



Delivering more value
for communities

Figure 1: Forest School built by Prologis and its supply chain during one of its Impact Days

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Executive summary

As the UK's leading developer and owner of logistics property Prologis is committed to maximising the economic, environmental and social benefits that its developments bring to the communities where it works.

Our Social Value Policy has been developed with the following in mind:

- To reflect the requirements laid out in the Public Services (Social Value) Act 2012 and ensure that we are supporting local Councils in the delivery of their obligations;
- To reflect our commitment to delivering long term and sustainable value in terms of economic, environmental and social wellbeing to the places and communities where we operate;
- To develop our ability to deliver sustainable solutions by being consistent in how we manage, measure and report the delivery of Social Value and ensure that we keep the needs of the local community at the centre of our decision-making process.

SOCIAL VALUE POLICY

from PROLOGIS UK

We are committed to the long-term success of all of our developments and this policy has been designed to cover the full life-cycle of our involvement including:

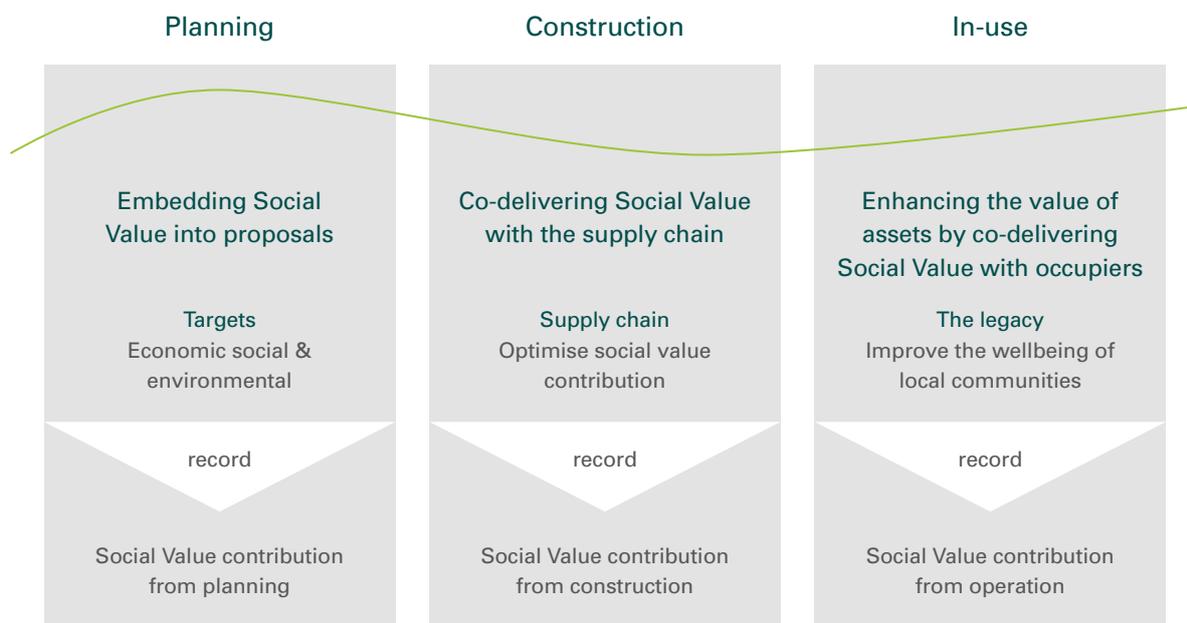


Figure 2: Social Value is embedded in all stages of the Prologis development lifecycle

Planning – Commitment to listen and respond to community concerns. Our planning submission will include a clear Social Value strategy that responds to local needs and adds social, environmental and economic value.

Design and construction – All of our suppliers will be required to sign-up to our Supply Chain Social Value Charter that requires all our suppliers to set their own targets and support our social value commitments.

In-use – Our property management teams are committed to ensuring a long-term and sustainable legacy is built for both our occupiers and the local community.



