



2021-22 ESG Report



Prologis Eindhoven Distribution Center, Eindhoven, Netherlands.

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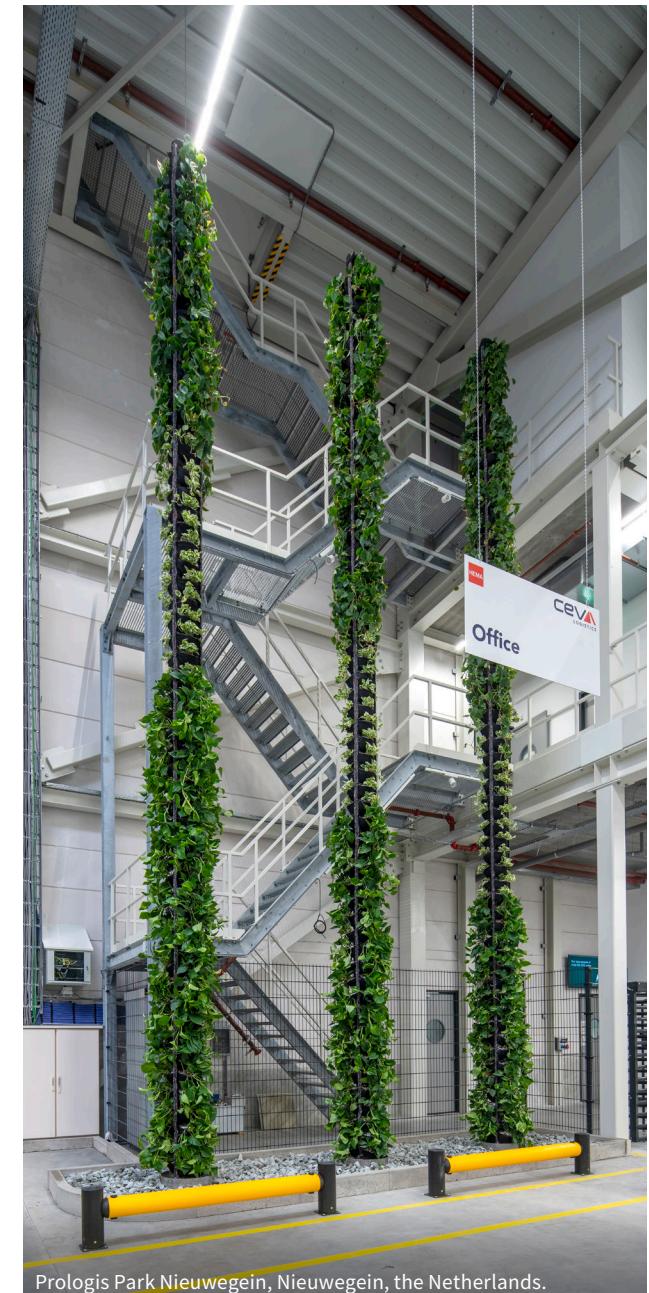
About this report

Our 2021-22 ESG report describes the 2021 quantitative performance of all owned and managed assets across Prologis global operations (exclusions are noted). It includes highlights from 2021 and the first part of 2022.

This report covers our two public co-investment vehicles: FIBRA Prologis (FIBRA) and Nippon Prologis REIT (NPR); and the seven* private funds in our Strategic Capital business: Prologis Targeted U.S. Logistics Fund (USLF), Prologis U.S. Logistics Venture (USLV), Prologis European Logistics Fund (PELF), Prologis European Logistics Partners (PELP), Prologis UK Logistics Venture (UKLV) (closed in 2021), Prologis China Core Logistics Fund (PCCLF), Prologis China Logistics Venture (PCLV) and Prologis Brazil Logistics Venture (PBLV).

This report was prepared in accordance with the [Global Reporting Initiative \(GRI\) Universal Standards 2021](#) and covers the topics identified in our most recent materiality assessment. It aligns with the [Sustainability Accounting Standards Board \(SASB\) 2018 Real Estate Standards](#) and with the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#).

Lloyd's Register Quality Assurance (LRQA) has provided [limited assurance](#) of this report using the AA1000 AccountAbility Principles (AA1000AP 2018). Please e-mail esg@prologis.com with any questions or suggestions.



Introduction



Dear Stakeholders,

Prologis is known for aiming high in all that we do. Our ambition around reducing our carbon impact is no different. That's why we're proud to announce the following aggressive net zero goals:

- Net zero emissions by 2040 across our value chain
- Net zero emissions from our operations (scopes 1 and 2) by 2030
- Enabling our customers' decarbonization goals by deploying 1 GW of solar, supported by energy storage, by 2025

Every day, our teams work tirelessly to make the global supply chain more efficient and resilient. We partner with our customers and other stakeholders to develop properties and services that deliver business value and positive impact. We're also partnering with academic and industry leaders to find new ways to innovate on sustainable warehouse building and operations.



Our 2021-22 ESG report describes the progress we've made on building greener, more efficient warehouses; expanding our solar program; standing up our energy and electric vehicle (EV) business; and training new skilled workers through our innovative community-based approach. We recently completed construction on our first LEED Platinum building in Brazil. We also have a cutting-edge distribution center project in the Netherlands, which was built using 30% circular or bio-based materials.

“ Every day, our teams work to make the global supply chain more efficient and resilient. ”

Our ESG report also details progress we've made on inclusion & diversity. Fully 50% of our workforce is women, and people of color account for 32% of our U.S. workforce, both of which exceed industry benchmarks. To help further our progress, last year we launched a new Prologis Diverse Leaders program.

Our talented and engaged workforce make these accomplishments possible. In fact, in our most recent employee engagement survey, 94% of our employees said they are proud to work at Prologis.

I hope you take the time to read this report to learn the many ways we are helping build a cleaner and more efficient supply chain. On behalf of the Prologis team, thank you for your support and confidence. We welcome your input, ideas and questions as we continue to stay ahead of what's next.

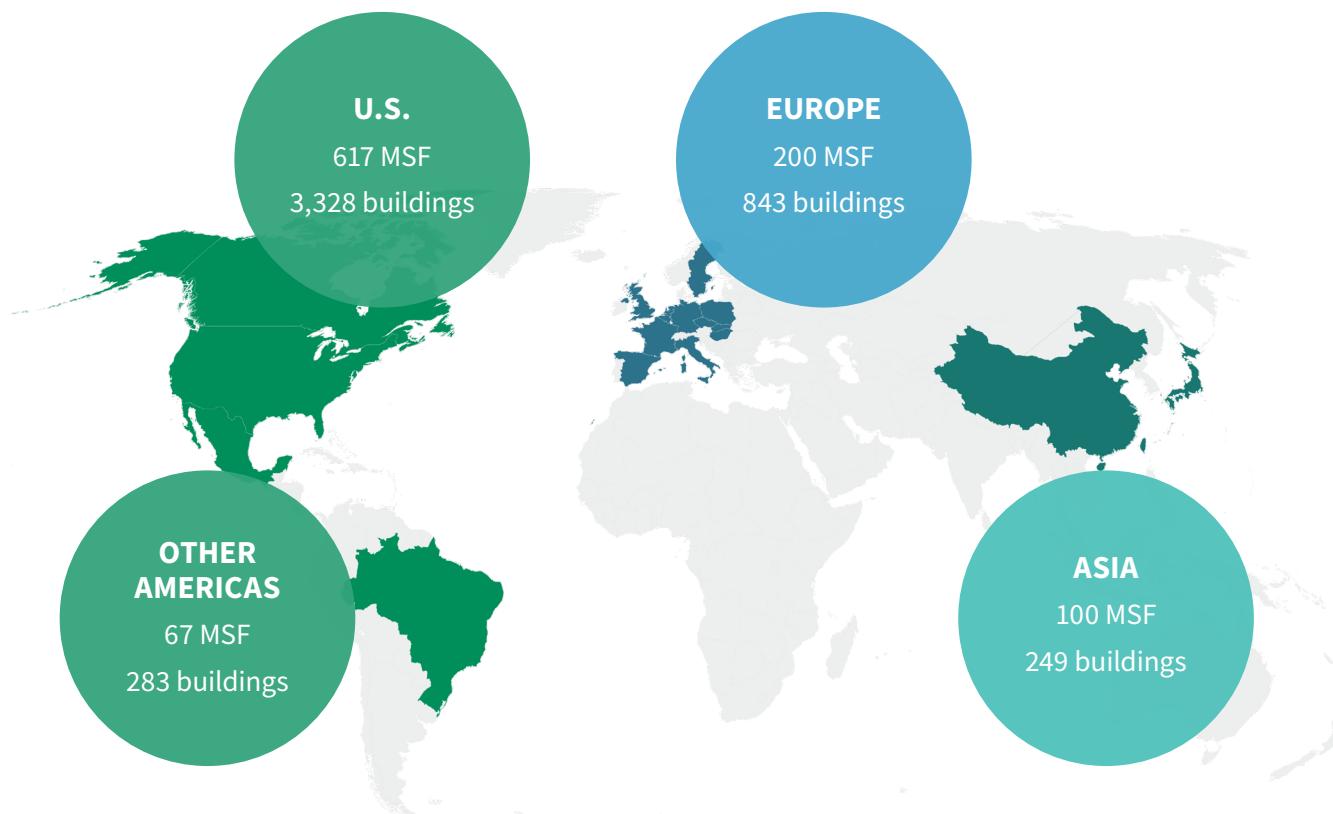
Sincerely,



Hamid R. Moghadam
Co-Founder, CEO and Chairman

Prologis at a glance

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 2021, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 1.0 billion square feet (93 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,800 customers principally across two major categories: business-to-business and retail/online fulfilment.



By the numbers¹

\$215B
assets under management (AUM)

1B SF
of space in 19 countries

5,800
B2B and retail customers around the world

A-/A3
credit ratings²

2.5%
of the world's GDP flows through our buildings each year³

2,000
employees around the world

9 funds
through our Strategic Capital business

#71
on the S&P 500 Index

1. As of December 31, 2021.

2. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

3. Based on 2019 data per Oxford Economics report.

Assets, funds

Prologis' modern logistics spaces help our customers reconfigure their supply chains to accommodate increases in global trade and consumption.

