

---

# 2020

---

ESG ANNUAL REPORT

# CLEARER HEIGHTS

---



**LOGISTICS<sup>®</sup>**  
PROPERTY  
CO







# CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE: Our Programs . . . . .	2
ENVIRONMENTAL: Our Commitment . . . . .	4
SOCIAL: Our Commitment . . . . .	12
GOVERNANCE: Our Commitment . . . . .	20

All metrics are as at December 31, 2020.



# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

## OUR PROGRAMS

### Introducing our pathway to CLEARER HEIGHTS

Logistics Property Company, LLC (LPC)'s mission is to be the leader in industrial real estate promoting disciplined investment to ensure optimal outcomes for our people, our community, and our environment.

We are strategically engaged in Environmental, Social and Governance (ESG) as well as Equity, Diversity and Inclusion (EDI), not only because it is the right thing to do, but also because it lowers the cost of occupancy for our tenants.

To efficiently manage our programs, LPC established the following internal working groups:

1. LPC ESG Committee
2. LPC Community Engagement Committee
3. LPC Women's Leadership Forum
4. LPC Post-Pandemic Recovery Task Force

LPC's inaugural ESG Report offers a snapshot of our activities to date. It also provides a solid foundation for the building blocks of much more to come as we continue to embrace CLEARER HEIGHTS—literally across our growing portfolio of logistics properties, and figuratively across our corporate management philosophies.



**VALUES**  
LPC's sustainability objectives are underpinned by our DNA: expertise, diligence and value



**COMMUNITY**  
Fostering a supportive environment based on listening, education, and action. Focused on respect for the rights, differences, and dignity of others



**COMPLIANCE**  
Maintaining a strong and regimented program for health, safety, and environmental (HSE) regulations and risk-reduction in the workplace



**MOTIVATION**  
Provide perpetually modern facilities that are energy-efficient and exceed market standards



**GOVERNANCE**  
The LPC Board works closely with the LPC ESG Committee and senior leadership team to provide oversight and maintenance of consistent expectations and performance



# ENVIRONMENTAL

## OUR COMMITMENT

Supporting the environments in which we operate for future generations

Logistics Property company, LLC (LPC) strives to be efficient in the energy our company takes in and the waste it discharges, the resources it needs, and the consequences for all living beings as a result.

- **Climate Change** – raise climate awareness throughout our organization and the communities in which we operate; i.e., factor climate risks in our land/asset acquisitions and consider climate resilience in design to minimize the impact
- **Carbon Footprint** – reduce greenhouse gas emissions through optimized site selection and sustainable construction methods
- **Air, Water, Soil and Light Pollution** – use environmentally friendly products, materials and processes
- **Waste Management** – treat any remaining unusable waste in an environmentally friendly way



# ENVIRONMENTAL

## OUR METRICS


### Sustainability

 **100%**  
of buildings use recycled  
building materials

 **100%**  
of buildings use energy  
efficient roofs

 **100%**  
of buildings and parking use  
energy efficient lighting

 **100%**  
of buildings use low-flow  
bathroom fixtures

 **100%**  
of buildings boast  
Low Emissivity (LE)  
i.e., The glass emits a low  
level of radiant energy

 **100%**  
of buildings comply with local  
requirements for construction  
pollution and dust control

 **70%**  
of buildings use high  
reflectance white roofs

 **2,200**  
trees planted

 **75%**  
of buildings use high  
reflectance concrete

 **100%**  
of buildings pass COMcheck

i.e., Building Energy Codes Program, developed by the U.S. Department of Energy, and accepted by most municipalities for energy code compliance



# ENVIRONMENTAL

Amid the COVID-19 global pandemic and an extremely tight construction schedule, Logistics Property Company, LLC (LPC) worked six days per week with Pierce County officials, Poe Construction, and numerous sub-contractors to accommodate a global home furnishings retailer (the tenant) on budget and ahead of schedule.

Frederickson ONE, Building 1, Frederickson, WA

## CASE STUDY

### Embracing our environment, one park at a time

#### Opportunity:

Deliver a highly functional, aesthetically pleasing, environmentally sound, and location-appropriate 2.5 million square foot speculative business park into the Pacific Northwest on budget and on schedule during a global pandemic.