Figure 3: Impact Day organised by Prologis and supported by supply chain partners

Prologis is committed to delivering more effective and targeted social value that makes a positive difference to people’s lives and improves the economic, environmental and social well-being of our occupiers, the local community and the region

1. Purpose

The purpose of this policy statement is to describe our approach to creating **Social Value** in the communities where we operate by improving their social, environmental and economic wellbeing. Prologis UK is the UK's leading developer and owner of logistics property. We provide logistics and industrial buildings in prime locations throughout the UK, and across the world. Our facilities offer efficient and flexible, low energy space while the quality of our parks attracts the best staff and businesses.

We create locations that become vital to the economic wellbeing of the locality, the region and the country in which they sit, for many decades after they are built and through the businesses that occupy our buildings.

We take a 'triple bottom line' approach to sustainability (environmental, social, governance – ESG). This is central to 'how' we build and manage our assets as it's not only the responsible thing to do, but also makes good business sense.

Social Value is created by a properly applied ESG Strategy and this Social Value Policy covers the following key lifecycle stages of a development and its use.

Planning – Work we will undertake in preparation of our planning submission to ensure that local needs are understood and key opportunities for unlocking social value are taken into account as well as the documents that we will include in our planning application describing our approach to Social Value.

Design and construction – Expectations that we have of our supply chain during site works and construction including a commitment to a Supply Chain (Social Value) Charter.

In-use – Activities that our property management team will undertake including occupier engagement and work with the local community including local employment, support of local businesses, community outreach and protecting the environment.

2. Defining Social Value

At Prologis, we recognise that our relationships with the communities around our developments and with the local authorities that serve them are crucial to our business, our brand and the ongoing success of our occupiers; this is why the development of sites that deliver more social value to the communities where we work is central to our strategy.

We believe that the success of our occupiers and the wellbeing of local communities are mutually dependent and that both will succeed by building stronger links and supporting each other. The stronger and more resilient local communities are the more likely they will meet the needs of our occupiers and the more likely our occupiers will be able to add value to the local area and the community will flourish.



Figure 4: Impact Day organised by Prologis and supported by supply chain partners

“Social Value represents the **additional** social, economic and environmental value created by our developments throughout their lifetime for the communities and regions where we work”

Our Social Value Policy is built around a commitment to be a force for good in local communities and we have developed a set of **Themes, Outcomes and Measures (TOMs)** which represent a set of practical social value outcomes that we can deliver on the ground and through our developments. Which allows us to focus on activities that are relevant and where we can make a real difference.

Our **Prologis TOMs Framework** allows us to measure Social Value as part of our interventions and will be developed to reflect the specific needs of the local community as well as the opportunities where our supply chain may support our overall objectives. The Prologis TOMs Framework is built around 5 key themes, 19 Outcomes and over 51 individual measures that may be adjusted during the planning process to reflect the need to respond to any feedback during community consultation.

Jobs: Promote local skills and employment – We will promote new skills and employment in all the places where we operate to meet the needs of the local community and the skills requirements of our occupiers.

Growth: Supporting growth of responsible, local businesses – We will work with local businesses and help build the capacity of the local supply chain during construction and occupation.

Social: Healthier, safer and more resilient communities – We will work with the local community to help build resilience and support local schools, charities and social enterprises.

Environmental sustainability: Protecting and improving our environment – We will continue to protect and enhance the local environment in terms of minimising impact whilst maximising the benefits.

Social innovation: Promoting new ideas and community initiatives – We will promote and reward social innovation that leads to better community outcomes.

The full TOMs Framework is laid out within the Appendix.

3. Making it happen

Our social value policy is under-pinned with 3 key strategic commitments:

Social Value Planning Framework

The Social Value Planning Framework will be used as a guide when we are developing our site proposals for submission to the planning authority. It includes a number of initiatives that will be undertaken at the beginning of the development process (pre-planning) and completed with a set of measurable social value outcomes prior to application for planning approval. It requires us to develop a Social Value Statement as a part of our submission.

Supply chain charter

Our supply chain partners are required to sign up to the Supply Chain Charter (design and construction) that lays out our expectations. For all significant contracts, social value will be

included within contractual discussions and all suppliers will be expected to develop and implement their own Social Value Action Plan (SVAP). Expected social value commitments will be proportionate to the size of the contract and relevant to the contract and the contractor. Our Supply Chain Charter will be designed to be fully consistent with our Supplier Code of Conduct.