Our 4,700 logistics facilities are primarily located in high-quality global and regional markets to enable more efficient supply chain networks. These assets were valued at \$215 billion as of December 31, 2021.

Prologis operates a variety of separate investment vehicles, including seven¹ private funds and two public co-investment vehicles: FIBRA Prologis and Nippon Prologis REIT, Inc. (NPR). We manage assets in a “portfolio-blind” way, without regard to whether they are owned by us or by a strategic capital fund.

Our 4,700 logistics facilities are primarily located in high-quality global and regional markets.

Strategy

We acquire and develop properties in high-barrier, high-growth markets close to population centers where products are consumed. We leverage our scale to support innovation and address our customers' diverse logistics requirements.

With respect to ESG, our long-term strategy is to create the conditions—and set the standards—for the future of logistics real estate. When we improve the resilience and efficiency of the global supply chain, we create significant value for communities, businesses and individuals around the world. Our integrated approach to ESG creates value by reducing risk, increasing efficiency, differentiating brands and expanding revenue and talent-recruitment opportunities.



New Jersey-New York team members participating in 2022 IMPACT Day.

IMPACT Day 2022

On our annual IMPACT Day, we close our offices and encourage every team member to participate in a volunteer event in the region where they work. In May 2022, we celebrated the 10th anniversary of IMPACT Day with employees in 18 countries volunteering more than 7,900 hours on 76 projects to support local communities. This included 19 projects where we worked in partnership with Habitat for Humanity and families in need to build affordable housing. Other team projects included preparing and delivering meals in Chicago, performing environmental cleanup activities in Osaka and planting a vegetable garden in Amsterdam.

1. Seven funds as of December 31, 2021. We dissolved an eighth fund, Prologis UK Logistics Venture (UKLV), in late 2021.

ESG highlights

Our ESG approach includes four key areas of focus: We stay **ahead of what's next**; deliver **sustainable logistics** solutions to our customers; **inspire our people**; and build **resilient communities**.



Net Zero Ambition

In 2022, we committed to achieve net zero emissions by 2040 for our entire value chain covering scope 1, 2 and 3 emissions.



Groundbreaking Sustainability

Our Park Moissy II DC1 building near Paris was built with no gas connection and relies on design efficiencies, rooftop solar and borehole geothermal energy storage for heating, cooling and power.



Emissions Reductions

Since 2019, we have been carbon neutral for our scope 1 and 2 emissions, and we have decreased our scope 3 emissions 38% from a 2016 baseline.



Training Future Logistics Workers

In 2021, we more than doubled the number of people trained through our Community Workforce Initiative (CWI), reaching more than 13,000 people. CWI helps build talent for our customers and opens up new employment pathways for individuals in our communities.



Solar Leadership

In the U.S., we are the #3 ranked corporation for installed onsite solar capacity. Our goal is to build 1 GW of solar energy capacity, supported by battery storage, by 2025.



Inclusion and Employee Engagement

88% of our employees reported being engaged by their work at Prologis, and we continued to expand our inclusion and diversity programs with the creation of five new sponsored employee resource groups.

Goals and progress

Our goals demonstrate our ambition, create accountability and drive alignment with our business strategy. They are influenced by our stakeholders and by frameworks such as the UN Sustainable Development Goals (SDGs).

SDG	GOAL	STATUS	PROGRESS ¹
13 CLIMATE ACTION	Net zero and GHG Emissions. Reduce Scope 1 and 2 GHG 21% from a 2016 baseline by 2025. Reduce Scope 3 GHG 15% from a 2016 baseline by 2025 . Achieve net zero by 2040 for Scope 1, 2 and 3 emissions.	● On track	Reduced Scope 1 and 2 emissions 22% and Scope 3 emissions 1% from 2020 to 2021. In June 2022, we set a net zero goal.
13 CLIMATE ACTION	Carbon Neutral Construction. Achieve 100% carbon neutral construction by 2025	● On track	Offset 20% of the estimated GHG emissions from projects that completed construction in 2021. Completed five LCAs in 2021 to better understand our opportunities to reduce our construction footprint.
7 AFFORDABLE AND CLEAN ENERGY	Renewable Energy. Install 400 MW of solar capacity on our buildings by 2025 (Increased to 1 GW in June 2022)	● On track	285 MW by Dec 31, 2021—increased to >325 MW by April 20, 2022.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Building Certifications. 100% of new development/redevelopment achieve sustainable certification	● On track	Includes projects approved in June 2021 or later. These projects will receive certification once built and stabilized.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	LED Lighting. Install 100% LED lighting in all warehouse and office space across our portfolio by 2025	● On track	57% of the warehouse and office space across our portfolio has LED lighting
1 NO POVERTY	Community Engagement. Spend 75,000 hours supporting our local communities around the globe by 2025 (2019 baseline)	● On track	Achieved 33,000 hours
8 DECENT WORK AND ECONOMIC GROWTH	Logistics Workforce Training. Train 25,000 people in logistics by 2025 (2018 baseline) through our Community Workforce Initiative	● On track	Trained 13,000 people
17 PARTNERSHIPS FOR THE GOALS	Ethics. Ensure 100% of employees complete ethics training each year	✓ Achieved	100% of employees completed ethics training

1. As of December 31, 2021.

Net zero by 2040

In 2022, Prologis committed to achieve net zero emissions across its entire value chain by 2040.

"Prologis has always been ambitious in our sustainability efforts, and our new net zero goal is no exception," said Co-founder, CEO and Chairman Hamid Moghadam. "We're proud of the support we're providing our customers in achieving their sustainability goals. Prologis continues to be an industry leader in finding innovative ways to decarbonize our operations."

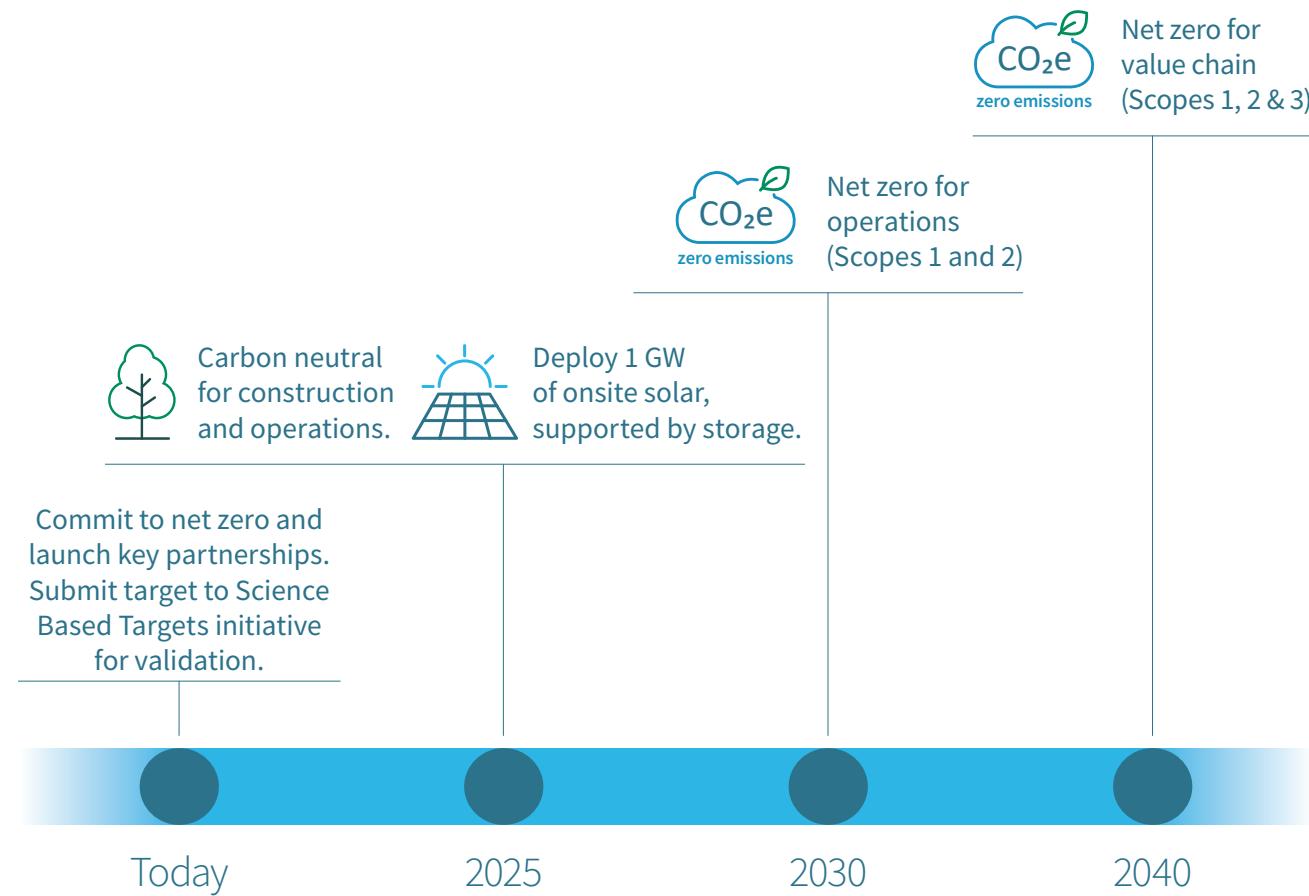
The goal represents a significant opportunity for Prologis to serve its customers in new and innovative ways on sustainability initiatives. It includes several interim targets:

- 1 GW of solar generation capacity (supported by storage) by 2025
- Carbon neutral construction by 2025
- Net zero for operations by 2030

We have submitted a letter of commitment regarding its net zero goal to the Science Based Target initiative (SBTi) for validation. In addition, Prologis has committed to partnering with leading external groups to drive decarbonization across the industry value chain, including sustainable building materials innovation.

