

RESPONSIBLE INVESTMENT POLICY

2023 – 2024

Summary

As a leading owner, developer, and manager of sustainable modern logistics buildings, Logistics Property Company understands the importance of integrating environmental stewardship, social responsibility, and governance into every aspect of our business. By engaging with our stakeholders, we are purpose-driven at every level and strive to embrace evolving expectations, implement best practices, and maximize our environmental, social, and community contributions.

Approach to Responsible Investment

The overall approach to responsible investment at Logistics Property Company is integrated with the Sustainability framework and environmental, social, and governance principles. In 2022, the company became a signatory to the United Nations Principles for Responsible Investment (UN-PRI), which guides their investment strategy. This commitment is reflected in their governance practices and is a core part of their business operations across the portfolio lifecycle, including acquisition, development, and asset management.

The company's responsible investment approach is designed to mitigate risks, identify core investment opportunities, and create long-term value for investors and all stakeholders. They aim to ensure that their investments are ethical and sustainable, which involves continuous improvement, adherence to responsible investment principles, and regular reporting to the company's board committees on progress and activities.

The company also engages in various initiatives to support their responsible investment approach, such as ENERGY STAR benchmarking, GRESB assessments, climate resilience strategies, and enhanced ESG training for employees and the supply chain. The company conducts employee surveys, engage with vendors on energy management and ESG strategy, and participate in community philanthropy and advisory roles.

By integrating ESG principles into their operations and promoting transparency, accountability, and ethical behavior, Logistics Property Company aims to set the industry standard for responsible investment and deliver long-term value to their employees, customers, partners, investors, communities, and the planet.

United Nations Principles for Responsible Investment (UNPRI or PRI)

Logistics Property Company is a proud signatory of the United Nations-supported Principles for Responsible Investment ("PRI").

The following six principles are used as a framework to the ESG responsible investment process:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.



- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

Screening

We conduct initial screening for all new investments.

Investment screening includes key factors for consideration, including detailed Environmental considerations.

Upon an initial approval during due-diligence, environmental considerations will be reviewed by completing a detailed Phase 1 Environmental Site Assessment (ESA).

Investment decision

Investment team members are required to work directly with our Head of ESG to ensure a thorough and detailed review, including all cost considerations before final paper is sent to the Investment Committee.

Item	Requirement by Team
Climate Change	ESG will request the Risk Meter report to be provided by Plexus Groupe (address or approximate address required).
LEED Level	Identify the Level of Certification the project will pursue.
Sustainable Design and Construction	Identify Sustainable Features to be included.
Building Materials / Embodied Carbon	Identify the Environmental and Material Products to be incorporated within the development.
Lease	Green Lease Provisions at time of lease
Utility Monitoring	Identify the Utility Monitoring to be included for the development:
Renewable Energy	Integrate Solar Ready and EV Readiness within assets.
Workplace Health, Safety and Environment	Identify the selected General Contractor For Value-Add Conduct Environmental Assessment Phase I
Flood Zone and any other Environmental Considerations	Identify if asset in flood zone.

Ownership

Responsible investment objectives are implemented throughout the life cycle of the asset.

Team will embed ESG considerations and responsible principles throughout the asset holding and will include these material aspects but not limited to:

- Head of Environmental, Social and Governance responsible for the overseeing and managing all aspects to ESG performance
- ESG Policy
- Vendor Code of Conduct for Suppliers and Partners
- Partnerships with key industry associations including U.S. EPA ENERGY STAR
- Integration of environmental, social and governance considerations

Monitoring

Logistics Property Company actively reports responsible investment practices on an ongoing basis and reports any materiality items to respective investors and stakeholders.

ESG goals and implementations are monitored and reported through:

- Quarterly and Annual Reporting
- Utility Benchmark reporting within ENERGY STAR Portfolio Manager (ESPM)
- Reporting alignment with:
 - UNPRI
 - Global Real Estate Sustainability Benchmark (GRESB)
 - Sustainable Development Goals (SDGs)
 - UN Global Compact Principles
 - Global

Exit

The premise underlying all responsible investment efforts during the holding period is that managing ESG issues throughout the investment cycle can reduce risk and enhance company value, which can be realized upon exit.

Other benefits a responsible investment approach can yield at exit include:

- Identifying and managing material ESG issues and ensuring they are well managed.
- Demonstrate that LPC has taken a responsible approach to managing ESG issues and asset was well managed.

