



**ARALOGOS**  
LOGISTICS TRUST

ENDURING • EVOLVING • GROWING

**SUSTAINABILITY  
REPORT 2019**



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# INTRODUCTION

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## ABOUT ARA LOGOS LOGISTICS TRUST

ARA LOGOS Logistics Trust ("**ALOG**" or formerly known as Cache Logistics Trust) is a real estate investment trust ("**REIT**") that invests in income-producing real estate used for logistics as well as real estate-related assets in Asia Pacific. ALOG was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 12 April 2010.

As at 31 December 2019 ("**FY2019**"), ALOG's portfolio comprised of 27 high-quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia encompassing a total gross floor area of 9.0 million square feet ("**sq. ft.**") and an appraised value of S\$1.26 billion.

ALOG is managed by ARA LOGOS Logistics Trust Management Limited (the "**Manager**") and ARA LOGOS

Property Management Pte Ltd ("**Property Manager**") as its property manager. The Manager and Property Manager are both wholly-owned subsidiaries of LOGOS Group ("**LOGOS**"). LOGOS is one of Asia Pacific's leading logistics property groups with over 6 million sqm of property owned and under development, and a completed value of S\$9.4 billion across 18 ventures. ARA Asset Management Limited ("**ARA**" or the "**Group**") is a majority shareholder of LOGOS, which operates as ARA's global logistics real estate platform.

The Manager is focused on value creation through the pursuit of disciplined acquisition, growth and proactive portfolio management strategies. Coupled with an emphasis on prudent capital and risk management, ALOG strives to deliver regular and stable distributions to Unitholders and achieve long-term sustainable growth.

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## VISION, MISSION AND VALUES

ALOG's vision is to provide its customers with the highest quality logistics real estate solutions in Asia Pacific.

Its mission is to deliver regular and stable distributions to Unitholders and achieve long-term sustainable growth in Distribution Per Unit and Net Asset Value. ALOG aims to

continue to create value for all its stakeholders through building a strong portfolio and adopting the best practices in risk management, corporate governance and sustainability. The Manager adopts the core values of the ARA Group when conducting its day-to-day operational activities.

**FIGURE 1: THE MANAGER'S CORE VALUES:**



# INTRODUCTION

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## BOARD STATEMENT

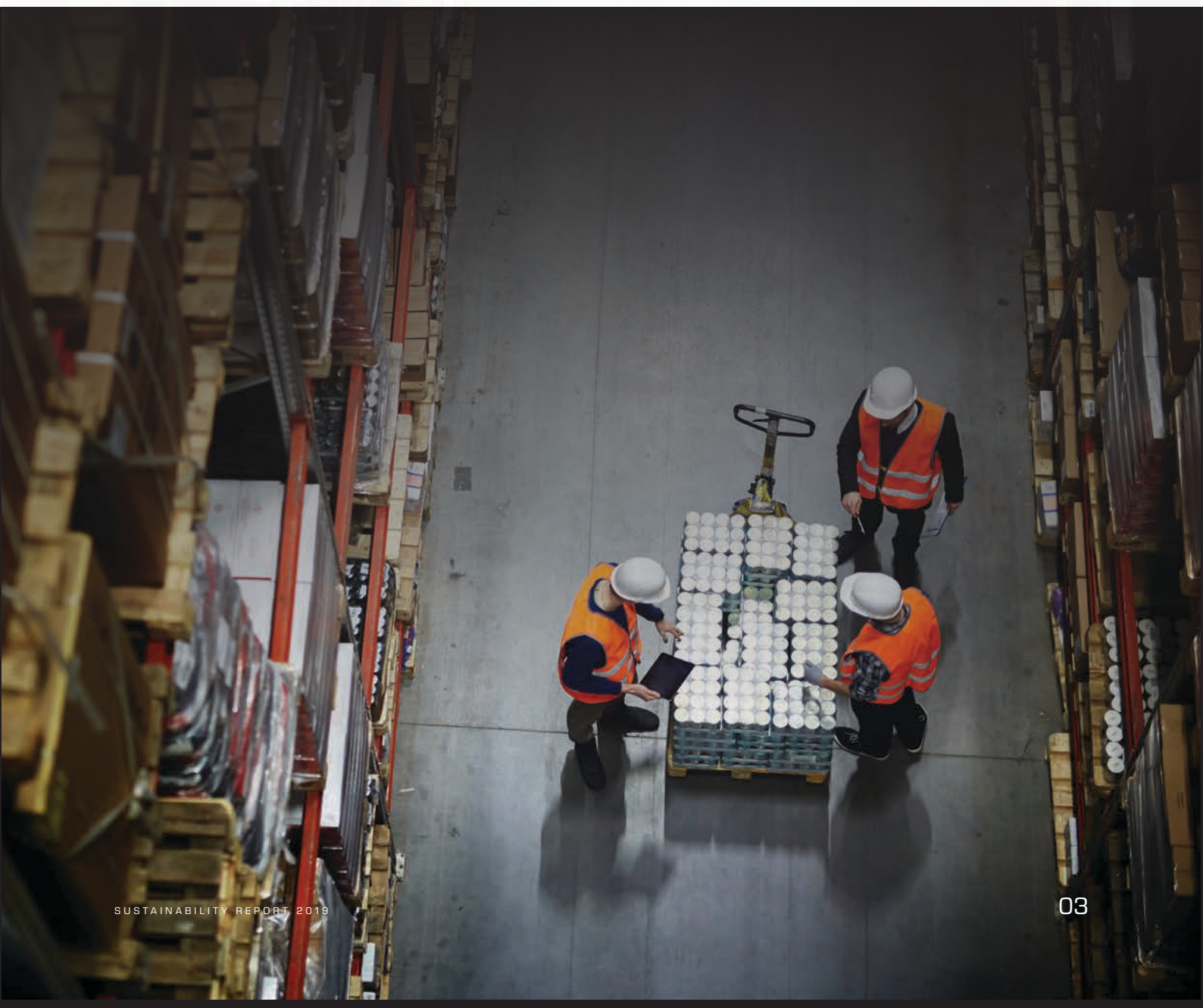
ALOG has built its organisation on a solid foundation of strong governance and operational excellence. With the publication of its first sustainability report in FY2017, ALOG has since continued to improve the disclosures of its Environmental, Social and Governance ("ESG") issues in its yearly sustainability reports.

This latest sustainability report for FY2019 discloses ALOG's performance against its key material ESG matters. The Manager conducts regular reviews and peer benchmarking exercises to ensure its sustainability strategy remains aligned with industry best practices.

The Board of Directors ("**Board**") drives ALOG's commitment in value creation for all its stakeholders through building a strong portfolio of properties. ALOG endeavours to adopt

best-in-class approaches to risk management, corporate governance and sustainability. The Board views this as a key part of ALOG's responsibility to contribute to society, not just economically, but also through its ESG actions. This includes the Manager upholding its high standards of corporate governance, overseeing fair employment and ensuring the efficient use of resources to minimise environmental footprint across the portfolio.

The Board has approved ALOG's material ESG matters and has determined their continued relevance for the current year. It has considered these sustainability issues as part of its strategic formulation and oversees the monitoring and management of all material ESG matters. The Board thus ensures that the Manager remains accountable for upholding ALOG's commitment towards sustainability.



# INTRODUCTION

## ABOUT THIS REPORT

The Manager is pleased to present ALOG's sustainability report, published for FY2019. This report provides an overview of ALOG's ESG impacts and its ongoing efforts in achieving sustainable management of its logistics-related properties.

### SUSTAINABLE ECONOMIC VALUE

By integrating ALOG's business strategies and operations with effective sustainability practices and policies, the Manager aims to achieve sustainable economic growth and long-term Unitholder value. Accordingly, this report reflects the interrelation between ALOG's sustainability policies, practices and performance, and its overall financial performance through the governance, socioeconomic and environmental perspectives.

For a detailed breakdown of ALOG's FY2019 financial results, please refer to the Operations and Financial Review section (pages 28 to 38) and Financial Statements (pages 102 to 179) in the FY2019 Annual Report.

### REPORTING FRAMEWORK

This report is prepared in accordance with the Global Reporting Initiative ("GRI") Standards - 'Core' option and the GRI Construction and Real Estate Sector Supplement ("CRESS"). The GRI Standards are internationally recognised and widely used as a reporting framework globally. As such, the GRI Standards continue to be deemed most suitable for ALOG's sustainability reporting. Where applicable, reference is also drawn from the Sustainability Reporting Guide of the

SGX-ST Practice Note 7.6 in meeting the primary components as set out in the SGX-ST Mainboard Listing Rule 711(B). Please refer to the GRI Content Index, which is appended to this report.

### REPORT PERIOD AND SCOPE

The reporting period covered in this report is for FY2019, from 1 January 2019 to 31 December 2019 with relevant prior year comparatives.

For environmental metrics, the report is focused on ALOG's portfolio of multi-tenanted properties in Singapore, excluding any master lease / single-tenant properties where the Manager does not have control over the day-to-day operations. When such properties are converted to multi-tenanted leases, as has happened during the reporting period, the Manager will include the relevant data in the reports going forward.

The reporting scope covered in this report comprises seven properties in Singapore, which are described in the table below. This report included full year data for Commodity Hub as it converted from a master lease to a multi-tenanted lease in April 2018. Cache Gul LogisCentre (formerly known as Precise Two) is also included for the first time in this report, as the master lease expired and the property was converted to multi-tenancy in April 2019.

For socioeconomic and governance performance, this report covers the employees of the Manager.



