2018 Sustainability Report
FIBRA Macquarie México
Overview

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

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 and diverse 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 first sustainability report.
Our Sustainability Strategy

FIBRA Macquarie’s business relies on building and maintaining trusted, enduring relationships with our stakeholders. We offer our investors the opportunity to access Mexican real estate assets that support communities and are used by thousands of workers, visitors, and the general public every day. Accordingly, we take our responsibilities as custodian of these assets very seriously.

We define sustainability as the management of environmental, social, and corporate governance (ESG) risks and opportunities in order to contribute to the sustainable long-term development of FIBRA Macquarie. Managing our portfolio for sustainable, long-term success is part of FIBRA Macquarie’s broader responsibility to our investors and the communities in which we operate. We see positive outcomes for stakeholders from both dedicated initiatives at a property level and our focus on ESG issues in everyday operations.

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 team.

At FIBRA Macquarie, we strive to employ the best practices in environmental performance, social responsibility, and corporate governance. It is important to us that our buildings are safe and environmentally friendly and that we support the communities in which we operate. We also understand the importance of maintaining a culture of transparency and a corporate governance framework that closely aligns the management of the business with the interests of investors and the community.

We will continue to engage with our investors, customers, industry groups, and other stakeholders on sustainability issues, with the aim of continuing to improve our own frameworks, promoting shared knowledge, experience and, ultimately, performance on these important issues.
FIBRA Macquarie Overview

As of December 31, 2018, our diversified portfolio consists of 236 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 owned by FIBRA Macquarie, which comprises approximately 29.7 million square feet of industrial gross leasable area (GLA) and 4.9 million square feet of retail GLA.

Portfolio Overview
Key Achievements

Environmental Performance

High-Efficiency Lighting Retrofits
Over 16.5 million square feet of properties across our portfolio have been retrofitted with high-efficiency lighting fixtures (LED and T5), which has resulted in lower energy demand and operating costs.

Renewable Energy
102 rooftop solar panels installed to generate up to 64,000 kWh per year of clean energy.

Water-Efficient Landscaping
We have planted native flora on 20 industrial properties to protect biodiversity and reduce irrigation water use.

Greenhouse Gas Emissions
3.1% reduction in greenhouse gas emissions from FY2017 to FY2018.*

*In respect of 49 properties with like-for-like data (2017 and 2018 full calendar year data).

Social Responsibility

Philanthropy
In 2018, a US$120k donation was made by Macquarie Group and Macquarie Foundation to Nuestros Pequeños Hermanos (NPH) to help this charitable/non-profit organization rebuild earthquake-damaged facilities that support more than 700 children in Mexico. Over 690 hours were volunteered by our staff to provide support and to help them rebuild their facilities.

Human Capital
FIBRA Macquarie offers a variety of benefits available to all employees, including flexible hours, home office, paid time off, and access to health and well-being programs (such as discounted gym memberships). Furthermore, we undertake regular employee satisfaction surveys to help us understand critical issues within the business, engage with our staff, and increase employee satisfaction.

Corporate Governance

Technical Committee
In May 2018, an additional independent member was appointed to the Technical Committee, increasing the level of independent representatives to 83%, the highest among the FIBRA sector.

Corporate Governance Guidelines
Among other initiatives, we executed changes to the Trust Agreement in 2018, as part of our corporate governance refresh that was announced in 2017.

Internal Audit Function
In 2018, we implemented an internal audit program which will be a permanent feature of our risk management framework. Deloitte México has been appointed as the internal auditor, reporting to the Audit and Practices Committee.
Environmental Performance

At FIBRA Macquarie we are committed to enhancing the sustainability of our nation-wide portfolio. Our sustainability program is aimed at improving data coverage, building performance, and minimizing the impact of our properties on the environment through innovative and cost-effective measures.

2020 ROAD MAP TO IMPROVE SUSTAINABILITY

1. Improve data coverage
2. Execute capital projects and retrofits
3. Sustainability training for property managers
4. Sustainable operation guidelines for clients
5. Reduce energy, GHG emissions, and water use
6. Seek recognition through green certifications
Sustainability Approach

FIBRA Macquarie has developed a program to incorporate sustainability into our organizational structure and across our portfolio. This sustainability program begins by establishing data coverage of environmental metrics throughout our portfolio, including energy, greenhouse gas (GHG) emissions, and water consumption.

