

# LatAm Logistic Properties Community Relationship Manual

## General Objective

1. Establish a sustainable strategic relationship with the communities surrounding the LatAm logistics parks in accordance with the company's Sustainability Strategy that allows the company and the community to meet common sustainable objectives and goals.

## Specific objectives

2. Contribute to the socioeconomic development of the communities in which LLP has a relationship, through the creation of capacities in the inhabitants in accordance with the strategic pillars that guide the company's Sustainability Strategy.
3. Manage the actual and potential negative impacts that LLP has on communities based on due diligence studies in order to avoid and mitigate them.
4. Strengthen the positive impacts that LLP has on the communities with the development of projects and activities that impact within the strategic pillars already defined within the company's Sustainability Strategy.

## Guiding Principles of the Manual

1. **Inclusiveness:** For LLP it is important to consider the opinions of all our stakeholders in the community of influence, this is achieved by recognizing their right to be heard.
2. **Materiality:** Work on material issues for both LLP and the community in the area of sustainability.
3. **Human Rights:** People are considered the main agents of their own development, for which LLP will maintain a willing attitude to dialogue and listening to the community of influence about their aspirations, concerns and expectations towards the company, as well as their own interests and needs, without creating false expectations through transparency and constant communication.
4. **Resilience:** The ability to adapt, incorporate changes in the environment and the evolution from this characterize the actions of LLP
5. **Learning, Preparation & Constant Improvement:** This is an LLP value, in which we have a process of constant learning and improvement.
6. **Execution:** A Relationship Plan with the influence community must not only be generated but must be put into action.

## Stakeholders

### A. Due Diligence

The identification of the negative impacts of LLP at the regional level was made through the materiality process carried out for the creation of the company's Social Responsibility and Sustainability Strategy.

The material topics identified according to their dimension are the following:

1. Environmental Dimension: Solid waste management, Air pollutants, Energy management, Water and wastewater management, Adaptation to climate change, Efficient materials, Biodiversity management, Impact on the transport environment, Air emissions, Noise, Sustainable construction certifications, Use of clean energy,
2. Economic Dimension: Due Diligence, Corporate Governance, Risk and Crisis Management, Supply Chain Management, Ethical Behavior, Local Employment, Customer Service Management.
3. Social Dimension: Voluntary investments in infrastructure and social benefits, Occupational health and safety, Employment practices for suppliers, Community safety, Human capital development, Working conditions, Inclusion and diversity.

During the due diligence process carried out for a specific project, the material issues identified will be identified according to the characteristics of the community of influence. This list does not exclude the incorporation of local material issues arising from the special characteristics of the LLP project and the community of influence. The use of local sources of official information for the determination of additional topics is not excluded either.

#### **B. Identification of the community of influence**

This is the geographic area that is directly or potentially impacted by the LLP operation. There may be the case that in the locality where the Logistics Park is located there is no community of influence because it is a mainly industrial area, in this case the relationship with the closest community will be discussed, supporting its economic and social development through the development of certain projects or activities that enhance the generation of local capacities.

- a. Identification of the main needs of the community: As part of the due diligence process, the needs that the community may have should be initially mapped, making a review of social indicators such as the local government performance index, the level of employability in the community, the level of per capita income of the inhabitants, the level of education, among others.
- b. As a primary source for mapping the community's economic and social status, official data and statistics are used in each country on the situation of poverty, vulnerability, unemployment, education, access to public services, community infrastructure, and quality of life in the communities of influence.

#### **C. Identification and Prioritization of Stakeholders**

For the identification of the interested parties, the two phases of the LLP business are considered, which are construction and operation. In addition, in the identification, responsibility, influence, representation, closeness and dependence are also considered, so that they are established.

The following diagram shows the stakeholder categories identified in LLP's Sustainability Strategy as a result of the stakeholder identification and prioritization process that was carried out.

Gráfico 1. General Stakeholder Mapping



The community is an external stakeholder category of LLP. For the identification of subcategories within the community of influence, the following questions are taken into consideration:

- Are there organized groups in the community of influence? If the answer is yes, the existing groups may be related to community opinion leaders.
- Are there specific groups that are or could be negatively affected by the operation of the company?: If the answer is affirmative, these groups affected by the LLP operation can influence it, they can be groups that see their communal spaces affected or that the see invaded, for example, neighboring schools, neighbors, companies that develop a commercial activity in the vicinity.
- Are there people or groups who have approached to make express requests to the company or who have expressed their expectations about the company? This answer will depend on how long LLP has been present in the community.
- Has the company carried out voluntary or social investment actions aimed at a specific group or community? Possibly until LLP is in operation for a certain time in a community it will develop volunteer actions, in the case of starting operations in a new community, no volunteer actions will have been carried out.
- Who, at the local level, affects or could affect the company? Eg: regulators, local suppliers, etc.

