

FIBRA
Macquarie
México



2019 Sustainability Report



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Letter from the Chief Executive Officer

FIBRA Macquarie continues to be a premier owner of Mexican industrial and retail real estate by focusing on our key goals of creating long-term certificate holder value and serving our customers' needs, while employing best practices across the environmental efficiency, social responsibility, and corporate governance (ESG) spectrum. Since our establishment in 2012, FIBRA Macquarie has grown in sophistication and adaptability, including our ESG program.

In 2019, we continued to demonstrate our commitment to sustainability and reinforce our position as an industry leader in the Mexican real estate market. We were recognized with a 2-star rating by the Global Real Estate Sustainability Benchmark (GRESB), a result of increasing our benchmarking score by 26 points from 2018 to 2019. We also participated for the first time in the SAM Corporate Sustainability Assessment (CSA), now part of S&P Global, which is used as a benchmark tool for the S&P Dow Jones Sustainability Index. In addition, we published our inaugural sustainability report, a milestone that further demonstrates our commitment to ESG principles and transparency.

With a focus on ESG matters, we have put in place effective risk-management practices to influence strategic decisions at the highest levels. With the oversight of our Sustainability Committee and sustainability working group, we continually review our strategy, oversee the implementation of policies, monitor the progress and performance of initiatives as well as compliance with relevant laws and regulations.

We will continue to expand our ESG focus and elevate our performance against key metrics to ensure and validate our success. As part of our Sustainability Action Plan and our "plan-do-check-act" strategy, which allows us to continually measure progress and adapt to ever-evolving needs, we aim to improve ESG performance throughout the organization by committing to the following:

- Work with our customers to detect opportunity areas, increase building efficiency, and enhance user experience

- Develop new projects and demonstrate operational efficiency of existing buildings through leading green building certification programs such as LEED and BOMA Best
- Increase accessibility to renewable energy sources, wherever possible
- Enhance customer experience through a diverse set of strategies, including outreach programs, our internal property administration platform, stakeholder feedback, and trainings for property managers
- Supporting our employees by creating a workplace environment that fosters a spirit of innovation, high performance, and personal development. Wellbeing is enhanced through performance evaluations, ongoing trainings, diverse benefits, and consideration of staff feedback across all levels of the organization
- Make positive contributions to the communities where we operate by investing resources, making in-kind donations, and volunteering hours
- Operate in a manner that is transparent, fair, and in accordance with the highest ethical standards by following a suite of governance guidelines and policies that uphold our core values: opportunity, accountability and integrity

The message the investment community is sending is clear: they are analyzing their investment strategies with ESG responsibilities as a core goal. It has also become clear that organizations cannot achieve long-term profits without considering the needs of all stakeholders. Leveraging the work we have performed to date, an effort that has established a solid foundation, we will continue to mature our ESG program into one that is focused on improving impact and that is aligned to maximizing long-term value for our investors. Finally, I am proud of the progress we have made as an organization and will continue to be an advocate for a sustainable, responsible, and ethical future for FIBRA Macquarie.

Juan Monroy
Chief Executive Officer

The background of the top half of the page features a low-angle, upward-looking photograph of a building's facade. The facade is dark, and the words "FIBRA Macquarie" are repeated in a light blue, sans-serif font, creating a sense of height and architectural scale. The sky above is a clear, bright blue.

About FIBRA Macquarie

FIBRA Macquarie is a real estate investment trust (REIT) listed on the Mexican stock exchange (FIBRAMQ) and owner of one of the largest portfolios of industrial and retail properties in Mexico. Our trust is focused on the acquisition, ownership, leasing, and management of real estate properties in Mexico.

FIBRA Macquarie is well positioned to capitalize on the favorable long-term economic and demographic trends in Mexico. We realize this opportunity for customers and investors through our high-quality portfolio, scalable internal property administration platform, disciplined capital management, strong operational and financial performance, and our experienced property administration, leasing, engineering, and management teams.

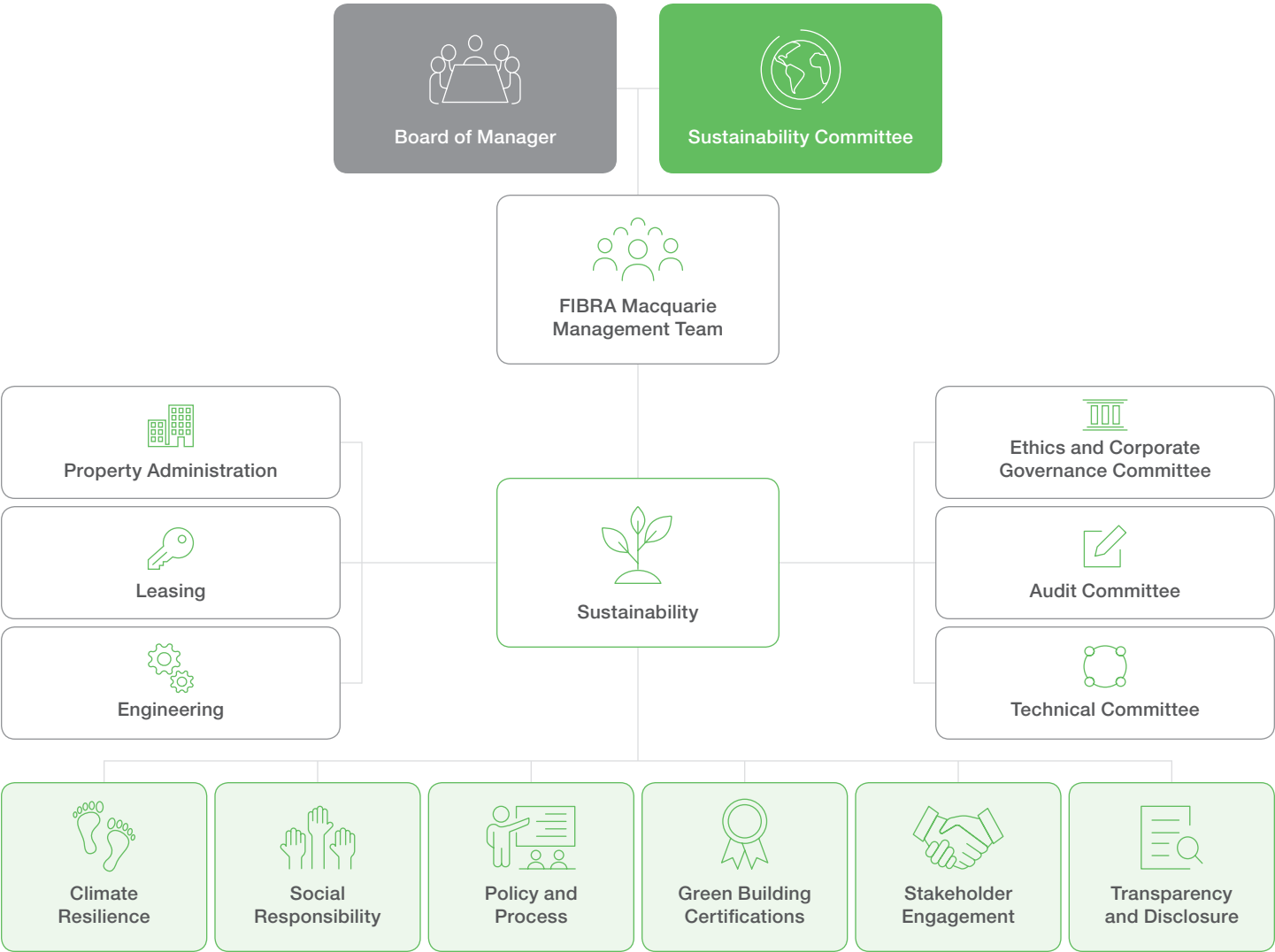
This is FIBRA Macquarie's second sustainability report.

Our Integrated Team Strategy

FIBRA Macquarie’s commitment to ESG is fully embedded in our business strategy. We strive to incorporate a sustainability approach that emphasizes the importance of environmental and social responsibility, transparency, and the mitigation of corporate governance risks. We pride ourselves in maintaining strong relationships with our customers, the communities where we operate, our suppliers, and other key stakeholders. We always incorporate ESG strategies into our investment decisions.