# INTRODUCTION

**Figure 2: Report Scope - Properties Included In This Report**

Singapore	Property Type
DHL Supply Chain Advanced Regional Centre (DHL Supply Chain ARC)	Ramp-up logistics warehouse (partly air-conditioned) with ancillary office facilities
Cache Cold Centre	Ramp-up logistics warehouse (majority chiller/freezer) with ancillary office facilities
Cache Changi DistriCentre 1	Ramp-up logistics warehouse (partly air-conditioned) with ancillary office facilities
Cache Changi DistriCentre 2	Cargo-lift logistics warehouse (partly air-conditioned) with ancillary office facilities
Commodity Hub	Ramp-up logistics warehouse (partly air-conditioned) with ancillary office facilities
Pandan Logistics Hub	Ramp-up logistics warehouse (partly air-conditioned) with ancillary office facilities
Cache Gul LogisCentre (formerly Precise Two)	Ramp-up logistics warehouse with ancillary office facilities

For more details on ALOG's property portfolio, please refer to ARA LOGOS Logistics Trust's FY2019 Annual Report.

## ASSURANCE

The Manager has not sought external assurance for this reporting period. The Manager shall consider external assurance by independent professional bodies as the reporting structure matures over time.

## CONTACT

The Manager values and welcomes feedback from stakeholders as they are integral to ALOG's sustainability reporting process. Please send any comments and/or suggestions on ALOG's reporting disclosures to [alog-enquiry@ara-group.com](mailto:alog-enquiry@ara-group.com).

# INTRODUCTION

## STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a crucial part of ALOG's sustainability reporting. Regular engagements with stakeholders are conducted through various platforms, which provide insights into stakeholders' concerns and allow

them to raise any issues related to ESG matters. ALOG's approach towards stakeholder engagement activities is outlined in Figure 3.

**Figure 3: Stakeholder Engagement**

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Key Interests by Stakeholder	ALOG's Response to Key Interests during the year
Unitholders / Investors	Investor conferences, face-to-face meetings and non-deal roadshows	Regular	Sustainable returns	<p>Maintained proactive communication with the investment community to keep them updated on operational performance, business outlook and strategy.</p> <p>All email / phone correspondences are followed through with an internal guideline of responding within three business days.</p> <p>Please refer to page 24 and 25 of the FY2019 Annual Report for more information.</p>
	Quarterly announcements of financial results and distributions	Quarterly	Timely, transparent and accurate disclosures	
	Financial results briefings	Half-yearly	Good corporate governance	
	Informative investor relations section of the corporate website	Throughout the year	Net asset value growth	
	Dedicated Investor Relations team	Throughout the year	Performance of assets	
	Annual General Meeting	Annually		
	Publications including the Annual Report and Sustainability Report	Annually		
Existing and Prospective Tenants	Regular site visits	As appropriate	Quality assets and services that cater to logistics needs	<p>Pro-actively engaging tenants in respect of their property-related issues and discussing where/ how ALOG can provide real estate solutions to improve their businesses.</p> <p>Progressively replacing building fixtures with those that provide energy and water-saving features.</p> <p>Actively reviewing properties to see where asset enhancement initiatives ("AEIs") can be implemented for both existing and new tenants to improve their operations as well as increase income and value for ALOG.</p> <p>Achieved occupancy rates of between 90.0% to 95.3% throughout FY2019.</p>
	Phone calls, notices and email correspondences	As required	Competitive rental rates	
	Tenant engagement events (including social lunches, tenant survey and festive events)	Regular	Regular tenant engagement	
	Meetings	Ad-hoc / Regular		
Third-party service providers	Meetings	Ad-hoc / Regular	Prompt payment according to deliverables	<p>Adopted electronic payment mode and encouraged vendors to participate in electronic payment mode to speed up the payment process to the vendors.</p> <p>Post-completion / regular meetings to obtain feedback and discuss how to improve ALOG-supplier interface and work processes.</p>
		Ad-hoc / Regular	Cordial working relationship	
			Efficient work processes and productivity	



# INTRODUCTION

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Key Interests by Stakeholder Group	ALOG's Response to Key Interests during the year
Community	Social and community events	As appropriate	Create a positive impact on the communities they operate in	The Manager, working closely with ARA, participated actively in employee volunteerism and other community involvement activities, which included ARA Partnership with NTUC First Campus to Bring Over 750 Pre-School Kids to the Zoo, Suntec City Blood Donation Drive and the SGX Bull Charge Charity Run 2019.
	Sponsorships	As appropriate		
	Media engagement	As appropriate	Help the vulnerable groups in society	
	Scholarships	As appropriate	Foster strong community ties	
Employees of the Manager	Employee satisfaction survey	Biennially	Good employee welfare and working environment	The Manager, along with the Group Human Resource ("HR") division of ARA Group, participated in training programmes and employee welfare events throughout the year.
	Employee appraisals	Biennially		
	Team cohesion activities	Throughout the year	Fair employment practices	
	Training programmes and skills development	Regular	Opportunities for career development and advancement	
	Orientation programme for new employees	Regular		
	Employee volunteering activities	Regular	Health and safety Skills development and training	
Government	Participation in industry forums	Regular	Compliance with rules and regulations  Good corporate governance	<p>The Manager continues to participate actively in dialogue and feedback sessions held by JTC Corporation and various industry associations for topics related to the REIT industry and the industrial sector.</p> <p>ALOG participates regularly in the Annual REITs Symposium as part of the ARA Group.</p> <p>The Group is represented in several industry bodies such as:</p> <ul style="list-style-type: none"> <li>• Association of Real Estate Professionals;</li> <li>• Real Estate Investment Trust Association (REITAS);</li> <li>• Investor Relations Professionals Association Singapore;</li> <li>• Securities Investors Association (SIAS);</li> <li>• Property Council of Australia;</li> <li>• Real Estate Developers' Association of Singapore (REDAS);</li> <li>• Singapore Chinese Chamber of Commerce &amp; Industry;</li> <li>• Singapore Green Building Council; and</li> <li>• Singapore Institute of Directors.</li> </ul>
	Meetings and dialogue sessions	As appropriate		

# INTRODUCTION

## MATERIALITY ASSESSMENT

The Manager determines material ESG related matters that have significant impacts on ALOG and its various stakeholders. These issues influence the decision-making process of the stakeholders and consequently affect ALOG's achievement of short and long-term goals. In FY2019, the Manager performed

a review of the existing material matters and reaffirmed that the reported material matters continue to be relevant. Going forward, the Manager plans to engage external stakeholders in the assessment of material ESG issues.

**Figure 4: Materiality Assessment Process**

	FY2017 / 2018	FY2019
Identification of sustainability matters	<p>A formal materiality assessment workshop was conducted by an independent Sustainability Consultant with active participation of key representatives from the Manager and the Property Manager to identify the sustainability matters most relevant and significant to ALOG's internal and external stakeholders.</p> <p>A list of potential sustainability matters and associated risks and opportunities was identified through:</p> <ul style="list-style-type: none"> <li>• Peer benchmarking review of material matters</li> <li>• Identification of internal and external stakeholders</li> <li>• Discussion with key management representatives to understand their concerns, and the concerns of key external stakeholders with whom they communicate with.</li> </ul>	<p>In FY2019, the material matters were reviewed to ensure their relevance. This validation included a fresh peer benchmarking exercise to ensure ALOG's sustainability efforts are in line with industry best practice.</p> <p>The continued relevance of ALOG's material sustainability matters were reviewed and approved by the Board of Directors.</p>
Prioritisation	<p>These sustainability matters were then prioritised through an unbiased, anonymous electronic voting exercise. The following set of criteria was used to determine the significance of each matter:</p> <ul style="list-style-type: none"> <li>• Relevance to ALOG's business model, strategies and outcomes</li> <li>• Likelihood and impact on the continuity of the business</li> <li>• Influence on decision-making processes of key internal and external stakeholders</li> </ul>	
Validation	<p>The results of the materiality voting exercise were further validated by benchmarking against other REIT Managers in the sector. Based on this validated list of material sustainability matters, the Manager put in place systems to incorporate sustainability across various business functions.</p>	
Review	<p>A final materiality assessment was conducted to evaluate the relevance of the material matters to determine their impact on internal and external stakeholders. From the assessment, the Manager has distilled five most critical sustainability matters and three additional sustainability matters for reporting.</p> <p>These material sustainability matters were presented by the Sustainability Consultant at a ALOG Board Meeting and approved by the Board of Directors. A similar review was then repeated in FY2018.</p>	

# INTRODUCTION

Figure 5: Materiality Matrix

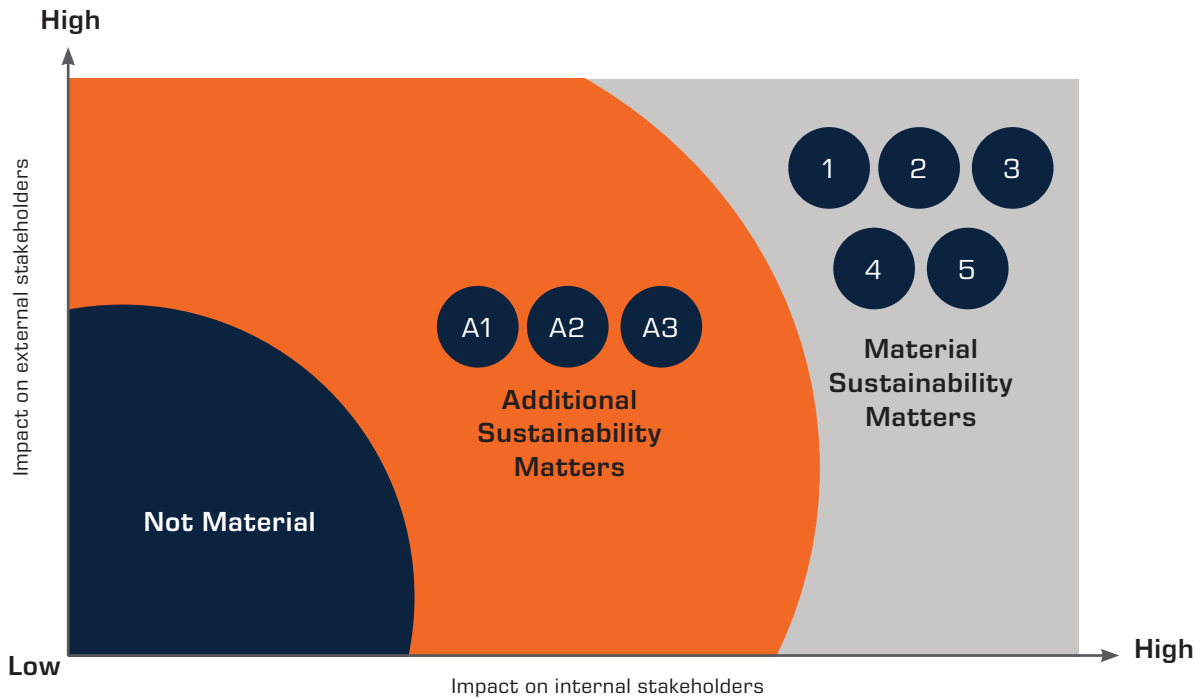


Figure 6: Material Issues Mapped to GRI Standards Topics

HIGH PRIORITY (MATERIAL SUSTAINABILITY MATTERS)		
In no particular order of importance	Report Section	Page Number
1 Corporate Governance	Governance	11
2 Quality of Assets and Services	Quality of Assets and Services	16
3 Tenant and Visitor Health, Safety and Security	Tenant and Visitor Health, Safety and Security	17
4 Occupational Health and Safety	Occupational Health and Safety	24
5 Energy Consumption and Carbon Footprint	Environment	25
CHOSEN FOR REPORTING (ADDITIONAL SUSTAINABILITY MATTERS)		
A1 Security of Information	Security of Information	19
A2 Employment Practices	Employee Well-being	22
A3 Talent Development	Talent Development	23