Stakeholders within the community of influence can be classified into:

Nearby companies	Government Intitutions	Municipality	Religious Groups	Social Groups	Other

Prioritization of stakeholders from the influence community:

Immovable Opponents	Opponents	Uncommitted and Uninvolved	Uncommitted or Involved Allies	Allies	Unconditional Allies

## Planning Analysis

For the planning analysis it is necessary to carry out the following main steps to establish the relationship with the influence community:

- Delimitation of the objectives that LLP expects when establishing the relationship with the community of influence,
- Identification and approach to community leaders,
- Preparation of a work plan in the community of influence, through different consultation methodologies.

### A. Objectives Delimitation

#### 1. Identification of the relationship

Defining the objectives implies for LLP to understand the internal expectations that it has to establish a relationship, however, prior to defining the objectives, the type of relationship with the community must be identified, in order to thus define the actions with which LLP can contribute to the community of influence.

This is done following the criteria given by the Accountability tool, according to the following table:

Relationship Type	
No Relationship	There is no relationship at all
Exploratory	There is a relationship when opportunities and challenges. It's about learning about the topic. It usually occurs when there are conflicts between LLP and the community.
In development	There are increasingly constant processes of relationship. Some attention is paid to the needs of stakeholders. It is not part of decision making and strategic planning. There are no defined performance objectives regarding the relationship with the community.

<b>Integrated</b>	There are high-quality participatory processes that feed into decision-making and are integrated into the basic management processes. The experience is systematized. (Consult interested parties, perception of impacts, etc.)
<b>Strategic</b>	Relations with the community are of high quality, they are part of the management and governance processes and are linked to the business strategy. Topics are covered in depth, often with the aim of generating systemic change at the local and global level. Active community participation is a performance indicator.

## 2. Resources

Two types of resources are available to execute the Community Relationship Strategy:

- **Budget:** The annual allocation of resources to the Sustainability programs for the execution of projects related to the communities of influence in which LLP operates.
- **Volunteering:** LLP has a corporate volunteering program in which both direct employees of LLP and employees of tenant companies participate. Through this volunteer program, which includes professional volunteering and operational volunteering, community support projects are carried out such as educational campaigns in the community school, the reforestation of green spaces such as parks, etc. For LLP, the involvement of our tenants is very important. Joint participation will make it possible to achieve a greater impact of the actions.

### B. Identification and approach to the community of influence

As a second step in the relationship with the community of influence is the approach itself, for which a series of conditions must be met, such as the creation of alliances and establishing what will be the strategy that LLP uses to promote the approach, for which we define some useful methodologies. Subsequently, there is the development of the consultation stage for which there are also methodologies to be implemented that favor a channel for dialogue and discussion.

#### 1. Creation of Alliances

the mapping of the stakeholders that may exist in the community of influence, it will be possible to extract actors with whom it is feasible to establish alliances between them:

Project tenants

Local governments

Boards of Education

NGO in the area

Neighboring companies

## 2. Community outreach process:

Following the principle of inclusion that guides this Community Engagement Manual, it is necessary to involve community opinion leaders and other interested parties in defining the goals that we hope to achieve from the LLP-community relationship.

LLP does not want to create clientelism and dependency, but rather to work on the creation of capacities in the community. To this end, two key tools are used that allow, through dialogue, to get to know the community, understand its strengths and the resources it has. .

Once a mapping of the stakeholders in the community of influence is carried out, the people who are in charge of the communal organized groups must be identified, for this purpose the local government can be asked to provide a contact list for these organizations .

The first approaches with community opinion leaders can occur informally just to get to know each other, to know what their main concerns and expectations are, the other actors that the leaders know who work in the community and on which issues they already receive help.

Another way to get acquainted with the community could be by taking a tour that could include a community leader and show us around the community.

## 3. Community consultation process

To carry out the first approach with the influencing community, one or a combination of several methodologies may be used jointly or separately, allowing LLP to define the issues in which the community can be supported.

Regarding the development of community consultation, LLP can also follow methodologies such as:

- **Focus Groups:** Community leaders or organizations (development associations, religious leaders, lion club groups, scout groups, city councilmen, etc.) are convened. Within this methodology, techniques such as drawing a participatory map of the community can be used where participants show LLP the services to which they have access, local institutions, public spaces and their status etc., in a way that open a discussion where they can communicate needs and concerns.
- **Matrix for Prioritization of Issues:** It is possible in a more orderly way to have the participating community leaders reach an agreement on what are the most important issues, problems, concerns or projects in the community.
- **Feasibility matrix:** In the event that the solutions to the issues identified with the community in the consultation are difficult for LLP to collaborate to solve them, this methodology is used that, although an issue is a priority for the community, if the solution for costs or due to complexity it is not possible at the moment, another issue with an easier solution, but with a greater probability of successful conclusion, will be preceded.
- **Questionnaires:** More formal methodology through a questionnaire with open questions that allows participants to express their views and perceptions about the community. As an example of a questionnaire, the one provided by *Alianza Empresarial*

para el Desarrollo (AED) in *Guía Práctica de Relacionamento Estratégico con la Comunidad.*

- **Appreciative research chart:** The chart can be filled in together with the community as an initial dynamic during a focus group, for example, so the community of influence can feel that it participates in the construction of a collective vision of the space in which they aspire to live. This methodology allows people to think positively about the community they want and not just complain about the problems they have, and it allows them to make the proposals they consider from their experience.

