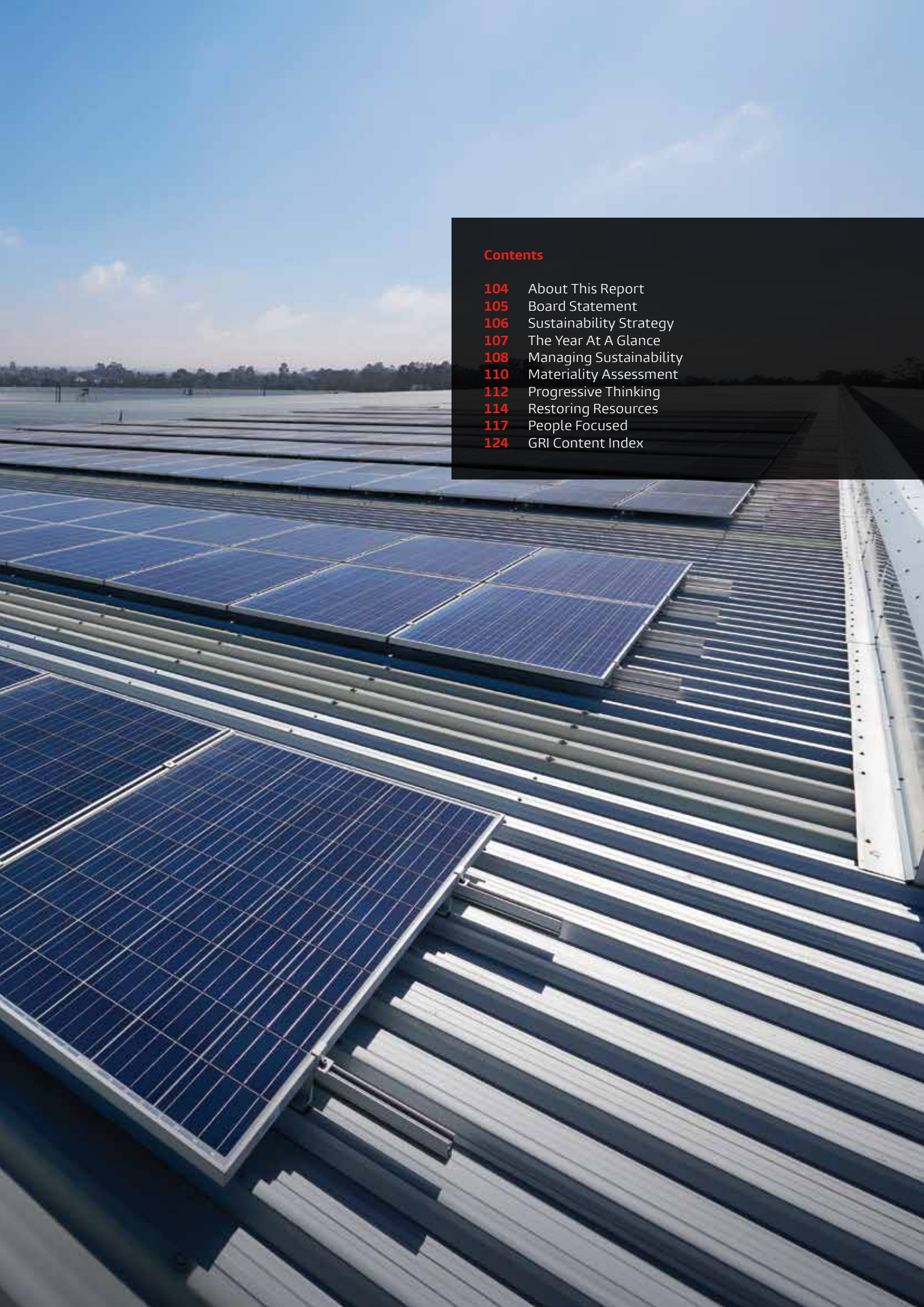


Sustainability Report





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Sustainability Report

About This Report

Our second Sustainability Report describes Frasers Logistics and Industrial Trust's ("FLT") sustainability practices and performance for the period of 1 October 2017 to 30 September 2018 ("FY2018"), with a focus on addressing our material Environmental, Social and Governance ("ESG") factors.

We have prepared this report in accordance with the sustainability reporting requirements of the SGX-ST Listing Manual (Rules 711A and 711B), as well as the Global Reporting Initiative ("GRI") Standards: Core option.

Report Scope

Data disclosed in this report relates to all properties owned by FLT located in Australia, and the staff of Frasers Logistics and Industrial Asset Management Pte. Ltd (the "REIT Manager" or the "Manager") located in Singapore and Australia, unless otherwise stated. Our data is reported in good faith and to the best of our knowledge.

In FY2018, we acquired 21 properties located in key global logistics hubs in Germany and the Netherlands. We intend to include our properties in Europe in our sustainability reporting in the forthcoming year.

Together with the other information set out in our Annual Report, this Sustainability Report plays an integral role in promoting communication and transparent reporting to our stakeholders.



Feedback

We are listening: we welcome your feedback as we seek to continuously improve our sustainability performance. Feedback on this report can be directed to **ir@fraserslogisticstrust.com**



Board Statement

As a real estate investment trust leasing logistics and industrial properties to some of the world's largest companies, we understand the importance of managing environmental, social and governance ("ESG") impacts along the global value chains. Properties with higher sustainability performance have enabled us to retain existing and attract new tenants, especially those that value sustainability as a key business criteria and seek occupancy cost savings.

We therefore place sustainability at the heart of our corporate strategy and goals, as the sustainability of our assets is key to creating shared, long-term values amongst our stakeholders. Our Sponsor, Frasers Property Limited ("**Frasers Property**" or the "**Sponsor**") has developed a Sustainability Framework which sets out sustainability priorities across the Group towards 2030. In line with the three sustainability pillars and 13 corresponding ESG focus areas identified in the Sponsor's Sustainability Framework, FLT's sustainability strategy is based on the three core areas of "Progressive Thinking", "People Focused" and "Restoring Resources".

To implement our sustainability strategy, we are supported by FLT's representation in Frasers Property's Sustainability Steering Committee ("**SSC**") and Sustainability Working Committee ("**SWC**"). Jointly, we oversee the identification and management of ESG risks and opportunities that are material to us, as guided by our sustainability strategy, and communicate FLT's sustainability efforts to our

stakeholders. Moving forward, we will continue to refine our sustainability strategy and action plans.

We continued to strengthen the sustainability attributes of our portfolio in FY2018. We assessed the sustainability features of the properties that we propose to acquire, and collaborated with our tenants to enhance the environmental performance of our existing assets. We presently have the highest-rated Green Star Performance logistics and industrial portfolio in Australia. We completed the upgrade to energy-efficient LED lighting for an additional 15% of our portfolio, and installed solar photovoltaic ("**PV**") panels for an additional 8% of our properties. We proactively conducted water efficiency audits for our properties and shared the findings with our tenants. In recognition of our efforts, FLT was named Global Leader among 61 industrial category participants by Global Real Estate Sustainability Benchmark ("**GRESB**") in the 2018 Real Estate Assessment.

As FLT grows, we remain firmly committed to maintaining excellence in sustainability performance. Emphasis on sustainability will continue to guide our interactions with our stakeholders, as well as our approach to managing our portfolio.