Responsible Investment Integration

Screening

- Identify any key environmental, social or governance opportunities or issues early.

Due Diligence

- Assess responsible investment risks and opportunities to capitalize on investment.

Investment

Make an informed investment decision taking all environmental, social and governance factors into account.

Ownership and Monitoring

- Ensure ongoing compliance and implementation of performance.
- Stay informed and respond to new developments and/or risks.

Exit

- Commit to all applicable ESG considerations throughout the lifecycle of the asset.

Environmental Factors

In responsible investment, the guidelines on environmental factors at Logistics Property Company are centered around several key initiatives and practices:

- **Environmental Management System (EMS):** The company has an EMS aligned with ISO 14001 standards, which includes identifying environmental aspects, legal and other requirements, setting objectives and targets, and establishing environmental management programs.
- **Green Building Certifications:** Logistics Property Company is committed to environmentally friendly construction practices, aiming for LEED certification or higher for all development projects, considering energy efficiency, water conservation, and indoor air quality.
- **Net Zero Carbon Emission Goals:** The company has set a goal to become net zero carbon emitters by 2050, employing strategies such as energy-efficient design, embodied carbon analyses, renewable and electrification readiness and adoption, and carbon offset initiatives.
- **Climate Action:** The company conducts environmental investment due diligence, aligns with Science-Based Targets (SBTi), performs portfolio analysis with the Carbon Risk Real Estate Monitor, and develops embodied carbon materials and reduction strategies. It also focuses on climate risk resilience and mitigation.
- **ENERGY STAR Benchmarking and Certifications:** The company benchmarks and certifies its properties with ENERGY STAR to ensure energy efficiency.
- **Responsible Consumption & Production:** Construction waste is reused and recycled, and the company engages in business continuity preparedness.
- **Water Resource Management:** The company partners with tenants to set targets for responsible water resource management.
- **Reduced Waste and Pollution:** Efforts are made to promote recycling and reduce industrial emissions.

Social Factors

The guidelines on social factors are multifaceted and focus on creating a positive impact on people and communities. These guidelines include:

- **Social Responsibility:** The company is dedicated to building a workplace that values people, diversity, and fostering positive stakeholder relationships. They are committed to promoting diversity, equity, and inclusion (DE&I), and enhancing employee well-being within the organization.
- **Employee Engagement:** Logistics Property Company conducts employee surveys to gauge satisfaction and engagement. They also provide training and development opportunities, including REIT training and ESG awareness programs.
- **Health and Safety:** The company has a workplace health and safety framework and provides training to ensure the well-being of employees and stakeholders.
- **Labor Practices:** They uphold the freedom of association and recognition of collective bargaining, fostering employment conditions that promote mutual trust between management and employees.
- **Community Impact:** The company engages in philanthropy, advisory participation, volunteerism, and participates in conferences and events to contribute to stronger, more resilient communities.

- **Stakeholder Engagement:** Logistics Property Company holds regular meetings with employee co-investors and quarterly meetings to discuss energy management and ESG strategy. They also engage with tenants on social initiatives and encourage stakeholder engagement.
- **Human Rights:** The company complies with human rights, security, and equality, and personal, economic, cultural, and social freedoms, as guided by their Employee Code of Conduct and corporate governance practices.
- **Anti-Corruption:** They are committed to conducting activities free from the illegal and improper influence of bribery and ensure compliance with all anti-bribery and anti-corruption laws and regulations.
- **Supplier Responsibility:** Logistics Property Company encourages suppliers to adopt sustainable business practices, thus extending their influence across the supply chain.

Governance Factors

The guidelines on governance factors are centered around the following key areas:

- **Strong Governance Framework:** The company implements sound corporate governance and sustainable business practices, as evidenced by their governance principles and the structure of dedicated committees, including the board's Investment and Asset Management committees.
- **Transparency and Integrity:** Logistics Property Company has received a Transparency and Assessment Scorecard through the UN-PRI, emphasizing their commitment to transparency, accountability, and ethical behavior in their business operations.
- **Compliance with Standards:** The company is a Certified Platinum Green Lease Leader and aligns its Environmental Management System with ISO 14001 standards, ensuring compliance with recognized global benchmarks.
- **Training and Awareness:** All employees receive governance training, which is indicative of the company's commitment to fostering a culture of integrity and informed decision-making.
- **Anti-Corruption Measures:** The company adheres to an Employee Code of Conduct and Vendor Code of Conduct, committing to activities free from bribery and ensuring compliance with anti-bribery and anti-corruption laws and regulations.
- **Stakeholder Engagement:** Regular reporting to the board and engaging with stakeholders, including employee co-investors, vendors, and the local community, are integral to their governance approach. This engagement is part of their strategy to build stronger, more resilient communities.
- **ESG Integration:** Governance factors are integrated into the company's ESG approach, with a focus on meeting or exceeding legal and regulatory requirements and implementing best practices.
- **Recognition and Leadership:** Participation in the GRESB Real Estate Assessment and achieving a leading position in their peer group demonstrates the company's commitment to governance excellence and ESG principles.
- **Commitment to Continuous Improvement:** The company is dedicated to continuous education and adaptation to changes in governance best practices, ensuring ongoing measurement, analysis, and responsiveness to stakeholder feedback.

Guidelines on Sustainable Outcomes

In responsible investment, the guidelines on sustainable outcomes are informed by a comprehensive approach that integrates environmental, social, and governance factors throughout the portfolio lifecycle, which includes acquisition, development, and asset management. The company's commitment to sustainable outcomes is guided by the following principles and practices:

- **Integration:** The company integrates responsible investment principles into all stages of its portfolio lifecycle, ensuring that investments are ethical, sustainable, and generate long-term value for all stakeholders.
- **UN-PRI Signatory:** As a signatory to the United Nations Principles for Responsible Investment (UN-PRI), the company adheres to a set of global standards for responsible investing that includes a commitment to sustainable outcomes.
- **Sustainable Development Goals (SDGs):** The company utilizes the SDGs as a framework to guide its sustainability and corporate governance efforts, identifying specific goals that are most relevant to their operations.
- **Green Building Certifications:** The company is committed to environmentally friendly construction practices, aiming for LEED certification or higher for all projects, which considers energy efficiency, water conservation, and indoor air quality.
- **Net Zero Carbon Emission Goals:** Logistics Property Company has set a goal to become net zero carbon emitters, employing strategies such as energy-efficient design, embodied carbon analyses, renewable and electrification readiness and adoption, and carbon offset initiatives.
- **Energy Efficiency:** The company implements ENERGY STAR benchmarking and certifications, and commissions buildings at the end of construction to ensure optimal performance and efficiency.
- **Climate Resilience:** The company has climate resilience strategies and emergency preparedness plans in place to adapt to and mitigate the impacts of climate change.
- **Responsible Consumption & Production:** The company practices responsible consumption and production by reusing and recycling construction waste, and by selecting sustainable materials and products with recycled content.
- **Stakeholder Engagement:** The company engages with stakeholders, including local communities, employees, suppliers, and investors, to promote transparency, social responsibility, and to address concerns related to sustainable outcomes.
- **Continuous Improvement:** The company is committed to ongoing measurement, analysis, and improvement of its ESG practices, ensuring accountability and responsiveness to stakeholder feedback.
- **Anti-Corruption:** The company adheres to its Employee and Vendor Codes of Conduct, ensuring activities are free from bribery and in compliance with anti-corruption laws and regulations.

Guidelines on Industrial Logistics Facilities

The responsible investment guidelines tailored to the specific asset class held by Logistics Property Company, which specializes in logistics facilities, are deeply rooted in the company's commitment to Sustainability principles across the portfolio lifecycle. These guidelines are as follows:

- **Integration:** The company integrates ESG considerations into acquisition, development, and asset management stages, ensuring that investments are ethical, sustainable, and provide long-term value.
- **UN-PRI and Net Zero Commitment:** As a signatory to the UN Principles for Responsible Investment and the Net Zero Asset Managers Initiative, the company is committed to responsible investment practices and achieving net zero carbon emissions by 2050.
- **Green Building Certifications:** The company aims for LEED certification for all development projects, reflecting a commitment to sustainable construction and design practices.
- **Energy Efficiency:** The company focuses on energy efficiency and cost savings through ENERGY STAR benchmarking and certifications, and by identifying sustainable building technologies.
- **Climate Resilience:** The company has climate resilience strategies and emergency preparedness plans to mitigate the impacts of climate change on their assets.
- **Stakeholder Engagement:** Regular engagement with stakeholders, including employee co-investors, vendors, and the local community, ensures that responsible investment guidelines are aligned with stakeholder values and expectations.
- **DE&I and Employee Well-being:** The company expands DEI initiatives and promotes employee health, safety, and well-being, recognizing the social aspect of responsible investment.
- **Environmental Management System:** The company's EMS is aligned with ISO 14001 standards, ensuring responsible consumption and production, including construction waste reuse and recycling.
- **Sustainable Development Goals:** Logistics Property Company utilizes the SDGs as a guide, identifying goals most relevant to their operations and aligning their investment strategy accordingly.
- **Anti-Corruption:** The company adheres to its Employee and Vendor Codes of Conduct, ensuring activities are free from bribery and in compliance with anti-corruption laws.
- **Transparent Reporting:** The company is committed to transparent reporting and continuous improvements to ESG policies and practices, using metrics, standards, benchmarking, and third-party validation.
- **Innovation and Partnerships:** The company leverages its supply chain to foster innovation and seeks partnership opportunities with utility providers for green procurement methods.

Exclusion Policy

Specifically, the exclusion policy for LPC Logistics Venture Two, as detailed on page 5, prohibits investment in activities involving:

- The manufacture of civilian firearms or ammunition.
- The production of military weapons, weapons systems, or weapons of mass destruction.
- The production, manufacture, or distribution of pornography.
- The growing, production, manufacture, or processing of tobacco or tobacco products.
- Gambling operations.
- The production of thermal coal.

Guidelines to Managing Conflicts of Interest

The company is a signatory to the UN Principles for Responsible Investing (PRI), which includes a commitment to act in the best interests of beneficiaries and avoid conflicts of interest.

The policy guides investment decisions and includes responsible investment related covenants in investment agreements. The company's governance structures such as an ESG committee and board of directors, which would typically be involved in overseeing and managing conflicts of interest.

Stewardship: Guidelines on Engagement with Investees

- Establish Clear Expectations
- Assess Current Performance
- Set Goals and Create an Action Plan
- Engage in Continuous Dialogue
- Monitor Progress and Report
- Stakeholder Engagement
- Collaborate on Material Issues
- Review and Adapt Strategies
- Recognize and Reward Improvements

Stewardship: Guidelines on Political Engagement

The company's commitment to good corporate governance and sustainability, as evidenced by its adherence to the UN Principles for Responsible Investment (PRI), the Global Reporting Initiative (GRI), and the Task Force on Climate-related Financial Disclosures (TCFD), suggests that any political engagement would be conducted with transparency and integrity, avoiding any form of bribery or corruption, as stated in the company's codes of conduct.

Stewardship: Guidelines on Engagement with Key Stakeholders

- Stakeholder Engagement: Engage with stakeholders to understand their ESG expectations and concerns.
- Maintain clear channels for stakeholder communication and engagement, which are essential for understanding the impact of the company's activities and for stakeholder feedback to inform the ESG strategy.
- Collaboration on Material Issues: Collaborate on projects that address material ESG issues and participate in industry-wide initiatives and partnerships aimed at improving ESG standards.
- Continuous Improvement: Emphasize the importance of continuous improvement in responsible investment performance, encouraging portfolio companies to regularly review and update their strategies. Implement feedback mechanisms to learn from initiatives and adapt future engagement approaches accordingly.
- Reporting and Disclosure: Regularly report on responsible investment issues to stakeholders, including GRESB and UNPRI, based on recognized standards and frameworks, such as the Global Reporting Initiative (GRI). Engage with Limited Partners (LPs) through annual investor summits, investor letters, dedicated ESG meetings, and personalized communication to provide updates on responsible investment matters and to field questions.
- Governance Arrangements: Establish governance structures, such as board oversight or a dedicated ESG committee, to ensure accountability for responsible investment implementation. The Investment Committee ensures that responsible investment criteria are integrated into the investment analysis and decision-making processes.
- Training and Capacity Building: The company provides training to employees to understand responsible investment issues, best practices, and reporting.
- Monitoring and Review: Processes are in place for ongoing monitoring, review, and adaptation of the policy to ensure it remains relevant and effective.

Resources

UNPRI Principles for Responsible Investment Resources for Private Equity

<https://www.unpri.org/investor-tools/private-equity>

NCREIF PREA – ESG Principles for Reporting for Private Real Estate

<https://reportingstandardsinfo.files.wordpress.com/2021/10/rs-handbook-vol-ii-research-esg-principles.pdf>