Discover	Visualize	Design	Goal
Appreciate how good you have: resources, experiences.	Visualize what could be? the possibilities of the future, develop the common vision.	Define actions to co-create what we want, the common vision.	Establish an innovative and interactive process to implement the design.
What do we have?	What is the community we dream of?	How can we achieve it and with whom?	Concrete actions

- **SWOT Analysis:** A SWOT analysis can be given as an initial dynamic that, like the previous one, helps to open the space for dialogue and invite the participation of attendees. This dynamic is recommended primarily for leadership or community or local organizations.

### C. Preparation of Workplan

From the consultation with the influence community, it will be possible to have the necessary information to prepare the Workplan. To arrive at the plan, first you must start by prioritizing the issues, in which the influence community can be part or not, according to the tone of the conversations that have been established in the consultation.

Then, with the prioritized topics, the Plan is designed, for which a template is provided so that all the Relationship Plans with LLP communities of influence look the same.

The period for which the Workplan is to be executed is relative and may be for, for example, a continuing education volunteer program in schools or for a specific activity.

On the other hand, the communication of the Workplan to the community will be done through community leaders, these will be in charge of transmitting the activities that are going to be developed to their neighbors.

#### 1. Prioritization of topics

From the due diligence process, it is possible to make a link between the issues that are important to the influence community with the negative impacts identified as material issues of the LLP sustainability strategy.

For example, an impact that LLP will always have in any location is related to the circulation trucks through the areas near the Logistics Parks, this is an issue that will very possibly arise in the prioritization of issues. The prioritization also considers the issues resulting from the consultation process with stakeholders with influence in the community.

The topics that are continuously mentioned during the consultation will be taken as priority and may be included within the categories of material topics that the company has already identified, or a new category may be created. For the issue prioritization exercise, methodologies such as an influence matrix or a feasibility matrix can be used.

## 2. Design of the Relationship Plan and Measurement of objectives

The establishment of objectives, activities, goals and indicators of the workplan with the influence community is based on the results of the consultation with the community, as well as the objectives of this manual and the LLP Sustainability Strategy. The following template is provided for the Relationship Plan.

The most important resource that LLP can bring to the community is both operational and professional volunteering. For this reason, it is very important that the solution to the identification of needs in the community of influence can be covered with this type of support beyond economic resources.

Workplan Template		
<b>General Objective</b>		
Establish a sustainable strategic relationship with the communities surrounding the LatAm logistics parks in accordance with the company's Sustainability Strategy that allows the company and the community to meet common sustainable objectives and goals.		
<b>Specific Objectives</b>		
1.		
2.		
Goals	Activity	Indicator
Goal 1	Activity 1	Indicator 1
Goal 2	Activity 2	Indicator 2
<b>Required resources (volunteering, financial, community contributions)</b>		
<b>Possible Alliances</b>		

### D. Monitoring and Evaluation

The Workplan will have two review processes, the first in the mid-term, that is, six months after the start of the Plan's execution phase, it is examined whether the goals and activities are being met and the achievement of the indicators, it is a monitoring process. Annually there will be a new revision of the Plan regarding the fulfillment of the proposed objectives and the rethinking that these and the activities may suffer, this is the final evaluation process through which all the Plans must pass. With the final evaluation, the success of the Plan and the achievements obtained from the relationship with the community of influence can be determined.



**Annex 1**

**INSTRUMENT FOR CONSULTATION WITH REPRESENTATIVES OR COMMUNITY LEADERS**

As part of our process of relationship with the community, at LatAm Logistic Properties we want to know your community, for which we ask for your opinion and the importance you give to the following topics:

<b>Organization or community that represents:</b>	
<b>Name:</b>	
<b>Occupation:</b>	
<b>Sex:</b>	<b>Age:</b>

1. What makes you proud to be a part of / work in this community?

2. What are the most valuable resources in the community? Eg: infrastructure, presence of X institutions or organizations, organized community groups, community leaders, natural resources, etc.

3. Let's talk about the dream community. If you could ask for three wishes for your community, what would they be?

4. What are three steps we could take this year (or in the medium term) to get closer to that vision?

5. What do you think is the advantage of having our company in your community?

6. Indicate what are the main impacts or disadvantages of our presence in the community.

7. How do you think these impacts can be better managed? How could we improve?

8. Would you like to add something else?