Prologis charter for occupier engagement

The potential for delivering social value after the site has been developed and occupied is significant both in how our property management team manages the park estate but also in the manner in which we support our occupiers in developing their own Social Value Action plans.

4. Our commitments

Social Value planning framework

Pre-planning – Our work at pre-planning is designed to identify the local challenges and needs and to work out how the new development will add value. Specifically, this will include:

- i) Local 'Needs and Analysis' and Community Engagement;
- ii) Development of a Social Value Measurement (TOMs) Framework to be used as a part of the planning submission. This will be based on the Prologis TOMs Framework but will be tailored to reflect any specific local authority targets by the findings of the Needs Analysis;
- iii) Development of indicative Social Value Action Plan that will include our commitments and targets covering construction, management and occupation.

Planning submission – Planning submission will include a Social Value Statement that will contain the following:

- i) A statement of principles and why social value is important, covering construction and in-use phases;
- ii) Results from the needs analysis and any community consultation including identification of any local priorities and how this has informed the development and our proposed Social Value Measurement (TOMs) Framework;
- iii) A Social Value Action Plan including proposals for construction (S106), property management and occupier engagement.

Design and construction

Prologis is committed to working with a supply chain that shares our values and like us is committed to maximising the value to the communities where we develop and manage our estates. Key commitments that we make are:

- i) We will select suppliers based on price, quality and their Social Value Commitments, which will be weighted at a minimum of 15% of the total evaluation score;
- ii) Our supply chain (designers, contractors and component suppliers) will be required to develop a Social Value Action Plan (SVAP) that reflects the social value commitments submitted with the planning application and that should be based on the agreed TOMs Matrix;
- iii) All suppliers will be required to maintain a record of their progress against targets on the Social Value Portal.

Occupier engagement

Prologis will work with all of its occupiers and help them develop their own approach to Social Value including:

- i) A bespoke Social Value Action Plan;
- ii) Support in delivering Social Value targets;
- iii) Help in reporting and feedback.