Board of Directors

Frasers Logistics & Industrial Asset Management Pte. Ltd.
Manager of Frasers Logistics & Industrial Trust



Sustainability Report

Sustainability Strategy

To realise the Frasers Group of Companies' aspiration to be a leader in building sustainable communities, our Sponsor has developed a Sustainability Framework in FY2018, which sets out sustainability priorities for the Group towards 2030. The Sustainability Framework provides common grounds for the various businesses within the Group, upon which we will direct our efforts to manage and deliver our sustainability priorities across the value chain.¹

At FLT, we have defined our sustainability vision and strategy – “A Different Way” – which is aligned to the Group’s sustainability agenda. We believe that our changing world demands a different approach. “A Different Way” is our commitment to create properties where resources are reused, recycled and restored. It is our commitment to foster new ideas that will support people and the planet. It is our commitment to enable our people, customers and communities to lead better, healthier lives.

To achieve our vision for a more sustainable future, we have focused “A Different Way” on three core areas that are aligned to the Sponsor’s Sustainability Framework, namely “Progressive Thinking”, “People Focused” and “Restoring Resources”, in line with the three pillars of the Group’s Sustainability Framework. Each area is supported by goals and targets that form the basis of the sustainability strategy, and provide a transparent



structure to measure our sustainability performance. The progress of the strategy implementation is monitored during regular sustainability reviews and the targets are reviewed and updated on an annual basis, to ensure that we continue to lead the way.²

Progressive Thinking

- Progressive thinking is about taking responsibility for the investment we make, making choices that help us look after both people and the planet.
- It is about being flexible and resilient in the way we operate to enable sustainable development and to make a difference in a changing world.
- Ongoing innovation will keep us relevant to our people, our customers and investors. It will help us reduce risks and create tangible benefits.

Our Goal: We want to continue to challenge ourselves, to enhance and scale our approach, so that we are constantly getting better and doing more.

People Focused

- People focused is about developing a more consistent approach towards how we develop skills in the organisation and to develop the leadership of the organisation with a more diverse, inclusive leadership group.
- It is also about maintaining the ongoing health and wellbeing of our people and our customers. Monitoring and understanding the indoor environment quality of our properties allows us to create healthier workplaces.

Our Goal: We want to take active steps to inspire and enable our people and communities to lead better and healthier lives.

Restoring Resources

- We want to be smarter and more efficient in the way we use the planet’s finite resources, and ultimately, regenerate what we use.
- Restoring resources is about understanding our impact in greater detail and rethink our approach to water, waste, energy and materials across our whole portfolio in order to conserve, regenerate and enhance the planet’s ecosystems.

Our Goal: We want to be smarter and more efficient in the way we use the planet’s finite resources, and ultimately regenerate what we use.

¹ Please see Frasers Property’s FY2018 Sustainability Report for more details on the Sustainability Framework
² Please visit www.fraserslogisticstrust.com for a complete list of our targets

The Year at a Glance

Environmental, Social and Corporate Governance (ESG) Highlights



Recognised as Global Leader for Industrial by GRESB in the 2018 Real Estate Assessment

- Improved score of 91, from 80 in 2017
- Ranked 1st for Industrial, Global (listed)
- Ranked 1st for Industrial, Australia (indirectly managed)
- Ranked 1st in the Health and Wellbeing category amongst global industrial participants



Achieved first 6 Star Green Star ratings for industrial facilities in New South Wales, Victoria and Queensland

Highest-rated industrial Green Star performance rated portfolio in Australia



Awarded Best Annual Report for first-year listed companies at the Singapore Corporate Awards 2018

“We are delighted to recognise Frasers Logistics & Industrial Trust for its global leadership in sustainability. This demonstrates the significant steps they have taken to incorporating sustainability into their operations and communicating their performance to investors. Frasers Logistics & Industrial Trust has set the bar even higher for sustainability performance in 2018, while at the same time paving the way for the entire sector to follow.”

Mr. Sander Paul van Tongeren

Co-Founder and Managing Director at GRESB

FY2018 Performance Highlights

Progressive Thinking

- **Zero** breach of environmental laws and regulations
- **Zero** incidents of non-compliance with regulations and industry codes in relation to marketing communications that resulted in fines
- Largest Green Star Performance rated industrial portfolio in Australia

People Focused

- **84** hours of training per employee
- **83%** of FLT portfolio conducted Indoor Environmental Quality measurements

Restoring Resources

- **Additional 15%** of FLT's Australian properties upgraded to energy-efficient LED lighting
- **Additional 8%** of FLT's Australian properties installed solar PV panels

Sustainability Report

Managing Sustainability

Sustainability Governance

Frasers Property was one of the first real estate players to publish sustainability reports at both Sponsor and Trust level cohesively, demonstrating our unified commitment and approach towards sustainability throughout the Group.

FLT collaborates and supports the Group on managing sustainability collectively. The SSC provides guidance and drives the Group's corporate sustainability agenda. The SSC is chaired by the Sponsor's CEO, Mr. Panote Sirivadhanabhakdi, and comprises top management

– the CEOs of all our business divisions including CEO of the REIT Manager, Mr. Robert Wallace. The SSC meets regularly to review the strategic direction of our sustainability strategy as a group, as well as performance against our sustainability objectives.

SSC is supported by the SWC to drive and implement the sustainability agenda. The SWC consists of middle and senior management of different business functions, including the Investor Relations Manager of the REIT Manager. The SWC's main task is to monitor our sustainability performance, implement action plans, and communicate to our stakeholders.

Key Stakeholders	Key Topics of Concern	Mode of Engagement	Frequency of Engagement and FY2018 Highlights
Regulators / Non-Governmental Organisations ("NGOs")	<ul style="list-style-type: none"> Regulatory compliance Corporate governance Regulatory/industry trends and standards 	<ul style="list-style-type: none"> Participation in NGOs 	<ul style="list-style-type: none"> Participation in REIT Association of Singapore (REITAS), and Green Building Council of Australia (GBCA)
Tenants	<ul style="list-style-type: none"> Tenant satisfaction Quality of facilities and services Health and safety 	<ul style="list-style-type: none"> Bilateral communication and meetings Tenant survey 	<ul style="list-style-type: none"> Throughout the year, the REIT Manager (or through the property managers) actively engaged tenants 32 responses were collected for the 2017 tenant survey
Investment Community	<ul style="list-style-type: none"> Financial results Business performance and outlook Corporate governance 	<ul style="list-style-type: none"> Results briefings Annual General Meeting Extraordinary General Meeting Investor conferences and roadshows, Tele/ Videoconferencing meetings Bilateral communication, one-on-one meetings and site tours ESG surveys 	<ul style="list-style-type: none"> Quarterly Annually As required (once in FY2018) Throughout the year, 19 conferences, corporate days and roadshows were held Site visits to FLT's properties were also facilitated Participation in 2018 GRESB Real Estate Assessment, with a score of 91 out of 100

Stakeholder Engagement

We connect to our stakeholders to better understand their expectations, and identify various risks and opportunities within our operations. We interact with them on a regular basis to determine the most material ESG factors relevant to our business.

