



Responsible Business Report 2023

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Our Responsible Business Report highlights the key programmes and initiatives that support our customers and stakeholders while addressing many of the world's most pressing challenges. These responsibilities inform our decision-making from the boardroom to all corners of our global operations.

Take a look at what we're doing in the UK.

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Foreword

We're pleased to share with you the second edition of our Responsible Business Report. It's safe to say that much has changed, both at Prologis and in the world at large, since we published our first report, over five years ago. Among the most important of those changes is an even more heightened push across business and society to do even more to protect the environment and promote sustainability, of which we've been proud to play our part.

Since 2023, we've made big steps in further strengthening our commitment to the environment and put even more structure and purpose around the ESG work we undertake. As a global business, we've set new net zero goals, including becoming net zero by 2040 across our value chain, achieving net zero emissions (scopes 1 and 2) from our operations by 2030 and deploying 1GW solar, supported by energy storage, by 2025. Everything we do is in support of the UN Sustainable Development Goals and I am sure there is more to come.

Particularly as a UK business, the wider societal and industrial goal of becoming net zero by 2040 is a challenge that we are wholeheartedly embracing and working towards. It's fair to say that each Prologis development, each supplier engagement, each community interaction, and each charity partnership, is underpinned by a keen focus on responsible business and sustainability.

We are not – and have never been – a business of strong words and weak action. We've been at the forefront of our industry for over 15 years and we're in a position now to continue building our sustainability efforts and to share best practices with other businesses which, despite being at an earlier stage of their journey, are no less keen to make a difference to the planet.

As I look over the pages of this report, I can't help but be proud of what our business, our people, our partners have achieved over the last five years. Even more importantly, I'm excited for what we achieve in the coming five, continuing to lead the way to a decarbonised and green logistics property sector.



Paul Weston
Prologis UK Regional Head

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Responsible Business Highlights

At Prologis UK, we take pride in doing the right thing to reduce our carbon footprint, protect the planet, serve our customers and deliver value to society through measurable economic and community benefits.

Our Milestones

£100m

of economic and social value
has been delivered for the
benefit of local communities

17k+

acres of rainforest have been protected –
through our partnership with Cool Earth,
we are mitigating our embodied carbon
footprint by protecting vast areas of
rainforest in Peru and Papua New Guinea

82+

Carbon Life Cycle Assessments
completed for buildings,
covering 20.9 million sq ft

210

school workshops delivered – we
are investing in sustainability education
through our partnership with
the Eden Project and Warwickshire
College Group (WCG)

645

school leavers and people from
disadvantaged communities trained
through the Prologis Warehousing &
Logistics Training Programme

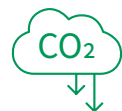


*Data as of March 2023

Our Achievements



We are the first logistics property company to create a dedicated facility for logistics skills training in the UK – The Hub at DIRFT – delivered as part of our commitment to the Prologis Warehouse & Logistics Training Programme (PWLTP).



We completed the construction of the UK's first fully net zero logistics building - Apex Park DC10 - which is **net zero in operation** and constructed in accordance with the UKGBC net zero carbon framework. With a **renewable energy capacity of 1.6MW**, the building supplies surplus electricity to the National Grid.



We are the first logistics property company in the UK to have a **development pipeline in place** to scale the installation of renewable energy systems with a **capacity of 16MW by 2025**.



We sponsored the UK's first ever Zero Carbon Bus Tour of the UK, in partnership with Planet Mark, providing advice to individual businesses about how to measure and reduce their carbon footprint.



We were the first to take sustainability leadership position within the logistics property sector, with **over 20 million sq ft** of BREEAM Excellent/Outstanding developments.



HM King Charles, formerly
HRH Prince of Wales –
Sustainable Markets
Initiative Terra Carta Seal



Industrial Agents
Society Awards –
Fund Property Company
of the Year 2022



Industrial Agents
Society Awards –
ESG Initiative of the Year
2022



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Our Responsibility To The Planet

Reducing our carbon footprint

At Prologis UK, we are committed to measuring, reducing and mitigating our carbon emissions and we know that environmental certification matters.