Prologis' long history of investments in energy-related lines of business include EV charging and onsite solar. The company currently has approximately 200 EV charging stations and 325 MW of rooftop solar.

INCREASING OUR CLIMATE AMBITION



Recent awards and recognitions

Below is a selection of the ESG-related awards and recognitions we received in 2021 and the first half of 2022. See our website for the [most up-to-date list](#).



Corporate Knights

Global 100 Most Sustainable Corporations – 2022 (13th consecutive year and #1 ranked REIT)



Dow Jones Sustainability Indices

World Index (top 10% globally) – 2021 (Prologis and Nippon Prologis REIT)



Fortune

World's Most Admired Companies – 2022 (#1 ranked real estate company)



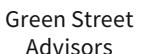
GRESB

Green Star recognition for all Prologis funds – 2021 (6th consecutive year) and the 2021 Regional Sector Leader in the Americas



GlobeSt.com

Best Places to Work in Commercial Real Estate – 2021



Green Street

Leading REIT in Corporate Governance (19th consecutive year) – 2021



HRH The Prince of Wales – Sustainable Markets Initiative

Terra Carta Seal – 2021 (one of only 45 global companies recognized)



Institute for Market Transformation and U.S. Department of Energy's Better Buildings Alliance.

Green Lease Leader: Gold Level – 2021



Institutional Investor

All-America Executive Team Rankings REIT Sector, 2022 (#1 CEO, #1 CFO, #1 IR Professional, #1 Investor Relations, #1 ESG, and #1 Communication and Crisis Management during COVID-19)



ISS

ISS ESG rating of "Prime"¹



MSCI

"A" Rating



NAREIT

Industrial "Leader in Light" – 2021 (10th consecutive year)
Investor CARE Award (Gold) – 2022



San Francisco Business Times

Most Admired CEO Lifetime Achievement Award – Hamid R. Moghadam – 2021



Sustainalytics

ESG risk rating of 8.5 out of 100 (negligible risk) – 2021²

1. Rating as of Dec. 31, 2021.

2. Rating as of Dec. 4, 2021. Source: Sustainalytics.

Ahead of What's Next



A key Prologis attribute is our intense drive to stay ahead of what's next. We leverage the scale of our global real estate portfolio and our key position in the supply chain to advance leadership and ESG integration in our industry and beyond.

\$150M

invested by Prologis Ventures in nearly 40 companies since 2016, including ESG-related solutions

#1 REIT

on the Global 100 Most Sustainable Corporations ranking

16 green bonds

issued from 2018-2021 to help fund green building design and innovation projects

5 years

of linking executive and employee compensation to ESG factors, including 10% of our 2022 annual bonus

What makes us different?

Prologis has a significant presence in the world's most vibrant centers of commerce. We provide comprehensive real estate services including leasing; property and asset management; development; acquisitions; dispositions; and a suite of services through our Essentials platform. Driven by the strength of our portfolio and business model, 2021 was the strongest year in our company's history with record revenue of \$4.76 billion.

As we look to the future, we expect to see continuing growth in consumption. This means our customers will continue to prioritize speed to market, inventory and flexibility. These factors create increasing demand for warehouse space and logistics services—and position us for sustained long-term success.

Real Estate Operations includes our rental and development operations. Through this business, we build to our customers' requirements and deepen our market presence. In 2021, we achieved a record \$3.6 billion of global development starts and are guiding to a record \$5 billion to \$5.5 billion of global development starts in 2022.

Prologis is the only public logistics REIT with a significant strategic capital business. This business generates revenues through asset management and property management services from our unconsolidated co-investment ventures. It enables many of the world's largest institutional investors to invest with us. In 2022, we anticipate revenue from Strategic Capital will top more than \$1 billion, driven, in part, by management and incentive fees.

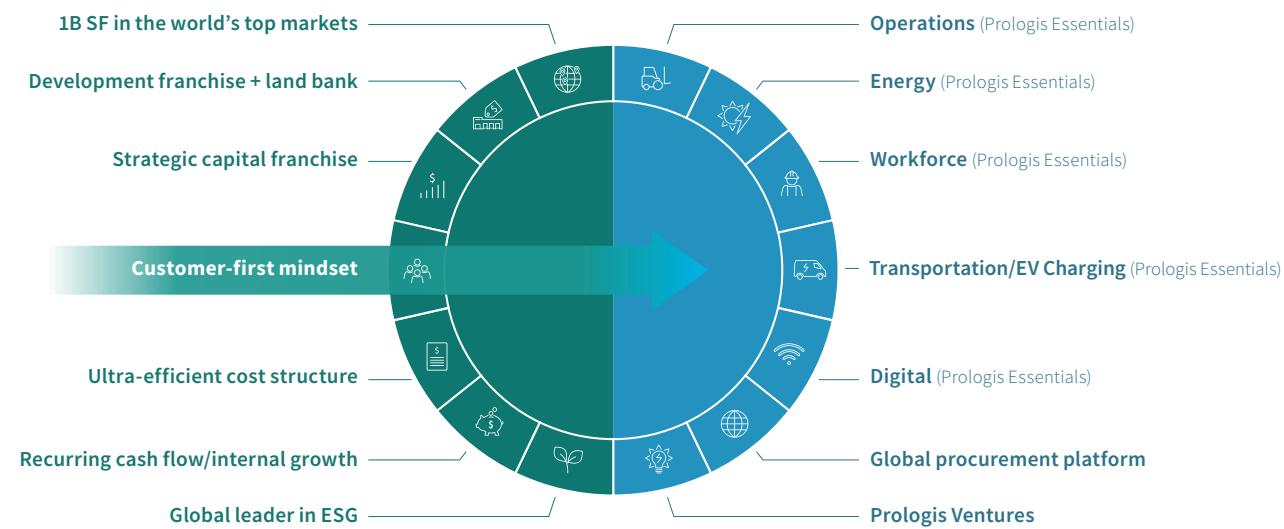
We create value beyond our real estate. In 2021, we continued to scale our [Prologis Essentials](#) platform, which offers services and solutions that span five core categories designed to meet the needs of today's logistics customer: operations, energy, workforce, transportation and digital. This platform has a strong sustainability component to its suite of services, which supports our customers' progress toward their sustainability goals. Additional [business functions](#) include Prologis Ventures and Prologis Labs, each of which is described later in this report.

Prologis is the only public logistics REIT with a significant strategic capital business.

For more on how we are organized and on our financial performance, please see our [Annual Report on Form 10-K](#).

KEY DIFFERENTIATORS

Our ability to meet the increasing needs of our customers is driven by key differentiators



Mission and values

Each day, we work to make the global supply chain more resilient through excellence in logistics. This gives meaning and purpose to what we do.

Our mission is to be the leading logistics real estate company as measured by customer service, employee engagement, financial performance and balance sheet strength. Our core values guide how we work with our colleagues, customers and communities:



Inclusion & diversity (I&D) are vital aspects of how we work. We describe our approach in the [Inspired People](#) section of this report.

Throughout our history, we have maintained a mindset of continuous change. This is embodied in our “3Cs” approach:



In his welcome video to new employees, our Co-Founder, CEO and Chairman Hamid R. Moghadam notes: “Unlike other real estate companies that talk about transactions and the next opportunity, we talk about our customers and how we can best serve them.” He encourages employees to “simplify and sprint” and “fail fast.” “Be curious and intellectually rigorous in your work. We want people to make independent judgements and be resourceful.”

“Unlike other real estate companies that talk about transactions and the next opportunity, we talk about our customers and how we can best serve them.”

– Hamid R. Moghadam, Co-Founder, CEO and Chairman



Groundbreakers event at our headquarters in San Francisco on October 27, 2021.

Breaking new ground with inaugural thought leadership event

In October 2021, approximately 4,000 people participated in Prologis’ inaugural [Groundbreakers](#) thought leadership event. The series is intended to serve as a forum for discussion of key issues facing the industry.

The keynote featured Prologis Co-Founder, CEO and Chairman Hamid R. Moghadam, UPS CEO Carol Tomé and Fortune magazine senior special correspondent Susie Gharib discussing rapid innovation and investment during a time of significant change. Additional sessions covered smart transportation; the future of energy; and workforce challenges and solutions. The event concluded with a talk from bestselling author Michael Lewis and the introduction of [GROUNDBREAKERS](#), Prologis’ biannual e-magazine.

Additional information, including recordings of key sessions, can be found online at groundbreakers.prologis.com. A second event is scheduled for October 2022.

Creating value through ESG

Whether they are multinational corporations or small businesses, our customers are interested in driving value through ESG performance. When we minimize the impact of construction, maximize building operating efficiency and provide value-added services such as electric vehicle (EV) charging and workforce development, we can boost our customers' bottom lines and help them achieve their ESG goals. When we engage proactively with the communities we serve, incorporate their ideas and minimize their concerns, we build trust and create the conditions where both the business and community can flourish.

ESG GOVERNANCE CREATES ACCOUNTABILITY AND DRIVES ACTION

Board of Directors

Governance and Nomination Committee oversees ESG.

Executive Team

Chief legal officer leads the team responsible for ESG. Investment Committee assesses ESG profile of every investment.

Global ESG Office

Responsible for the development and integration of our global ESG strategy.

Delivering on our ESG aspirations is everyone's business and includes our global leaders; regional ESG leaders and committees; and every Prologis employee.

Our global ESG team drives strategic alignment of ESG-related activities across the business. Senior leaders are responsible for integrating key ESG principles into the work of their teams. And ESG performance impacts annual bonuses (Please see page 43 of our [latest Proxy Statement](#) for more). In the last year, Prologis has invested in the ESG talent and tools needed to advance ESG. These include a new chief energy and sustainability officer, VP of global ESG, and regional and functional leaders focused on such aspects as ESG data/information technology management, EV charging, and Inclusion & Diversity.