At FIBRA Macquarie, we define sustainability integration as the incorporation and management of ESG initiatives into our development and investment strategy. ESG considerations are embedded within our investment decision-making approach and the asset management framework through which we assess and improve performance. Our approach to responsible investment is supported by our ESG and risk experts, policies and processes, and the expertise of our management teams and ESG advisors.

In 2018, the Manager established a Sustainability Committee that is responsible for overseeing and advising on the integration of environmental and social responsibility aspects within our business operations. The Sustainability Committee evaluates the performance of sustainability policies and targets and, together with the Technical Committee, ensures compliance with our corporate governance initiatives. The Sustainability Committee is composed of Board Members, FIBRA Macquarie executive management, and in-house sustainability experts.



Portfolio Overview

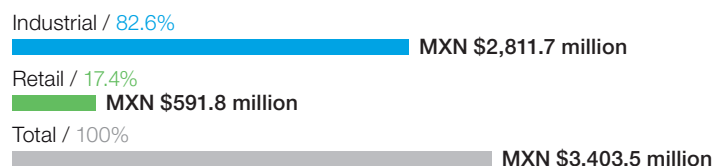
As of December 31, 2019, our diversified portfolio consists of 235 industrial properties and 17 retail properties (9 of which are held through a 50-50 joint venture) located in 20 cities across 16 states in Mexico. This report covers all properties within the fund, which comprises approximately 29.6 million square feet of industrial gross leasable area (GLA) and 4.9 million square feet of retail GLA.



Portfolio-wide GLA Distribution by Property Type



2019 Net Operating Income (NOI)



Portfolio-wide GLA Distribution by City

In thousands of square feet ('000 sqft)

Cancún / 2 retail
360

Chihuahua / 12 industrial
1,163

Ciudad Juárez / 34 industrial
4,398

Guadalajara / 8 industrial / 1 retail
1,087

Hermosillo / 11 industrial
1,842

Irapuato / 1 retail
165

Los Mochis / 1 industrial
235

Matamoros / 4 industrial
744

MCMA⁽¹⁾ / 7 industrial / 10 retail
3,909

Mexicali / 13 industrial
1,091

Monterrey / 38 industrial / 1 retail
6,055

Nogales / 2 industrial
1,004

Nuevo Laredo / 9 industrial
1,125

Puebla / 23 industrial
1,899

Querétaro / 11 industrial
1,914

Reynosa / 19 industrial
2,792

Saltillo / 11 industrial
1,313

San Luis Potosí / 7 industrial
778

Tijuana / 25 industrial
2,232

Tuxtepec / 1 retail
355

(1) México City Metropolitan Area

Key Achievements



Environmental Performance

Data Coverage

From 2018 to 2019, energy consumption data coverage increased by 69.7% and water consumption data coverage by 64.1%.*

Greenhouse Gas Emissions

2.1% reduction in greenhouse gas emissions from 2018 to 2019.**

Sustainable Construction

In 2019, we entered the LEEDv4 Volume program for New Construction.

2.1%

reduction in greenhouse gas emissions since 2018.**



Social Responsibility

Philanthropy

In 2019, FIBRA Macquarie invested approximately MXN\$100K to support the work of Fundación Criantia, a not-for-profit organization which provides parents with tools that allow them to better educate their children through loving relationships, the establishment of firm and healthy limits, and helping their children through the development of self-esteem patterns. Through FIBRA Macquarie's support, a Fundación Criantia seminar was held in Ciudad Juárez, attended by employees of FIBRA Macquarie's customers.

Customer Satisfaction Survey

Our biennial customer satisfaction survey was sent to 291 industrial customers with an overall response rate of 78% and an overall satisfaction score of 79%. In addition to an increase in overall customer satisfaction, FIBRA Macquarie is currently scoring above industry standard for tenant renewals.

79%

overall customer satisfaction score in 2019.



Corporate Governance

Disclosure

During 2019, FIBRA Macquarie aligned its ESG reporting to globally recognized disclosure standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

AFFO Methodology

In 2019, FIBRA Macquarie implemented enhanced disclosure and transparency on the methodology for deriving Adjusted Funds from Operations (AFFO), a key measure for determining operational performance.

Technical Committee Self-evaluations

Beginning in 2019, members of the Technical Committee began self-evaluations of their performance. In addition, members of the committee attended regular training sessions on corporate governance issues.

Cybersecurity

To face the increasing cybersecurity risks in modern culture, FIBRA Macquarie's operating branch MMREIT Property Administration (MPA), with supervision from our CEO, conducted a third-party analysis of the current exposure and risk level and implemented several security measures.

*Based on Gross Leasable Area (GLA) and when compared to the data coverage metrics reported in the 2018 Sustainability Report (linked [here](#)).

**With respect to 150 properties with like-for-like whole building (common areas + tenant spaces) data. 2018 and 2019 full calendar year data.

A close-up photograph of a hand dropping a small, round, light-brown seed into dark, rich soil. Several other similar seeds are scattered on the soil surface in the background, some in focus and some blurred. The lighting is soft, highlighting the texture of the soil and the hand.

Commitments and Action Plan

We strive to maximize the positive impact we make through our sustainability initiatives and to improve our performance against key metrics to achieve progress. We have established commitments as they relate to these metrics, as well as a Sustainability Action Plan based on our “plan-do-check-act” strategy, which allows us to continually measure advancement and adapt to our evolving needs



Commitments



Climate Change: We are committed to reducing our environmental footprint and supporting our customers to lower theirs. By implementing sustainability management strategies and having an asset-level business plan, we ensure that our properties are constructed and maintained to mitigate the impact of climate change and optimize the use of resources.



Transparency: Disclosure of non-financial performance provides our investors with a more complete picture of our long-term value proposition. We are committed to aligning our non-financial disclosures to a variety of external reporting and disclosure programs, such as Global Real Estate Sustainability Benchmark (GRESB), SAM Corporate Sustainability Assessment (CSA), Sustainability Accounting Standards Board (SASB), and Global Reporting Initiative (GRI).



Investment Strategy: Our investment strategy takes ESG considerations into account. During the acquisition phase, we review historical performance and assess the asset's environmental and social impact to better inform improvement opportunities. For our existing assets, we regularly analyze opportunity areas and follow an asset-level business plan.



Stakeholder Engagement: Our stakeholder engagement process relies on understanding and addressing the needs of our investors, employees, tenants, local communities, and suppliers. We will continue to address stakeholder needs through collaboration, high-quality management services, and open channels of communication.



