

Environmental Management System

Revision U: 1st August 2024

Issued By:

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Managing Director, Global Head of Development Management

Status:

Rev A	Initial discussion draft
Rev B	Revised following internal review
Rev C	Reference to planning conditions added
Rev D	Updated following gap analysis. SWMP regulations added
Rev E	Formatting changes
Rev F	Insertion of Signature requirement in Section 11
Rev G	Inclusion of European Regions
Rev H	Environmental Policy signed by Chief Sustainability Officer. Internal audit process updated to reflect annual audit process. Management review process updated to specifically include compliance. NetRegs added to Legislation. UK specific references removed
Rev I	Amended to incorporate North America
Rev J	Revised Objectives and Targets
Rev K	Objectives and Targets moved to separate document. Preferred Supplier list reference amended
Rev L	Expanded to include global Project Management activities.
Rev M	Transition to 2015 standard
Rev N	Further changes to align with 2015 standard.
Rev O	Further changes in response to External Audit
Rev P	Personnel changes
Rev Q	Updated following ESG Review
Rev R	Link to Objectives and Targets updated.
Rev S	Personnel & Terminology updates.
Rev T	Titles updated and link to Objectives and Targets updated.
Rev U	Personnel changes

1.00 Environmental Management System (EMS)

Prologis has established a global Environmental Management System (EMS) for Development Management activities that is implemented, maintained and continually improved in accordance with the requirements of ISO 14001:2015.

This document sets out the EMS and describes how it will be implemented and maintained.

Within the document Prologis has defined:

Context of the Organization and Scope of the EMS

Leadership and Development Management Structure

Environmental Policy Statement

Planning – Risks and Opportunities

Environmental Aspects and Impacts

Compliance Obligations

Assessment of Competence

Communication and Document Control Process

Storage of Records

Internal Audit

Emergency Procedures

Management Review

Development Management Processes

Objectives and Targets

Supporting documentation

2.00 Context of the Organization and Scope of the EMS

Prologis is the world's leading owner, manager and developer of logistics property, with a long-standing commitment to environmental stewardship, social responsibility and governance (ESG). The principles of ESG are a natural fit in our business strategy and aligns with our longstanding commitment to be a valued partner for our customers and an exemplary citizen, minimizing our environmental impacts and maximizing returns for our stakeholders.

The environmental aspects and impacts of our offices and the management of our logistics portfolio are relatively limited. The development of new properties presents the most significant environmental risks and opportunities for our organization. Examples of those risks and opportunities, in the context of new developments, are as follows:

1. Remediation and Regeneration
2. Climate Change and Climate Variability Resilience
3. Energy Efficiency and Renewable Energy
4. Environmental Performance
5. Energy and Carbon Emission Reductions / Science Based Targets
6. Health and well-being
7. Alignment and support of the UN Sustainable Development Goals

These areas are managed by our global Development Management team and we have determined that this Environmental Management System (EMS) should focus on our global Development Management Activities as the area where we see significant environmental aspects within our direct control.

The nature of our Development Management activities are summarized in section 2.02 below and in section 14.00, which sets out our Development Management Processes in detail.

Our performance in these areas is considered as part of our Management Review and in our annual ESG Report, which is produced in accordance with the GRI (Global Reporting Initiative) Standards.

2.01 Interested Parties and Compliance Obligations

The interested parties affected by the EMS are:

Investors
Shareholders
Customers
Local communities
Regulatory authorities
Prologis' supply chain
Prologis' Development Management Team

They share the following needs and expectations:

- That Prologis should manage the environmental impacts of its Development Management Activities responsibly and in accordance with its Environmental Policy and Objectives.
- That activities should be carried out in accordance with all applicable environmental legislation and good practice.

The above needs and expectations form the Compliance Obligations for the EMS

2.02 Scope of the EMS

The scope of the EMS covers our global Development Management Activities, which fall broadly into the following categories:

- Assessing the environmental issues associated with land purchased for development
- Procuring construction contracts for the development of land
- Monitoring the progress and quality of construction works for the development of new properties through to completion

3.00 Leadership

The Management Representative (Greg Bauer, Managing Director, Global Head of Development Management) is accountable for the effectiveness of the Environmental Management System and the establishment of our Environmental Policy and Objectives, ensuring compatibility with our wider organizational objectives and business strategy.