Innovation in sustainable financing

To help fund projects that enhance sustainability and drive overall environmental benefit at our facilities, Prologis and our co-investment ventures in Europe, Japan, Mexico and the U.S. have issued 16 green bonds and three green private placements of debt over the past four years. These bonds and private placements leverage the strength of our sustainable building program to provide ESG financing products that attract environmentally conscious investors from around the world. The [Prologis Green Bond Framework](#) guides how we evaluate and select projects and how we use and manage green bond proceeds.

Our sustainable financing efforts also include several revolving lines of credit across our owned and managed portfolio. These include our global line of credit (GLOC) and additional sustainability linked lines of credit that support the operations of the FIBRA, PELF and USLF. Our GLOC is based on the growth in the percentage of our owned and managed portfolio that is sustainability certified. We expect that this growth will be primarily derived from our development pipeline. In 2021, the baseline year, 19.36% of our portfolio was sustainably certified.

Innovation and opportunity

ESG challenges require innovative solutions. At Prologis, we have the scale and resources to identify, test and implement solutions such as:



Streamlining logistics facilities for the circular economy



Using lower carbon construction materials and techniques



Addressing talent challenges with technology solutions

Our companywide emphasis on innovation helps us future-proof our assets and stay ahead of what's next.

Smart buildings of the future

Prologis develops smart buildings to help our customers optimize productivity, reduce move-in time and lower capital expenses. Features can include:

- Pre-installed internet and cabling infrastructure
- Power, data and networking equipment
- Smart monitoring (smart meters, pump room equipment, dock doors)
- Employee well-being monitoring (air quality, light levels).

These buildings set the standard for warehousing and logistics, streamlining our customers' operations from day one and optimizing productivity as they grow.

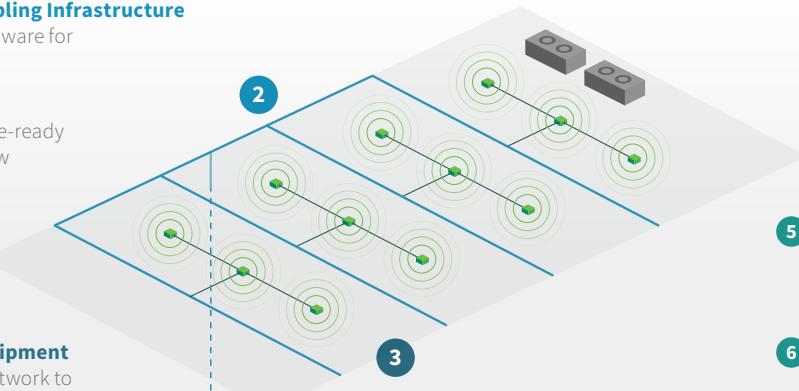
SMART BUILDINGS – FEATURE-RICH, FUTURE-READY

1 Internet and Cabling Infrastructure

Pre-installed hardware for faster move-ins

2 Power and Data

Flexible and future-ready data ports and low voltage power

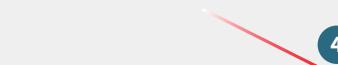


3 Networking Equipment

Fully managed network to support safe, secure and scalable configurations

4 WAN Connection

1-gigabyte internet connectivity



5 Security and Monitoring

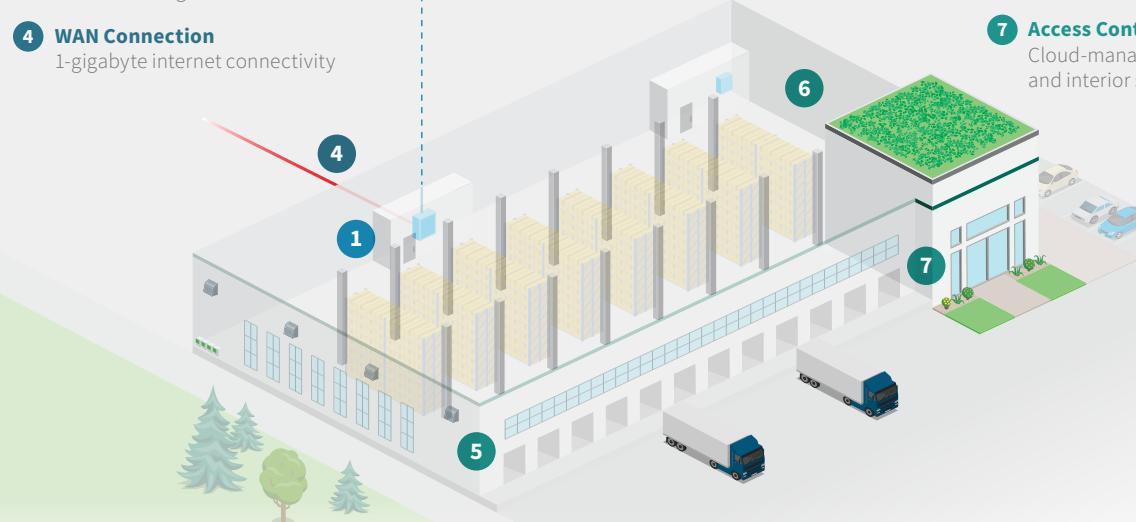
Cloud-managed HD security cameras with AI analytics

6 Barcode Equipment

Best-in-class mobile computers and label printers

7 Access Control

Cloud-managed exterior and interior smart locks



EXAMPLES OF INNOVATION

**Employee innovation in action**

The Prologis team in Japan identified a very specific problem: steel guards intended to protect logistics facility assets were difficult to install, often dented, and expensive to repair and maintain. In partnership with Fukuchi Chemical Industry Co., Ltd., the team developed a new polyvinyl chloride (PVC) forklift guard. Lighter, easier to handle and 40% less expensive than typical steel guards, the PVC guards can be installed easily and are designed to absorb impacts and save maintenance costs. They can last for decades and be recycled into pallets at the end of their usable life.

The new guards have already been installed in Prologis Park Chiba 2 and Prologis Urban Tokyo Adachi 1 and will be available to customers through Prologis Essentials at all new developments going forward. Prologis has applied for a Japanese patent and will receive licensing fees with each sale.



The screenshot shows a computer interface for the Smart Berth system. At the top, there's a header with the Prologis logo and the date '2018/12/06'. Below the header, the main title is '607 [プロロジスパーク京田辺 6F 丸紅ロジスティクス]'. Underneath the title, there are two tabs: '機器詳細' (Machine Details) and 'レイアウト監視' (Layout Monitoring), with 'レイアウト監視' being the active tab. The main area displays a green-bordered frame containing a video feed of a white truck at a dock. To the left of the video frame, there's a table with the following data:

満空情報	空	満
駐車時間	-	2018/12/06 16:56:20
車両番号	-	三重100V1001

Below the table, it says '画像撮影日時： 2018/12/06 18:42:26'.

Smart Berth software, Prologis Inagawa, Hyogo, Japan.

Innovation at Inagawa

In Hyogo, Japan, our Inagawa 2 facility recently adopted the Hacobu MOVO Berth truck reception system to boost the efficiency of customer operations.

The tablet-based system allows our customers to easily manage truck entry and exit from a single driver reception area. This includes identifying the appropriate dock as well as coordinating warehousing and delivery work. The system displays arrivals, work status, berth operation status and other details on screen in real time.

The system also collects and displays data on vehicle numbers, wait times and work hours, allowing our customers to make additional operational improvements. The shorter wait times also mean satisfied drivers, less vehicle idling and reduced emissions.

Prologis Ventures

Since its launch in 2016, Prologis Ventures has invested \$150 million in nearly 40 companies. This group focuses on companies that specialize in one or more of the “Five Pillars” of Essentials: operations, energy, workforce, transportation and digital.

Recent investments support the use of warehouse robots; digital technology to reduce food waste in grocery delivery systems; and wearable technology to improve workforce safety and productivity.

In early 2022, four Ventures-backed companies were named to the *Fast Company* World’s Most Innovative Companies list.

Additional examples of companies that have received support from Prologis Ventures include:

flexport.

Flexport’s Impact Dashboard software platform helps logistics professionals assess the impact of carbon offset programs and calculate GHG emissions associated with third-party shipments.

cargomatic

Cargomatic’s technology-enabled transportation marketplace improves logistics efficiency by connecting shippers with short-haul and drayage carriers. This can reduce typical fleet emissions by 30%.

FREIGHTWAVES

Freightwaves’ SONAR platform helps users understand and model how changes in the market and the use of different technologies can impact emissions.

Outrider

Outrider’s zero emissions freight yard trucks use AI and autonomous technology to increase efficiency, decrease hazard exposure and reduce GHG emissions.

Please see prologis.com for more information on Prologis Ventures.



Prologis Ventures portfolio company Trove founder Andy Ruben.

Global Insights and Research

Our Global Insights and Research group works to understand and describe worldwide market dynamics and key demand drivers for logistics real estate. The team works with customers, using third-party data and an internal database to:



Establish a dependable and comprehensive view on the economy and the real estate market



Explain regions and markets in a global context to facilitate comparisons and investment decisions



Provide guidance as to how current changes in market trends may affect fund performance



Forecast potential future operating conditions, including critical market inflection points



Produce white papers, trend reports and outlooks to inform current and potential investors on a variety of economic topics that influence real estate performance

The team shares its findings in published reports. Recent examples include:

- [Logistics Real Estate and E-commerce Lower the Carbon Footprint of Retail](#) reveals that carbon emissions from online shopping are on average 36% lower than those produced by in-store shopping.
- [Record Customer Activity Intensifies Competition for Space](#) describes how the continuing shift from in-store to online purchasing will impact industrial real estate.
- [Persistent Disruption: Special Report](#) predicts a shift in global supply chains toward permanent resilience due, in part, to climate-related disruptions. This shift will accelerate once companies address immediate inventory challenges.

This report cover features a photograph of a warehouse interior with pallets on a conveyor belt. The title is at the top, followed by a brief summary and a note about the study being cited in the MIT Real Estate Innovation Lab's report.

This report cover shows an exterior view of a large industrial building with several trucks parked in front. The title is at the top, followed by a section titled 'The Broad View' and two smaller sections: 'INVENTORY INDEX' and 'UTILIZATION RATE'.