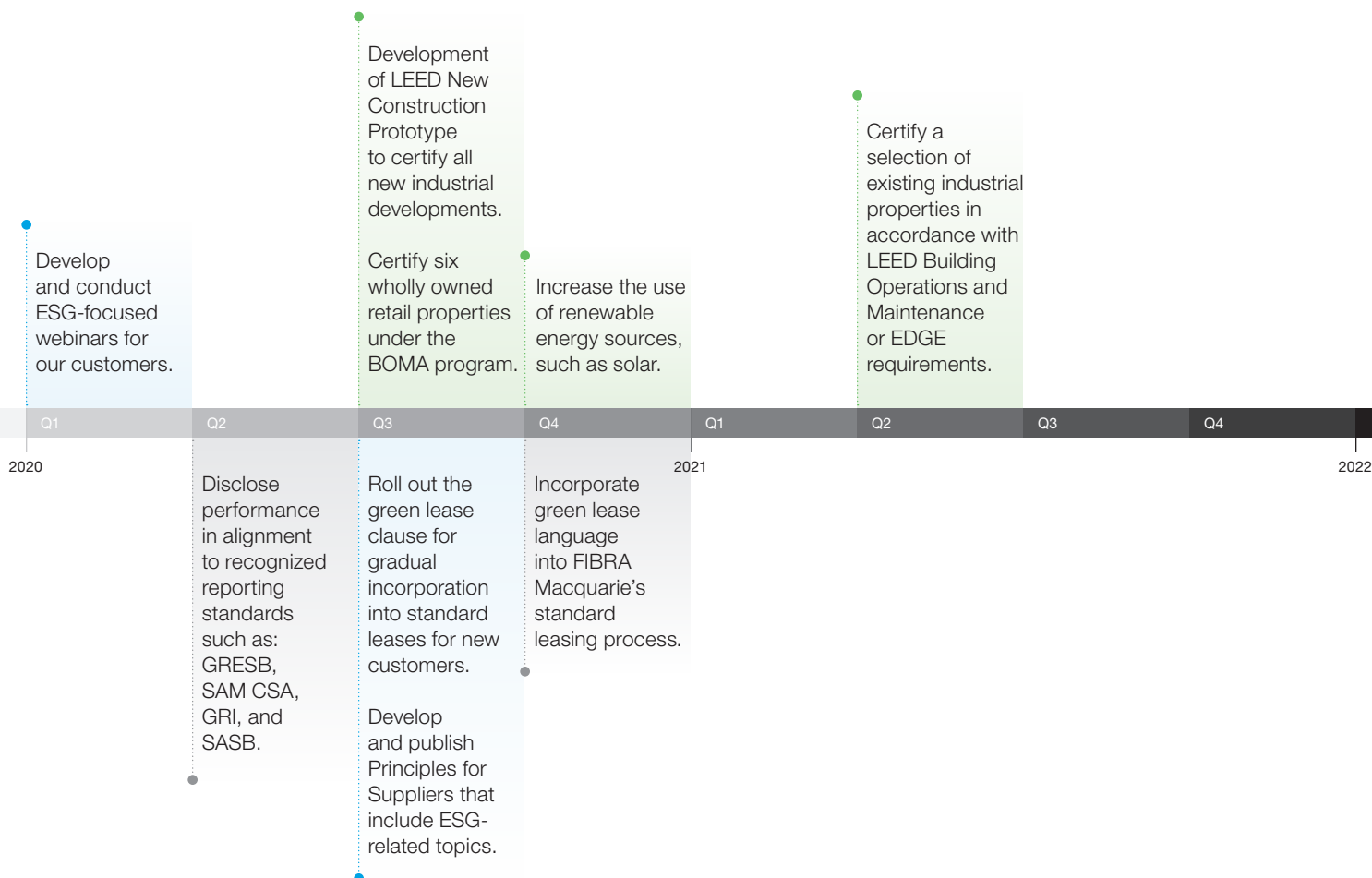
Diversity: We understand that a diversity of backgrounds, ethnicities, ages, genders, sexual orientations, experience, skills, and views represents an advantage for us as a community and for our business. We aim to recognize and cultivate everyone's uniqueness, and we will continue to foster a workplace environment that attracts and retains members with this diversity. FIBRA Macquarie is committed to including female candidates in its independent Technical Committee member selection process.

Action Plan

● ENVIRONMENTAL PERFORMANCE

● SOCIAL RESPONSIBILITY

● CORPORATE GOVERNANCE






Contribution to UN's Sustainable Development Goals

At FIBRA Macquarie, we are aligning our ESG commitments, investment strategies, and business operations to globally recognized and adopted sustainability objectives. With sustainability being at the core of our business strategies, we contribute directly to a variety of goals adopted in the United Nation's 2030 Agenda for Sustainable Development.

SUSTAINABLE DEVELOPMENT GOALS



SDG	FIBRA MACQUARIE OBJECTIVE	PROGRESS
	Promote high-quality living and working environments	<ul style="list-style-type: none"> • Adopt and enhance pedestrian walkways and promote bike usage by providing bike racks in retail properties • Retrofit retail properties to provide better access to natural light and views • Perform landscaping projects in industrial properties to enhance user experience
	Promote educational services in underserved communities	<ul style="list-style-type: none"> • Support organizations like Fundación Criantia that provide resources to parents to help them better educate their children and contribute to the improvement of Mexican society
	Ensure diversity and inclusion at all levels of organization	<ul style="list-style-type: none"> • Employee-based diversity and inclusion leadership initiatives • Transparency about gender diversity within our organization

SDG	FIBRA MACQUARIE OBJECTIVE	PROGRESS
	Generate and procure renewable energy	<ul style="list-style-type: none"> • Commitment to increasing the volume of solar photovoltaic projects throughout existing portfolio • Design roofs for new developments to accommodate solar panels • Commitment to pursuing off-site renewable energy for properties where on-site renewables are not feasible
	Stakeholder investment and quality working conditions	<ul style="list-style-type: none"> • Provide employees with optimal benefits, flexible hours, and wellness opportunities • Promote safe and secure work environments for employees, tenants, and contractors • Active participation in various social programs that help improve the living conditions of people in the communities where we operate • Hiring of local workforces for all new development projects
	Provide opportunities to people of all socioeconomic backgrounds	<ul style="list-style-type: none"> • Provide career opportunities for talented young individuals who might not otherwise have access to work and grow at our organization through initiatives such as the Inroads Program
	Promote sustainable development and green building strategies	<ul style="list-style-type: none"> • Earn green building certifications for design or operations across our portfolio
	Sustainable procurement and responsible disposal of materials	<ul style="list-style-type: none"> • Establish sustainable guidelines for tenant fit-outs • Provide operations and maintenance guidelines that include procurement strategies across portfolios • Implement recycling programs to assist building occupants in diverting waste from landfills
	Reduce greenhouse gas emission and mitigate asset-specific risks	<ul style="list-style-type: none"> • Reduce energy consumption by investing in energy-efficiency measures and/or retrofits • Assess environmental and social risks of newly acquired and standing assets to inform resilience strategies to mitigate the impact of climate change
	Commitment to strengthening institutions and promoting rule of law	<ul style="list-style-type: none"> • Our Ethics and Anti-Corruption Program includes internal policies covering bribery and corruption, transactions with related parties, staff personal dealing, conflicts of interest, and protection of whistleblowers • Maintain a culture of transparency and a corporate governance framework that closely aligns business management with customers' and investors' interests

Environmental Performance

Environmental sustainability is at the core of FIBRA Macquarie's business operations. Our sustainability program aims to minimize environmental impact and improve the performance of buildings in our portfolio, while providing transparency to investors, customers, employees, and other external stakeholders.



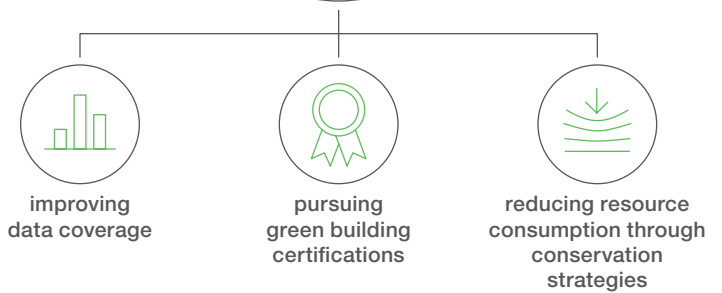
Sustainability Strategy

FIBRA Macquarie has developed and incorporated a comprehensive sustainability program across our organizational structure and throughout our national portfolio. Our sustainability strategy focuses on improving data coverage, pursuing green building certifications, and reducing resource consumption through conservation strategies.

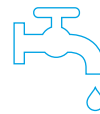
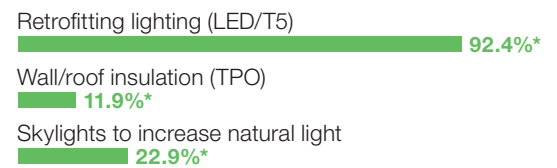
In addition, FIBRA Macquarie actively trains employees and customers on various sustainability factors that contribute to building performance and enhancing stakeholder experiences. With this approach, we are actively demonstrating our commitment to developing sustainability and energy-efficiency initiatives.

Environmental Management System

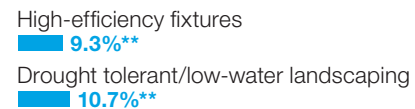
The development of an environmental management system (EMS) is a critical step in effectively incorporating sustainability into our organizational structure, culture, and business strategy. Our holistic sustainability program has at its foundation an EMS aligned with ISO 14001: 2015—Environmental Management Systems, by the International Organization for Standardization (ISO). The framework for our EMS follows a four-step “plan-do-check-act” cycle that enables continuous improvement.