These metrics give a snapshot of the environmental performance across our portfolio. Through better understanding of these metrics, we can reduce energy consumption, GHG emissions, and water consumption by executing capital projects and retrofits, pursuing green building certifications, providing sustainability-related training to our property managers, and amending our leases to include environmental clauses that outline customer environmental responsibilities.

CAPITAL PROJECTS & RETROFITS

Our property teams across our portfolio recognize the importance of capital investments as a means to increase energy efficiency, lower operating costs, and improve occupant comfort. Over the past two years, we have implemented projects to upgrade energy, lighting, landscaping, and plumbing systems.

Energy Efficiency

- Since FIBRA Macquarie was established in 2012, over 16.5 million square feet of industrial properties have been retrofitted with high-efficiency lighting fixtures (LED and T5).
- Over the past two years, more than 3.9 million square feet of industrial properties have had skylights added, replaced, or upgraded to reduce energy consumption and provide natural light which enables occupant productivity and wellness.
- We are installing renewable energy systems across our retail properties. At Plaza Zaragoza, a 140,177-square-foot enclosed mall in Mexico City, we recently installed solar panels that are expected to generate 64,000 kWh per year, which would be equivalent to the CO₂ emissions generated by an average passenger vehicle driven for approximately 110,000 miles.¹

Water Efficiency

- 20 industrial properties had landscaping retrofits performed to plant indigenous flora that reduce or eliminate irrigation water use.
- On-site wastewater treatment plants operate in 6 of our retail properties, and treated wastewater is used in bathroom facilities of 3 of those properties. This initiative helps to reduce water demand while achieving operating expense savings.

¹ Assuming a conversion factor of 8,887 grams of CO₂ emissions per gallon of gasoline consumed.
Environmental Performance Metrics

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 2017 and 2018, as well as absolute performance for properties with only one year of data (2018).

DATA COVERAGE

One of the inherent challenges of operating a mainly triple net lease portfolio is the difficulty 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 areas under management and for GLA of customer-controlled spaces.

<table>
<thead>
<tr>
<th>TYPE OF FLOOR AREA</th>
<th>Energy and GHG emissions data coverage</th>
<th>Water consumption data coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>51 properties</td>
<td>21 properties</td>
</tr>
<tr>
<td></td>
<td>72 properties</td>
<td></td>
</tr>
<tr>
<td>GFA</td>
<td>42.7%</td>
<td>27.8%</td>
</tr>
<tr>
<td>GLA</td>
<td>32.5%</td>
<td>15.8%</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>50.6%</td>
<td>19.3%</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>41.8%</td>
<td>30.8%</td>
</tr>
</tbody>
</table>

*GFA includes areas under management and leasable areas
**GLA only includes leasable areas

From 2017 to 2018, we increased energy data coverage by 28.8%
### Energy Consumption

<table>
<thead>
<tr>
<th>Like-for-Like Energy Consumption¹</th>
<th>Like-for-Like Energy Use Intensity (kWh/ft²)¹</th>
<th>2018 Absolute Energy Consumption (MWh)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>year-over-year reductions in energy use</td>
<td>13.6</td>
<td>374,773</td>
</tr>
</tbody>
</table>

### GHG Emissions

<table>
<thead>
<tr>
<th>Like-for-Like GHG Emissions¹</th>
<th>Like-for-Like GHG Emissions Intensity (kgCO₂e/ft²)³</th>
<th>2018 Absolute GHG Emissions (MTCO₂e)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>year-over-year reductions in GHG emissions</td>
<td>6.3</td>
<td>167,377</td>
</tr>
</tbody>
</table>

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. Due to the difficulty to collect data for fuels consumed on-site by customers, FIBRA Macquarie only reports available data on electricity consumption. For this reason, all GHG emissions presented in this section are Scope 2 emissions from grid-purchased electricity.

