

GRI Standard	Disclosure		Page / Direct Response	Omission
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67	
	103-2	The management approach and its components	67	
	103-3	Evaluation of the management approach	71	
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	67	

Corporate Social Responsibility

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	97	
	103-2	The management approach and its components	97	
	103-3	Evaluation of the management approach	97	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	97	
	413-2	Operations with significant actual and potential negative impacts on local communities	97	

Socioeconomic Compliance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	54	
	103-2	The management approach and its components	54	
	103-3	Evaluation of the management approach	54	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Because of our internal control and risk management process, during the period reported there were no breaches of social or economic laws or standards.	

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