This report cover features an image of a truck and a building. The title is at the top, followed by a section titled 'Key messages' which lists three points: 1. Higher inventories to sales ratios are key to the future success of retail and distribution centers; 2. Higher inventories will require 80 million square feet (MSF) of storage space and 10 to 15 more large distribution centers; 3. Shifting footprints are possible. Because these facilities are built to last, they can be repurposed. The report also includes a section on 'Inventory performance vs. the change in freight rates'.

How we work

Prologis' culture, systems and processes promote integrity, accountability and sound decision-making across the company. We implement innovative ESG practices to elevate our leadership and create a more resilient company.

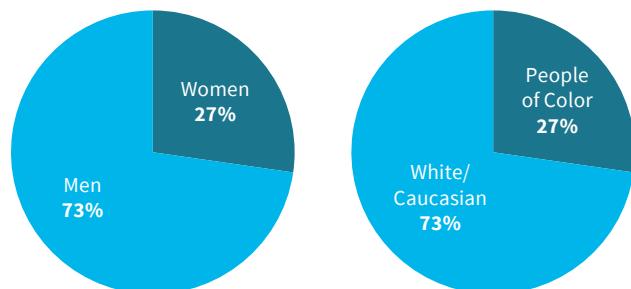
Board oversight

The Prologis board of directors serves as a fiduciary for shareholders; sets company strategy; and provides independent and experienced oversight. The board has four standing committees:

- Audit Committee
- Board Governance and Nomination Committee
- Talent and Compensation Committee
- Executive Committee

As of December 31, 2021, 10 of the 11 members of our board (91%) qualified as independent, according to the principles and standards established by the New York Stock Exchange. We describe the rights and responsibilities of our independent lead director in our latest Proxy Statement.

BOARD DIVERSITY



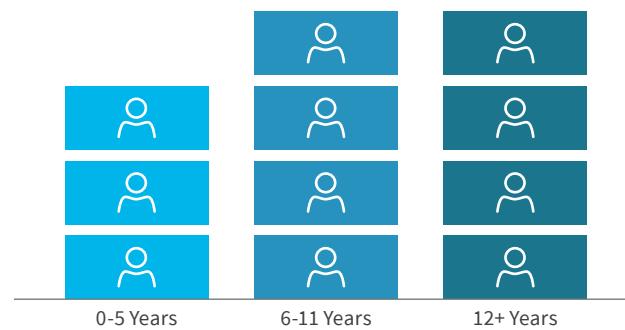
By charter, the Board Governance and Nomination Committee oversees ESG performance and updates the full board on ESG matters. This includes performance against ESG goals and updates to our climate risk assessment processes.

The Prologis board believes that diversity promotes robust discussion and the consideration of a range of viewpoints. In 2021, the board updated its governance guidelines to state that:

In any formal search for new directors, the Board Governance and Nomination Committee will consider, and will instruct any third-party search firm to include, candidates from diverse backgrounds, including in its initial list both gender and racial/ethnic diversity.

Our Talent and Compensation Committee receives updates on our human capital performance and approach, including Inclusion & Diversity performance. For more information on our governance practices, see our latest [Proxy Statement](#).

BOARD TENURE¹



Five years of ESG-based compensation incentives

Prologis began linking a portion of executive and employee compensation to ESG performance in 2017 through the company's annual bonus plan. In 2022, ESG metrics will be a stand-alone category and represent 10% of the bonus scorecard—a percentage similar to that of other core business functions. The category will include environmental metrics (such as megawatts of solar and LED lighting installed), social metrics (such as measurement of culture, talent, inclusion scores and the number of new participants in our Community Workforce Initiative) and governance metrics (such as third-party assessment of our corporate governance ratings performance). This is a change from prior years when ESG performance was not its own distinct category. Additional details on executive compensation may be found in our most recent [Proxy Statement](#).

¹. The entire board was rebuilt in 2011 at the time of the merger (the "Merger") between AMB Property Corporation and ProLogis and the tenure of the rebuilt board started at that time. However, we include Mr. Moghadam, Ms. Kennard, Mr. Webb and Mr. Skelton in the 12+ year category as they were directors of the legal acquirer prior to the merger.

Ethics and compliance

We hold our employees and board members to the highest ethical standards and seek to do business with customers and business partners who share our values. Our ethics and compliance program reflects our commitment to integrity and helps create a culture of compliance.

Our ethics and compliance program reflects our commitment to integrity and helps create a culture of compliance.

We follow a proactive, risk-based approach to ethics and compliance leadership and management, conducting assessments and then prioritizing, managing and monitoring the risks that we identified. Every active employee completes annual training on our [Code of Ethics and Business Conduct](#) (referred to as “The Code”). The Code has been translated into 15 languages and covers company policies, including our Anti-Corruption and FCPA Policy and our Insider Trading Policy. It also includes language on equal employment; antitrust and fair dealing; political activities and contributions; conflict of interest; bribery; retaliation; and discrimination and harassment. Non-U.S. employees receive special training on the FCPA and our internal audit group conducts an annual audit of FCPA compliance.

Our Ethics Committee establishes policies and ensures they remain relevant; oversees employee ethics training; provides advice and guidance to employees; and investigates any reported incidents of potential

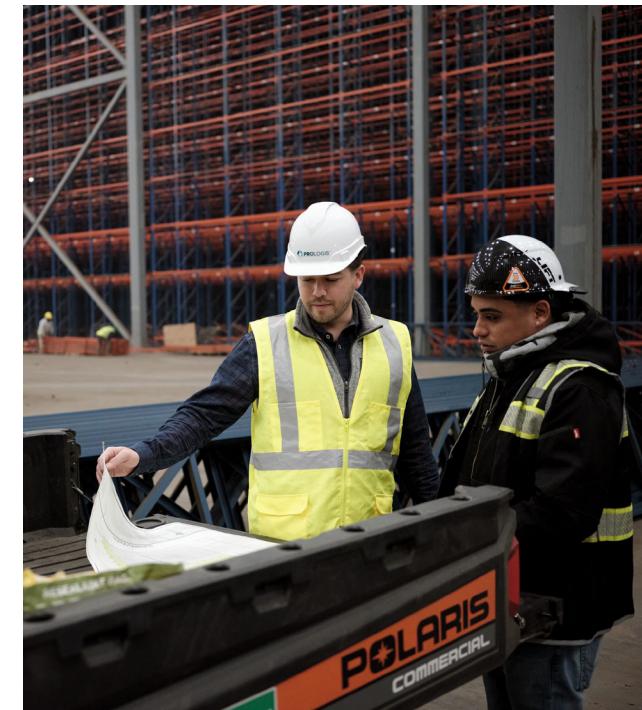
noncompliance. Any significant concerns are reported to the board’s Audit Committee in accordance with The Code and Audit Committee Charter. Prologis’ chief legal officer and general counsel, chief human resources officer, chief financial officer and chief compliance officer sit on the committee.

In addition to other responsibilities, our global corporate compliance department educates employees on the policies and procedures we have established to help ensure compliant, consistent and stable operations. The department is led by our global compliance officer. It collaborates with colleagues around the globe in Human Resources, Information Security, Marketing, Government Relations and Legal to help ensure effective risk-based training. Department leaders also sit on internal committees, including the Global Health & Safety Committee, which establishes policies and practices to enhance protections for our employees and contractors, and the Information Security Steering Committee, which enhances security of Prologis’ informational assets.

Employees and external stakeholders are encouraged to report any ethical issue or concern via our Ethics Helpline. The Helpline, which is administered by a third-party, is available [online](#) or at 1-888-359-6331 (from the U.S. and Canada) toll-free 24 hours a day, seven days a week. Dialing instructions for all other countries and regions can be found at [this link](#). In 2021, Prologis received 10 inquiries directly through the Helpline.

1-888-359-6331

Prologis Ethics Helpline



Prologis Essentials Solutions Manager Tyler Steinetz touring racking installation at a property in Burlington, New Jersey.

Employees have several additional options for reporting an ethical issue or concern. They may:

- Contact their direct supervisor.
- Contact their supervisor’s supervisor.
- Contact any member of the Ethics Committee.

The Prologis Code includes a strict policy of anti-retaliation against anyone who reports a concern in good faith or participates in an investigation.

Risk management

Effective risk management can help us achieve strong and predictable business outcomes to better serve our employees, customers, partners and shareholders.

We use a global risk management framework to manage risks facing our company and industry. Information on these risks can be found in the “Risk Factors” section of our 10-K. Risks are owned by the respective business teams, with engagement and oversight from our risk management, legal, compliance and internal audit teams.

PRIMARY RISK CATEGORIES



Real Estate

Ranging from how we acquire and develop assets to our ownership focused on long-term, sustainable performance.



Financial

Includes balance sheet management, treasury, foreign exchange exposure, access to capital markets (including Green Bond financing), tax considerations and robust financial reporting controls.



Enterprise and Emerging

Encompassing governance, regulatory, legal and human capital risks, as well as emerging exposures such as climate, technology disruptors and cyber risk.

A tool for evaluating climate risk

Prologis has developed a tool for evaluating risks and opportunities related to climate change and natural hazards.

The tool uses data from a leading global reinsurer, including a range of natural hazard factors and three GHG emissions trajectories. A proprietary dashboard, developed by our in-house geospatial analytics team, provides enhanced visual insights.

Although our portfolio has proven resilient thus far, the data and dashboard allow us to further assess the effect of more extreme temperatures and more frequent and intense natural disasters.

Through our use of this tool, we can be more strategic in terms of how we improve our assets to make them more resilient.

In the coming years, the United States Securities and Exchange Commission (SEC) may require material assessment of the positive and negative

Our risk assessment processes include scenario testing, audit controls, probabilistic modeling and input from third-party experts. Risk assessment findings are regularly reported through quarterly updates to the executive committee, audit committee and board of directors.