Key Stakeholders	Key Topics of Concern	Mode of Engagement	Frequency of Engagement and FY2018 Highlights
Employees	<ul style="list-style-type: none"> • Career development 	<ul style="list-style-type: none"> • Performance appraisals 	<ul style="list-style-type: none"> • Annually, 100% of full-time staff received reviews
	<ul style="list-style-type: none"> • Employee engagement 	<ul style="list-style-type: none"> • Training, including orientation programme for new staff 	<ul style="list-style-type: none"> • Throughout the year, 1,769 hours of training were completed
	<ul style="list-style-type: none"> • Staff bonding 	<ul style="list-style-type: none"> • Team building and staff activities 	<ul style="list-style-type: none"> • Orientation Day, Family Day, as well as a staff conference were held
	<ul style="list-style-type: none"> • Health and safety • Business impact on the environment and society 	<ul style="list-style-type: none"> • Environmental and Health & Safety awareness activities 	<ul style="list-style-type: none"> • Throughout the year, staff from the REIT Manager participated in the annual Frasers Health & Safety Month and Frasers Environment Month activities
		<ul style="list-style-type: none"> • Intranet (in Australia and Singapore) 	
Contractors / Consultants / Suppliers	<ul style="list-style-type: none"> • Health and safety • Business performance 	<ul style="list-style-type: none"> • Bilateral communication with our contractors, suppliers and consultants 	<ul style="list-style-type: none"> • FLT maintains regular interaction with contractors, consultants and suppliers as applicable
Local Community	<ul style="list-style-type: none"> • Community investments • Business impact on the environment and society 	<ul style="list-style-type: none"> • Social and community events 	<ul style="list-style-type: none"> • Throughout the year, 5 community events were held, involving 21 staff



Sustainability Report

Materiality Assessment

We conducted a materiality assessment in our first sustainability reporting process based on the GRI Reporting Principles, AA1000 Principles, as well as the application of sector-specific guidance from GRESB, to determine material ESG issues that affect our business and our stakeholders.

We reviewed the materiality assessment process and aligned our material factors with the Sponsor in FY2018. As we have little operational control over the day-to-day activities of our properties as landlords, our disclosure of our performance over Energy, Water and Health and

Safety material factors differ from the rest of the Group. Nevertheless, we will continue to work with our tenants to enhance disclosure of their sustainability performance in our future reporting.

We will continue to review and assess our material factors annually with the Sponsor to ensure their relevance to our business, stakeholders and the ESG focus areas set out in our sustainability strategy.

For each material factor, the table below shows where significant impacts occur and where we have caused or contributed to the impacts through our business relationships.

Group Sustainability Framework Pillars	Material Factors	Materiality to FLT
Acting Progressively	Economic Performance ⁴	Maximising shareholder wealth is one of the key objectives of FLT as a REIT, hence it is critical to ensure the growth of economic performance.
	Environmental Compliance	Compliance with relevant environmental laws and regulations is indispensable to the operations of our properties.
	Anti-corruption	We must maintain high standards of integrity, accountability and responsible governance to earn the trust of our stakeholders. Our reputation as a listed REIT is built by dealing fairly and ethically.
	Ethical Marketing	We ensure that our communications and marketing practices are accurate and responsible to cultivate long-lasting, positive relationships with our tenants.
Consuming Responsibly	Energy Management	Energy consumption in the building sector is one of the largest sources of energy usage around the world. We recognise its indispensable role in building operations and proactively work with our tenants to help them manage the properties' energy consumption.
	Water Management	Water is a scarce resource that is essential for those who utilise our properties. We strive to help our tenants conserve water whenever possible to reduce unnecessary usage and expenses.
Focusing on People	Staff Retention and Development	It is paramount that the REIT Manager has the capacity to manage and expand FLT's portfolio to create value for our stakeholders. We seek to attract, develop and retain a knowledge pool that forms the cornerstone of our success.
	Labour / Management Relations	Our employees are the foundation of our success. We believe that maintaining effective two-way communications with our employees is key to fostering a collaborative and progressive culture.
	Health and Safety	As landlords, our priority is to create places where people feel comfortable and safe. We ensure that our employees, suppliers, contractors, and tenants have a safe working environment.
	Local Communities	We hold an immense potential to create positive impacts in the communities where our properties have a presence. We endeavour to run a business that responds to their needs and is in turn supported by the local communities.

³ The United Nations Sustainable Development Goals (SDGs) is a set of global goals which aims to reduce global inequalities and eradicate poverty, protect the planet and ensure prosperity for all, as part of the 2030 Agenda for Sustainable Development. Please refer to www.un.org for more details.

⁴ Please refer to our annual report for further details.



Material Factor Boundaries					Corresponding Topic-specific GRI Standards	Relevant SDGs ³
FLT	Suppliers/ Contractors	Tenants	NGOs/ Local Communities			
✓					GRI 201: Economic Performance 2016	 
✓	✓	✓			GRI 307: Environmental Compliance 2016	
✓	✓	✓			GRI 205: Anti-corruption 2016	
✓					GRI 417: Marketing and Labelling 2016	
		✓			GRI 302: Energy 2016 GRI 305: Emissions 2016	 
		✓			GRI 303: Water 2016	
✓					GRI 401: Employment 2016 GRI 404: Training and Education 2016	 
✓					GRI 402: Labour/Management Relations 2016	
✓	✓	✓			GRI 403: Occupational Health and Safety 2016	
✓			✓		GRI 413: Local Communities 2016	

Sustainability Report

FY2018 Performance



No breaches of environmental laws and regulations



Zero cases with regards to bribery and corruption reported



Zero incidents of non-compliance with regulations and industry codes in relation to marketing communications

Progressive Thinking

With sound corporate governance as our foundation, we innovate the way we invest and manage properties to realise business sustainability. We incorporate sustainability considerations into our investment decisions and leasing requirements to enhance the long-term value of our portfolio.

Upholding Corporate Integrity

As a responsible corporate citizen, we believe in good corporate governance that goes beyond regulated compliance. Good governance serves as an indispensable foundation upon which we could evolve and innovate as a business. We aim to maintain high standards of integrity, accountability and responsibility, in line with our zero tolerance approach towards corruption and fraud.

We believe that our reputation is built by behaving fairly and ethically. We subscribe to the following corporate policies to ensure the corporate integrity of our business.

- Code of Business Conduct
- Whistle-blowing Policy
- Anti-bribery Policy
- Competition Act Compliance Manual
- Personal Data Protection Act Policy
- Environment, Health and Safety Policy
- Compliance Manual
- Policy on Dealing in Units of FLT and Reporting Procedures
- Policy for Prevention of Money Laundering and Countering the Financing of Terrorism
- Policy on Outsourcing
- Treasury Policy

For FY2019, we target to maintain our record of no breaches of environmental law and regulations, no confirmed cases of bribery and corruption, and no incidents of non compliance with regulations and industry codes in relation to marketing communications.

Innovating The Way We Do Business

Our business success rests on our underlying assets, therefore we strengthen our portfolio's sustainability attributes to leverage them as our competitive advantage. We ensure that our responsible investment decisions are aligned with our corporate strategy for growth.

Potential benefits of a sustainable property include:

- Reducing ongoing occupancy costs
- Assisting in retaining tenants at lease expiry
- Attracting new tenants, especially those using sustainability as a criteria for choosing their distribution centres
- Decreasing building obsolescence
- Minimising vacancy downtime

Currently, we have the largest Green Star Performance rated industrial portfolio in Australia.⁵ We have set a target for all our new buildings to achieve a minimum rating of 5 star Green Star Design & As Built. We also target to have all eligible properties operationally rated, as well as achieve a minimum 4 star average Green Star Performance portfolio rating for all of our properties in Australia by 2019. Furthermore, we aim to integrate best practice leasing requirements into our precedent lease by 2019, including data sharing requirements, to promote sustainability practices among our tenants.