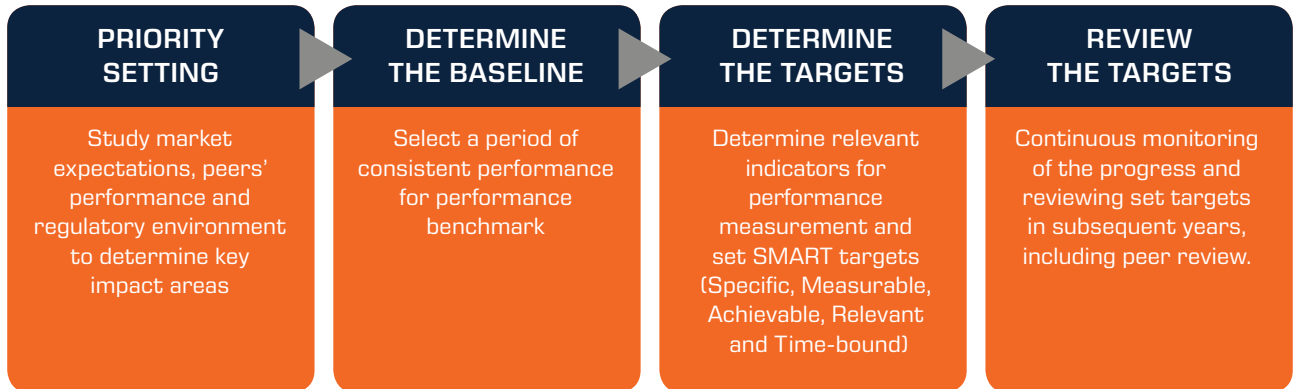
The above figure presents the five material sustainability matters and three additional sustainability matters that have been selected for reporting.

# INTRODUCTION

In addition, the Manager recognises that to drive performance, it is necessary to have mid and long-term, quantitative targets

for ALOG's material sustainability matters. The target setting process employed by ALOG is set out in Figure 7 below.

Figure 7: Target Setting Process



In FY2019, the Manager reviewed and confirmed the relevance of all perpetual targets for Governance and Social aspects in line with the Target Setting Process. A peer benchmarking exercise was also conducted to ensure that

ALOG's targets set are in line with industry standards. These targets were presented and approved by the Board and disclosed in the respective sections that follow.



# GOVERNANCE

## UPHOLDING STRONG GOVERNANCE

### APPROACH

Good corporate governance is the foundation for a successful, trusted and respected business organisation. The Manager strives to uphold the highest standards of corporate governance, integrity and accountability through sustainable governance based on its corporate governance framework.

external auditors, as well as an established system of policies, procedures and internal controls. In upholding the corporate governance standards, the Manager acts in the best interests of Unitholders to deliver regular and stable distributions and achieve long-term growth in the asset value of its properties.

The corporate governance framework comprises oversight of the Board, involvement of independent internal and

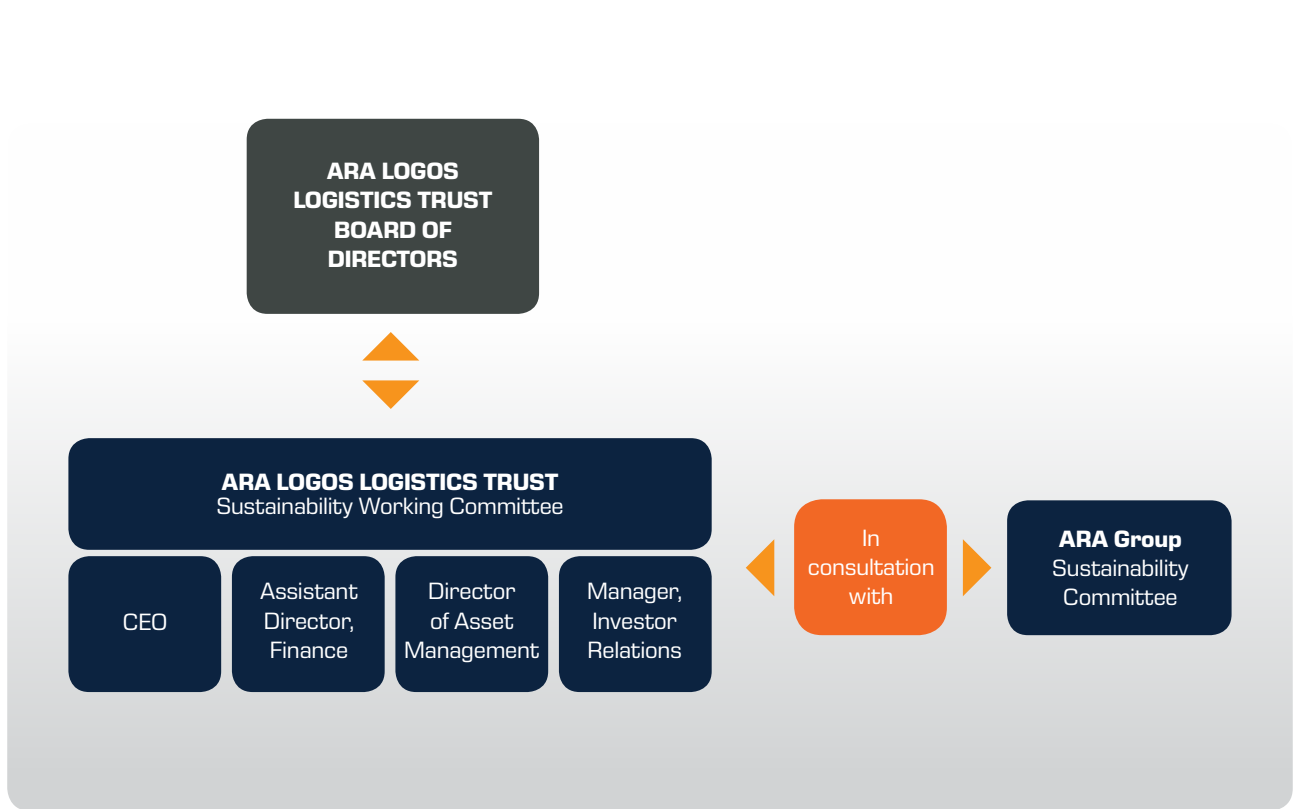
For more details on ALOG's Corporate Governance, please refer to the Corporate Governance section in ARA LOGOS Logistics Trust's FY2019 Annual Report.

### RESPONSIBILITY FOR SUSTAINABILITY GOVERNANCE

The Manager has established an ALOG Sustainability Working Committee (the "**Committee**"), which comprises of the Chief Executive Officer ("**CEO**") along with senior representatives from finance, investor relations and asset management functions. The Committee takes the lead in enhancing ALOG's sustainability reporting disclosures, improving performance

targets and systems and developing responsible business practices in accordance with ALOG's sustainability philosophy. The Committee reports to the Board at least once annually on ALOG's sustainability performance. Please refer to Figure 9 which presents a summary of sustainability policies which apply to all ARA entities.

Figure 8: ALOG's Sustainability Governance and Organisational Structure



# GOVERNANCE

## UPHOLDING STRONG GOVERNANCE

In FY2019, the Committee conducted a review on the effectiveness of ALOG's sustainability management system, and it was concluded that robust policies and practices have

been in place to manage the key material matters identified. A summary of ARA Group's sustainability policies adopted by ALOG is appended below.