Figure 5: Supporting local schools and upgrading their play area

Appendix

Prologis Social Value Measurement (TOMs) Framework

| Theme | Outcomes | PL Ref | Measures |
|--|---|---|--|
| Jobs: Promote Local Skills and Employment | More local people in employment | PL1 | No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter. |
| | | PL2 | % of local people employed on contract (FTE) |
| | | PL3 | No. of employer's fairs held to encourage local employment in the regions where Prologis and its supply chain operates |
| | More opportunities for disadvantaged people | PL4 | No. of employees (FTE) taken on who are long term unemployed (unemployed for a year or longer) |
| | | PL5 | No. of employees (FTE) taken on who are not in employment, education, or training (NEETs) |
| | | PL6 | No. of employees (FTE) taken on who are rehabilitating young offenders (18-24 yo) |
| | | PL7 | No. of jobs (FTE) created for people with disabilities |
| | | PL8 | No. of hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 y.o.) |
| | Improved skills for local people | PL9 | Local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety and STEM talks (No. hours, includes preparation time) |
| | | PL10 | No. site visits for school children or local residents that last at least 1hr |
| | | PL11 | No. of training opportunities on contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+ |
| | | PL12 | No. of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+ |
| | Improved employability of young people | PL13 | No. of employment taster days for those interested in working in the relevant industry |
| | | PL14 | No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance & STEM activities) - (under 24 y.o.) |
| | | PL15 | No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid) |
| | | PL16 | Meaningful work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships) |
| PL17 | | Total amount (£) spent with VCSEs within your supply chain | |
| Growth: Supporting Growth of Responsible Regional Business | More opportunities for SMEs and VCSEs Local companies | PL18 | Provision of expert business advice to VCSEs and SMEs (e.g. financial advice / legal advice / HR advice/HSE) |
| | | PL19 | Equipment or resources donated to VCSEs (£ equivalent value) |
| | | PL20 | Number of voluntary hours donated to support VCSEs (excludes expert business advice) |
| | | PL21 | Number of 'meet the buyer' events held to highlight local supply chain opportunities |
| | | PL22 | Total amount (£) spent in LOCAL supply chain through the contract. |
| | | PL23 | Total amount (£) spent through contract with LOCAL SMEs |
| | | PL24 | Demonstrate commitment to work practices that improve staff wellbeing, recognise mental health as an issue and reduce absenteeism due to ill health. Identify time dedicated for wellbeing courses |
| | Improving staff wellbeing | PL25 | Diversity training provided for contractors and subcontractors |
| | A workforce and culture that reflect the diversity of the local community | PL26 | Percentage of procurement contracts that includes commitments to ethical procurement, including to verify anti-slavery and other relevant requirements. |
| | Social: Healthier, Safer and more Resilient Communities | Crime is reduced | PL27 |
| PL28 | | | Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, private security and 'Safer by Design') |
| Creating a healthier community | | PL29 | Initiatives to be taken to tackle homelessness (supporting temporary housing schemes, etc) |
| | | PL30 | Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc) or wellbeing initiatives in the community, including physical activities for adults and children. |
| Vulnerable people are helped to live independently | | PL31 | Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs) |
| More working with the Community | | PL32 | Donations or in-kind contributions to local community projects (£ & materials) |
| | | PL33 | No hours volunteering time provided to support local community projects |
| More support for local schools and colleges | | PL34 | Support provided to help local community draw up their own Community Charter or Stakeholder Plan |
| | PL35 | Contribution to education (Curriculum Engagement) including school visits (4hrs each) | |
| | PL36 | Energy cost savings arising from achieving The Planet Mark™ Certification for schools | |
| | PL37 | Carbon savings arising from achieving The Planet Mark™ Certification for schools | |
| | PL38 | Site visits (4hrs each) | |
| Environment: Protecting and Improving Our Environment | Climate Impacts are reduced | PL39 | Savings from energy efficiency measures in CO2e emissions against baseline (Building Regulations) |
| | | PL40 | Embodied Carbon reductions in CO2e emissions against baseline. |
| | | PL41 | Savings in carbon emissions arising from renewable energy measures |
| | Improved resource efficiency | PL42 | Acres rainforest saved from destruction (Hectares) |
| | | PL43 | Tonnes of Carbon offsets through rainforest protection (tCO2e) |
| | Air pollution is reduced | PL44 | M3 water saved against relevant benchmark |
| | | PL45 | Tonnes waste diverted against relevant benchmark |
| | | PL46 | Car miles saved on the project (e.g. cycle to work programmes, public transport or car pooling programmes, or green travel plan) |
| Better places to live | PL47 | Number of low or no emission staff vehicles included on project (miles driven) | |
| | PL48 | Voluntary time dedicated to the creation or management of green infrastructure, to increase biodiversity, or to keep green spaces clean | |
| Innovation: Promoting Social Innovation | Other measures (TBD) | PL49 | Other measures (£) - please describe any additional initiatives that you would like to make and £ to be invested |
| | | PL50 | Other measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. expert hrs) |
| | | PL51 | Other measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. voluntary hrs) |
| Transparent and Effective Governance | More buildings are certified | PL52 | % NEW Buildings achieving BREEAM Rating |
| | | PL53 | % new buildings achieving Planet First Certification |
| | | PL54 | EPC Asset Rating |
| | Better Occupier Engagement | PL55 | Occupier satisfaction score (NPS) |
| | | PL56 | % Occupiers supported to create their own Social Value action Plan (SVAP) |
| | A more engaged supply chain | PL57 | % suppliers signed up to Social Value Charter |
| | | PL58 | Percentage of procurement contracts that includes commitments to verify anti-slavery and other relevant requirements. |
| | Sustainable and Ethical Procurement is promoted | PL59 | Percentage of procurement contracts that includes commitments to use local produce, reduce food waste, or other relevant requirements and certifications. |
| PL60 | | % buildings reporting on Social Value through Construction | |
| Better and more transparent Reporting | PL61 | % buildings reporting on Social Value through Occupation | |