The following members of the Development Management team have been allocated with responsibility for co-ordination of the EMS, to ensure that it is adequately resourced on a region by region basis, that it complies with the ISO14001 standard and that performance is properly monitored and communicated:

Global – Jenny Emrick
Europe – Martin Cooper
United States and Canada – Greg Bauer
Latin America – Greg Bauer
Asia – Fumiaki Hayano

This team is responsible for communicating with Development Management group members in their respective regions to ensure that they are aware of the EMS, understand the importance of compliance and are committed to a culture of continuous improvement.

Organizational charts indicating regional Development Management team member's roles and responsibilities are held in a centralized web-based document management system.

4.00 Environmental Policy Statement: Global Development Management Activities

This Environmental Policy Statement for Global Development Management Activities covers our global Development management activities and is part of Prologis' broader ESG Policy. Our approach to ESG is strategic. ESG practices are good business, and fundamental to the smart management of our organization. The principles of ESG align with our longstanding commitment to be a valued long-term partner for our customers and investors, and an exemplary corporate citizen, minimizing our environmental impacts and maximizing returns to our stakeholders.

Prologis property developers specialize in the industrial and distribution sectors. We accept our environmental responsibilities under legislation and are committed to the responsible and progressive management of all environmental issues in accordance with our compliance obligations.

We recognize the impact that our business has on the environment and are committed to the development of an environmentally responsible and sustainable approach to Development Management. This policy forms a fundamental part of our business strategy and covers all aspects of our Development Management activities. In implementing this policy, we will strive to continually improve our Environmental Management System and environmental performance in compliance with ISO14001:2015. We regard legislation, regulations and codes of practice as the minimum standards of environmental performance.

Our policy is to:

- Protect the environment.
- Understand and actively manage the environmental issues associated with land we purchase for development.
- Procure construction work in an environmentally responsible way, promoting the principles of sustainable development throughout our supply chain and encouraging contractors to reduce the environmental impact of their businesses.
- Encourage our contractors to manage works sustainably, by avoiding or minimizing pollution of all kinds, reducing the use of raw materials and adopting sustainable waste management strategies.
- Set objectives and targets for environmental management and regularly review our progress against them.
- Design buildings to reputable and applicable sustainable design standards that result in operational efficiency, cost savings and health benefits for our customers and their employees.

The responsibility for the environmental management of our Development Management activities lies with the Management Representative who will ensure that it is given equal priority to other business objectives. Compliance is overseen by the Managing Director, Global Head of Development Management. The policy and its implementation will be reviewed at least annually and will be revised and updated as required.

This Environmental Policy Statement is communicated to regional Development Management Teams through the issue and revision of the Development Management Manual. The policy is included in the manual and forms an integral part of the Development Management procedures. The Policy will be made available to the public on request.

Signed:

A handwritten signature in blue ink, appearing to read 'Greg Bauer', with a long horizontal flourish extending to the right.

Greg Bauer
Managing Director, Global Head of Development Management

5.00 Planning – Risks and Opportunities

Prologis has established processes to address risks and opportunities to ensure that the EMS achieves its intended outcomes, prevents undesirable environmental effects and achieves continuous improvement.

The risks and opportunities affecting the organisation fall into two broad categories:

- a. Project level – risks and opportunities affecting individual projects
- b. Business level – wider issues affecting Prologis as a business, such as changes in legislation and market requirements for building specifications

Risks and opportunities are managed through compliance with the development management and management review processes set out in detail in this EMS.

6.00 Environmental Aspects and Impacts

Prologis has considered the environmental risks associated with its Development Management activities, following a life cycle perspective to ensure that all stages of the development management process have been considered. The significant environmental risks identified are as follows:

- Occurrence of an environmental impact on land held for development as a result of inaction or action.
- An environmental impact caused by construction contractor's acting on behalf of Prologis.

Prologis can directly control these risks where we are in possession of development land and we can influence contractors to control the risk where we give them temporary possession of development land for the purpose of carrying out construction works.

The Environmental Management System addresses these potential environmental risks by ensuring the following:

- Environmental issues associated with land purchased for development are properly assessed by competent professional advisors. The results of that assessment are communicated to the team members responsible for the procurement of development work on that land.
- Recommendations of professional advisors are implemented on land held for development to prevent environmental impacts arising through inaction.
- Contractors and consultants carrying out enabling works or surveys on land held for development are made aware of the recommendations of the professional advisors to prevent environmental impacts arising through action.
- The environmental issues associated with land are communicated to contractors appointed to carry out development works, and the proper resolution of these issues is made a contractual requirement of any construction contract.

- Construction contractor's ongoing compliance with the environmental aspects of construction contracts is monitored by competent members of the Development Management team through to the completion of development.
- Noncompliance is identified, documented and evaluated by the relevant Development Management team to set appropriate response, potentially including disqualification from future projects or other consequences.