#### Focus:

Partner with NELSON, formerly known as Craft Architects, to create a bespoke design; Pierce County and Poe Construction to develop the property; and Neil Walter Company and Pacific Rim Real Estate Group, Inc. to lease the project.

#### Approach:

Open the conversation to better understand the regional design elements and demand uses to create a one-of-a-kind business park that will attract Fortune 500 users in the market.

#### Outcome:

Frederickson ONE, Building 1's design evokes the feeling of a pacific northwest forest through various colors and designs on the precast panels.

The property earned all of the Washington state energy tax credits available, including efficient LED warehouse lighting and lighting controls; as well as all concrete truck courts.

Frederickson ONE provided 56-foot wide roads inside the park to enhance maneuverability for both trucks and automobiles within the park and its surroundings, as well as more than 2.5 times the required amount trailer parking stalls.

In addition, the site incorporates an extensive use of over 140 native trees.





# ENVIRONMENTAL

This site was the former location of the Pullman Couch facility but gained notoriety with the “Ice-Fire” of 2013. LPC purchased the site in late 2018 and embarked on a significant environmental clean-up effort to remediate the soils. In 2019 LPC encapsulated the site under IEPA guidance with appropriate engineered barriers and structures. Not only did LPC improve the current land use, we also dramatically improved the environmental nature of the site.

## CASE STUDY

### Creating cleaner living, working and playing spaces

#### **Opportunity:**

Transform an environmentally challenged vacant lot in downtown Chicago into a neighborhood-centric, modern logistics facility.

#### **Focus:**

Engage the local community to ensure optimal outcomes for our people, our community, and our environment, not only because it is the right thing to do, but also because it lowers the cost of occupancy for our tenants.

#### **Approach:**

In addition to the significant benefits brought to the community via enhanced land use, environmental cleanup, and community engagement, Logistics Property Company, LLC (LPC) created numerous jobs for the community. Approximately 50 new construction jobs were created during development of the property. Additionally, our tenant indicated that they would create 75 new jobs. This is a tremendous success story for a site that was environmentally challenged and sitting unused for more than five years.

#### **Outcome:**

Completed a 135,000 square foot speculative facility at 37th and Ashland in the McKinley Park neighborhood of Chicago, IL which is now the home to Technical Education Services, Inc. DBA Aviation Institute of Maintenance.

3711 Ashland Avenue, Chicago, IL



# SOCIAL



## OUR COMMITMENT

### Supporting equity, diversity and inclusion from within

Logistics Property Company, LLC (LPC) strives to enhance the relationships our company has and the reputation it adopts with people and institutions in the communities in which we operate

- **Community Relations** – engage with local communities, governments and non-profit organizations
- **Diversity** – workplace inclusion and understanding
- **Customer Outreach** – strategically connect and communicate to attract and maintain customers
- **WHSE** – provide healthy and safe working environments
- **Human Rights** – respect basic human rights and freedoms



# SOCIAL

PROUD SUPPORTER OF



## OUR METRICS

### Community Engagement

Make-A-Wish **100%**  
ILLINOIS

employee participation in LPC Anniversary Benefiting Make-A-Wish, Illinois

 **>90%**

employee participation in community service activities

 **>90%**

employee participation in financial contributions to causes/non-profits

### Equity, Diversity and Inclusion (EDI)

 **>40%**

employees are female or from diverse backgrounds

 **100%**

employee participation in LPC Leadership Lessons

 **>25%**

committed to Minority Business Enterprise (MBE) participation for construction at DFW International Airport

 **>34%**

committed to Minority (Women) Business Enterprise (M/WBE) participation for design at DFW International Airport

 **100%**

employee participation in WHSE Anti-Harassment Training

 **100%**

employee participation in WHSE Training



# SOCIAL



## CASE STUDY

### Celebrating our success by giving back

#### Opportunity:

How do you differentiate a corporate anniversary while simultaneously supporting those in need?

#### Focus:

Logistics Property Company, LLC (LPC) celebrated the company's first and second anniversaries by giving back.

#### Approach:

Create a high-caliber, celebratory event, recognizing the collaborative efforts of our employees, partners, investors, and associates, while simultaneously raising critical funds and awareness for children in need.