Energy Efficiency Improvements



Water Efficiency Improvements



*Based on Gross Leasable Area (GLA).

**Based on number of properties.

1

- Establish objectives and develop a Sustainability Action Plan



2

- Implement ESG-related strategies

3

- Track performance and measure results against the Sustainability Action Plan objectives

4

- Evaluate gaps between actual performance and set objectives
- Corrective actions

Sustainability and Energy Performance

FIBRA Macquarie tracks year-over-year performance improvements in energy, water use, and GHG emissions for properties with available data for 2018 and 2019, as well as absolute performance for properties with only one year of data (2019).

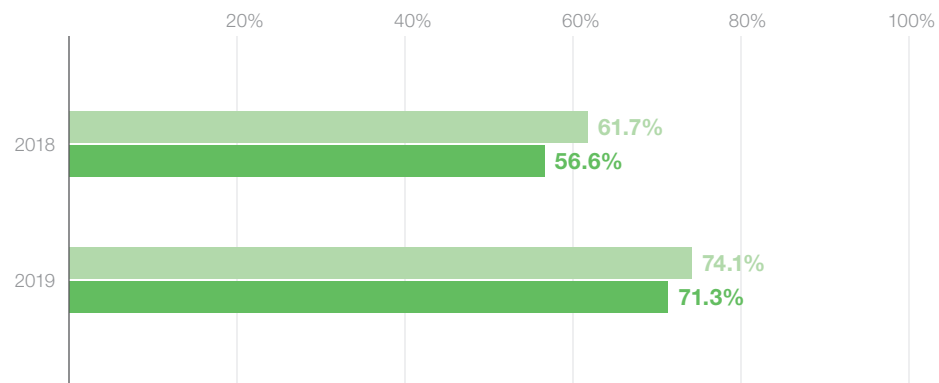
DATA COVERAGE

One of the inherent challenges of operating what is mainly a triple net lease portfolio is the complexity in obtaining data with respect to floor areas not under our control. However, FIBRA Macquarie aims to improve data coverage for environmental performance metrics year-over-year for common areas under its management as landlord and for the building areas of customer-controlled spaces.

Energy and GHG Emissions Data Coverage

TYPE OF FLOOR AREA

- Gross Floor Area (GFA)**
- Gross Leasable Area (GLA)***

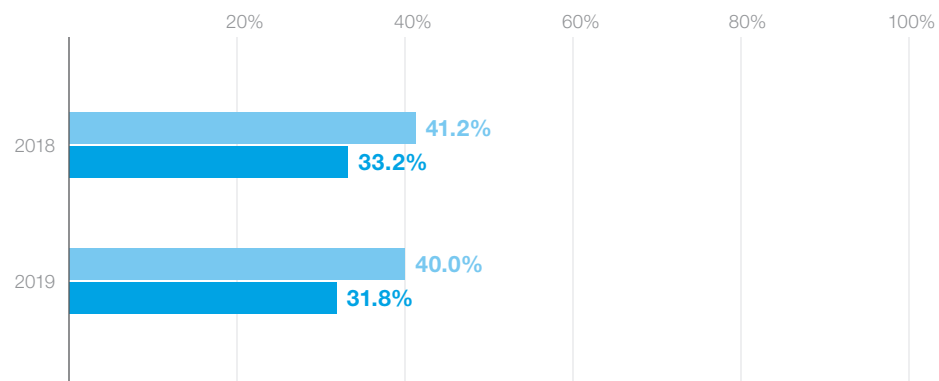


From 2018 to 2019, we increased energy data coverage for GFA by **45.9%***

Water Consumption Data Coverage

TYPE OF FLOOR AREA

- Gross Floor Area (GFA)**
- Gross Leasable Area (GLA)***



From 2018 to 2019, we increased water data coverage for GFA by **29.4%***

*When compared to the data coverage metrics reported in the 2018 Sustainability Report (linked [here](#)).

**GFA includes areas under management and leasable areas

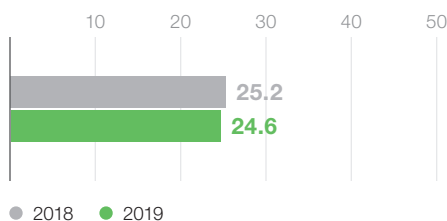
***GLA only includes leasable areas

Energy Consumption

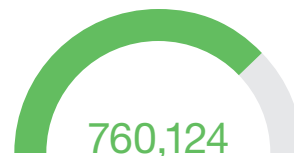
Like-for-Like Energy Consumption¹



Like-for-Like Energy Use Intensity (kWh/ft²)¹



2019 Absolute Energy Consumption (MWh)²

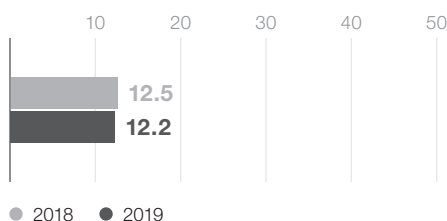


GHG Emissions

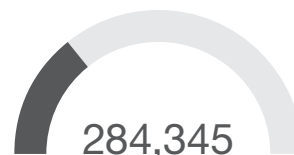
Like-for-Like GHG Emissions¹



Like-for-Like GHG Emissions Intensity (kgCO₂e/ft²)¹



2019 Absolute GHG Emissions (MTCO₂e)²



Daily operations in the real estate sector generate direct (Scope 1) and indirect (Scope 2) GHG emissions. Direct emissions are caused by the consumption of fuels on-site at the property. Indirect GHG emissions are the result of energy purchased from a utility, such as electricity. FIBRA Macquarie reports available data on grid-purchased electricity consumption (Scope 2) and on-site fuel consumption (Scope 1) GHG emissions.

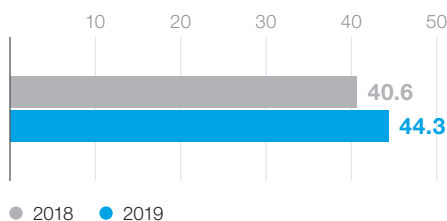
The calculation of GHG emissions is market-based, and we define our boundary using the operational control methodology specified in the GHG Protocol, Revised Edition, Section 4, pages 24–33. Emissions factors used are the most recent supplied by the U.S. Energy Information Administration and are available at <https://www.eia.gov/tools/faqs/faq.cfm?id=76&t=11>. Our calculations represent a +/- 5% level of confidence, since all GHG calculations are based on actual energy meter readings; no estimates are used. Metric tons CO₂e (mtCO₂e) represents the metric tons of CO₂ "equivalent," which includes the combined equivalent CO₂ of three major Greenhouse Gases: CO₂, CH₄ and N₂O.

Water Consumption

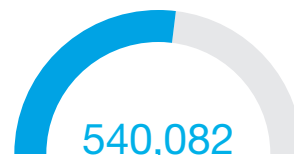
Like-for-Like Water Consumption¹



Like-for-Like Water Consumption Intensity (gal/ft²)³



2019 Absolute Water Consumption (kgal)⁴



*Fluctuation in occupancy, hours of operation, and changes in customer mix likely led to this increase.

Measurabl, Inc. has performed an independent third-party review of the FIBRA Macquarie Mexico 2019 greenhouse gas inventory with the intention of providing a checked level of review of the submission's accuracy and completeness. The scope of the review includes all emissions sources, as it applies to the selected reporting boundary of Mexico operations under operational control.

(1) Like-for-like energy use and GHG emissions intensity is based on data from 150 properties; 23,749 ('000 ft²) GFA.

(2) 2019 absolute energy consumption and GHG emissions is based on data from 203 properties; 30,191 ('000 ft²) GFA.

(3) Like-for-like water consumption is based on data from 69 properties; 11,932 ('000 ft²) GFA.

(4) 2019 absolute water consumption is based on data from 90 properties; 16,921 ('000 ft²) GFA.