These procedures should directly ensure that legislative compliance is achieved as a minimum standard globally for all Development Management activities.

The management representative will decide if significant environmental aspects should be communicated externally on a case by case basis. The EMS communicates significant aspects internally.

7.00 Environmental Legislation

Details of environmental legislation relevant to our Development Management Activities are held for each operating country in a centralized web-based document management system.

The Development Management Team's knowledge of legislative issues is kept updated through individuals continuing professional development, via notification systems set up with our legal advisors or consultants and through discussion of individuals experience at regular Development Management Meetings.

Information on current and future legislation is also gathered through subscription to relevant local and regional government websites.

8.00 Assessment of Competence

The Development Management Team has been appointed based on competence, and copies of the team members' curriculum vitae are held on file by each Regional Head as a record of their previous experience and skills.

The Development Management Team are subject to an annual appraisal process, which identifies competency and performance levels relative to the employee's current position, sets out requirements for training and records additional training or experience gained. Appraisal records are held on file by each department head.

The Development Management Manual sets out the core procedures to be followed by the Management Team and this Environmental Management System forms an integral part of that manual.

The environmental competence of specialist advisors and construction contractors is assessed on an ongoing basis through the supplier and consultant Preferred Supplier List process outlined in the development management manual. Environmental incidents or non-compliance are notified to the management representative and where significant will trigger a review of competence for the Development Manager, contractor or advisor involved.

9.00 Communication and Document Control Process

The Environmental Management System is controlled and approved by the Management Representative Greg Bauer, Managing Director Global Head of Development Management. It is communicated to the Development Management Team through the issue of the Development Management Manual and through a centralized web-based document control system.

Communication within the Development Management Team and to external parties will be made via email, memorandum, letters and meetings and through the revision and issue of the Development Management Manual.

The revision of this document is controlled by the Management Representative.

10.00 Storage of Records

Records and documents referred to in the EMS will be stored in accordance with the filing procedure outlined in the Development Management Manual in an electronic filing system.

11.00 Internal Audit

Internal Audits of the EMS and the Development Management Process are arranged and monitored by the Management Representative. The audit process is carried out on an annual basis. Each regional center is subject to an individual audit. The results of these audits are collated and issued to the Management Representative in advance of the annual Management Review.

The audits target various aspects of the Development Management Process, as set out in the Development Management Manual, including compliance with and suitability of the EMS. The selection of projects reviewed as part of any particular audit will be at the discretion of the individual auditor and will be based on the findings of previous audits and the Management Review.

The auditor will prepare a compliance report for the Management Representative which will be considered as part of the Management Review.

12.00 Emergency Procedures

Any significant or urgent breach of the EMS or environmental legislation will be raised with the Management Representative as quickly as reasonably possible. Such events may come to the attention of the Development Management team through findings of the internal or external audits and site inspections, correspondence with authorities or any other means. The Management Representative will record any non-compliance and remedial or preventative action taken to address them. These records will be considered as part of the Management Review.

13.00 Management Review

The Management Representative (Greg Bauer, Managing Director, Global Head of Development Management) will carry out a Management Review of the EMS at planned intervals of no more than twelve months to ensure its ongoing suitability, adequacy and effectiveness.

The Management Review will include input from the other Regional Development Management Heads and the Managing Director, Global Head of Development Management.

The Review evaluates the compliance with the EMS, the need for changes, the Environmental Policy Statement and the Objectives and Targets.

The review findings will form the basis for new environmental objectives and targets for continual improvement.

The scope of the review will include:

- The outcome of internal and external audits of the Environmental Management System
- Feedback from the Development Managers and external third parties
- Adequacy of resources
- Opportunities for continuous improvement
- Our environmental performance, the extent to which the environmental objectives and have been achieved and the suitability of the metrics employed.
- Changes in market conditions or legislation
- Other changes to the environmental aspects of our Development Management activities
- Other internal or external issues relevant to the EMS
- Risks and opportunities relevant to the EMS
- Actions set out in earlier management reviews
- An analysis of any non-compliance and remedial or preventative actions taken to address them

The outcome of the review will be reported to the Managing Director, Global Head of Development Management, and records will be retained by the Management Representative.