⁵ Green Star Performance ratings are awarded by the GBCA, which assess properties against nine key performance criteria - management, indoor environment quality, energy, transport, water, materials, land use and ecology, emissions and innovation.

Portfolio Sustainability

66.1% of our portfolio is Green Star Performance rated, 15.8% of our portfolio has obtained Green Star Design & As Built ratings, and 18.2% of our portfolio is under design review, by GLA.

60 tenancies across 46 properties have achieved Green Star Performance ratings, with a further 10 properties under design review.

Green Star Industrial Design & As Built with 6 stars:

- CEVA, 1 Doriemus Drive, Truganina, Victoria
- OI Glass 143 Pearson Road, Yatala, Queensland
- Survitec and Phoenix 2 Burilda Close, Wetherill Park, New South Wales
- Nick Scali, 3 Burilda Close, Wetherill Park, New South Wales
- CEVA Nissan, 43 Efficient Drive, West Park, Victoria
- Martin Brower, 1 Burilda Close, Wetherill Park, New South Wales
- Astral Pool, 111 Indian Drive, Keysborough, Victoria

Green Star Industrial Design & As Built with 5 stars:

- DB Schenker, 4 – 8 Kangaroo Avenue, Eastern Creek, New South Wales
- Tyres for you, 150-168 Atlantic Drive, Keysborough, Victoria
- Mazda, 211A Wellington Road, Mulgrave, Victoria
- Miele, 77-89 Atlantic Drive, Keysborough, Victoria
- Stanley Black and Decker, 29 Indian Drive, Keysborough, Victoria
- Clifford Hallam, 17 Hudson Court, Keysborough, Victoria

In addition to our approach to responsible investment, we believe we could play a role in encouraging and driving sustainability in the real estate sector. As part of the Frasers Group, we are involved in the following industry associations and sustainability initiatives.

Membership of Associations

- Member of the Singapore Green Building Council (SGBC)
- Member of the Green Building Council of Australia (GBCA)
- Member of the Real Estate Developers' Association of Singapore (REDAS)
- Member of the REIT Association of Singapore (REITAS)
- Member of Securities Investors Association (Singapore) (SIAS)
- Global Compact Network of Singapore (GCNS)

Endorsement and Participation in Sustainability Initiatives

- United Nations Global Compact (UNGC) Principles
- United Nations Sustainable Development Goals (SDGs)
- The Principles for Responsible Investing (PRI)
- The Global Real Estate Sustainability Benchmark (GRESB)
- Paris Agreement of the United Nations Framework Convention on Climate Change (UNFCCC)
- CitySwitch Green Office Programme of Australia



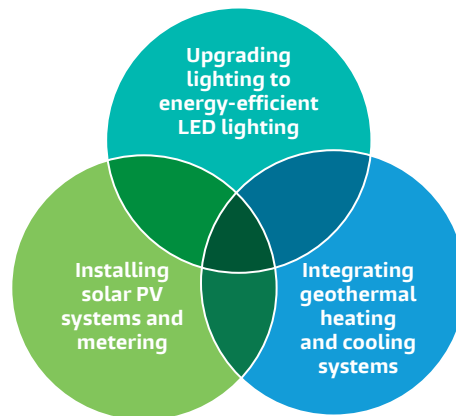
Sustainability Report

Restoring Resources

We recognise the role we play in encouraging sustainable practices at our properties and across the value chain. We engage and work with our tenants and business partners to decrease our energy and water consumption collectively.

Conserving Energy

Our properties are operated by the tenants and we have little control over their energy use. However, we understand our responsibility and we work closely with our tenants to help them improve on their energy management. We captured and analysed 93% of our tenants' electricity usage data and 87% of their gas usage data in the 2017 calendar year. We have been able to provide practical and useful advice to our tenants to allow them to make operational and behavioural changes that have positively impacted their energy use profiles. For instance, this has led to the installation of solar PV systems at four FLT properties over the past 12 months.



Our approach on reduction of carbon footprint

We also strive for continual improvement in our properties to better serve our tenants and ensure the competitiveness of our assets. When assessing, maintaining and retro-fitting our properties, energy efficiency is a top consideration. For instance, our asset management team considers the incorporation of sustainability initiatives when designing and delivering asset enhancement initiatives ("AEIs") for our properties.

AEI for 57-71 Platinum Street, Crestmead, Queensland



We have completed an AEI for the Stramit Property in December 2017. The return on costs invested in the expansion and upgrading works is approximately 10%. The AEI includes:

- Expansion of the warehouse by 1,219 sq m
- Installation of a 773 sq m awning and further building upgrades
- Incorporation of sustainability initiatives, including the installation of a 125kW solar PV system

"As one of Australia's largest steel roll-formers, our job is to help businesses create sustainable spaces. Thanks to our long-term partnership with Frasers Logistics and Industrial Trust, our Crestmead facility is now a place we're proud to say reflects our brand.

Our Crestmead facility was approximately 18 years old and needed renovations to meet our business' future needs. With the support of Frasers, the site was renovated with minimal disruption to our manufacturing operations. Our customers now have a large, modern pick-up facility, while our people can get the job done in light, bright work spaces.

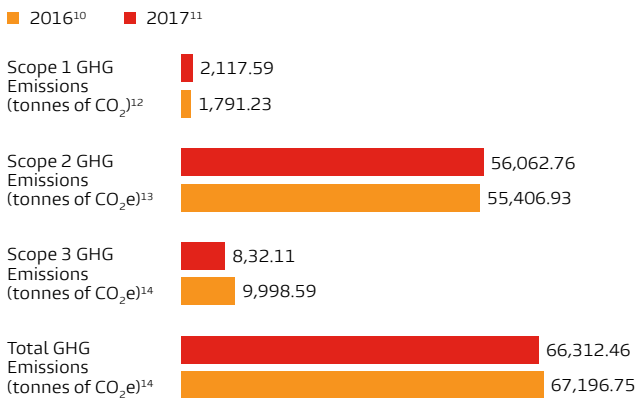
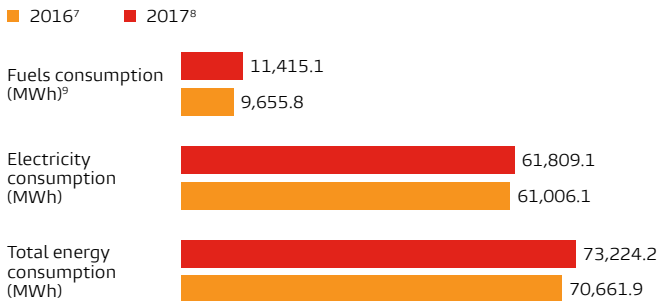
Our environmental legacy is equally important. As a business, we are always looking to improve our eco-friendly practices and aim for zero waste across our sites. Frasers supported this commitment as part of the Crestmead renovations by incorporating sustainable features such as a 125kW solar PV system, energy efficient air-conditioning and low energy lighting that reduced our lighting power consumption by 75%.

I would like to personally thank Frasers for creating a place that reflects who we are - an organisation that cares about our legacy."

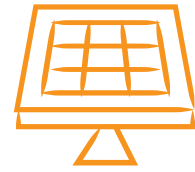
Mr Paul Tudor
General Manager
Stramit

Between 2016 and 2017, we saw an increase in the amount of energy our properties consumed. This is due to an increase in the number of properties in our portfolio. Alternatively, we continue to strive to increase our energy efficiency and reduce our reliance on non-renewable energy sources by installing LED lighting and solar PV systems across our Australian portfolio.