CASE STUDY:

Multiplaza Arboledas

Multiplaza Arboledas was remodeled during 2019 to improve customer experience and energy efficiency. The shopping center, which received approximately 600,000 visitors per month during 2019, was originally constructed in 2006. During 2018 a decision was made to remodel the building. The scope of work, carried out during 2019, included improvement of pedestrian accesses, upgrades to atriums to allow better access to natural light, interior lighting retrofits, exterior landscaping improvements, and installation of photovoltaic panels.



NATURAL LIGHT

Five existing atriums were redesigned and 12 new ones were built to allow better access to natural light throughout all common spaces, reducing lighting-related energy use.

PLAZA
Arboledas

LOCATION

Tlalnepantla de Baz,
Estado de México

TYPE

Retail—Shopping Center

SIZE

997,850 square feet

TOTAL INVESTMENT

MXN\$68 million

COMPLETION DATE

November 2019

SOLAR PANELS

Photovoltaic panels were installed throughout the roof of the shopping center. These are expected to generate 720,000 kWh per year when fully operational, which would be equivalent to the electricity consumed by 86.2 average homes in one year.¹

INTERIOR LIGHTING

Before the renovation project, Multiplaza Arboledas already had an all-LED interior lighting system. Part of the renovation work included adaptations and upgrades to interior lighting configurations to take better advantage of natural light and reduce lighting-related energy use

WATER EFFICIENCY

An existing on-site wastewater treatment plant is utilized to provide reused water for lavatories and urinals throughout the building. All existing low-flow restroom fixtures were reused after the renovation project.

LANDSCAPING AND IMPROVED PEDESTRIAN ACCESS

Pedestrian access to the shopping center was improved to provide shading and protection for pedestrians. Landscaping retrofits reduce irrigation water use through indigenous flora.

(1) Assuming 486.3 kg of CO₂ per MWh of delivered electricity, considering transmission and distribution losses.



Stakeholder Engagement

At FIBRA Macquarie, we believe that engagement with key stakeholders is critical to implementing and maintaining a successful sustainability program. Our stakeholder engagement process relies heavily on FIBRA Macquarie's commitment to understanding and meeting the needs of our employees, customers, local communities, suppliers, and investors through collaboration, high-quality management services, and reducing our environmental footprint.

Commitments to Our Stakeholders

At FIBRA Macquarie, we believe that undertaking diverse engagement initiatives with our employees, customers, investors, and other stakeholders is critical to our long-term success. We recognize an opportunity to lead the real estate industry by ensuring that ESG principles are at the core of our business operations.

Employees

The foundation of our success centers on our most valuable asset, our employees. FIBRA Macquarie maintains a long-standing commitment to providing an inclusive, diverse, and innovative workplace culture. We ensure that our employees have access to diverse benefits, including extensive professional development opportunities and health and wellbeing programs.

Customers

We recognize that all our operating decisions have a direct impact on our customers. For this reason, it is of utmost importance that we ensure that customer satisfaction is maintained through high-quality management, diverse customer communication channels, and constant engagement strategies.

Investors

The success of FIBRA Macquarie's business strategy is deeply embedded in our enduring relationships with all stakeholders. Through the incorporation of ESG initiatives, we are offering our investors the opportunity to access Mexican real estate assets that have sustainability and transparency at the core of all business operations.

Contractors, Vendors, and Suppliers

We are committed to ensuring high standards of ESG performance across our supply chain. This includes an expectation that suppliers will run transparent operations, maintain appropriate business ethics, and adhere to various ESG standards set in place within our policies.

Local Communities

As an environmental steward, FIBRA Macquarie recognizes the value and impact of philanthropy and volunteerism in surrounding communities. Through our partnerships with local nonprofits and customers, we are committed to cultivating strong relationships and investing resources within the communities where we operate.



Employee Engagement

FIBRA Macquarie is committed to providing a nurturing and collaborative work environment for our employees. The satisfaction of our employees is of great importance to us and is reflected through our comprehensive benefits packages and other employee engagement strategies. The inclusion of ESG factors in our engagement programs at the portfolio level brings cohesiveness across properties and generates additional educational opportunities and best practices.

Employee Training

Our property managers, leasing managers, and engineering team are offered three professional training opportunities throughout the year. These trainings include sustainability-specific topics as they relate to green building certification, which allow our employees to effectively communicate our environmental initiatives to our customers, such as portfolio-level amenities, carbon footprint reduction, water efficiency, waste management, etc.

TRAININGS

100%

of FIBRA Macquarie employees received sustainability-specific training in 2019.



49%

received an additional training on sustainability design, construction, operation, and maintenance best practices.



Employees received other professional training in 2019, including anti-money laundering, languages, cybersecurity, leadership, and real estate management, among others.



Professional Development and Performance Evaluations

FIBRA Macquarie utilizes yearly performance evaluations to assess and achieve organizational goals and encourage the professional growth of our employees. Our performance evaluations recognize achievement and identify areas where improvement is needed. Although formal evaluations generally take place at least once a year, more frequent reviews are encouraged.

At FIBRA Macquarie, a key objective is to ensure that our employees maintain access to resources that help them in their professional development and in achieving their career goals. For this reason, we provide a wide range of free trainings and events available to all our employees. In addition, through our membership with the U.S. Green Building Council (USGBC), our property managers and engineering teams have access to trainings, seminars, and educational materials on diverse topics as they relate to green building design, construction, and operations.

Diversity and Inclusion

FIBRA Macquarie believes that diversity is one of our strongest assets and we always seek to enrich, educate, and facilitate the cultural life of our workplace in a way that reflects the communities where we operate. We are committed to providing a creative and innovative work environment where our employees thrive, and we realize this can only be achieved by promoting a collaborative, diverse, and nurturing workplace.



90%

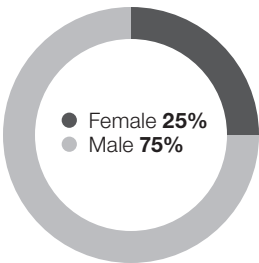
strong local employment



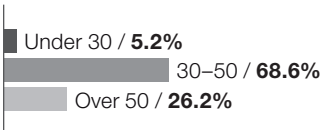
Employee Statistics*

Corporate Leaders and Senior Management

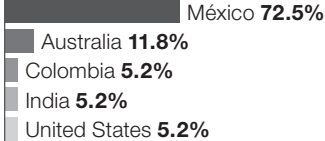
Gender Composition



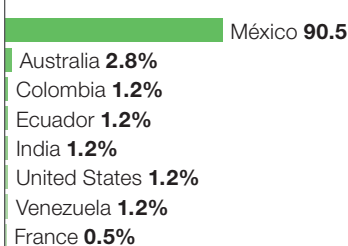
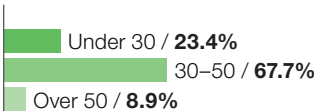
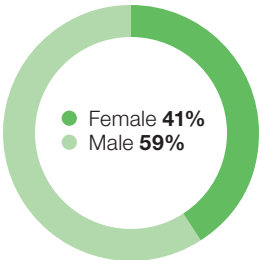
Age Composition



Nationality Background



All Employees



*Employee statistics are based on MPA staff and relevant Manager staff responsible for FIBRA Macquarie.



Employee Benefits

At FIBRA Macquarie, we value our employees as our greatest asset. Therefore, it is critical that we provide benefits that help them improve their quality of life. We provide comprehensive benefit packages to all full-time employees starting their first month of hire.

EMPLOYEE BENEFITS



Medical



Parental leave



Life insurance



Short- and long-term disability



Paid time off for holidays, vacation, sick and/or personal leave



Flexible working hours and home-office

Employee Health and Wellbeing

Ensuring the health and wellbeing of our employees is a top priority for FIBRA Macquarie. We are fully committed to promoting sustainable occupant behaviors and providing a healthy workplace environment. Our corporate offices incorporate wellness amenities and design features, and we encourage healthy lifestyles by providing free access to nutritionists and assessing employees' satisfaction with their work environment by performing annual employee satisfaction surveys.