#### Outcome:

The LPC team was joined by approximately 100 of its closest friends and associates, as they celebrated LPC's first and second anniversaries benefiting Make-A-Wish Illinois.

- In the first year, LPC set out to raise \$10,000 to grant one child's wish but raised \$50,000 – which helped grant more than five children's wishes.
- In the second year, LPC initially set out to match its first anniversary effort, but again doubled its mission, raising \$100,000 – which helped grant more than 10 children's wishes.
- In total, LPC raised \$150,000 in its first two years of partnership with Make-A-Wish Illinois – enough to grant more than 15 children's wishes.

**“Together we create life-changing wishes for children with critical illnesses.**

**Our vision is to make every eligible child's wish come true.”**

— MAKE-A-WISH



# SOCIAL



“Due to its proximity to our downtown Chicago national headquarters, 3711 South Ashland Avenue is a flagship property in our growing national portfolio, so it was important that we made it something really special. Partnering with an artist of Ellen Rutt’s caliber—to turn our vision into a reality in record time during a global pandemic—was an unanticipated dream come true, thanks largely to our friend and producer Nick Marzullo.”

— AARON MARTELL, Executive Vice President – Central Region, Logistics Property Company, LLC

3711 South Ashland Avenue, Chicago, IL

## CASE STUDY

### *Tell Me About the World You Want to Live In*

#### **Opportunity:**

Gift the community and avoid graffiti on a 266’ x 38’ wall on a modern logistics facility in downtown Chicago.

#### **Focus:**

Create an aesthetically pleasing, highly respected, public artwork that will enhance the appeal of Logistics Property Company, LLC (LPC)’s 3711 South Ashland Avenue, Chicago, IL, deter graffiti taggers, and add value to the community and our future tenants.

#### **Approach:**

Commission a custom mural by a female multi-disciplinary Detroit-based artist, collaborate with local Chicago and Midwest artists, and support a local non-profit.

#### **Outcome:**

The team commissioned a 266-foot by 38-foot mural by artist Ellen Rutt. As an extension of this strategic community engagement initiative, LPC and Ellen Rutt selected Chicago Public Art Group as the recipient of a \$5,000 donation to further support local artists and businesses affected by COVID-19 and other challenges during 2020.



# GOVERNANCE

## OUR COMMITMENT

### Aspiring to new heights

Logistics Property company, LLC (LPC) strives to attain the highest level of internal practices to govern, make effective decisions, comply with the law, and meet/exceed the needs of our internal/external stakeholders

- **Major Decisions/Approvals** – incorporate Environmental, Social and Governance (ESG) into investment decisions
- **Bribery and Corruption** – held to the highest ethical standards (AML/KYC)
- **Reporting** – maintain transparency and disclose factors and related metrics that are meaningful to our stakeholders





# GOVERNANCE

## OUR METRICS

### Award-Winning WHSE

Logistics Property Company, LLC (LPC) was awarded first place in the client category at Sevan's Annual Safety Excellence Award Dinner which recognizes Sevan's clients, contractors and team members who exemplify world-class safety performance.

We fully appreciate the key to our continued success is based on the five Rs:

- 1 Responsiveness
- 2 Reputation
- 3 Remediation
- 4 Resilience
- 5 Reward



# GOVERNANCE

As a fourth-generation owner of Pattillo Construction Corporation, Bree Pattillo possesses all the core strengths of the family leadership that came before her and an enduring passion for the business. Under her guidance, the company enjoys an exceptionally strong management team with a combined 17 decades of construction experience.

Brewster Creek Logistics Park, Bartlett, IL

## CASE STUDY

Facilitating opportunities for our people and our partners to break through the proverbial glass ceiling

### Opportunity:

The commercial real estate industry is lacking diversity.

### Focus:

The benefits of diversity start with a variety of perspectives, so including people who come from different backgrounds, and adding that input into our thinking, is critical for us.

### Approach:

With the right people, programs and protocols in place, Logistics Property Company, LLC (LPC) aspires to be a leader in Environmental, Social and Governance (ESG) and Equity, Diversity and Inclusion (EDI), as well as an employer, developer, partner and corporate citizen of choice.