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

<table>
<thead>
<tr>
<th>Like-for-Like Water Consumption³</th>
<th>Like-for-Like Water Consumption (kgal)³</th>
<th>2018 Absolute Water Consumption (kgal)⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>year-over-year increase in water consumption</td>
<td>66,038</td>
<td>96,039</td>
</tr>
</tbody>
</table>

The increase in water consumption from 2017 to 2018 is due to increased visitor numbers in retail properties and a growth in leased spaces throughout the entire portfolio.

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(1) Same store and like-for-like energy use and GHG emissions intensity are based on data from 49 properties; 17,462 ('000 ft²) GFA.
(2) 2018 absolute energy consumption and GHG emissions are based on data from 72 properties; 20,845 ('000 ft²) GFA.
(3) Same store and like-for-like water consumption are based on data from 15 properties; 11,434 ('000 ft²) GFA.
(4) 2018 absolute water consumption is based on data from 21 properties; 12,674 ('000 ft²) GFA.
Stakeholder Engagement

FIBRA Macquarie continually looks to enhance customer experience and promote sustainability initiatives across our portfolio through personalized and dedicated focus on our customers, which helps us better understand their needs. We are active participants in several programs that aim to improve quality of life in the communities in which we operate. And we recognize the value of our employees, which is why we provide a nurturing, inclusive, and productive workplace by offering diverse benefits and encouraging a healthy work-life balance.

BUILDING AMENITIES AND DESIGN FEATURES STATISTICS

<table>
<thead>
<tr>
<th>Feature</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bike Infrastructure</td>
<td>63%</td>
</tr>
<tr>
<td>Access to Open Space</td>
<td>34%</td>
</tr>
<tr>
<td>11% of industrial properties</td>
<td></td>
</tr>
<tr>
<td>have performed landscaping</td>
<td></td>
</tr>
<tr>
<td>projects to reduce irrigation</td>
<td></td>
</tr>
<tr>
<td>water use and enhance user</td>
<td></td>
</tr>
<tr>
<td>experience.*</td>
<td></td>
</tr>
</tbody>
</table>

*by number of properties
**by square footage
Customer Engagement

Our property management team aims to advance sustainability while enhancing 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. The goal of these strategies is to understand customer needs, support sustainable behavior within our properties, and encourage healthy lifestyles.

CUSTOMER SERVICE FOCUS

Customer service is an integral component of real estate asset management. Our property management team has been trained to provide personalized and dedicated attention to our customers. By maintaining a service mind-set and practicing effective communication strategies, we cultivate and maintain strong relationships with our customers that ensure the highest quality management and maintenance of our properties.

BUILDING AMENITIES AND DESIGN FEATURES

We recognize that building amenities and design features can promote sustainable occupant behaviors and healthier occupants, which also helps increase customer retention. Properties across our entire portfolio offer amenities such as bicycle parking racks to promote bicycle commuting, a healthy form of transport that also reduces transportation-related greenhouse gas emissions; in our retail portfolio, high ratios of open space to development footprint to promote biodiversity while enhancing occupant health and wellness; use of skylights to provide occupants access to natural daylight, which has the added benefit of reducing lighting-related energy consumption.

CUSTOMER ENGAGEMENT STRATEGIES

Internal Property Administration Platform
Our internal property administration platform for our industrial portfolio has 69 employees in 10 offices across Mexico. This platform allows us to provide property management, leasing, engineering, development, and health and safety services to our customers through a network of customer-focused local professionals.

Customer Satisfaction Assessment
To ensure that we are meeting the needs of our customers, we undertake biennial customer satisfaction surveys, conducted by an independent provider. In 2017, surveys were sent to 317 industrial customers with an overall response rate of 78%. All key performance indicators improved from our 2015 results, including overall satisfaction with management and maintenance of our properties.

Sustainability Training for Property Managers
Our property managers receive professional training, including training on sustainability-specific topics, at least twice per year. These training opportunities often translate into environmental benefits for our customers as they allow us to effectively communicate with them on topics such as water efficiency, impacts of energy-related legislation, or feasibility of on-site renewable energy systems.