Employee Health and Wellbeing



Corporate Office Amenities

- Our offices provide access to substantial natural light, artwork and biophilic design elements, standing desks when requested, and a pantry with healthy snacks, including fresh fruit.



Health by Choice

- Employees have access to a nutritionist on a biweekly basis. In 2020, this benefit will be expanded to immediate family members and domestic partners.
- FIBRA Macquarie provides a reimbursement for the registration fee for employees to participate in certain sporting events. In 2019, we provided reimbursement for 15 events (such as marathons).

Customer Engagement

At FIBRA Macquarie, we aim to advance sustainability while enhancing the customer experience through a diverse set of strategies, including customer outreach programs, our internal property administration platform, sustainability training for property managers, and sustainable and healthy building amenities.

Internal Property Administration Platform

To better serve our industrial portfolio, FIBRA Macquarie has established its internal property administration platform, MMREIT Property Administration (MPA). This platform allows FIBRA Macquarie to provide high-quality management services to our industrial portfolio customers regarding leasing, engineering, development, health and safety, and other corporate services.

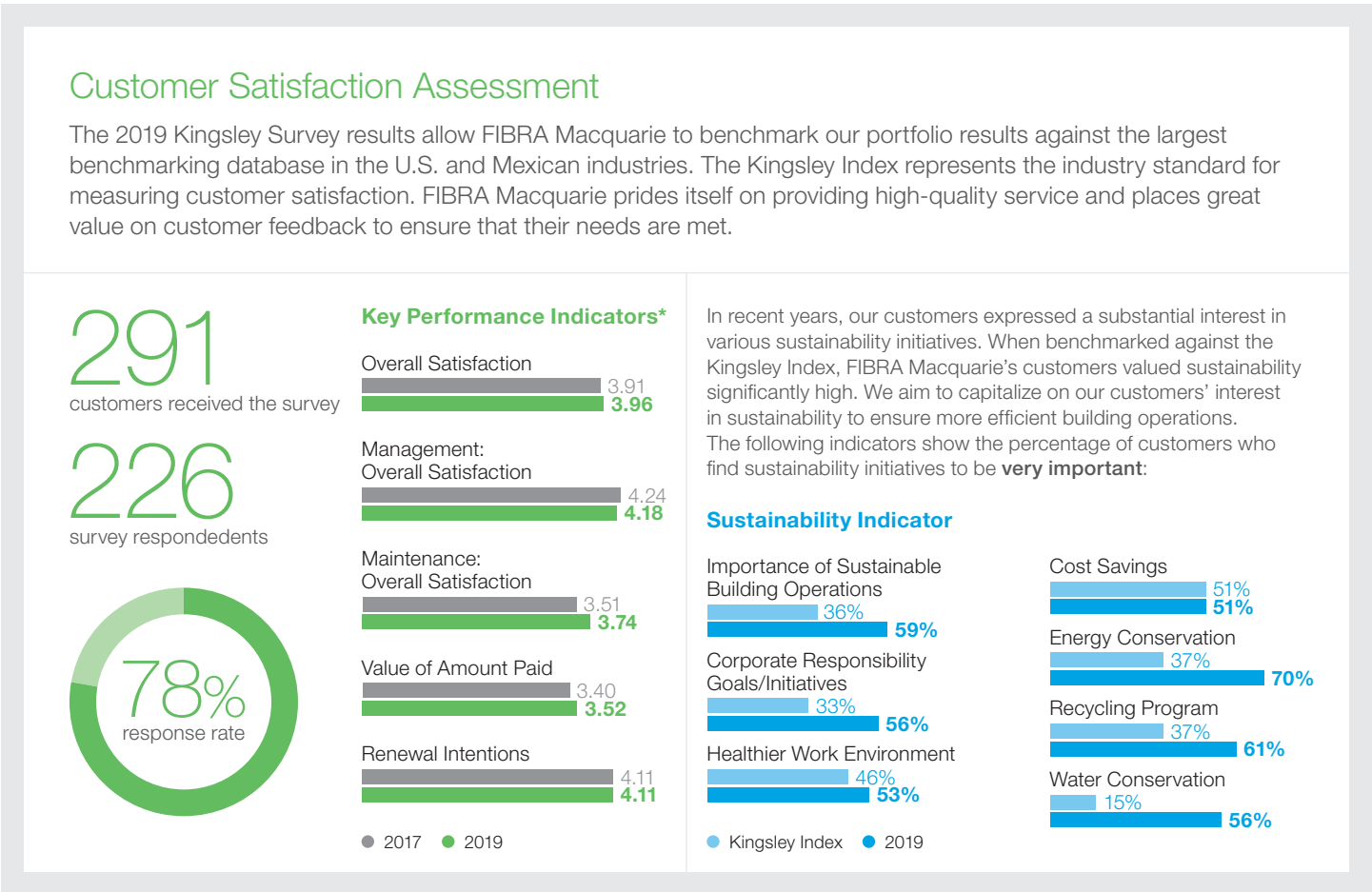
Customer Service Focus

FIBRA Macquarie is committed to providing best-in-class customer service to all customers. Successful real estate asset management relies heavily on how customers value these services. Our goal is to create and maintain strong relationships

through effective communication strategies and ongoing engagement. We ensure that all property management teams across the portfolio are trained to provide personalized and dedicated attention to our customers.

Customer Satisfaction Survey

We value feedback from our extensive network of customers and aim to ensure that we always address their needs and requests. To fully measure feedback, an independent provider conducts biennial customer satisfaction surveys. In 2019, surveys were sent to 291 industrial tenants, with an overall response rate of 78%. Customer satisfaction improved from 2017 (the previous year when a survey was distributed) to 2019, demonstrating our commitment to continually work to address the needs and asks of our tenants.



*On a scale of 1 to 5, where 1 is poor and 5 is excellent.

Community Engagement

FIBRA Macquarie is dedicated to giving back to our community through numerous partnerships across our core areas of focus by providing financial support, in-kind donations, and volunteer hours. We work closely with local jurisdictions across our region to strategically invest in community improvement programs. These relationships allow us to maximize our investment dollars and minimize disruption to the community while enhancing the built environment and fostering meaningful change.



CASE STUDY:

Fundación Criantia

Fundación Criantia is a nonprofit organization that seeks to provide effective education to heads of families to engrain values of self-esteem, discipline, independence, awareness of others, and perseverance in the raising of their young children. This creates positive impacts on individuals and societies that in the end will have a positive effect on creating a greater Mexican society. Using a therapeutic (personality focus) and pedagogical (formative process) methodology, Fundación Criantia provides training to parents with the objective of providing them with tools for better educating their children through loving relationships, firm and healthy limits, and helping their children to develop healthy self-esteem patterns.

In 2019, FIBRA Macquarie provided financial support to Fundación Criantia to provide a 10-day seminar to FIBRA Macquarie customer employees in Ciudad Juárez. For every MXN\$1 donated to Fundación Criantia, there is an estimated social return on investment¹ of MXN\$4.32.

(1) Social return on investment (SROI) is a principles-based method for measuring extra-financial value, such as social value not currently reflected or involved in conventional financial accounts.

EDUCATE WITH LIMITS AND LOVE FOR HEALTHY EMOTIONAL GROWTH

Audience

- Community members employed by FIBRA Macquarie customers in Ciudad Juárez

Objectives

- Identify harmful parenting patterns that may be affecting family environments and work performance
- Modify these patterns toward actions and attitudes that generate self-esteem in children, in themselves, and in the work environment
- Improve quality of life of attendees and promote generational behavior changes in society

Benefits

- Stronger relationships between community members and FIBRA Macquarie
- Increased productivity, a result of more functional and balanced family interactions
- More responsible community members, a result of better understanding personal behaviors





A Look into the Future

FIBRA Macquarie has been working on a variety of social programs intended to increase engagement with the local and broader stakeholder community. The following initiatives are being evaluated for implementation in 2020:

CUSTOMER ENGAGEMENT PROCESS



Employee Volunteerism

FIBRA Macquarie has the goal of organizing at least one employee volunteer event annually. This initiative will strengthen communities while giving regional teams the opportunity to connect outside of the office.