Performance data⁶



- Completed LED lighting upgrade for 15% of our Australian portfolio by net lettable area (NLA) in FY2018
- Total percentage of properties with LED lighting: 56%



- Installed solar PV panels across 8% of our portfolio by NLA in FY2018
- Installed solar PV panels of minimum 100kW on 5.8% of our portfolio by NLA in FY2018
- Total percentage of properties with solar PV panels: 26%
- Total solar PV capacity installed thus far: 2,199 kW

We aim to develop a zero carbon roadmap by 2019. In line with our aspiration to be carbon neutral, we target to upgrade 90% of lights to high-efficiency lighting and install a minimum of 100kW of solar on 40% of our Australian properties by 2020.

We continuously look for opportunities to save energy and support alternative sources of energy in our various offices. In our Melbourne and Sydney Frasers Property Australia ("FPA") offices, we procure 100% green power.

Frasers Property Environment Month

During the annual Environment Month, employees across the Group participate in a series of workshops, engagement sessions, educational tours, coastal clean-ups and tree planting activities. These programmes hope to educate, engage and encourage our employees to adopt behaviours and actions that would reduce their environmental impacts at work and at home. Our employees participated in the following programmes during Frasers Property Environment Month 2018:

- Frasers Property Global Eco Challenge: we provided 11 goals for our employees to achieve over a 2-week period. The goals included elements around reducing waste, saving energy and resources, and improving air quality. Points were awarded for each goal completed and individuals with the highest scores were the winners of the Challenge. 70% of our employees participated.
- Clean Up Australia Day: employees across the Group and students from schools located near Frasers' properties came together to clean up spaces such as parks and beaches in Sydney, Melbourne, Brisbane and Perth. In 2018, 73 employees across the Group, including staff from FLT, participated and collected 75 bags of trash.

⁶ As FLT does not have operational control over its properties and fully relies on tenants for information and data collation, FLT is only able to disclose energy and GHG emissions data by calendar year to ensure completeness of the data disclosed
⁷ 2016 data is computed from 1 January to 31 December 2016, and covers all properties owned by FLT as of 31 December 2016
⁸ 2017 data is computed from 1 January to 31 December 2017, and covers all properties owned by FLT as of 31 December 2017
⁹ Fuels consumption includes consumption of gas. Conversion factor into Megawatt hours ("MWh") is derived from megajoules into MWh
¹⁰ 2016 data is computed from 1 January to 31 December 2016, and covers all properties owned by FLT as of 31 December 2016
¹¹ 2017 data is computed from 1 January to 31 December 2017, and covers all properties owned by FLT as of 31 December 2017
¹² GHG emissions are calculated by our data management system, CCAP Scope 1 emission factors are derived from the Technical Guidelines for the Estimation of Greenhouse Gas Emissions by Facilities in Australia, and are updated annually in CCAP
¹³ GHG emissions are calculated by our data management system, CCAP Scope 2 emission factors are derived from the Technical Guidelines for the Estimation of Greenhouse Gas Emissions by Facilities in Australia, and are updated annually in CCAP
¹⁴ GHG emissions are calculated by our data management system, CCAP Scope 3 emission factors are derived from the National Greenhouse Accounts Factors, and are updated annually in CCAP

Sustainability Report

Saving Water

Water scarcity is a critical environmental issue across the globe and we continue to improve our properties' water management. Similar to energy use, we have little control over the day-to-day behaviours of our tenants as landlords. We work with our tenants to manage water consumption and captured 96% of our tenants' water usage data in the 2017 calendar year.

We also ensure our properties are equipped with the following water-saving features:

- On-site rainwater storage tanks, where rainwater is collected and used for non-portable applications, such as landscaping irrigation, external wash points and flushing toilets
- Water Efficiency Labelling and Standards (WELS) rated fixtures and fittings
- Under mulch drip irrigation systems
- Water treatment systems that reduce water refill frequency of cooling towers

Over the calendar years of 2016 and 2017, there was an increase in our portfolio's water consumption, which was due to an increase in the number of properties in our portfolio. To further understand the impacts of water usage at our properties and explore options for water saving, we have embarked on undertaking water efficiency audits of our properties to identify opportunities for water efficiency improvement. In FY2018, we have completed water efficiency audits for three of our Australian properties. All our water efficiency audit reports recommended enhancement of water monitoring process through installation of water meters and sub-meters for better water management. We have presented the recommendations to our tenants for their consideration and will continue to work with our tenants to improve quality of water usage data at our properties.



Completed water efficiency audits for 3 properties in Australia:

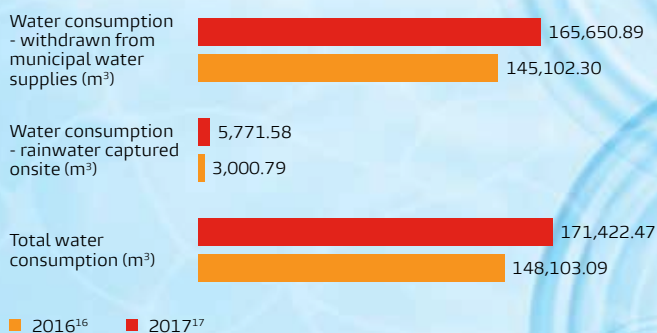
- CHEP pallet washing facility (468 Boundary Road, Derrimut, Victoria)
- Horizon Global manufacturing facility (49-75 Pacific Drive, Keysborough, Victoria)
- B&R Enclosures facility (51 Stradbroke Street, Heathwood, Queensland)

Going forward, we will continue to undertake water efficiency audits for our most water intensive assets, present recommendations to our tenants, and incorporate these recommendations into our development activities or AEI delivery where possible in FY2019.

Influencing Our Supply Chain

We work with a number of service and maintenance equipment providers for our assets. We understand that our impact extends beyond our operations, and that we should leverage our influence as a business and address key sustainability issues throughout our supply chain. This is why we are working with our suppliers to achieve our mission to source only the safest, most renewable and responsible materials. We are currently in the process of developing a Responsible Supply Chain Procedure and we target for it to be in place by 2019.

Performance data¹⁵



¹⁵ As FLT does not have operational control over its properties and fully relies on tenants for information and data collation, FLT is only able to disclose energy and GHG emissions data by calendar year to ensure completeness of the data disclosed

¹⁶ 2016 data is computed from 1 January to 31 December 2016, and covers all properties owned by FLT as of 31 December 2016

¹⁷ 2017 data is computed from 1 January to 31 December 2017, and covers all properties owned by FLT as of 31 December 2017