Our Buildings

Carbon Life Cycle Assessments are completed for every new development.

We have completed assessments for more than 82 properties, with more to come.

All of our buildings since 2008 have BREEAM certificates, with five developments built to achieve a BREEAM ‘Outstanding’ rating including Boscombe Road DC1 and DC2, Apex Park DC10 and Hemel Hempstead DC3A. These buildings are among the first in the UK to be constructed to this exacting environmental standard in the industrial and logistics buildings category.



Our Approach to Carbon Mitigation

Prologis UK has developed an industry-leading approach to measure, reduce and mitigate embodied carbon.

The UK Green Building Council has since published a framework to guide our sector around best practice for this, which closely aligns with our own approach.



Zero Carbon Bus Tour

We took our carbon reduction message on the road for the first time in 2021. We sponsored a Zero Carbon Bus Tour, which was planned and delivered with the help of the environmental consultancy, Planet Mark. The tour covered the majority of the UK and ended at COP26 in Glasgow.

Electrifying the Way to Savings

We've made a global commitment to reduce our reliance on fossil fuels, which can be split into four areas:

1

Renewable Energy

To develop a leading position in offsite renewable energy such as solar

2

All-electric Buildings

To take the strain off the grid and become self-sufficient through storage solutions

3

Green Transport

Electrification and decarbonisation of transport, and the infrastructure we are deploying

4

Retrofitting

Making adjustments to reduce operational emissions, such as mass deployment of LED which accounts for 70% of an average customer's energy use

In the UK, we are already constructing all-electric buildings, which can operate without the use of fossil fuels.

We are also enabling our customers' decarbonisation goals by supporting their take up of renewable energy systems, including rooftop solar panels and battery storage systems. We have a development pipeline in place to create a renewable energy capacity of 16MW in the UK by 2025.

EV Mobility Matters


Prologis has established a global Mobility business to spearhead the roll-out of EV fleet technologies and infrastructure for the benefit of customers around the world.

Having completed EV pilot schemes in the US and Europe, Prologis UK is ready to roll out a new EV mobility advice and installation service to support customers in electrifying their fleets and workforce vehicles across its UK operations.

EVs form a key pillar of our new Prologis Essentials offering, allowing us to forge ahead with helping our customers harness electrification. We proactively work with customers to provide logistics properties that reap the cost, sustainability and driver experience benefits of electrified fleets.




Initiatives Still Going Strong



Social Value Delivery in Action

We completed the construction of a new rail terminal and warehouse for Royal Mail at DIRFT. When handing over the new facility, the generated social value equivalent to £26.3 million had been delivered during its construction. This included £15 million being spent on small and medium enterprises and over £2.8 million of support to local community projects.



Social Value Charter

We were the first logistics property company in the UK to establish a new Supply Chain Social Value Charter in 2018 and we set out to deliver £100 million in economic and social value by 2025. This was achieved two years earlier than planned, and the target has now been raised to £250 million by 2025.

Green Travel Scheme

Our Green Travel Scheme helps employees at Prologis Parks get to work, reduces local traffic and safeguards the environment. This scheme is available across our network of Prologis Parks in the UK and helps employees find a car share partner or identify bus, rail, cycle or pedestrian links. We also work with our occupiers and local bus companies to adjust bus services to meet staff needs or to provide funding for bus services, where necessary.

2,000

scheme members

1,456 tonnes

of CO₂ emissions saved

£1.6m

saved by employees



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Our Responsibility To Our People

Investing in Prologis People

Our approach to responsible business doesn't just stop with the environment or our customers, we invest in our people too. We constantly strive to make the business a great place to work and ensure that everyone has the opportunity to make a difference. From supporting individuals with their own charitable pursuits, to our global IMPACT Days, giving back to communities and the environment is something that is on everyone's agenda.