71%

Skylights
71% of industrial properties have access to daylight through skylights or sidelights.*

*by number of properties
Community Engagement

FIBRA Macquarie is aware of the stewardship role that we play in our local communities. For this reason, we are committed to making a positive contribution to the people who live, work, shop, and play in and around our properties. FIBRA Macquarie engages with local communities and gives back by investing resources, in-kind donations, and volunteer hours.
NUESTROS PEQUEÑOS HERMANOS

In September of 2017, Mexico suffered a devasting earthquake that affected thousands of people, killing hundreds and significantly damaging the country’s infrastructure. FIBRA Macquarie provided, through charitable programs, immediate relief to survivors in the form of food, shelter, water, and medicine. In addition, FIBRA Macquarie supported longer-term assistance to help recovery and rebuilding efforts. We partnered with a non-profit organization, Nuestros Pequeños Hermanos (NPH México), to help them rebuild their damaged facilities, which support more than 700 children. NPH México offers a home, comprehensive education (preschool to secondary school), healthcare, and safe spaces for children to develop to their full potential—shaping better futures for themselves, their families, and their communities.

Our team coordinated various activities to raise money with more than 60 attendees, including employees, families, friends, and key business partners. Overall, we volunteered over 690 hours and have so far donated US$120k (inclusive of Macquarie Foundation matching contributions) to NPH México. This followed donations totaling US$105k from Macquarie staff and friends, including matched contributions from Macquarie Foundation to Global Giving’s Mexico Earthquake Relief Fund, which provided for funds to be made to a range of charities and relief organizations.
Corporate Governance

FIBRA Macquarie is conscious of our obligations to our stakeholders. We believe that our business should operate in a manner that is transparent, fair, and managed according to the highest ethical standards.
Governance Philosophy

We set high standards for the management team, employees, contractors, consultants, members of the Manager’s Board, and members of the Technical Committee.

A robust corporate governance framework is at the heart of the way in which we do business. FIBRA Macquarie’s management team has a fiduciary responsibility to certificate holders to oversee the efficient operation of FIBRA Macquarie’s business and protect and increase the value of its assets. To fulfill these responsibilities, the management team follows the procedures and standards that are set forth in our corporate governance guidelines, as endorsed by our Technical Committee. In addition, we regularly review and update our governance documents to ensure that they remain consistent with the objectives of the business and market leading practices.

Furthermore, we have implemented a new corporate governance framework and modified the Code of Conduct, committee charters, and several of our policies and procedures. Additionally, our Technical Committee is currently 83% independent, which represents one of the highest levels of independence in the industry.

TECHNICAL COMMITTEE

FIBRA Macquarie’s Technical Committee has appropriate control and oversight over Fund activities. We strive to ensure that the members have a diverse and appropriate mix of experience, skills, and tenure. To ensure a high-performing Technical Committee, we implemented a training program and initiated recurring self-assessments. Starting in 2018, Manager-appointed independent Technical Committee members are required to reinvest at least 40% of their annual fees in FIBRA Macquarie certificates, to be purchased on the secondary market, to increase alignment with certificate holders. Furthermore, all independent members of the Technical Committee are re-appointed on an annual basis by certificate holders.

OUR VALUES

Opportunity
- We seek to identify opportunity and realize it for our community, certificate holders, and our people
- We encourage innovation, ingenuity, and entrepreneurial spirit
- We support our people to achieve and succeed
- We value the opportunity to be a part of the FIBRA Macquarie team and respect different ways of thinking and the contribution of others

Accountability
- We are accountable for our actions to our community, certificate holders, and each other
- We never compromise our standards
- We take responsibility for our actions, and everything we communicate and do is on the record
- We identify, assess, and manage risk, which is inherent to our business
- We aim to always make decisions we are proud of

Integrity
- We always act honestly and fairly
- We honor our promises
- We earn the trust of our colleagues, community, and certificate holders through the quality of our work and our high ethical standards
- We have the courage to speak up when we make a mistake or see something that isn’t right
ETHICS AND ANTI-CORRUPTION

FIBRA Macquarie recognizes that the success of our business is based on maintaining our good reputation. It is very important to us that we earn and maintain the trust of our customers, vendors, financial service providers, regulators, certificate holders, employees, and other stakeholders, including the communities in which we operate. With this in mind, we have established a solid ethical framework that is embodied in everything we do.

We maintain a culture of honesty and integrity that is captured in our Code of Conduct and corporate values and is documented in ethics and anti-corruption clauses in the contracts we sign with customers and vendors.