People Focused

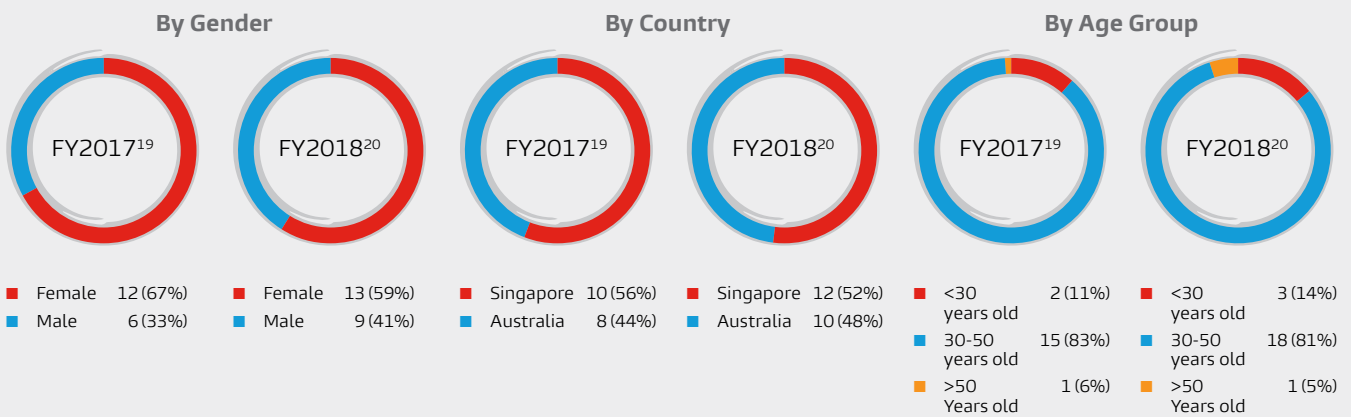
We value our interactions with our people, tenants and communities. We aim to create interactions that are inspiring and meaningful, which are key to cultivating long-lasting relationships that would benefit our business.

Cultivating Talent

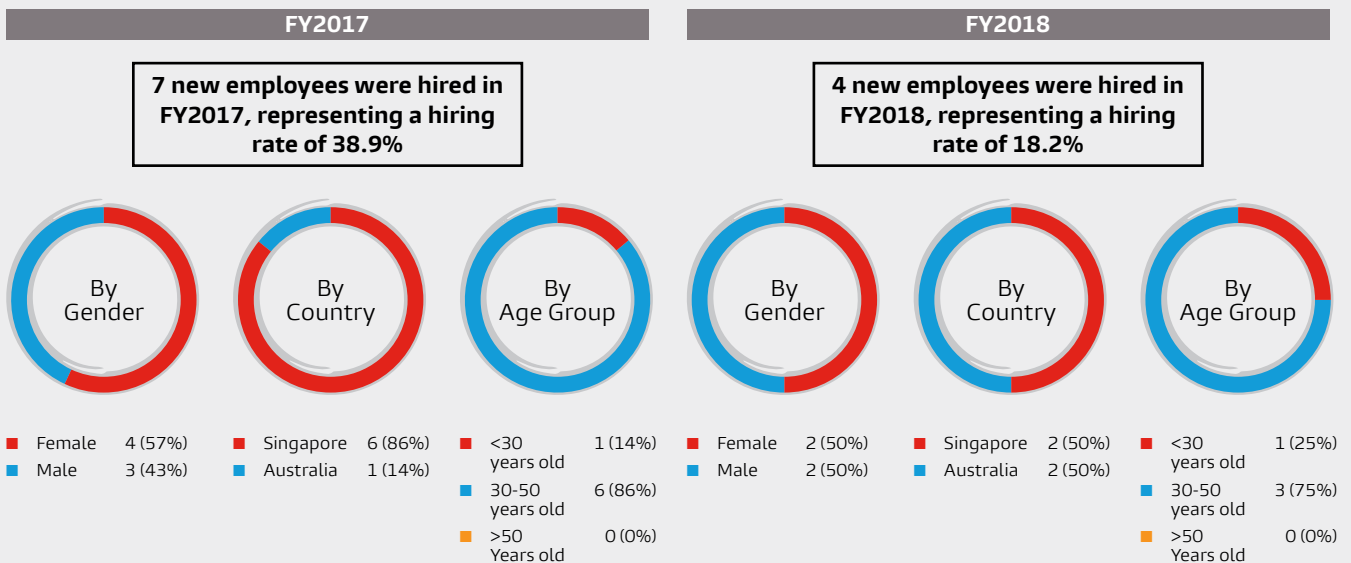
The success of FLT is dependent on the abilities of the Manager's employees who are highly experienced and skilled. We believe in cultivating a motivated workplace which is diverse, inclusive, safe and supportive to nurture a sense of pride and loyalty in our team.

Fraser's Property is a signatory of Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) in Singapore and a member of Singapore National Employer Federation. FLT is committed and guided by the same fair employment practices as the Group. We also adopt the Group's Code of Business Conduct to reiterate our commitment of employment opportunities being based on meritocracy and eliminate any discrimination. All of the Manager's employees participate in an annual performance review, during which development needs are assessed and addressed.

FLT Employee Profile¹⁸



Number and Rate of New Employee Hires^{21, 22, 23, 24}



18 All employees at FLT are full-time, permanent employees

19 As of 30 September 2017

20 As of 30 September 2018

21 Rate of new employee hires by gender = total number of new employee hires by gender category / total number of new employee hires

22 Rate of new employee hires by country = total number of new employee hires by country category / total number of new employee hires

23 Rate of new employee hires by age group = total number of new employee hires by age group category / total number of new employee hires

24 Total rate of new employee hires = total number of new employee hires / total number of employees

Sustainability Report

Number and Rate of Employee Turnover^{25, 26, 27, 28}




We recognise that our success as a business is intrinsically linked to the talent and expertise of our people. This is why we are committed to growing individual skills and leadership qualities that will fuel growth and innovation across our business.


Learning and development (L&D) of our employees is undertaken by Frasers Group’s HR department. Guided by Frasers’ values of “collaborative, respectful, progressive, real” and unifying idea “experience matters”, our L&D programmes are designed to be transformative and forward-looking. The Group’s HR department also ensures that L&D programmes offered holistically cater to the needs of employees in various business functions and career stages.


Our staff also has access to a variety of online training content via the Group’s new HR platform, My HR Hub. Employees may also submit specific training requests to the HR department or their supervisor. After each training course, staff feedback is collected to see how the training and development programmes could be improved in the future.

To future-proof our business, we train all relevant staff in key sustainability subjects, such as GRESB, Green Star Performance rating scheme, as well as relevant new technologies and initiatives. Green Star performance training was undertaken in 2017 and we increased engagement with our staff about sustainability in 2018 to empower them to make informed sustainability choices. We will also develop an engagement plan for internal and external audiences by 2019.

- 

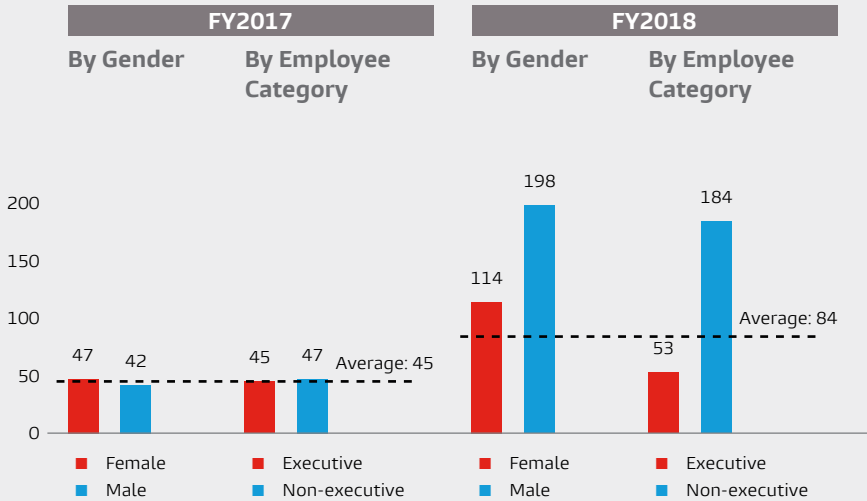
Orientation programme for new staff
- 

General and soft skill programmes, such as building effective working relationships, professional writings
- 