The statistics speak for themselves too:

- Across our global business, we have an engagement score of **88% (12% higher than average)**
- **46%** of managerial positions are held by women
- Our CEO has a **99%** approval rating

Prologis people are given four days paid leave every year to spend time volunteering and giving back.

Prologis people are happy people.



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Our Responsibility To Our Community



Making A Positive Impact

IMPACT Days

Prologis has run its annual IMPACT Day since 2012. To mark the occasion, our team give up their time to get involved in a variety of worthwhile community-focused projects.

Each year, our people really enjoy finding new ways to raise money and do something to make a difference in their local communities.

In 2022, we celebrated 10 years of running our IMPACT Days globally, during which time we supported 549 projects giving over 65,000 hours of employee volunteering time. In the UK, we have helped create an outdoor school classroom, rejuvenated an animal sanctuary and transformed overgrown allotments into a community garden.

Education

Our sustainability programme funds education officers from the Eden Project to go into local schools close to our developments and talk to the children about sustainability and how they can play their part in protecting the planet. Over the past decade we've delivered this programme to 8,060 children in over 50 schools and colleges close to Prologis developments.

Dock Doors of Giving

Our annual Dock Doors of Giving campaign underpins all of our charitable worth throughout the year. It encourages our people to give back to charity and support communities close to our offices and Prologis Park. Our people can take part in one of four ways, raising awareness, giving time, giving money or giving needed items.

Our Community Focus

Our people never shy away from giving back to their communities. Some of the activities our people have been involved in over the past five years include:

- Harnessing pedal power to raise money for local and national charities through the annual Prologis 100 cycle ride.
- Taken part in the annual LandAid SleepOut raising money alongside other property professionals to help tackle youth homelessness.
- Joining Prologis offices across Europe to raise money for local charities and causes. In 2022, the European business raised in total over €1m.
- Individual fundraising activities such as sponsored bike rides, walking challenges up Mount Snowdon and working with our customers to deliver food parcels to the vulnerable and elderly during the pandemic.
- During 2022, when the war broke out in Ukraine we offered available space free of charge to various non-profits and local authorities, through our global Space for Good programme, to store donations and crucial supplies for those in need.



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Our Ongoing Responsibility

Every year, the deadline for reaching our global, national and personal sustainability targets creeps closer. However, as we move forward as a business, we're seeing this as an opportunity. I look back over what we've achieved in recent years and feel energised about how we can build on our successes further. As an industry, we have a long way to go, but we are committed to staying at the forefront.

In 2023, we still find ourselves facing pressures due to the rising cost of energy and materials and this is unlikely to revert to previous levels any time soon. At Prologis UK, we know this makes it even more important that we keep our focus on sustainability and giving back to our communities, our people and our customers.

We've seen a sea-change in the sector over recent years. Our customers continually want more from their buildings in terms of efficiency, facilities and employee environment and I am proud to say that we are delivering.

Our new energy business creates the opportunity to offer buildings that are net zero carbon in operation to all of our customers, including solar PV, battery storage and EV charging. Our customers are making no compromises and neither should we.

Sadly, the issues of deforestation and climate change continue to be a global challenge, but Prologis has an actionable plan and science based targets that will allow us to tackle these issues head on. As a business, we will continue our efforts – and more – to ensure that our developments work and our customers' businesses have a positive effect on the world around us, both in terms of the environment and local communities.

We are lucky to have such engaged and giving people, both here in the UK and in the global business. Every year I am incredibly enthused by our collective generosity and the positive impact we can make when we come together as a business. In the coming years, I am sure this generosity and enthusiasm will only increase.

My commitment, on behalf of the business, is to continue our work and do even more. We will continue to provide logistics properties for our customers which form part of a holistic approach to sustainability, which addresses the needs of people, communities, the environment and the business.



Martin Cooper

Vice President Development Management, Prologis UK