Inroads Internship Program

Through this program FIBRA Macquarie provides internships within the organization to promote social mobility for talented Mexican youth from diverse backgrounds. This initiative supports the local workforce in the communities where we operate.



Community-Friendly Properties

We aim to have family-friendly properties that host community events such as blood donation drives and safety events.



Corporate Governance

At FIBRA Macquarie, we pride ourselves on maintaining the highest moral and ethical standards in our business operations. We are committed to fostering an open and trusting environment for our employees, tenants, and investors.

Our Values

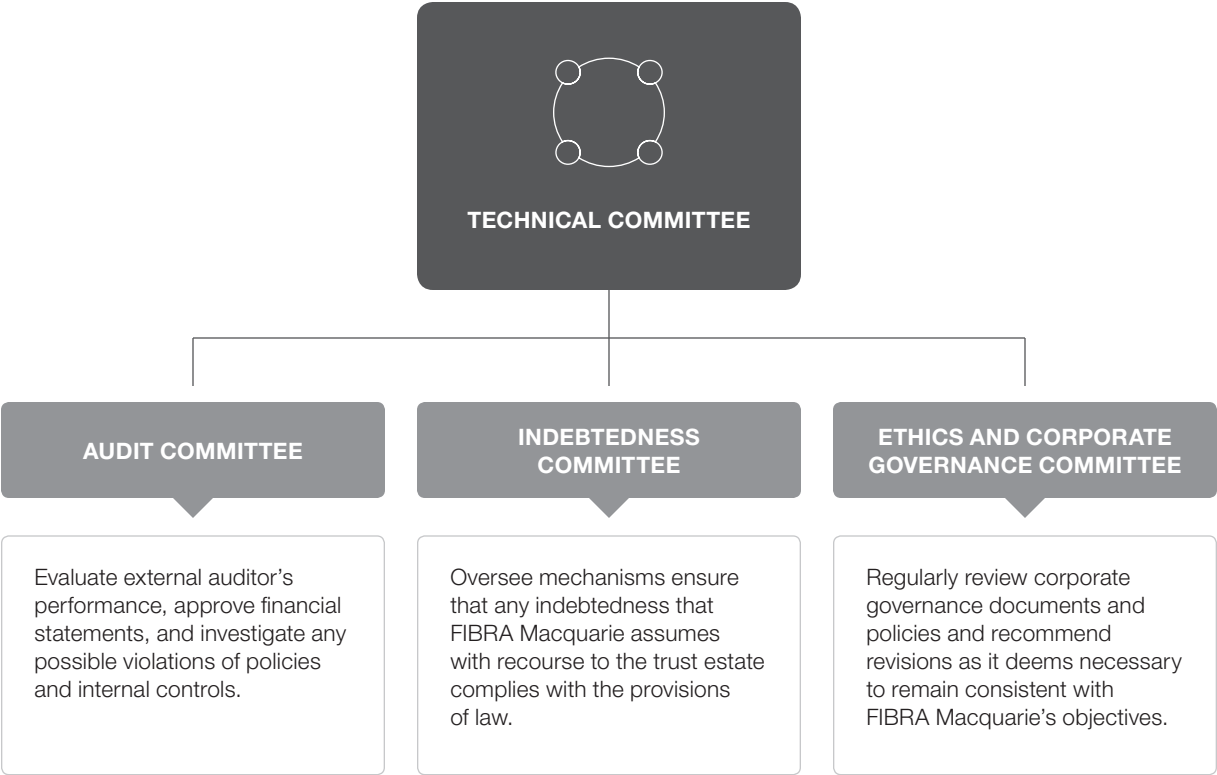
FIBRA Macquarie is fully committed to embedding environmental, social, and governance risk management into our business practices and overall philosophy. We have an ongoing focus on incorporating ESG considerations to identify and undertake measures to improve business value and operate in a manner that is transparent, fair, and managed according to the highest ethical standards.

We strive to set high standards for employees, contractors, consultants, members of the Manager’s Board, and members of the Technical Committee. In addition, there are regular reviews and updates of our corporate governance policies to ensure that they remain consistent with the business’s objectives. In an environment with consistent change, our stakeholders trust us to enhance investor value and expand our disclosures around ESG-related information.

Technical Committee

Our Technical Committee’s priorities are focused on approval of material investments and other transactions, regulatory compliance, implementation of governance policies, and

ensuring compliance with our Code of Conduct and Ethics. It is the committee’s fiduciary responsibility to certificate holders to oversee the efficient operation of FIBRA Macquarie’s business and protect the value of our assets. The Technical Committee recognizes the importance of including members with diverse qualifications, skills, experience, backgrounds, and perspectives appropriate for FIBRA Macquarie’s business and strategy. Our Technical Committee is currently 83% independent, which represents one of the highest levels of independence in the industry. In addition to the Technical Committee, FIBRA Macquarie has an Audit Committee, Indebtedness Committee, and an Ethics and Corporate Governance Committee to review and enforce governance-related concerns.



Emerging Risks



Cybersecurity Risk/Management Strategy

Recognizing increasing cybersecurity risks in today's business environment, FIBRA Macquarie conducted a third-party review of its current exposure and risk level and implemented several security measures.

- In June 2019 we implemented a tool to detect and alert of any suspicious or unusual activity in our IT systems.
- We implemented phish threat test and training program for all our employees.
- During FIBRA Macquarie's annual staff conference, our IT personnel delivered Cybersecurity Risks training.

During 2020 we will continue our risk analysis with specialized external consultants and internal staff, as well as continue with the staff training program.



Pandemic Risk/COVID-19 Response

As a result of the evolving situation with respect to the COVID-19 outbreak, FIBRA Macquarie has taken actions and implemented measures to protect the health and wellbeing of our staff, our customers, and other stakeholders. More information about these actions can be found [here](#).

"As we continue to navigate the challenges presented by COVID-19, we are taking a number of proactive steps to address the impacts from this unprecedented event," said Juan Monroy, FIBRA Macquarie's chief executive officer. "Our priority first and foremost is the health, safety, and wellbeing of our team members, customers, and other stakeholders. We are working collaboratively with those customers whose businesses have been adversely affected for our mutual long-term benefit. Of course, we are also focused on maintaining our financial flexibility—our strong balance sheet has allowed us to take additional measures to enhance our liquidity profile in this heightened risk environment."



Climate Change/Mitigation and Adaptation

Our ability to anticipate, mitigate, and prevent impacts from climate change is determined by the strength of our internal governance efforts across all departments. Through our Sustainability Committee, we take a proactive approach to assessing the impacts of climate change across our portfolio, including earthquakes, floods, and sea level rise for properties on coastal areas. By continually evaluating our exposure to these risks, we can evaluate scenarios that might impact our portfolio, ensure that our properties are sufficiently prepared for any disruptions, and take preventive measures that help us improve resilience and ensure business continuity for our customers.

Governance Highlights



Internal Audit Program

Starting in the fourth quarter of 2018, FIBRA Macquarie partnered with an international firm and implemented an internal audit function to foster and encourage a culture of risk management and integrity. This function reports directly to the Audit subcommittee of the Technical Committee and focuses on:

- Providing independent risk-based assurance and improving controls;
- Improving compliance with processes and policies; and
- Detecting and preventing bribery, corruption, and core business risks across all areas.





Industry Memberships

FIBRA Macquarie is actively engaged with a variety of industry associations that aim to advance ESG standards and initiatives that are deeply aligned with our values.

FIBRA MACQUARIE IS A PROUD MEMBER OF THE FOLLOWING INDUSTRY ASSOCIATIONS



Appendix A:

GRI Index

The Global Reporting Initiative (GRI) provides an integrated, cohesive set of standards that represent the global best practice for reporting on economic, social, and environmental factors. These global standards allow FIBRA Macquarie to become increasingly transparent and showcase our contribution toward a sustainable future.