**Figure 9: Summary of Sustainability Policies which apply to all ARA Entities**

ARA GROUP-LEVEL POLICIES	
Governance	
<b>Anti-Bribery Policy</b>	ARA adopts a zero-tolerance stance towards bribery and corruption. All employees are required to adhere to a Code of Ethics and observe ethical behaviour. Employees are expected to conduct and carry themselves in a manner consistent with the values of ARA.
<b>Internal Code on Securities Dealing</b>	ARA has in place an internal code which prohibits Directors of the Company and executives of the Group from dealing in the units of publicly-listed REITs managed by the Group, while in possession of unpublished material or non-public price sensitive information in relation to such securities and during the "black-out period" in respective jurisdictions.
<b>Whistle Blowing Policy</b>	ARA has in place a Whistle Blowing Policy which allows employees, in confidence, to report possible improprieties to the Receiving Officer appointed by the Board in a responsible and effective manner.
<b>Policy on Conflict of Interest</b>	ARA details a rigorous set of procedures to address any potential conflict of interest. All employees and major service providers have to declare any potential conflicts of interest before entering into transactions. All interested person transactions and situations of conflicted interest are subject to review by the Audit Committee.
<b>Fraud Risk Management Framework</b>	ARA's fraud risk management framework sets out the principles and a robust system of controls and procedures for managing fraud risks. The processes established to identify and assess areas exposed to fraud are clearly defined and incorporated in the Risk Profile Register.
Social	
<b>Building Safety Policy</b>	<p>ARA is dedicated to ensuring the safety of all tenants and visitors at its properties, and to stay in compliance with all safety and security regulations. As an investor-cum-operator, ARA invests in quality properties with good standing, reputation, track record, and necessary regulatory certifications.</p> <p>In assessing potential acquisitions, ARA carries out applicable tests on geotechnical, structural and architectural works, including the mechanical and engineering systems of the building.</p>
<b>Cyber Security Policy</b>	ARA recognises the increased risk of cyber-attacks and hence the importance of cyber security in the Company. ARA will maintain, secure and ensure legal and appropriate use of ARA's Information Technology infrastructure and system. ARA also seeks to enforce its IT policies, safeguard the integrity of computers, networks, data and all IT property to ensure that the use of electronic communications, computers, IT and network systems complies with its policies.
<b>Personal Data Protection Act Policy</b>	ARA respect the confidentiality of personal data and privacy of individuals, and are committed to complying with the Singapore Personal Data Protection Act ("PDPA"). The PDPA is designed to protect the confidentiality of data and the privacy of individuals by regulating the way in which personal data is managed, including outlining the purposes for which personal data is collected, used and disclosed.
<b>Diversity and Equal Opportunities Policy</b>	ARA embraces workplace diversity by hiring talent from different backgrounds, cultures and languages based on merit. It respects and appreciates differences in ethnicity, gender, age, nationality, disability, sexual orientation, education and religion. It also provides all employees with equal opportunities for skills training and development and rewards all employees fairly based on their performance and contribution.
<b>Child or Forced Labour Policy</b>	ARA prohibits the employment of anyone below the age of 13 years in any form of labour. It also does not tolerate forced labour of any kind, including slave labour, prison labour, indentured labour, or bonded labour, including forced overtime hours.

# GOVERNANCE

## UPHOLDING STRONG GOVERNANCE

ARA GROUP-LEVEL POLICIES	
Social	
<b>Health, Safety and Well-being Policy</b>	ARA is committed to providing a healthy and safe environment for its employees and ensuring that the operations comply with the relevant occupational health and safety regulations. In line with the Building Safety Policy, ARA provides a safe workplace for its employees to perform their work and regular safety inspections are carried out to prevent accidents. ARA is also focused on employee wellness and engagement by promoting work-life balance and encouraging its employees to lead an active and healthy lifestyle.
<b>Performance and Career Development Policy</b>	ARA recognises that its success is driven by a performance-based culture which emphasises talent development, career advancement and employee training. ARA's talent management program provides developmental opportunities for its employees and grooms them into future leaders for critical positions across the region.
<b>Remuneration Policy</b>	ARA seeks to remain competitive by attracting and retaining the best talent. It conducts routine benchmarking exercises against different geographical markets and industries to ensure that its compensation packages are adequate and competitive in the market. Employees are motivated and incentivised through a performance-based culture with competitive fixed and variable pay components. All employees are rewarded fairly based on their ability, contribution, performance and experience.
<b>Worker Rights Policy</b>	ARA employees are entitled to fundamental principles and employee rights at work. This includes the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination with respect to employment and occupation. ARA also abides by the Ministry of Manpower legislation for workplace safety and health, the Employment Act and the CPF Act.
<b>Quality of Assets &amp; Services Policy</b>	ARA is committed to differentiate from its peers by providing exceptional quality of assets and services, to attract good tenants and high footfall to the properties and therefore deliver greater returns to the unitholders. ARA also strives to maintain high tenant satisfaction within its properties by understanding and responding to the needs of tenants.
Environment	
<b>Climate Change Adaptation Policy</b>	ARA is committed to identifying and responding to climate change risks, and to act on opportunities to enhance the Company's property portfolio. Managing the efficient use of electricity and water represents a dual opportunity to reduce its carbon and water footprint while saving on utility costs to improve returns to investors.
<b>Energy Consumption / Management Policy</b>	ARA is committed to improving energy efficiency and reducing energy consumption at the properties. It endeavours to work closely with Property Managers towards educating tenants and making improvements to the operations, where possible.
<b>GHG Emission / Management Policy</b>	ARA is committed to minimising the emission of greenhouse gases and the release of toxic or harmful materials from the properties. ARA also seeks to comply with the relevant environmental standards in countries where it operates, as well as to monitor its buildings' emission intensity in line with expectations in the industry.
<b>Environmental Attributes of Building Materials</b>	ARA believes in valuing and protecting the environment through its procurement of building materials. Besides price and quality, ARA considers potential environmental and ecological impacts when sourcing for suppliers and contractors.
<b>Environmental Compliance</b>	ARA is committed to ensuring the health, safety and security of its stakeholders, and in maintaining its tenants' satisfaction.

# GOVERNANCE

## UPHOLDING STRONG GOVERNANCE

### REGULATORY COMPLIANCE

The Manager seeks to uphold its ethical principles based on ARA's core values of Respect, Excellence, Integrity and Teamwork in all its business activities. Accordingly, the Manager adopts a comprehensive Compliance Framework established by the ARA Group to ensure that ALOG fully complies with the relevant laws and regulations.

Working closely with ARA Corporate Division and external legal professionals on legal and regulatory matters, the

Manager puts in place effective internal controls and procedures that embed compliance into ALOG's day-to-day operations. The Manager proactively consults the relevant authorities such as the Monetary Authority of Singapore ("MAS") and SGX-ST, and also provides frequent feedback on regulatory regimes. The Manager's approach towards compliance is further detailed in Figure 10 below.

Figure 10: Risk Management and Control





# GOVERNANCE

## UPHOLDING STRONG GOVERNANCE

### RISK MANAGEMENT

The Manager adopts a comprehensive approach towards risk management in safeguarding ALOG's assets against material losses. The Board, with the support of the Audit Committee ("AC"), has oversight over the Manager's system of risk management and internal controls. ALOG's Enterprise Risk Management ("ERM") framework covers the management of ALOG's strategic enterprise, operational, financial and compliance risks, whilst taking into consideration the governance, socioeconomic and environmental aspects of the business. The Manager reports updates to the risk profiles on a quarterly basis to the AC.

The Manager has adopted prudent investment strategies, effective asset management and proactive stakeholder engagement in managing its strategic risks. The aim is to achieve balancing risks and returns across its portfolio and reach sustainable long-term growth. The Manager manages the day-to-day operational risks, which include human capital. As such, the Manager has established remuneration

policies on compensation, benefits and succession planning. In addition, the Manager has put in place various measures at the properties to manage operational risk relating to quality of assets and services and health and safety.

The Manager also manages the financial risks related to ALOG's capital structure and financial position. Together with ALOG's internal control activities, the ERM framework seeks to provide assurance in complying with applicable laws and regulations in various jurisdictions. The Board is updated on ALOG's overall risk profile and key risk areas on a quarterly basis, including the assessment of internal controls and mitigating actions.

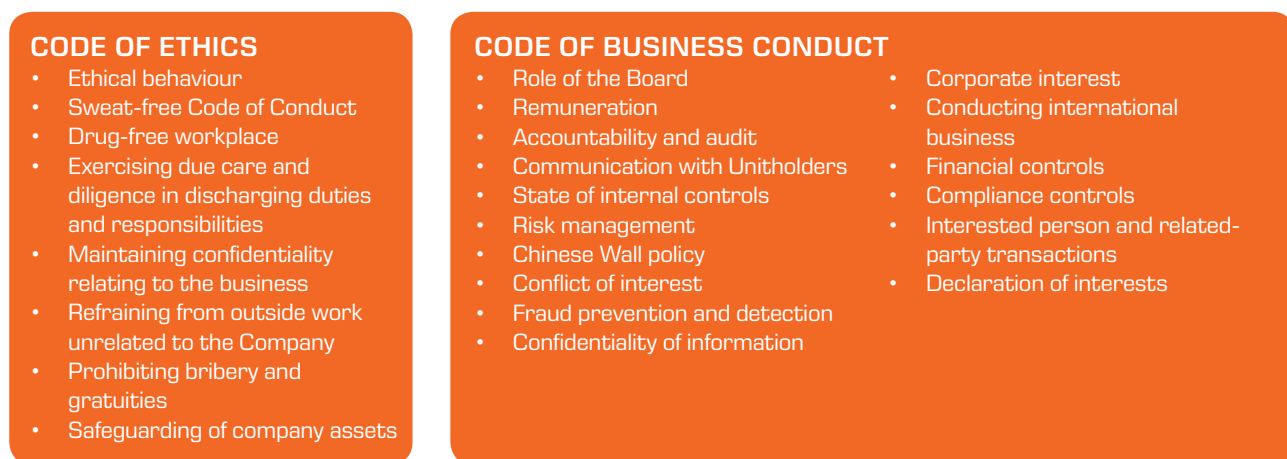
The Corporate Governance Report, found on pages 77 to 94 of the FY2019 Annual Report, sets out the corporate governance policies and practices to comply with the principles of the Code of Corporate Governance.

### ETHICAL BUSINESS CONDUCT

ALOG's core values of Respect, Excellence, Integrity and Teamwork are integrated throughout its business operations. The Code of Ethics and Code of Business Conduct (collectively "the Codes") set out the Manager's governance policies against fraud, corruption, insider trading and misuse of confidential information. All new employees are provided

training on the Codes as part of the Manager's induction training, where emphasis is placed on zero tolerance towards any wrong doings and breaches. Existing staff annually reaffirm their declarations on compliance with the Codes, and any non-compliance will result in disciplinary action and/or immediate dismissal.

Figure 11: Code of Ethics and Code of Business Conduct



### GOAL & PERFORMANCE

#### PERPETUAL TARGET



# ZERO

validated cases of corruption, fraud and non-compliance with the policies.