Examples of our risk management framework in action include:

- **Investment Committee:** All material capital deployment (development, acquisitions and dispositions) is subject to review by our Investment Committee (IC), which evaluates investment



With this tool, we can be more strategic about how we improve our assets.

impacts of climate change and natural hazards. Our approach to climate risk has helped us prepare for this possibility.

More information on our approach to climate risk management can be found in our TCFD disclosure.

considerations as well as environmental matters (including whether a sustainable building certification is included); natural hazard exposures; and legal and regulatory considerations. Our CEO and chairman, COO, CFO, CIO, CCO and several other senior leaders serve on this committee.

- **Cybersecurity:** We use robust and constantly changing measures to defend against emerging cyber risk scenarios. This includes mandatory annual cybersecurity training for all employees. In 2021, we tested these measures in a cross-functional cyber-attack scenario administered by a third-party expert.

No material information security or privacy incidents occurred in 2021.

- **Climate Risk:** Portfolio resilience is critical to our customers, investors and other stakeholders. Through a partnership with a global third-party reinsurer, we obtain asset-specific hazard information across 12 factors and three climate pathway scenarios. This data helps us better understand our exposure and enhance our risk-mitigation efforts. Additional detail on our approach to climate risk is in [Sustainable Logistics](#) and in our TCFD disclosure.

Supply chain responsibility

As the provider of modern, efficient logistics facilities, we play a role in our customers' supply chains and can help them achieve their own sustainability goals. Through our global procurement processes, we strive to deliver the overall best value to our customers by enabling our teams to deliver high-quality products and services while reducing total costs and risks. For example, purchasing



Purchasing concrete and steel from local suppliers allows us to invest in the communities where we operate.

concrete and steel (the two largest material components of facilities) from local suppliers allows us to invest in the communities where we operate; spur local employment; and reduce shipping and transportation costs and their associated environmental impacts.

Our Supplier Code of Conduct describes our expectations for business, employment, environmental, social and ethical practices, including the use and conduct of subcontractors. The code includes measures to:

- Prohibit the use of involuntary and child labor in support of Prologis' commitment to human rights
- Provide a work environment free of discrimination and harassment based on gender, race, color, national origin, age, religion, marital status, disability, sexual orientation or veteran status
- Promote a safe and healthy work environment in accordance with all applicable regulations
- Promote environmental benefits through reduced energy and water consumption and implementation of waste-minimization programs

An independent third-party conducts prequalification supply chain risk management evaluations to ensure that potential suppliers meet our standards. In 2022, we will be completing a review of our supply chain responsibility and risk assessment to identify opportunities to engage with our suppliers and build capacity.



Human rights

We are committed to operating our business in an ethical manner that protects human rights. Our [Global Human Rights Policy](#) outlines our commitment to:

- Fair hiring, compensation and promotion.
- Preventing the use of child and indentured or forced labor, including in our supply chain.
- Maintaining a safe and healthy work environment.
- Following all applicable laws and regulations that govern working hours, guarantee fair and equal compensation, and protect the right to collective bargaining and freedom of association.

Our Ethics and Compliance and ESG departments are responsible for this policy and for tracking emerging issues and regulations. In 2021, no significant human rights controversies were identified by major third-party ESG raters: Dow Jones Sustainability Indices, MSCI and Sustainalytics.

Sustainable Logistics



At Prologis, our approach to sustainable logistics is customer centric. This includes reducing energy use and emissions in both construction and operations; generating renewable energy for use in our buildings; and providing energy and mobility solutions such as energy generation, storage and EV charging.

BEE LIFE

325MW

solar generation onsite as of April 30, 2022, enough to power >60,000 U.S. homes in a year

195MSF

of certified sustainable space, equal to more than five Central Parks (New York City)

Net Zero

across our operations by 2030 and across our value chain by 2040 (goal)

38%

reduction in scope 3 emissions since 2016

Climate change and energy

As the global leader in logistics real estate, we must act with urgency to help mitigate climate change.

In 2018, we became the first logistics REIT with an approved science based target. In 2022, we have increased our ambition and updated this target: **Our new goal is to reach net zero emissions across our value chain by 2040.**

Our approach is threefold: We **measure** our emissions; **reduce** emissions across our value chain; and **invest** in carbon-reduction technologies.

We have been carbon neutral for scope 1 (direct emissions) and scope 2 (emissions from purchased energy) since 2019. We accomplished this by improving energy efficiency and through our purchase of high-quality carbon offsets and renewable energy certificates (RECs). See [Our approach to carbon offsets](#) for more detail.

Scope 3 emissions (emissions not directly associated with our operations) represent 99.9% of our total emissions footprint—and our best opportunity to make an impact. We can reduce our scope impacts by reducing building and tenant energy consumption; expanding our generation and use of renewable energy—and providing this resource to our customers; making sustainable design choices for new building construction; and supporting the transition to low/no-carbon vehicles.

We anticipate that energy consumption across our industry will continue to rise in line with increased demand for building electrification, automation of warehouse operations and fleet decarbonization.

Our new goal is to reach net zero emissions across our value chain (which includes scope 1, 2 and 3 emissions) by 2040.

We can optimize energy use and minimize greenhouse gas (GHG) emissions by:



Operating buildings more efficiently (electrification, LED lighting, cool roofs)



Generating and delivering renewable energy to our customers to support their operations, including their use of EVs



Pursuing sustainable building certifications for all new developments and redevelopments. This includes constructing more efficient buildings and using lower-emissions materials and methods

Each of these activities reduces our impact as well as that of our customers.

The opportunity to decarbonize

Buildings and logistics each have a significant impact on global greenhouse gas emissions. According to the U.S. Energy Information Agency:

47%

of annual global CO₂ emissions come from building operations; building materials and construction; and other construction industry sources.

28%

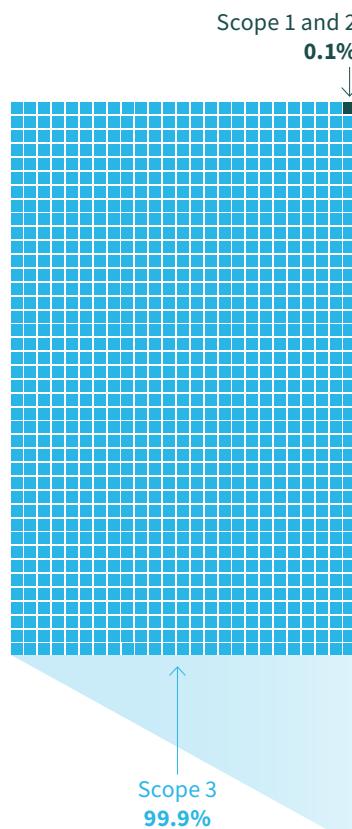
of annual global CO₂ emissions come from the transportation sector.

By helping to reduce or eliminate these emissions, Prologis provides its customers with an important value-added service: We help them operate more efficiently, reduce their costs and achieve their own decarbonization and climate-related goals.

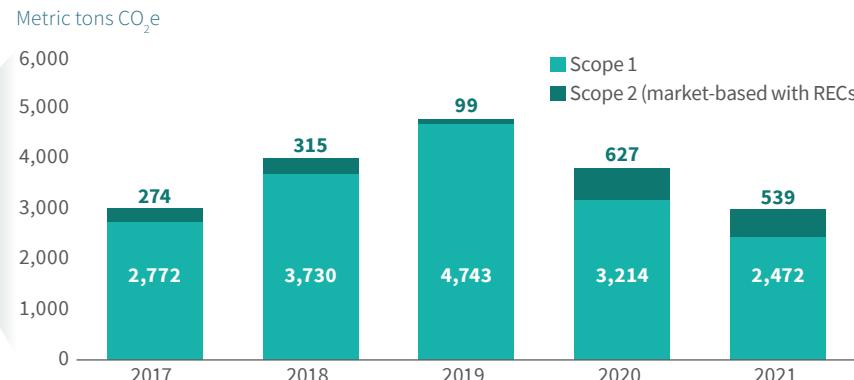
As part of our increased focus on data, we are reviewing our GHG emissions methodology and data systems to create better visibility into reduction opportunities as our business both grows and decarbonizes. This will also help our customers understand the actions they can take to meet their climate goals.

GHG EMISSIONS PERFORMANCE¹

Emissions by Scope

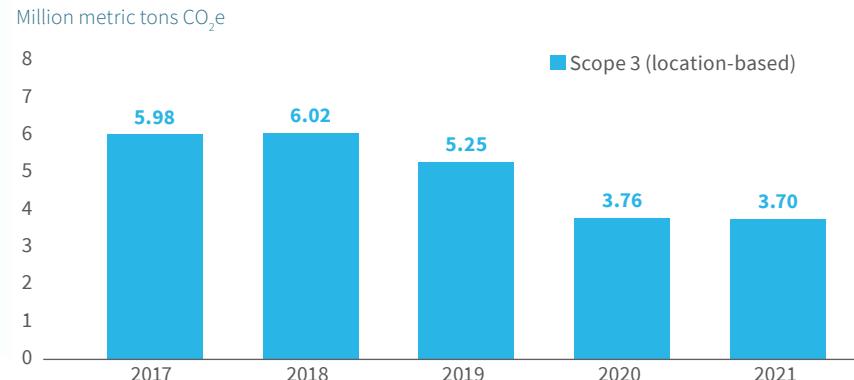


2017-21 Scope 1 and 2 Emissions



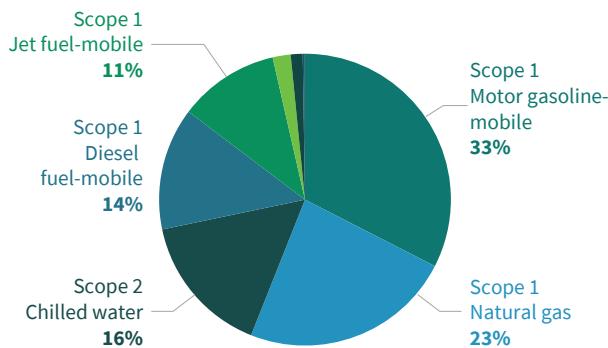
Our Scope 1 and 2 emissions declined 22% from 2020 to 2021, primarily due to reduced use of natural gas for heating in offices we own. Primary sources of Scope 1 emissions include fuel consumption in Prologis-owned and -leased vehicles; natural gas consumption in offices owned by Prologis; and diesel fuel use for backup generators and water pumps. Scope 2 emissions are primarily from electricity use related to Prologis offices.