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE/LOCATION
GRI 100: Universal Standards		
102-1	Name of the organization	FIBRA Macquarie Mexico
102-2	Activities, brands, products, and services	About FIBRA Macquarie, page 4
102-3	Location of headquarters	México City, México
102-4	Location of operations	About FIBRA Macquarie, page 4
102-6	Markets served	About FIBRA Macquarie, page 4
102-8	Information on employees and other workers	Stakeholder Engagement, page 18 Employee Engagement, page 20
102-10	Significant changes to the organization and its supply chain	About This Report, page 36
102-12	External initiatives	Stakeholder Engagement, page 18 Community Engagement, page 24
102-13	Membership of associations	Industry Memberships, page 30
102-14	Statement from senior decision-maker	Letter from the Chief Executive Officer, page 3
102-16	Values, principles, standards, and norms of behavior	Throughout the report, FIBRA Macquarie describes values, principles, standards, and norms of behavior
102-17	Mechanisms for advice and concerns about ethics	Corporate Governance, page 26
102-18	Governance structure	Our Integrated Team Strategy, page 5
102-40	List of stakeholder groups	Stakeholder Engagement, page 18
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, page 18
102-43	Approach to stakeholder engagement	Stakeholder Engagement, page 18

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE/LOCATION
GRI 100: Universal Standards		
102-50	Reporting period	About This Report, page 36
102-51	Date of most recent report	About This Report, page 36
102-52	Reporting cycle	About This Report, page 36
102-53	Contact point for questions regarding the report	About This Report, page 36
102-54	Claims of reporting in accordance with the GRI Standards	About This Report, page 36
102-55	GRI content index	GRI Standards Content Index, page 32
GRI 100: Universal Standards		
205-1	Operations assessed for risks related to corruption	Corporate Governance, page 26
GRI 300: Environmental Standards		
302-1	Energy consumption within the organization	Environmental Performance, page 12
302-2	Energy consumption outside of the organization	Environmental Performance, page 12
302-3	Energy intensity	Environmental Performance, page 12
302-4	Reduction of energy consumption	Environmental Performance, page 12
303-1	Water withdrawal by source	Environmental Performance, page 12
305-1	Direct (Scope 1) GHG emissions	Environmental Performance, page 12
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performance, page 12
305-4	GHG emissions intensity	Environmental Performance, page 12
305-5	Reduction of GHG emissions	Environmental Performance, page 12
GRI 400: Social Standards		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Stakeholder Engagement, page 18 Employee Engagement, page 20
404-3	Percentage of employees receiving regular performance and career development reviews	Stakeholder Engagement, page 18 Employee Engagement, page 20
405-1	Diversity of governance bodies and employees	Stakeholder Engagement, page 18 Employee Engagement, page 20
413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder Engagement, page 18 Community Engagement, page 24
GRI G4 Sector Supplement: Construction and Real Estate		
G4 CRE1	Building energy intensity	Environmental Performance, page 12
G4 CRE2	Building water intensity	Environmental Performance, page 12
G4 CRE3	Greenhouse gas emissions intensity from buildings	Environmental Performance, page 12

Appendix B:

SASB

The Sustainability Accounting Standards Board (SASB) provides robust, industry-specific sustainability accounting standards that grant FIBRA Macquarie the opportunity to disclose our financial, environmental, social, and governance-related information to our peers, stakeholders, and the larger investment community.

This is the first year that FIBRA Macquarie Mexico is disclosing data using the SASB standards. FIBRA Macquarie has identified the Real Estate standard as the most applicable industry to report under. The following table contains our disclosure on the topics included within the Real Estate standard.

CODE	ACCOUNTING METRIC	2019 DISCLOSURE
IF-RE-000.A	Number of assets, by property subsector	FIBRA Macquarie Mexico's portfolio consists of 235 industrial properties and 17 retail properties.
IF-RE-000.B	Leasable floor area, by property subsector	FIBRA Macquarie Mexico's portfolio consists of 29.6 million square feet of industrial gross leasable area (GLA) and 4.9 million square feet of retail GLA.
Energy Management		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Total energy consumption data coverage from the FIBRA Macquarie Mexico operational portfolio, as a percentage of total/gross floor area, was equal to 74.1% in 2019 (60.2% for industrial properties and 13.9% for retail properties).
IF-RE-130a. 2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	(1) FIBRA Macquarie Mexico total 2019 energy consumed by portfolio area with data coverage was equal to 2,736,448 gigajoules (GJ) (2,699,733 GJ for industrial properties and 36,715 GJ for retail properties). (2) The percentage of total energy corresponding to grid electricity for all property types was 95.9%. (3) The percentage of total energy corresponding to renewable energy for all property types was 0.0%.
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Total like-for-like change in energy consumption for the FIBRA Macquarie Mexico operational portfolio was -2.1% in 2018–2019. Like-for-like energy consumption for industrial properties was -2.2% and like-for-like energy consumption for retail properties was 3.1%, both in 2018–2019.

CODE	ACCOUNTING METRIC	2019 DISCLOSURE
Energy Management		
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	FIBRA Macquarie Mexico integrates energy and water efficiency technologies into new and existing buildings whenever possible. We pursue green building certifications for new buildings under our new LEED Volume prototype, and we assess green building certifications on case-by-case basis and certify when feasible. In addition, FIBRA Macquarie Mexico allocates portion of our capital expenditure for existing buildings to energy and water efficiency retrofits such as LED lighting, cool roofs, solar installations, and others. These strategies ensure the resilience and enduring value of our buildings, creating value for our customers and FIBRA Macquarie.
Water Management		
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) Total water consumption data coverage from the FIBRA Macquarie Mexico operational portfolio, as a percentage of total/gross floor area, was equal to 40.0% in 2019 (26.8% for industrial properties and 13.2% for retail properties). (2) Not available.
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	(1) FIBRA Macquarie Mexico total 2019 water consumed by portfolio area with data coverage was equal to 2,044,431 m ³ (1,827,596 m ³ for industrial properties and 216,836 m ³ for retail properties). (2) Not available.
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Like-for-like change in water consumption for the FIBRA Macquarie Mexico operational portfolio was 9.0% in 2018–2019. Like-for-like water consumption for industrial properties was 9.3% and like-for-like water consumption for retail properties was 6.2%, both in 2018–2019. Fluctuation in occupancy, hours of operation, and changes in customer mix likely led to this increase.
Management of Tenant Sustainability Impacts		
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	<p>FIBRA Macquarie Mexico tracks energy and water performance using ENERGY STAR Portfolio Manager and through continued work with our third-party data management consultant, Measurabl.</p> <p>To better serve our industrial portfolio, FIBRA Macquarie has established an internal property administration platform, MMREIT Property Administration (MPA). This platform allows FIBRA Macquarie to collaborate with our costumers to accelerate efficiency upgrades that improve operational efficiency and decrease energy consumption and associated emissions.</p> <p>In addition, FIBRA Macquarie continually engages with tenants to provide sustainability best practices to help them improve performance.</p>
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	FIBRA Macquarie continually assesses impacts of natural hazards and climate exposures across our portfolio, including earthquakes, floods, and sea level rise in coastal areas. Our Sustainability Committee actively evaluates our portfolio exposure to climate risks to ensure that our buildings are protected and to evaluate scenarios that may impact our properties in the future. In order to ensure business continuity for our customers, we take preventive measures to improve climate change resilience of our portfolio and plan for longer-term risks.

About This Report

This is FIBRA Macquarie's second sustainability report.

The report covers the sustainability performance and programs for the year ending December 31, 2019. Unless clearly stated otherwise, performance data includes industrial and retail properties in 20 cities across 16 states in Mexico. All like-for-like calculations consider FIBRA Macquarie properties owned during all 24 months of 2018 and 2019. All financial data in this report is in U.S. dollars unless otherwise stated.

None of the entities noted in this document are authorized deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance with respect to the obligations of these entities.

This report references disclosures recommended in the Real Estate Services Sustainability Accounting Standard (Industry Standard, Version 2018-10) that was developed by the Sustainability Accounting Standards Board (SASB). The report also references disclosures from the Global Reporting Initiative (GRI) Standards guidelines, as well as the Construction and Real Estate Sector Supplement (CRE).

For more information about FIBRA Macquarie, please contact us:

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