#### PERFORMANCE FOR FY2019



# ACHIEVED

# SOCIAL

## DELIVERING EXCEPTIONAL VALUE

### QUALITY OF ASSETS AND SERVICES

#### APPROACH

The Manager believes that the quality of asset and property services is critical to ensuring tenant satisfaction. High quality assets, along with regular upkeep and maintenance, attract and retain quality tenants. In achieving high rental and occupancy rates, the Manager strives to deliver sustainable returns to Unitholders.

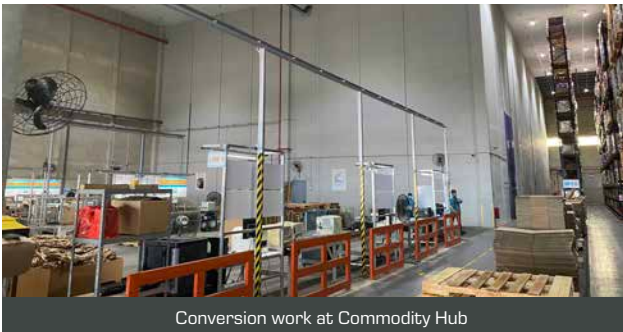
The Manager has put in place a comprehensive investment and asset management policy. Strategically, it focuses on acquiring stable income-producing properties in locations with good logistics networks. It also constantly explores opportunities to improve operational efficiency and asset

enhancements to its portfolio. The properties should be well-designed and up-to-date so that maintenance and capital expenditure will be lower as compared to older assets.

Relevant environmental and technical assessments are conducted on aspects such as structural safety, mechanical and electrical systems, and energy efficiencies. In its day-to-day management, the Manager works closely with the Property Manager to improve the sustainable performance of properties through maintenance and upgrading (i.e. asset enhancements). Regular feedbacks from tenants are gathered to better understand and meet their needs.

#### ASSET ENHANCEMENT INITIATIVES (“AEIs”)

- Commodity Hub and Pandan Logistics Hub - In FY2019, ALOG upgraded sprinkler systems for over 600,000 sq ft of lettable area to meet modern logistics warehouse user requirements.
- Commodity Hub – ALOG converted ambient warehouse space to air-conditioned space to suit tenants’ operational needs and secured leases with higher rental.
- Various properties – ALOG progressively replaced the normal lights into energy-saving LED lights. The LED lights replaced in Year 2019 (investment cost approximately S\$171,000) projected to save approximately 228,000 kWh per annum.
- Cache Gul LogisCentre – ALOG secured lease with a major tenant and is in the midst of upgrading power, LED lights and subdivision for this new tenant. This AEI project has resulted in securing full warehouse occupancy at Cache Gul LogisCentre as well as a higher rental.



Conversion work at Commodity Hub



AEI in progress at Cache Gul LogisCentre

### GOAL & PERFORMANCE

#### PERPETUAL TARGET



Maintain a strong portfolio occupancy rate above the Singapore industrial average<sup>1</sup>

#### PERFORMANCE FOR FY2019



**ACHIEVED**

The Manager aims to maintain a strong portfolio occupancy through the delivery of high-quality assets and services. In FY2019, the Manager’s proactive asset management policy has added value to its tenants’ operational efficiency, resulting in a high committed portfolio occupancy rate 95.3% as of 31 December 2019 (31 December 2018: 95.0%). This is above the Singapore warehouse market’s occupancy rate of approximately 88.0% for warehouses<sup>2</sup>.

<sup>1</sup> JTC island-wide warehouse sector.

<sup>2</sup> JTC Quarterly Market Report Industrial Properties - 4Q 2019.

# SOCIAL

## DELIVERING EXCEPTIONAL VALUE

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### QUALITY OF SUPPLIERS

ALOG seeks to promote sustainability in its supply chain processes and appoint responsible and ethical suppliers. The Manager and Property Manager work actively with approximately 74 active suppliers in areas such as cleaning, security, electricity retailer, air-conditioning, M&E, general building, water-proofing, landscaping, fire protection, pest control and waste disposal. Potential vendors undergo a thorough procurement process which ensures that quality suppliers are selected based on their price, value, business ethics and compliance with applicable socioeconomic and environmental regulations. The relevant suppliers are required to provide information on their risk management

plans in accordance with the Workplace Safety and Health Regulations 2006, including their track record in green projects and initiatives. On an annual basis, the Manager and Property Manager evaluate the performance of these suppliers based on the time and quality of delivery, response time to queries, compliance with contract term, tenant's feedback and regulatory licence. Suppliers who achieve overall satisfactory performance and above will remain on the approved vendor list, while suppliers with unacceptable performance are removed from vendor list and prohibited from providing services in the future. Only approved vendors can be invited for quotation or tender processes.

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### TENANT AND VISITOR HEALTH, SAFETY AND SECURITY

#### APPROACH

The health, safety and security of tenants and visitors are one of the main focus of ALOG's long-term sustainability. The Manager actively upholds the maintenance and upkeep of the properties and responds swiftly to potential disruptions and challenges. As part of providing a safe workplace environment for its tenants and visitors, the Manager has installed Security Access control system (with access barriers and electromagnetic locks), closed-circuit televisions and deployed security guards at its properties.

As a key part of ALOG's "safety first" mindset, regular safety inspections are carried out by the Property Manager at the properties to prevent accidents or related health issues. The Property Manager also appoints a licensed pest control company to carry out weekly mosquito and monthly pest control at all its multi-tenanted properties.

ALOG's properties comply with the Singapore Civil Defence Force ("**SCDF**") fire safety standards, with an Emergency Response Plan put in place. Licensed security officers assigned from security firms patrol the properties regularly. In addition, a designated Fire Safety Manager ("**FSM**") is appointed for each property. Based on SCDF guidelines, the FSM conducts two table-top exercises and two fire evacuation drills annually. A Fire Evacuation Drill report, including details on the evacuation procedures, list of participants, total time taken for the evacuation process and recommendations for improvements, is submitted to the Property Manager. The FSM also ensures that the fire-fighting system is well maintained and secured from tampering, while the properties' escape routes are clearly communicated to the tenants and are free of obstructions.

Based on the Company Emergency Response Team ("**CERT**") Scheme, the Licensed security officers are certified CERT trained, alongside members from the Property Manager to be trained as first responders in preventing emergencies from escalating into a major disaster at the properties. In addition, information regarding safety procedures and house rules are

provided to tenants via the Tenant Handbook, which contains a detailed guide on instructions and rules for fitout works at their premises.

Regular site inspections, as well as external safety audits, are conducted regularly on a rotational basis to assess the effectiveness of safety standards and procedures. The audits identify any building integrity issues and potential safety lapses. Findings from the audits are followed up diligently by the Property Manager. These include replacing the deteriorated light fixture and blurred mirror. ALOG also engages professional engineers to conduct Periodic Structural Inspection every 5 years as per BCA's requirement. In addition, qualified professional consultants are appointed by the Manager during the acquisition process to determine the health and safety characteristics of the prospective property. The consultants perform checks on the building's architectural plans, mechanical and electrical systems, fire compliance and structural integrity tests to uncover any potential health and safety issues.

Figure 12: Fire Drill Exercises Conducted at the Properties



# SOCIAL

## DELIVERING EXCEPTIONAL VALUE



**Figure 13: Incidents Concerning Health and Safety for All Properties**

Incidents concerning health and safety	FY2017	FY2018	FY2019
Non-compliance with regulations resulting in a fine or penalty	1	1	1
Non-compliance with regulations resulting in a warning	-	1	-
Non-compliance with voluntary codes	-	-	-

# SOCIAL

## DELIVERING EXCEPTIONAL VALUE

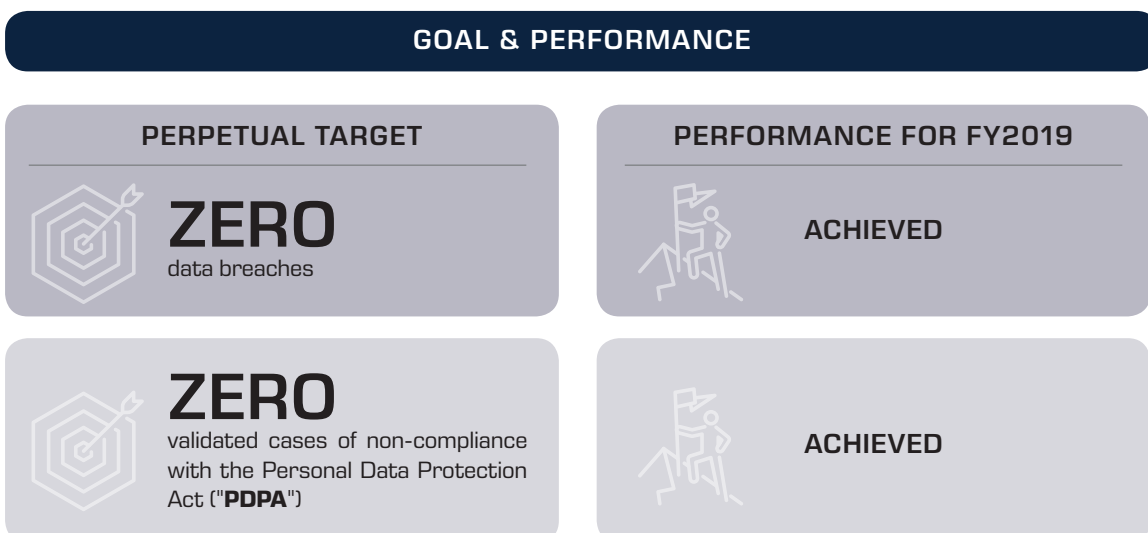
### SECURITY OF INFORMATION

#### APPROACH

The ever-changing IT landscape and emerging cyber threats pose risks and vulnerabilities to stakeholders' confidential data and information. Any breakdown in IT controls can cause data breaches and result in significant legal and reputational costs to the organisation. The Manager has established IT controls and processes to safeguard the confidential information of stakeholders and specifically to comply with Singapore's Personal Data Protection Act.