2017-21 Scope 3 Emissions

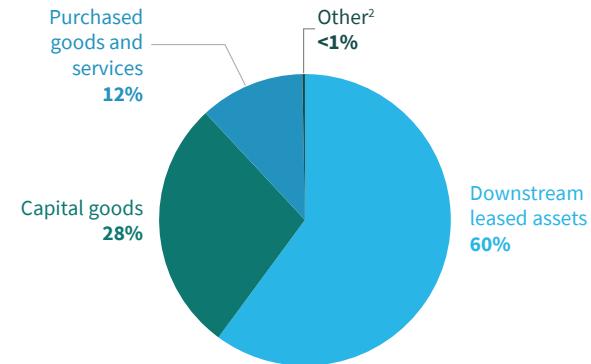


Our Scope 3 emissions declined 1% from 2020 to 2021. We have reduced Scope 3 emissions by 38% from our 2016 science-based-target baseline, primarily through increased building energy efficiency. Our two largest sources of Scope 3 emissions are customer/tenant energy use (downstream leased assets) and embodied carbon in construction (capital goods and purchased goods and services).

2021 Scope 1 and 2 Sources



2021 Scope 3 Sources



1. Our 2018 Science Based Target was to reduce emissions 21% (Scopes 1 and 2) and 15% (Scope 3) by 2025, and 56% (Scopes 1 and 2) and 40% (Scope 3) by 2040, from a 2016 baseline.

[Our updated \(2022\) Science Based Target will be to achieve net zero emissions for our operations \(Scopes 1 and 2\) by 2030 and for our value chain \(Scope 3\) by 2040](#) For additional energy and emissions data, including an emissions intensity metric and our Greenhouse Gas Assurance Statement, please see the [Data](#) and [Assurance](#) pages on the Prologis website.

2. Includes emissions related to business travel, fuel and energy-related activities. Scope 3 categories 4, 5, 8-12, 14-15 are de minimis or not relevant to Prologis' operations. We estimate construction-related emissions based on our construction-related spend, a valid methodology according to the Greenhouse Gas Emissions Protocol.

Sustainability for our customers

Our customers are increasingly interested in reducing the impact of their logistics operations. This includes reducing their use of energy, which is typically responsible for about 15% of a warehouse's total operating budget. We provide a range of solutions to our customers and their local utilities.

Renewable energy

Prologis continues to be a leader in the generation of solar energy, with 285 MW of generating capacity worldwide at the end of 2021.* In the U.S., we are the #3 ranked corporation for installed onsite solar capacity, according to the most recent [SEIA Solar Means Business report](#).

Through the Prologis [SolarSmart solution](#), we build, operate and maintain rooftop solar systems to benefit

Prologis is the #3 ranked U.S. company for installed onsite solar capacity.



Solar installation at Prologis Park South Brunswick, Dayton, New Jersey.

our customers. In 2021, approximately 60 customers—including Home Depot, Daimler Trucks, Cummins, FLEX and The JM Smucker Company participated in this program. We also participate in community solar and utility programs to provide clean energy to the local community and utility grid. As we expand our generating capacity, we plan to provide battery storage and energy resilience as a service to onsite customers and utilities, which allows storage of excess daytime energy for use after the sun has set.

LED lighting

LED lighting uses 60 to 80% less energy than standard warehouse lighting. Through our Prologis Essentials LED solution, customers can upgrade to LED lighting with no upfront capital costs. They pay just 1 cent per square foot per month, reduce their energy use and enjoy the benefits of LEDs, which include improved safety, productivity and employee satisfaction.

At year-end 2021, we had installed LED lighting across 57% of the warehouse and office space in our portfolio. By 2025, we intend to reach 100%.

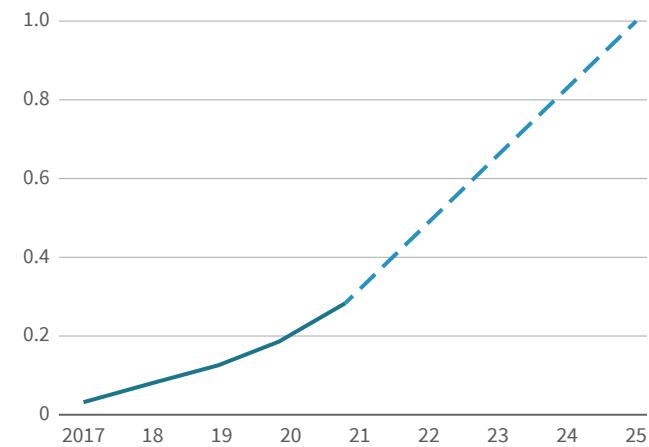
Mobility and EV charging

A growing number of Prologis customers are adopting EVs to reduce their emissions. When they charge their fleets at logistics facilities, they minimize deviations from routes and leverage dwell time. Our portfolio includes approximately 200 EV charging stations. In 2022, we plan to expand EV charging as a service to customers and expect to manage approximately 10 MWs of EV charging capacity.

Consistent with our net zero goal, we will continue to expand our portfolio of decarbonization solutions to help our customers achieve their targets in cost-effective ways.

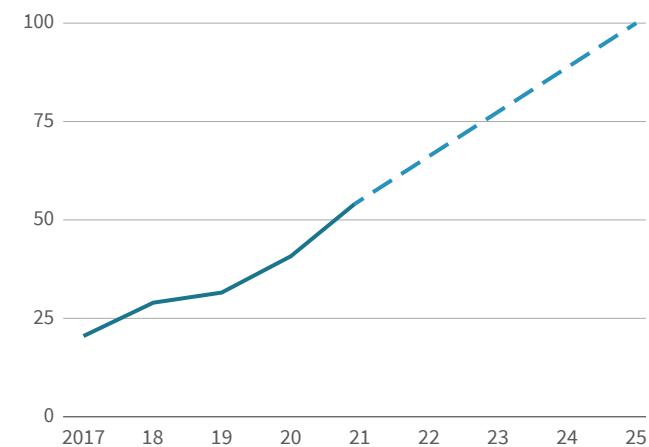
GROWTH OF OUR SOLAR CAPACITY

GW, including projections



GROWTH IN LED LIGHTING

% of portfolio, including projections



Green building design and construction

To minimize our impact and meet customer and community needs, we include many sustainable elements in the construction of our buildings.

We have committed to achieving carbon neutral construction by 2025 for every building we build or redevelop.

Building certifications

Since 2008, Prologis has been building to LEED or equivalent sustainable building standards when feasible. Our portfolio includes more than 550 buildings with sustainable certifications from LEED, BREEAM, WELL, CASBEE, DGNB, HQE and other best-in-class certifiers. As of June 2021, every development and redevelopment project approved by our Investment Committee will achieve a sustainable certification.



In 2021, our LEED Volume Program was re-approved by the U.S. Green Building Council (USGBC) at the higher LEED v4 standard, a first for the U.S. logistics real estate sector. This program leverages our scale to procure certifications in a more cost- and time-efficient manner. It also guides our work to improve sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. Since 2014, our participation in this program has saved us approximately \$36 million.

Construction waste and circularity

According to the International Energy Agency, the buildings and buildings construction sectors combined are responsible for almost 33% of total global final energy consumption and nearly 15% of direct CO₂ emissions.

By 2025, Prologis aims to achieve carbon neutral construction in every building we build or redevelop. We plan to accomplish this by minimizing construction waste and using smart building design, new construction technologies and recycled materials. As an example, our 26,000 square meter Prologis Park Waalwijk DC3 distribution center in the Netherlands was built using approximately 30% overall circular, bio-based or cradle-to-cradle (C2C) materials, with all materials catalogued in a digital materials passport to facilitate future reuse. For the emissions we cannot eliminate using these methods, we will purchase high-quality certified carbon offsets.

Construction represents our largest waste impact—and a significant opportunity to expand our use of circular design. Every Prologis construction project has a waste



1. Waste managed through three sustainable building certifications: LEED, BREEAM – UK and CASBEE. We do not collect construction waste data for all projects.

2. Waste diverted over the life of the project is aggregated and reported in the year the project receives a sustainable building certification.

CONSTRUCTION WASTE MANAGEMENT¹

mt

	2017	2018	2019	2020	2021
Waste generated	8,948	66,427	61,631	16,560	91,998
Waste diverted ²	8,229	63,022	55,427	15,681	58,238
Waste to landfill	719	3,405	6,204	879	33,760

management plan. To help achieve a sustainability certification, Prologis construction projects incorporate the use of recycled material; source building materials locally; and collect and publish contractor-reported waste data where feasible.

As an additional pathway to reducing construction waste, Prologis has also begun incorporating circular design principles into our new construction. In the Netherlands, we have used a “circular toolbox,” including circular concepts, practices and methods to guide warehouse construction. We also use a digital material passport in some markets to catalog the materials and components used in a new building to make it easier to reuse them at the building’s end of life.

Across the business, we are working to improve our waste practices, including the quality of our waste data.

Additional data can be found the [Data and Assurance page](#) on the Prologis website.

LEED Platinum in Brazil

Another Prologis “first” occurred in 2021: Our Dutra RJ Building 100 in Rio de Janeiro, Brazil, earned LEED Platinum certification for exceptional green design, construction, and operational features and practices. Building 100 is part of a six-building two-million-square-foot Prologis park, with customer and worker amenities, including a cafeteria and auditorium. We expect the entire complex will be LEED Platinum certified by the end of 2022.