14.00 Development Management Processes

Activity	Responsibility	Documents	Outcome
Determine environmental policy statement, objectives & targets	Management Representative	Environmental policy statement, management review and legislation	Environmental policy statement and measurable objectives and targets
Management Review	Management Representative	Management Review report	Continuous improvement

Assessing Land Purchased for Development

Activity	Responsibility	Documents	Outcome
Selection of specialist consultants based on competency	Development Management	Supplier and Consultant reviews	Appointment of competent advisors
Appoint specialist consultants to produce investigative reports and recommendations	Development Management	Specialist reports Standard contract forms	Detailed understanding of environmental issues associated with land acquired for development
Provide specialist environmental reports	Development Management	Specialist reports	Clear communication of environmental issues associated with land acquired for development

Management of Land Held for Development

Activity	Responsibility	Documents	Outcome
Actions recommended by specialist consultants reports are implemented	Development Managers	Instructions and correspondence	Environmental impacts arising through in-action are avoided
Appoint specialist consultants to advise on environmental issues prior to execution of construction contract and oversee enabling works or surveys	Development Managers	Instructions and correspondence	Environmental impacts arising through actions pre-contract are avoided

Procurement of Construction Contracts for New Development

Activity	Responsibility	Documents	Outcome
Selection of contractors based on competency	Management Representative and/or Development Managers	Supplier and Consultant reviews	Appointment of competent consultants
Advising prospective contractors of environmental issues	Development Managers	Tender documents	Proper management of environmental issues are contractual requirements
Appointment of specialists (e.g. ecologists) where necessary to monitor compliance with specialist recommendations and legislation	Development Managers	Specialist reports	Proper management and monitoring of environmental issues
Specification of construction work	Development Managers	Base build specification	Construction projects are specified in an environmentally responsible manner
Letting of contracts	Development Managers	Letters of intent	Contracts are based on an environmentally responsible specification
Site Waste Management Plan	Development Managers	Site Waste Management Plan and/or Contract Documents	Site Waste Management Regulations complied with waste minimised and managed efficiently

Monitoring the Progress and Quality of Construction Work

Activity	Responsibility	Reference	Outcome
Monitoring of construction	Development Managers	Minutes of meetings	Development works are monitored and environmental specification requirements are being complied with
Completion	Development Managers	As-built specification and/or local authority approvals	Confirmation that any environmental requirements of the specification have been complied with

15.00 Environmental objectives

Current Objectives and Targets are set out in a separate document located on the ISO 14001 intranet site. The document can be accessed using the following link:

[ISO 14001 Objectives & Targets](#)

Our Environmental Policy and Objectives are communicated via this EMS.

16.00 Supporting documentation

Document	Originator	Controller	Purpose
Due Diligence Records	Development Management	Development Management	Recording and communicating specialist consultant reports into environmental issues associated with land acquired for development
Preferred Suppliers List	Management Representative and Development Managers and Regional Development Management Heads and Preconstruction	Management Representative and Development Managers and Regional Development Management Heads will review competencies on a regular basis and control issue of an approved suppliers list	Competency of professional advisors and contractors is continuously checked and reviewed
Appraisal Forms	Regional Development Management Heads	Regional Development Management Heads will update on an annual basis	Competency of project management team is continuously checked and reviewed
Pre-contract correspondence and instructions	Development Managers	Development Managers will update documentation as required	Contractors and consultants working on land held for development prior to the letting of a construction contract are aware of key environmental issues and impacts are avoided

Supporting documentation (continued)

Document	Originator	Controller	Purpose
Tender documents	Development Managers	Development Managers control documents which are re-issued as required until the tender process is complete	Ensures that management of environmental issues becomes a contractual requirement
Specialist Reports (e.g. ecologist)	Development Managers	Development Managers control documents which are held on project files	Records specialist monitoring of works where required
Base Build Specification	Development Managers	Development Managers controls document which is updated throughout the project until as-built status is achieved	Sets out environmental requirements of construction contract
Letter of Intent (where used)	Development Managers	Development Managers control the document which is generally issued once only when works commence	Records the status of the Base Build Specification as a formal contract document
Correspondence with Regulatory Authorities	Development Managers	Development Managers retain key records on file	Records key discussions with regulatory authorities
Minutes of Meetings and Contractors Reports	Development Managers	Development Managers issue minutes following regular review meetings Contractors provide reports which are circulated with the minutes and held by the Development managers on file	Demonstrates that construction contracts have been monitored for compliance with environmental requirements

Supporting documentation (continued)

Document	Originator	Controller	Purpose
As Built Specification	Development Managers	Development Managers produce as built specification when works are complete. This document is issued once only	Confirms the extent to which the environmental requirements of construct contract have been met
Confirmation of Discharge of Environmental Planning Conditions	Development Managers	Development Managers will collate correspondence from local Planning Authority to demonstrate compliance	To ensure environmental planning requirements are properly addressed