Various IT controls are established to prevent, detect and respond to threats concerning data security and confidentiality

at ALOG's properties. These controls include firewalls, server encryption and restricted access rights. In addition, the ARA Group has established an IT Disaster Recovery Plan ("IT DRP") that serves to minimise the Manager's operational downtime and data loss, while ensuring a level of stability and orderly recovery. Briefings are held on a periodic basis to familiarise employees with the IT DRP procedures. Regular IT DRP exercises are carried out to simulate a disaster scenario where participants are relocated to an offsite centre with ready access to IT systems and restored database and files from the cloud backup.



## SOCIAL HUMAN CAPITAL

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Human capital and development is a key part of ALOG'S growth strategy. This is achieved by continuously engaging and developing all employees through five main strategic focuses as described below:

1. Talent Strategy & Planning: Enhance internal talent bench strength to support business growth through talent development and retention.
2. Talent Acquisition: Hire the right talent and profile to grow with the organisation.
3. High Performance Culture: Build a high-performance culture that drives the individual and corporate to achieve superior results.
4. Employee Connectivity & Engagement: Enhance employee connectivity and engagement through creating a family-oriented culture within an MNC environment.
5. Business Driven: Align Human Resources ("HR") framework with business needs and place it in the centre of business growth.

Figure 14: HR Strategy Framework



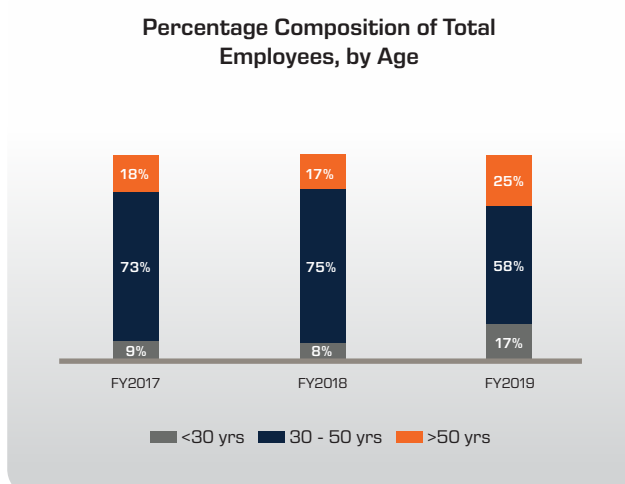
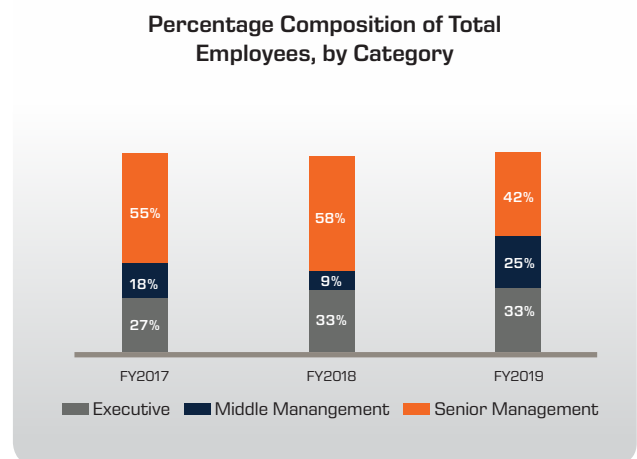
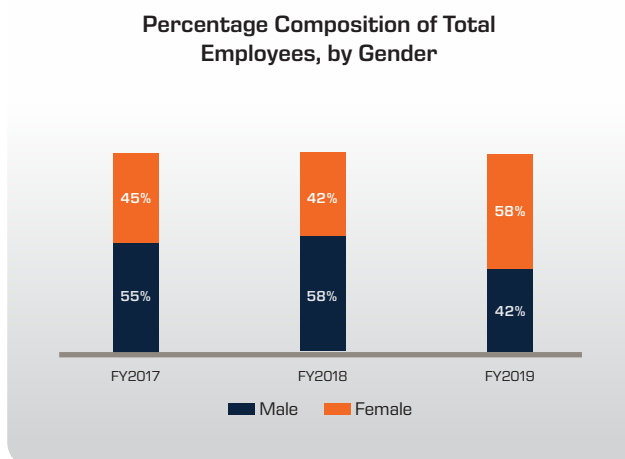
# SOCIAL HUMAN CAPITAL

## EMPLOYEE PROFILE

The Manager, as guided by ARA's HR practices, believes strongly in investing in its people and creating an inclusive, diverse and collaborative workplace. The Manager strives to be an employer of choice which focuses on employee wellness, talent development and occupational health and safety. The Manager has provided stable employment since its listing with no layoff through redundancy and its staff turnover rate is low despite the competitive nature of the fund management industry.

The Manager's team comprises 12 full-time, permanent employees (same number as 2018). The Manager has maintained a diverse workforce in terms of age and gender, where majority of the employees are within the 31 to 50 years age group with good gender balance of male and female employees.

Figure 15: Employee Profile by Gender, Age, and Category



For more details on the Management and Property Management Team, please refer to Pages 20 to 23 in ARA LOGOS Logistics Trust's FY2019 Annual Report.

# SOCIAL HUMAN CAPITAL

## EMPLOYEE WELL-BEING

The Manager supports fair employment practices and abides by all applicable employment laws and regulations, such as the Employment Act and the Central Provident Fund Act in Singapore. The Manager has also signed a pledge with the Tripartite Alliance for Fair & Progressive Employment Practices ("TAFEP") and embraces diversity by hiring talent from different backgrounds and provides equitable opportunities to its employees. All employees are provided with the Employee Handbook which details its human resource policies, employment terms, benefits and entitlements.

The Manager's employees, regardless of position, age and gender, are entitled to benefits such as life insurance, health care, disability and invalidity insurance coverage, compassionate leave, marriage leave, retirement provision

and parental leave. Employees are also engaged in various activities ranging from social events (e.g. Chinese New Year, Bring your Child to Work Day, and Family Day), sports and fitness programmes (e.g. health screening, yoga and Zumba) to other enrichment activities (e.g. corporate training and stress relief lunch talks).

The Manager engages staff in Employee Satisfaction Surveys regularly. A Wellness Survey was previously conducted and a preference for flexi-work hours and more team building exercises were highlighted. As a result, ARA Group introduced flexible working hours arrangements and organised events for employees and their families to promote productivity, wellness, and a collaborative culture. Going forward, similar surveys will be conducted to gauge employees' satisfaction and hear their suggestions.

## GOAL & PERFORMANCE

**PERPETUAL TARGET**



**ZERO**  
validated cases of non-compliance with employment regulations or acts concerning employee rights

**PERFORMANCE FOR FY2019**



**ACHIEVED**

Some of the employee engagement activities organised in FY2019:



Cohesion activities organised in FY2019



Tana River Life Foundation Mitumba Collection 2019



ARA Partnership with NTUC First Campus to Bring Over 750 Pre-School Kids to the Zoo



# SOCIAL HUMAN CAPITAL

## TALENT DEVELOPMENT

### APPROACH

The Manager believes that talent development and succession planning are crucial to ALOG's long-term sustainability and adopts the ARA Performance and Career Development Policy. This policy details a well-structured employment category and grading system which provides career progression opportunities, job rotation and training.

Adopting an Open Appraisal System, the CEO and Heads of Department ("HODs") meet the employees for a face-to-face discussion on their individual performance, areas of responsibilities and improvement. To promote a responsible culture, the Manager also integrates performance of the ESG targets in the remuneration package of the employees. A mid-year review session is conducted to provide feedback and guidance to employees. In addition, high performers are

identified and groomed for potential leadership positions. The Manager believes in investing in learning and development initiatives to build a competent team that will drive the long-term success of ALOG. The ARA Group's HR department works closely with the CEO and HODs to identify the learning needs of employees based on each individual's performance appraisal and the ARA Competency Framework of Self Mastery, People Skills, Strategic Alignment and Business Alignment.

The ARA Group HR department supports the Manager with suitable training programmes where employees are kept updated on their individual training needs and the relevant courses to attend. A bi-annual training newsletter is also circulated to all staff to keep them informed of the latest training trends and developments.

## GOAL & PERFORMANCE

### PERPETUAL TARGET



26 average training hours per employee annually, through implementation of an e-training module which allows employees to apply for courses and track their training progress.

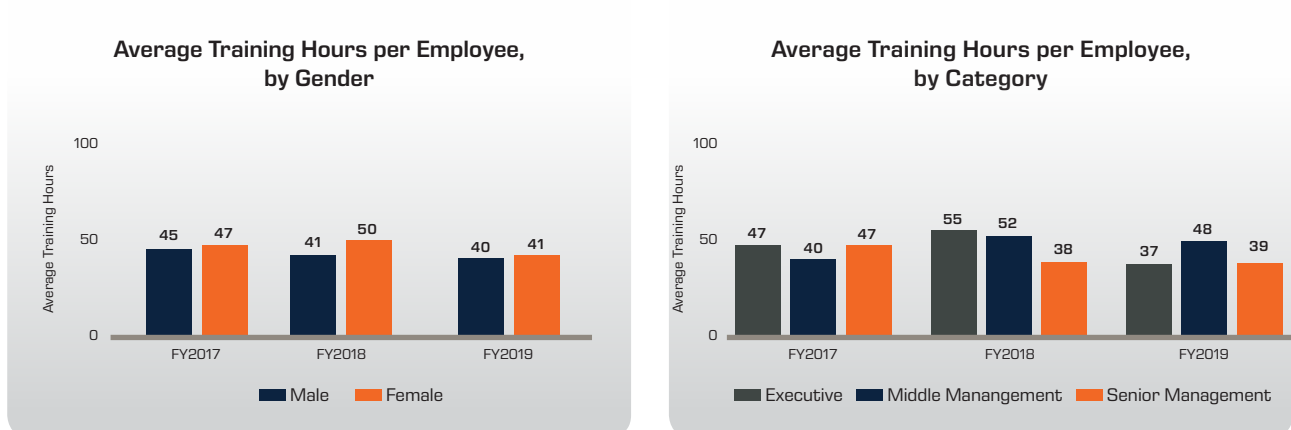
### PERFORMANCE FOR FY2019



**ACHIEVED**

In FY2019, the Manager surpassed its target with an average of 40.4 training hours per employee (FY2018: 45 hours) with slight decrease in average training hours for both gender categories as well as for most of employee categories. In addition, all employees received regular performance and development reviews in FY2019.