### Outcome:

LPC conducts business with exceptional talent representing a rich tapestry of diverse backgrounds. It is expanding its inclusion of Minority (Women) Business Enterprise (M/WBE) and Minority Business Enterprise (MBE) contractors and sub-contractors.

Not only are we partnering with Pattillo Construction Corporation (Pattillo) on LPC's Oakwood 985 Business Park, Oakwood, GA, we also featured Bree Pattillo, CEO and fourth-generation owner of Pattillo, during a recent companywide LPC Leadership Lessons webinar.



# GOVERNANCE

## CASE STUDY

Protecting the health and safety of our people, regardless of productivity

### Opportunity:

Ensuring the health and safety of both onsite and offsite teams, while continuing to provide an essential service during a global pandemic.

### Focus:

To coordinate our strategic crisis communications and preparedness for post-COVID-19, Logistics Property Company, LLC (LPC) formed a Post-Pandemic Recovery Task Force as a sub-committee of the LPC Risk Committee.

### Approach:

The aim of this sub-committee is threefold:

1. Immediate: Understand Federal, State, County and City positions across the jurisdictions in which LPC operates
2. Medium-term: Conduct a SWOT Analysis to determine individual employee circumstances and LPC's office requirements moving forward; and
3. Long-term: Update the LPC Business Continuity Plan (BCP) to mitigate risks for onsite and offsite teams.

### Outcome:

Amid the COVID-19 global pandemic, LPC's on-site construction teams continued to function while using appropriate social distancing and PPE.

LPC's off-site productivity did not drop because of working remotely due to COVID-19 either. On the contrary, productivity increased to the extent that after hours/weekend calls and work requirements were more easily met.

“Protecting the health and safety of our people, both onsite and offsite, is our highest priority.”

— JIM MARTELL, Chief Executive Officer, Logistics Property Company, LLC



# ABOUT US



## About Logistics Property Co.

Logistics Property Company, LLC (LPC) is a real estate platform focused on the acquisition, development, and management of modern logistics properties in key North American markets. The management team of LPC partnered with MIRA Real Estate – part of the Macquarie Infrastructure and Real Assets division of Macquarie – on the formation of the platform. LPC currently manages properties in key logistics markets including Atlanta, Chicago, Dallas, Houston, Kenosha, Mount Pocono, and Seattle-Tacoma with an estimated end-value of more than \$1.5 billion. Headquartered in Chicago, LPC has offices in Atlanta, Baltimore-Washington, Dallas, Houston, Los Angeles, and Seattle. For further information, please visit [logisticspropco.com](https://logisticspropco.com) and follow @logisticspropco.

## About MIRA Real Estate

MIRA Real Estate is a global real estate manager and investor with an extensive network and capability across listed and unlisted funds, asset management, real estate platform and direct investment and private capital markets transactions services. MIRA Real Estate has a global network of over 210 people in 24 markets and, as at March 31, 2020, managed assets of over \$17 billion (including proportionate share of investee real estate platforms) across a portfolio of more than 500 office, logistics, retail, and residential assets.

MIRA Real Estate is part of Macquarie Infrastructure and Real Assets (MIRA), one of the world's leading alternative asset managers. As at March 31, 2020, MIRA managed \$132 billion in assets, including over 150 portfolio businesses, approximately 500 properties and 4.8 million hectares of farmland.

None of the entities noted in this document is an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.



# CONTACT US

## **Atlanta**

3340 Peachtree Road, Suite 580  
Atlanta, GA 30326  
+1 404 816 1235

## **Houston**

2525 Robinhood Street, Suite 105  
Houston, TX 77005  
+1 469 706 9100

## **Los Angeles**

7777 Center Avenue, Suite 690  
Huntington Beach, CA 92647  
+1 657 215 7830

## **Chicago**

One North Wacker Drive, Suite 1925  
Chicago, IL 60606  
+1 708 667 6940

## **Seattle**

508 Yale Avenue North, No. 220  
Seattle, WA 98109  
+1 657 215 7830

## **Dallas**

909 Lake Carolyn Parkway, Suite 775  
Irving, TX 75039  
+1 469 706 9100