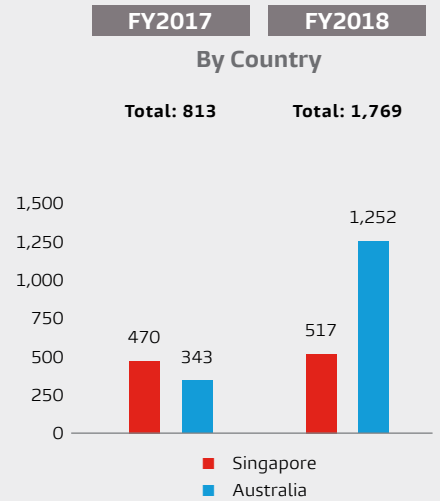
Job-specific trainings, such as service excellence, leasing certifications
- 

Leadership programmes for executive officers

Average Training Hours Per Employee



Total Training Hours



Promoting Health and Wellbeing

We believe in a safe working environment for our workforce. We implement workplace safety management systems across key business operations, such as incident management procedures to identify and control hazards, monitor performance and identify areas for improvement. FLT also participates in the Sponsor’s Health and Safety senior management committee to

discuss and align workplace health and safety practices across the Group.

In order to help balance work and personal life, FLT employees are encouraged to take part in health and wellness activities organised by the Frasers Corporate Wellness Committee.

Ride2Work Day

Ride2Work is a Bicycle Network initiative, which engages the wider community around the issues of health and wellbeing, as well as supports women in sports recreation. Everyday citizens and particularly commuters are encouraged to forgo driving to work in lieu of cycling, promoting exercise and tackling peak hour traffic problems for a greener, happier Melbourne. Changing behaviour and making riding conditions safer are two of the main goals of the initiative.

Live Life Get Active

In Australia, we partnered with a private social initiative called ‘Live Life Get Active’. The purpose of this initiative is to build a fitter, healthier and happier Australia. Our employees are provided with health, fitness and nutritional education to help them with adopting a healthier lifestyle. We believe that by providing an environment that is fun and motivating, we can create a positive change to their lives. We target 80% staff participation and encourage our customers to also join in this initiative as well.

Sustainability Report



Staff Engagement

On 18 June 2017, the Frasers Group organised an outing to Science Centre Singapore as a part of our annual Family Day event to promote greater family bonds. Employees and their families were treated to a day of fun and learning. Besides spending time with their families, employees were able to connect with their colleagues in a different environment.

At the REIT level, FLT held its second annual staff conference and inaugural community day in Singapore, bringing together colleagues from Australia and Singapore for three days of team-building, learning and community service.

Themed "Driving the Next Phase of Growth", the two-day event, which comprised many valuable and positive workshop sessions, as well as fun and challenging team building games, provided an excellent opportunity for the FLT team to come under one roof to bond, discuss and exchange knowledge and experiences relating to the future growth of the REIT.

The Frasers Group also offers health and wellbeing benefits for our staff. Comprehensive health insurances for its staff and allowances/reimbursements for medical costs incurred are also provided for its staff.

Flexi Working Arrangement

In Australia and Singapore, employees are given the choice of flexible work arrangement such as working from home. This allows the employees, especially care takers with children or elderly parents, to balance their work and responsibilities at home.

Indoor Environment Quality (IEQ)

Understanding the indoor environment quality of our properties allows us to create healthier workplaces. We require all our industrial assets to have annual IEQ assessments based on Green Star Performance indicators. IEQ measurements have been completed in all of our properties in Victoria, New South Wales and Queensland, where we have assessed 83% of the portfolio.

To continue our efforts in ensuring a healthy workplace, we aim to put in place annual IEQ measurements based on Green Star Performance indicators for 100% of our properties in Australia by 2019.

We are also committed to creating places where people feel comfortable through safe, well maintained and accessible buildings. Our properties are protected with both updated equipment and established practices, such as essential locking mechanisms, safety lighting and fire and emergency procedures. We also conduct regular risk assessments and walk-throughs of our buildings to uphold high health and safety standards at all times.

We focus on improving the accessibility and convenience of our properties and we are currently developing a sustainable logistic transport framework and methodology. We are working with a number of organisations on this subject, as well as discussing feasibility with the Green Building Council of Australia

No breaches of health and safety regulations in regards to our building users

No major safety incidents across our portfolio

We will continue to strive to ensure that there are no major health and safety incidents across our portfolio in FY2019.

Annual Tenant Survey

We engage with our tenants regularly to assess their satisfaction with our properties and service, as well as areas of improvements that can be made in both the physical assets as well as our relationship with them. We conduct an annual tenant survey to gather feedback on aspects such as performance of the property and operation management staff, presentation of the property, fit out processes, maintenance, contractor performance and environmental management and sustainability.

2017 Tenant Survey Key Highlights

- 96.0% - Combined Satisfied and Very Satisfied ratings on property manager's performance
- 82.0% - Combined Satisfied and Very Satisfied ratings on operations managers
- 78.0% - Combined Satisfied and Very Satisfied ratings in property presentation
- 96.0% - of tenants surveyed were happy with the responsiveness of maintenance contractors arranged

Through the survey, we were able to monitor our effectiveness in responding to our tenants' needs. For instance, tenants noted improvement in garden maintenance of our properties, which was previously an area that tenants demanded attention and improvement. With specific regard to the implementation of new technologies and efficiencies, tenants were generally interested in investigating opportunities to further enhance the environmental performance of the property. Four tenants are incorporating LED lighting to further improve their energy efficiency, 22 tenants have indicated that they have had works done to improve energy efficiency in the last 12 months and another 16 tenants are looking to discuss opportunities to reconfigure or adapt their premises to provide greater efficiencies.

Sustainability Report

Investing in Communities

We align our Community Investment principles with that of our Sponsor's by shaping our community investment efforts around the theme of 'Wellness'. We aim to enhance the mental, physical and social well-being of our beneficiaries and communities.

In FY2018, the Manager's staff took part in community investment activities organised by the Frasers Group. FLT also held its inaugural Corporate Community Day to further encourage our staff to give back to society.

In FY2019, we will continue to contribute to the wellness of our communities and beneficiaries through active participation in various community investment activities.



Sharing through time - we involve our people to directly contribute to our communities.



Sharing through gifts - we give financially towards social causes that are important for our communities.



FLT Corporate Community Day: Meals-on-Wheels

In partnership with Touch Community Services, FLT held its inaugural Corporate Community Day event on 17 August 2018 by participating in the "Meals-On-Wheels" ration distribution event conducted by Touch Community Services, a Singapore Charity organisation.

21 FLT staff rallied together to deliver close to 100 meals, as well as goodie bags that were prepared by the team, to beneficiaries located in Singapore's Toa Payoh precinct. Mr Robert Wallace, Chief Executive Officer of the REIT Manager, also presented a cheque for S\$5,000 to Touch Community, in support of the Charity's community work.

The Big Umbrella “A Real Meal”

FLT staff joined Frasers Property Australia (“FPA”) staff to volunteer at Melbourne’s on-street soup station, The Big Umbrella, on 1 November 2017 and 28 February 2018. The soup kitchen provides essential meals and assistance to homeless members of the Melbourne community and relies on the time of volunteers for their success. The participants help to set up, put together packs for the homeless, served the meals and cleaned up afterwards.