Figure 16: Average Training Hours per Employee, by Gender and Category



# SOCIAL HUMAN CAPITAL

## OCCUPATIONAL HEALTH AND SAFETY

### APPROACH

The Manager values the health, safety and well-being of its employees as positive morale and job satisfaction contribute directly to productivity. In line with the Tenant and Visitor Health, Safety and Security initiatives mentioned, the Manager actively promotes a safety culture with no tolerance for injuries at the workplace. The Manager is committed to providing a healthy and safe environment for its employees and seeks to ensure that operations comply with the relevant Occupational Health and Safety regulations. Fire drills and evacuation exercises relating

to safety principles, fire hazard, preventive gears and exit routes to raise employee awareness and preparedness are conducted regularly. Regular safety inspections are also carried out at the workplace for a safe environment. In addition, the Manager works with the ARA Group HR department to organise employee wellness and engagement programs such as subsidised gym memberships, annual health screenings and luncheons on health-related topics such as stress management and healthy eating. These initiatives are outlined in Figure 17 below.

Figure 17: Initiatives and Actions for Occupational Health and Safety:



## GOAL & PERFORMANCE



The Manager has a long-standing record of zero fatalities, injuries, occupational diseases and lost days achieved over the last four years for its employees and property management staff. The overall absentee rate of FY2019 is 1.66%, a slight increase from 1.15% in FY2018.

Figure 18: Absentee Days and Rates for Employee by Gender

Absentee Days	FY2017			FY2018			FY2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total No. of scheduled working days	1,560	1,300	2,860	1,820	1,300	3,120	<b>1,305</b>	<b>1,827</b>	<b>3,132</b>
Total days of absence	21.5	14.5	36	21	15	36	<b>17</b>	<b>35</b>	<b>52</b>
Absentee Rate	1.38%	1.12%	1.26%	1.15%	1.15%	1.15%	<b>1.30%</b>	<b>1.92%</b>	<b>1.66%</b>

# ENVIRONMENT

## CONSERVING THE ENVIRONMENT

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Environmental sustainability is an integral part of ALOG's vision to provide customers with high quality and best-in-class logistics real estate solutions. The Manager aligns with the ARA Group's Environmental Policy to formulate and implement ALOG's environmental sustainability strategy. Buildings with high sustainability performance have lower environmental impact and are more cost-efficient to operate in the long term. As ALOG continually improve the environmental performance of buildings in its portfolio, greater value is generated for the tenants while conserving the environment.

The Manager has considered water and waste management as potential sustainability matters during the materiality

assessment. However, due to the nature of logistics properties and the limited use of water by the majority of tenants in its portfolio, the Manager believes that there is currently no significant environmental impact from water and waste management. Nevertheless, the Manager will continue to monitor these aspects and amend future reporting as and when deemed necessary.

In this report, we communicate ALOG's environmental performance through data disclosure and narratives on consumption trends and fluctuations.

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## ENERGY CONSUMPTION AND CARBON FOOTPRINT

### APPROACH

The Manager actively seeks to improve the energy efficiency of the properties to reduce carbon footprint and utilities costs. While the Manager and Property Manager do not have operational control over tenants' electricity consumption, efforts have been directed towards raising environmental awareness and educating the tenants about energy saving. Some of these practices are detailed below in Figure 19.

In addition, the Manager encourages environmental practices among tenants and suppliers by including environmental issues in business discussions and initiatives. Employees are also educated, trained and motivated to carry out tasks in an environmentally responsible manner. Examples include reminders to tenants and employees to turn off all lights and electrical devices when not in use.

**Figure 19: ALOG's Initiatives and Actions for Energy and Emission Management**



# ENVIRONMENT

## CONSERVING THE ENVIRONMENT

### GOAL & PERFORMANCE

#### TARGET BY FY2023



To reduce carbon emission intensity by 3% for multi-tenanted buildings in Singapore and increase annual green energy consumption to at least 1.5 million kWh by FY2023 (using the FY2018 multi-tenanted buildings portfolio emissions as the baseline).

#### PERFORMANCE FOR FY2019



ON TRACK

As part of the Manager's strategy to achieve this carbon reduction target, ALOG signed a solar power agreement with

Sembcorp Industries ("**Sembcorp**") for a rooftop solar power project which was announced on 2 January 2019.



The agreement with Sembcorp, a global integrated energy player and solar power company, covers the installation and operation of rooftop solar farms at three of ALOG's logistics warehouses in Singapore.

Under the arrangement, Sembcorp installed over 21,000 rooftop solar panels in 2019, with a combined capacity of approximately 8.0 MW peak, atop Commodity Hub, Pandan Logistics Hub and Cache Changi DistriCentre 1. These panels are owned and operated by Sembcorp, providing renewable energy and thus lowering the carbon footprint of ALOG's properties. Since completion, Commodity Hub has been housing one of Singapore's largest rooftop solar facilities to

date, with approximately 6.3 MW in peak capacity. The system is expected to produce over 10,000 MWh of power annually or enough renewable energy to power more than 2,000 four-room HDB flats in a single year<sup>3</sup>. The project, a model for massive use of under-utilised rooftop space for generation of solar power, significantly reduces carbon emissions by over four million kilogrammes a year<sup>4</sup>. Emissions avoided are equivalent to almost 900 cars being removed from the road for a year or the planting of more than 50,000 trees.

The solar panels were fully installed in mid-2019 and generated 5,683 MWh in FY2019.

<sup>3</sup> Average annual consumption of a four-room HDB household is based on EMA's 2018 Singapore Energy Statistics.

<sup>4</sup> CO<sub>2</sub> emissions avoided is calculated based on EMA's latest grid emission factor.

# ENVIRONMENT

## CONSERVING THE ENVIRONMENT

### PERFORMANCE

In FY2019, the Manager complied with all relevant environmental standards. The environmental scope for this sustainability report includes the reported building energy consumption in common and tenants' leased areas. This approach was maintained for the data reported in ALOG's report.

In the reporting period from 1 January 2019 to 31 December 2019, ALOG's total energy consumption and energy intensity was 49.8 GWh and 12.1 kWh/sq. ft.<sup>5</sup> respectively.

ALOG's electricity consumption increased by 5.3% from 47.3 GWh in 2018 to 49.8 GWh in 2019. This increase in electricity consumption was mainly due to the inclusion of Commodity Hub on a full year basis since it was converted from a master tenant lease to a multi-tenant lease in April 2018. Covering approximately 2.3 million square feet of GFA, Commodity Hub is one of the largest warehouses in Singapore and Southeast Asia. This expansion of temporal data coverage from 8.5 months in 2018 to full year in 2019 has naturally increased total electricity consumption. ALOG's total energy intensity decreased from 13.2<sup>6</sup> kWh/sq. ft. in 2018 to 12.1 kWh/sq. ft. in 2019, mainly due to increased weightage of Commodity Hub in the portfolio energy consumption data (as result of full-year data) and lower energy intensity in Commodity Hub in 2019. As a partially air-conditioned warehouse, Commodity

Hub is a lower energy intensity asset compared to some of ALOG's assets with higher usage of air conditioning (i.e. Cache Changi DistriCentre 1), chiller and freezer (i.e. Cache Cold Centre). Commodity Hub energy intensity was further reduced in FY2019 due to low energy consumption during the fit-out period for several new leases in 2019.

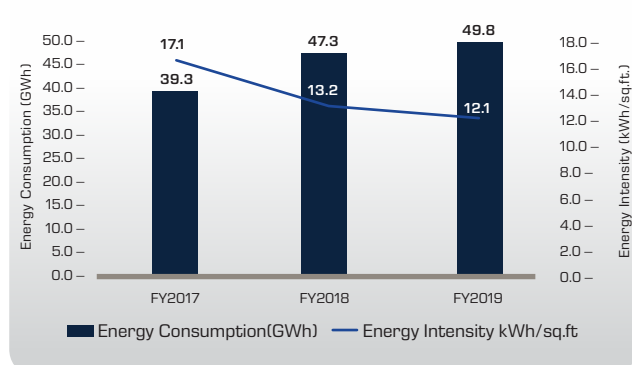
The reduction in total energy intensity was partially offset by increase in energy consumption and intensity in other buildings such as Cache Cold Centre, Cache Changi DistriCentre 2 and Pandan Logistics Hub due to changes in tenanted space.

Similarly in 2019, Scope 2 indirect GHG emissions increased slightly from 19.8 kilotonnes of CO<sub>2</sub> to 20.4 kilotonnes of CO<sub>2</sub>, but GHG intensity decreased by 10.3% from 5.52 kg CO<sub>2</sub>/sq. ft to 4.95 kg CO<sub>2</sub>/sq. ft. As above, this has been mostly due to the inclusion of Commodity Hub, a low-energy intensity building, in ALOG's portfolio environmental data on a full year basis, and the use of renewable energy from solar. There is no Scope 1 direct GHG emission for ALOG.

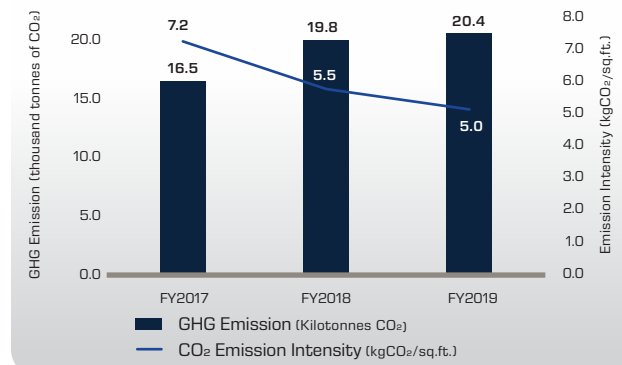
In FY2019, ALOG utilised 1,136 MWh of solar energy as a form of green energy consumption, equivalent to a saving of 475,757kg of carbon emissions which approximates 267 typical 4-room HDB flats for one year.