Our staff operate according to the principles of opportunity, accountability, and integrity whereby they seek to identify and realize opportunities for our customers and investors while acting openly, honestly, and fairly, taking responsibility for their actions and never compromising our standards. This culture is at the center of how we conduct business.

The key elements of FIBRA Macquarie’s ethics and anti-corruption program:

1. The Ethics & Corporate Governance Committee oversees all elements of the program.
2. Our Code of Conduct must be reviewed annually by all staff.
3. Our Compliance and Integrity Officer is available to address concerns about FIBRA Macquarie’s operations via email at compliance@fibramacquarie.com.
4. Our Internal Audit function targets specific risk areas with the aim of identifying gaps in policies/procedures and recommending improvements.
5. Internal policies cover anti-bribery and corruption, transactions with related parties, staff personal dealing, procurement, conflicts of interest, and whistleblowers.
6. Our staff are provided with regular training on ethics and anti-corruption policies.
Manager Remuneration
Management compensation has been designed to align management and Technical Committee members with minority shareholders.
- Base management fee of 1% per annum is based on market capitalization.
- Performance fee is based on total investor returns and must be reinvested in FIBRA Macquarie certificates with a minimum lockup of one year.

Reporting and Auditing
Reporting and audit functions to ensure timely and high-quality company disclosures for investors and other stakeholders, complemented where necessary with rigorous internal controls audits, and external financial statement audit processes.

Fair Investor Rights
We believe minority investors have been provided with appropriate protections to have a say in how the FIBRA Macquarie is operated and to make the Technical Committee and management accountable for performance. All investors have equal voting rights with a single class of certificates on issue. In addition, the Manager’s affiliate who is an investor in FIBRA Macquarie excuses himself from related-party voting matters as appropriate.

Transparency in Reporting
FIBRA Macquarie recognizes the important contribution that financial reporting and transparency provides in enhancing corporate governance. As part of this endeavor, and following a review of global REIT industry best practice measures, we updated our Adjusted Funds from Operations (AFFO) reporting methodology with effect from January 1, 2019.

Transparent and Responsible Tax Practices
On a quarterly basis, we disclose our taxable position to provide useful information on the taxable nature of distributions being made to investors.
FIBRA Macquarie is working on a new industrial development at Ciudad Juárez, Chihuahua. The project, which is under construction at the moment, comprises two industrial buildings with a combined gross leasable area of approximately 417,000 square feet.
JUA043 & JUA044 were designed with energy efficiency and environmental sustainability in mind. Throughout the design and construction process, a multi-disciplinary group of engineers, architects, and sustainability experts has worked together to ensure that the highest standards of sustainability are being achieved. With completion of the first building scheduled for Q3 2019, the project is expected to achieve LEED certification in Building Design and Construction, becoming the first FIBRA Macquarie property to achieve a green building certification.

This project is located in a high-density area with convenient access to public transportation, which promotes walkability, reduces transportation-related greenhouse gas emissions, and improves public health by encouraging daily physical activity. During the design and construction process, engineers have been consulted to ensure that the heating, ventilation, and air-conditioning (HVAC) systems are energy efficient and optimized for peak performance. The building envelopes were designed to minimize heat gains from the sun. A high-efficiency lighting system, including skylights and LED fixtures, is also being installed to further reduce lighting-related energy consumption.

Interior water use will be reduced by 40% (from the LEED baseline) through the installation of low-flow water fixtures. A wastewater treatment plant is being constructed on-site and treated water will be used to irrigate native plants with low water consumption requirements. Furthermore, a rainwater infiltration system will be installed to reduce runoff volume and improve water quality by replicating the natural hydrology and water balance of the site.

Upon completion, JUA043 & JUA044 will be a leading example to advance energy efficiency and sustainability in new developments.

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(1) when compared to the LEED BD+C v4 water use baseline
(2) when compared to the baseline building performance calculated according to ASHRAE Standard 90.1-2010
About This Report

This is FIBRA Macquarie’s first sustainability report.

The report covers the sustainability performance and programs for the year ending December 31, 2018. 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 2017 and 2018. All financial data in this report is in U.S. dollars.

None of the entities noted in this document is an authorized deposit-taking institution 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 in respect of the obligations of these entities.

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