September

Alongside other teams from FPA, 17 FLT staff forming four teams participated in the 2018 ‘September Challenge’. Conducted by the Cerebral Palsy Alliance, the September charity event challenges people to commit towards taking 10,000 steps a day for 28 days straight in the month of September, with the teams raising money by organising sponsorship from personal networks. A total of A\$5,068 was raised.

Wild Women on Top CoasTrek

Wild Women on Top organised a regular walking event in Sydney, Melbourne and the Sunshine Coast to raise money for the Fred Hollows Foundation. The Foundation supports the delivery of eye health services on the ground in remote areas of Australia and across the world. The Foundation targets the main causes of avoidable blindness such as cataract, trachoma, refractive error and diabetic retinopathy through improvements in nutrition and health and investing equipment and technology to prevent and restore eyesight loss.

Teams of four, with at least 50% women, have between 10 to 18 hours to complete a 30 or 60km challenge along the Australian coastline, getting fit while raising money to transform lives. The walk involves several months of planning, preparation and training. A total of 20 teams of Frasers staff, including two of our FLT staff members, joined the Sydney and Melbourne challenges on 25 May 2018. The Group raised a total of A\$81,129 for the Foundation through their participation in the walk as well as corporate donations.

“I am inspired to be part of a team that is focused on the future, and has taken heart to incorporate best-practice environmental, social and corporate governance principles as part of the company’s business, with an eye each on corporate success and environmental sustainability. FLT has also walked the extra mile to develop and promote meaningful CSR campaigns, empowering us to support good and meaningful causes.”

Mr Andrew Caldwell

Senior Asset Manager, FLIAM

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Universal Standards			
Organisational Profile			
GRI 102: General Disclosures	102-1	Name of the organisation	About Frasers Logistics & Industrial Trust (Pg 3)
	102-2	Activities, brands, products, and services	About Frasers Logistics & Industrial Trust (Pg 3)
	102-3	Location of headquarters	Corporate Information (Pg 97)
	102-4	Location of operations	About Frasers Logistics & Industrial Trust (Pg 3)
	102-5	Ownership and legal form	About Frasers Logistics & Industrial Trust (Pg 3) Trust Structure (Pg 4)
	102-6	Markets served	Portfolio Overview (Pg 74) Property Profiles (Pg 82)
	102-7	Scale of the organisation	About Frasers Logistics & Industrial Trust (Pg 3) FY2018 Highlights (Pg 5) People Focused – Cultivating Talent (Pg 117)
	102-8	Information on employees and other workers	People Focused – Cultivating Talent (Pg 117)
	102-9	Supply chain	Restoring Resources – Influencing Our Supply Chain (Pg 116)
	102-10	Significant changes to organisation and its supply chain	FY2018 Highlights (Pg 5) About This Report (Pg 104)
	102-11	Precautionary principle or approach	FLT does not specifically refer to the precautionary approach when managing risk; however, our management approach is risk-based, and underpinned by our internal audit framework.
	102-12	External initiatives	Progressive Thinking – Innovating The Way We Do Business (Pg 112)
	102-13	Membership of associations	Progressive Thinking – Innovating The Way We Do Business (Pg 112)
Strategy			
GRI 102: General Disclosures	102-14	Statement from senior decision-maker	Board Statement (Pg 105)
Ethics and Integrity			
GRI 102: General Disclosures	102-16	Values, principles, standards, and norms of behaviour	Our Unifying Idea (Pg 3) Progressive Thinking - Upholding Corporate Integrity (Pg 112)
Governance			
GRI 102: General Disclosures	102-18	Governance structure	Corporate Information (Pg 97) Managing Sustainability – Sustainability Governance (Pg 108)

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Universal Standards			
Stakeholder Engagement			
GRI 102: General Disclosures	102-40	List of stakeholder groups	Managing Sustainability – Stakeholder Engagement (Pg 109)
	102-41	Collective bargaining agreements	There are no collective bargaining agreements in place.
	102-42	Identifying and selecting stakeholders	Managing Sustainability – Stakeholder Engagement (Pg 109)
	102-43	Approach to stakeholder engagement	Managing Sustainability – Stakeholder Engagement (Pg 109)
	102-44	Key topics and concerns raised	Managing Sustainability – Stakeholder Engagement (Pg 109)
Reporting Practice			
GRI 102: General Disclosures	102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements (Pg 172)
	102-46	Defining report content and topic Boundaries	About This Report (Pg 104) Materiality Assessment (Pg 111)
	102-47	List of material topics	Materiality Assessment (Pg 111)
	102-48	Restatements of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	About This Report (Pg 104)
	102-51	Date of most recent report	December 2017
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	About This Report (Pg 104)
	102-54	Claims of reporting in accordance with GRI Standards	About This Report (Pg 104)
	102-55	GRI content index	GRI Content Index (Pg 124)
	102-56	External assurance	We have not sought external assurance on this data; however we intend to review this stance in the future.
	Management Approach		
GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	Materiality Assessment (Pg 111)
Topic-specific Standards			
Economic Performance			
GRI 103: Management Approach	103-2	The management approach and its components	Our Strategy (Pg 26)
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Financial Review (Pg 28) Financial Statements (Pg 151)

GRI Content Index

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Topic-specific Standards			
Anti-corruption			
GRI 103: Management Approach	103-2	The management approach and its components	Progressive Thinking – Upholding Corporate Integrity (Pg 112)
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	
Environmental Compliance			
GRI 103: Management Approach	103-2	The management approach and its components	Progressive Thinking – Upholding Corporate Integrity (Pg 112)
	103-3	Evaluation of the management approach	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	
Ethical Marketing			
GRI 103: Management Approach	103-2	The management approach and its components	Progressive Thinking – Upholding Corporate Integrity (Pg 112)
	103-3	Evaluation of the management approach	
GRI 417: Marketing and Labelling	417-3	Incidents of non-compliance concerning marketing communications	
Energy Management			
GRI 103: Management Approach	103-2	The management approach and its components	Restoring Resources – Conserving Energy (Pg 114)
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organization	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
Water Management			
GRI 103: Management Approach	103-2	The management approach and its components	Restoring Resources – Saving Water (Pg 116)
	103-3	Evaluation of the management approach	
GRI 303: Water	303-1	Water withdrawal by source	

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
Topic-specific Standards			
Staff Retention and Development			
GRI 103: Management Approach	103-2	The management approach and its components	People Focused – Cultivating Talent (Pg 117)
	103-3	Evaluation of the management approach	
GRI 401: Employment	401-1	New employee hires and employee turnover	Managing Sustainability – Stakeholder Engagement (Pg 109)
GRI 404: Training and Education	404-1	Average hours of training per year per employee	
	404-3	Percentage of employees receiving regular performance and career development reviews	
Labour/Management Relations			
GRI 103: Management Approach	103-2	The management approach and its components	People Focused – Cultivating Talent (Pg 117)
	103-3	Evaluation of the management approach	
GRI 402: Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	This is currently not covered in Group-wide collective agreements. The notice period varies
Health and Safety			
GRI 103: Management Approach	103-2	The management approach and its components	People Focused – Promoting Health and Wellbeing (Pg 119)
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	FLT is represented in the Sponsor’s Health and Safety senior management committee.
Local Communities			
GRI 103: Management Approach	103-2	The management approach and its components	People Focused – Investing in Communities (Pg 122)
	103-3	Evaluation of the management approach	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	