**Figure 20: Electrical Energy Consumption & Intensity and Energy Indirect (Scope 2) GHG Emissions & Intensity from FY2017 to FY2019**

#### Multi-Tenanted Assets Energy Consumption



#### Multi-Tenanted Assets Indirect GHG Emissions (Scope 2)



Although the target set of 3% reduction in carbon emission intensity for multi-tenanted buildings in Singapore from FY2018 baseline has been achieved, the Manager will continue monitoring the performance and review the target next year. In consuming 1.1 million kWh of solar energy in FY2019,

ALOG is also on track in achieving the target of at least 1.5 million kWh green energy consumption by FY2023. Nevertheless, ALOG will continue to work with tenants to enhance energy efficiencies, in view of their business needs and usage.

<sup>5</sup> Includes consumption for Cache Gul LogisCentre from April to December 2019 (conversion to multi-tenancy in April 2019).

<sup>6</sup> Intensity figures are now calculated using the pro-rated average of common and tenanted floor area for the properties with less than 12-month electricity consumption data, instead of the previously used total common and tenanted floor area. The objective of this change in calculation will enhance the accuracy of tracking energy consumption in ALOG's properties. As such, intensity figures in 2018 have been restated.

# METHODOLOGICAL REVIEW

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This section explains the key definitions and methodologies applied for ARA LOGOS Logistics Trust's sustainability report. These are adapted in the context of the GRI Standards Glossary and the Reporting Requirements,

Recommendations and Guidance set out in the respective disclosures and various authoritative intergovernmental instruments.

## SOCIAL

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### Employee

Employees are defined as individuals who are in an employment relationship with the Manager.

### New hires and turnover

Employee movement within each financial year is recorded and presented as at year-end headcount.

New hires are defined as new employees that have joined the Manager during the year.

Turnover is defined as all employees that have left the Manager voluntarily, or due to dismissal, retirement or death in service during the year.

### Training hours

Average training hours per employee is the total number of training hours provided to employees, relative to the total number of employees, during the year.

Average training hours per female/male employee is the total number of training hours provided to female/male employees, relative to the total number of female/male employees, during the year.

Average training hours per employee category is the total number of training hours provided to each category of employees, relative to the total number of employees in the category, during the year.

### Absentee days and absentee rate

Absentee days are measured in terms of the number of business days. An absentee day occurs when the employee is absent from work because of any incapacity, not just as a result of work-related injury or disease. It excludes permitted leave absences such as holidays, study, parental and compassionate leave. Absentee rate is total absentee days lost, relative to the number of total days scheduled to be worked by all employees in the reporting period, expressed as a percentage.

## ENVIRONMENT

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### Consolidation approach

The operational approach, as outlined in the GHG Protocol Corporate Standard, is used to determine organisational boundaries for ARA LOGOS Logistics Trust's environmental reporting.

### Energy consumption within the organisation

Purchased electricity is a significant form of energy that ARA LOGOS Logistics Trust's properties consumes and it is expressed in gigawatt hours (symbol: GWh).

### Energy intensity

The ratio of energy consumed relative to total occupied area (including common floor area) in square feet (symbol: kWh/sq. ft.)

### GHG emissions

This report discloses indirect Scope 2 GHG emissions for ARA LOGOS Logistics Trust properties.

Scope 2 GHG emissions are emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation. In the scope of reporting, this only relates to purchased electricity and is expressed in kilotonnes of CO<sub>2</sub>. With the adoption of on-site solar energy in our operations, we used both location- and market-based methods to calculate FY2019 Scope 2 GHG emissions. The location-based method reflects the GHG emissions of the grids on which energy consumption occurs, whereas the market-based method accounts for the amount of solar energy we consumed through contractual agreements with SembCorp. In Singapore, the emission factor used for GHG emissions in FY2018 and FY2019 is the grid emission factors for 2018 which is the latest estimate, obtained from "2019 Singapore Energy Statistics" published by the Energy Market Authority of Singapore in 2019, and the emission factors used for GHG emissions in FY2017 and FY2018 are based on the respective grid emissions for these years in the same publication.

### GHG emissions intensity

This is the ratio of GHG emissions relative to total occupied area (including common floor area) in square feet (symbol: kgCO<sub>2</sub>/sq. ft.)

# GRI CONTENT INDEX

GRI Standard Disclosure Reference	Description	Report Section	Page Number
<b>GRI 102: General Disclosures 2016</b>			
<b>Organisational Profile</b>			
102-1	Name of the organisation	About ARA LOGOS Logistics Trust	Pg. 2
102-2	Activities, brands, products, and services	About ARA LOGOS Logistics Trust	Pg. 2
102-3	Location of headquarters	The address of the REIT Manager is as follows: ARA LOGOS Logistics Trust Management Limited 5 Temasek Boulevard, #12-01 Suntec Tower Five, Singapore 038985 Tel: (65) 6835 9232 Fax: (65) 6835 9672	Pg. 2
102-4	Location of operations	About ARA LOGOS Logistics Trust	Pg. 2
102-5	Ownership and legal form	About ARA LOGOS Logistics Trust	Pg. 2
102-6	Markets served	About ARA LOGOS Logistics Trust	Pg. 2
102-7	Scale of the organisation	About ARA LOGOS Logistics Trust	Pg. 2
102-8	Information on employees	Human Capital	Pg. 21
102-9	Supply chain	Quality of Suppliers	Pg. 17
102-10	Significant changes to the organisation and its supply chain	There were no significant changes in the financial year 2019.	
102-11	Precautionary Principle or approach	Risk Management	Pg. 15
102-12	External initiatives	None	
102-13	Membership of associations	Stakeholder Engagement	Pg. 7
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Board Statement	Pg. 3
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	Vision, Mission and Values	Pg. 2
<b>Governance</b>			
102-18	Governance Structure	Refer to Corporate Governance report in the FY2019 Annual Report Responsibility for Sustainability Governance	Pg. 11
102-22	Composition of the highest governance body and its committees	Refer to Corporate Governance report in the FY2019 Annual Report	
102-23	Chair of the highest governance body	Refer to Corporate Governance report in the FY2019 Annual Report	
102-24	Nominating and selecting the highest governance body	Refer to Corporate Governance report in the FY2019 Annual Report	
102-25	Conflicts of interest	Refer to Corporate Governance report in the FY2019 Annual Report	
102-29	Identifying and managing economic, environmental, and social impacts	Materiality Assessment	Pg. 8-9
102-32	Highest governance body's role in sustainability reporting	Board Statement Responsibility for Sustainability Governance	Pg. 3 Pg. 11

# GRI CONTENT INDEX

GRI Standard Disclosure Reference	Description	Report Section	Page Number
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Stakeholder Engagement	Pg. 6-7
102-41	Collective bargaining agreements	Due to the Manager's small number of employees a collective bargaining agreement is not feasible.	
102-42	Identifying and selecting stakeholders	Materiality Assessment	Pg. 8
102-43	Approach to stakeholder engagement	Stakeholder Engagement	Pg. 6-7
102-44	Key topics and concerns raised	Stakeholder Engagement	Pg. 6-7
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	Please refer to Pg 107 - 111 of ALOG's FY2019 Annual Report.	Pg 4-5
102-46	Defining report content and topic boundaries	Materiality Assessment	Pg. 8-9
102-47	List of material topics	Materiality Assessment	Pg. 8-9
102-48	Restatement of information	In FY 2019, following restatement of information were made: 1. Total energy intensity in Portfolio (i.e. previously disclosed in FY2018 report as 10.9kWh/sq. ft. in 2018 restated as 13.2kWh/sq. ft.) due to a revision in computation.	Pg. 27
102-49	Changes in reporting	This year, we changed the boundaries for employment and training and education topics to cover employees of the Manager only. We excluded employees of the Property Manager as they are not considered employees of ALOG. This is aligned with common practices in the REIT sector.	
102-50	Reporting period	About This Report	Pg. 4
102-51	Date of most recent report	ARA LOGOS Logistics Trust's second Sustainability Report for FY2018 was published in May 2019.	
102-52	Reporting cycle	ARA LOGOS Logistics Trust publishes sustainability reports on an annual cycle.	
102-53	Contact point for questions regarding the report	About This Report	Pg. 4
102-54	Claims of reporting in accordance with the GRI Standards	About This Report	Pg. 4
102-55	GRI content index	GRI Content Index – Core Option	Pg. 29-34
102-56	External assurance	About This Report	Pg. 4



# GRI CONTENT INDEX

GRI Standard Disclosure Reference	Description	Report Section	Page Number
<b>Anti-corruption</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Materiality Assessment	Pg. 8-9
103-2	Management approach and its components	Upholding Strong Governance	Pg. 11-15
103-3	Evaluation of the management approach	Upholding Strong Governance	Pg. 11-15
<b>GRI 205: Anti-corruption 2016</b>			
205-3	Confirmed incidents of corruption and actions taken	Ethical Business Conduct	Pg. 15
<b>Energy</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Materiality Assessment	Pg. 8-9
103-2	Management approach and its components	Conserving the Environment	Pg. 25-27
		Upholding Strong Governance	Pg. 13
103-3	Evaluation of the management approach	Conserving the Environment	Pg. 25-27
<b>GRI 302: Energy 2016</b>			
302-1	Energy consumption within the organisation	Energy Consumption and Carbon Footprint	Pg. 25-27
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CRE 3	Greenhouse gas emissions intensity from buildings	“Energy Consumption and Carbon Footprint” section reports on market-based emission intensities. Scope 2 GHG emission intensity calculated by location-based method is 5.07 kg CO <sub>2</sub> /sq. ft in FY2019.	Pg. 27

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