BUILDING FEATURES

- Onsite solar generating capacity.
- Cool roof and light-colored paving.
- LED lighting.
- 95% of construction waste reused or recycled.
- Low-VOC materials to improve indoor air quality.
- Water-efficient landscaping that leverages rainfall for irrigation.
- Charging stations for electric vehicles.
- Bicycle racks and changing rooms.
- Skylights to provide natural daylight.
- Access to transportation, services and amenities.



Cool roof installation, Prologis Park Cedros, Tepotzotlan, Mexico.

Cool roofs

Where appropriate, depending on a building's location, we install white or reflective surfaces on roofs to reduce a building's energy consumption. Benefits include an up-to-15% reduction in the amount of energy needed for air conditioning; reduced roof maintenance costs from ultra-violet and infra-red damage; and a reduction in the urban heat island effect. At year-end 2021, 47% of our rooftop space was covered with a cool or reflective coating.

Cool roofs can reduce energy needed for air conditioning by up to 15%

ISO 14001 Certification

Prologis development management activities are guided by our global Environment Management System (EMS), which has been certified by DNV GL* to conform with the ISO 14001:2015 standard. As part of this certification, Prologis team members overseeing construction must annually complete training courses.

Responsible water use

Logistics facilities typically operate with a very low impact on water availability and quality. We design retention and detention systems to ensure a site's water discharge rate does not exceed its pre-development rate. We install low-flow toilets and motion-activated faucets to reduce consumption. And we use native plants which require limited additional watering. To monitor a building's water system remotely, [Prologis Labs](#) has developed smart pump kits that can collect and transmit data on water temperature, pump activity (vibration) and leaks.

WATER USE IN CORPORATE OFFICES²

millions of gallons (# of offices reporting/total offices)

	2017	2018	2019	2020	2021
Corporate offices	5.3 (13/83)	9.0 (21/88)	14.3 (17/87)	18.3 (22/96)	18.7 (24/84)

WATER USE REDUCTION²

as Indicated by Sustainable Building Certification

	2017	2018	2019	2020	2021
LEED [†]	34%	32%	29%	33%	31%
BREEAM [‡]	61%	64%	53%	51%	59%

† Indoor only. Based on LEED water use reduction calculator.

‡ United Kingdom only.



Prologis Park Moissy, Moissy Cramayel, France.

Zero-carbon, community-oriented design

Prologis' Park Moissy II DC1 is a 1 million square foot logistics facility in Paris. Built with no gas connection, the building relies on design efficiencies, rooftop solar, purchased renewable energy and borehole geothermal energy storage for heating, cooling and power. It features electric and natural gas vehicle infrastructure, a rain catchment system for irrigation, 12 acres of PARKlife™ space and placement of beehives on site. (The honey is shared with the tenant.) These innovations avoid 115,000 mtCO2e of greenhouse gas emission and reduce operating expenses by an estimated \$215,000 each year, depending on energy prices.

1. Verified by Gold Standard, VCS/Verra, CAR, ACR.

2. In 2022, we are working to improve the completeness and accuracy of our water data, including water consumed in our corporate offices, water consumed to support the operation of our portfolio and water withdrawn to support construction.

Biodiversity

Prologis' business strategy is to build, own and operate logistics facilities close to urban centers. As such, building construction and operation typically has a minimal impact on biodiversity. All our developments are subject to local environmental permitting processes, often including evaluation of sensitive habitats and protected species. Where feasible, we incorporate native

Our goal is to mitigate the embodied carbon of every project in Europe.

plants in landscaping to support native wildlife. Some developments promote environmental health and biodiversity by removing historic contaminants from the soil and water.

Through a partnership with [Cool Earth](#), we protect rainforest in Papua New Guinea or Peru equal to 31 times the footprint of each European facility that we build. These



Cool Earth partnerships benefit the Peruvian Amazon.

rainforests are home to over 6 million species of animals and plants and serve as powerful carbon sinks. As an example, our Cologne Niehl DC2 building in Germany mitigated building land use impact by protecting 245 acres in Papua New Guinea, an area equivalent to 31 times the gross internal area of the building.

In addition to its positive impact on biodiversity, this partnership also helps us achieve our goal to mitigate the embodied carbon for every project in Europe. In 2021, we achieved this goal, making contributions to mitigate the carbon associated with the construction that took place at all 32 of our projects in Europe. Since 2008, we've mitigated 6.1 million metric tons of carbon through this partnership.

Our approach to carbon offsets

At Prologis, as part of our "measure-reduce-invest" approach to carbon management, we use carbon offsets only when necessary. We purchase high-quality third-party verified¹ offsets based on:

- Additionality (mitigation or removal would not otherwise have occurred).
- Co-location (in same geographic region as our operations).
- ESG co-benefits (local social and environmental benefit beyond emissions reduction).

In 2021, we purchased offsets for approximately 20% (~240,000 metric tons of CO₂e) of our 2021 construction-related GHG emissions. These offsets included rainforest conservation in Brazil, Canada and Mexico and conservation, habitat management and building insulation alternatives in the U.S.

We are exploring opportunities to leverage our onsite generation of excess solar energy to create additive REC and carbon offset opportunities for our customers.



Mineralizing CO₂ for stronger concrete

When tornados ripped through Nashville, Tennessee, in 2020, three Prologis warehouses were damaged and needed to be replaced. In planning the new construction, Prologis turned to CarbonCure Technologies to lower the embodied carbon of concrete, a significant source of CO₂ emissions.

CarbonCure works by injecting captured CO₂ into fresh concrete where it immediately mineralizes into calcium carbonate, strengthening the material while permanently locking away this CO₂. Even after the concrete is eventually broken up, the mineralized CO₂ will never leak or return to the atmosphere. The final product is the same high-quality concrete with a lower carbon footprint.

The use of CarbonCure in the three buildings' floors, tilt walls and exterior paving saved almost 250 metric tons of CO₂—roughly the amount absorbed by 300 acres of trees in one year. We are looking for opportunities to use this innovative material in other projects.

Our Inspired People



Our employees are the foundation of our business. They implement our strategy and create value for our customers and shareholders. Our culture is key: Our people are committed to inclusion & diversity; they listen, question and commit; and they create the future.

88%

employee engagement score

46%

of manager positions held by women

5 ERGs

created to advance inclusion for our African American, Asian American, Latinx, LGBTQIA+ and women employees

7,800

hours of learning, development and training delivered in 2021

Culture and our employee experience

We recruit talented employees with varied experiences and viewpoints. Then we retain them by providing opportunities to learn and develop. This helps create an inclusive and diverse culture where innovation thrives, and each individual can do their best work.

What is it like to work at Prologis?

Prologis has the spirit of a start-up and the resources of a much more established company. Employees are empowered to “simplify and sprint” and “fail fast.”

Company leaders model confidence and humility. It is common to hear phrases such as “We might not get it right the first time, and that’s okay.” We encourage every employee to innovate to serve our customers better.

Our most recent employee engagement survey, completed in 2021, indicates that 88% of Prologis employees are engaged based on their positive response to the five questions that comprise our engagement driver index, including “I am proud to work for this company.” This score is 12 percentage points higher than the average engagement score for companies in the financial services sector.

In 2021, we had regrettable turnover of 3.6% and non-regrettable turnover of 10.5%. Our strong Glassdoor ratings provide additional validation that our employees are motivated and engaged. As of May 2022, our CEO approval rating was 99%, and 83% of our employees said they would recommend Prologis to a friend.

99%

CEO approval rating

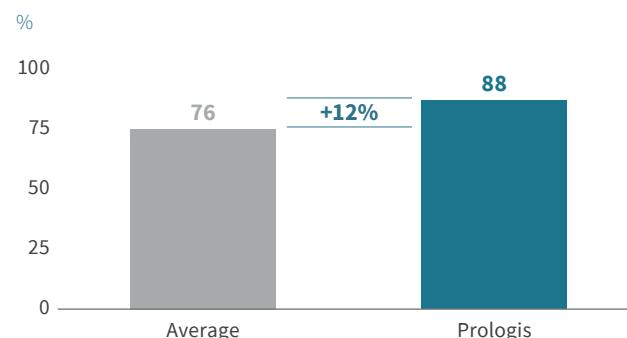
83%

of employees would recommend
Prologis to a friend

We demonstrate our commitment to our employees—and work to create a world-class employee experience—in several ways:

- We offer [competitive compensation](#) and recognize and reward outstanding performance.
- We recruit people with varied experiences and viewpoints to create an inclusive and diverse workplace culture.
- We provide challenging professional development opportunities—we hire the best and then ensure they remain engaged and motivated.
- We encourage managers to provide ample flexibility in terms of work location and hours.
- We provide top-tier office space, amenities and refreshments in some of the best metro locations around the world. This includes numerous recent office remodels where we built out more casual and “green” spaces.
- We provide a range of benefits, including wellness benefits, such as virtual yoga, mindfulness and breathwork classes; healthy snacks; and onsite workout facilities. (See Employee Benefits for a more comprehensive list.)

EMPLOYEE ENGAGEMENT



Employee benefits at Prologis

Employee benefits include the following, depending on region:

- Paid time off, parental and partner leave and company-sponsored volunteer time.
- Life, medical, disability, dental, vision and identify theft insurance.
- Telemedicine, including virtual exercise and physical therapy services.
- An employee assistance program that includes mental health services.
- Fertility/surrogacy and adoption assistance and counseling.
- Flexible spending and health savings accounts.
- Backup childcare assistance.
- Health and financial wellness coaching.
- Pension and/or 401(K) benefits.
- Continuing education assistance.

Prologis' learning and development curriculum adapts global programs to meet local needs and design custom solutions. In 2021, our more than 2,000 employees completed approximately 7,800 hours of company-provided or -sponsored learning, development and training.

LEARNING, DEVELOPMENT AND TRAINING AREAS OF FOCUS



Prologis Core Competencies and Traits

Helping strengthen our culture by providing resources that build skills in support of core competencies and traits in all programs



Prologis business 101

Making sure that all employees have a strong understanding of business fundamentals that strengthen their understanding of company practices and performance



Real estate training

Ongoing learning for those in real estate-related positions while providing all employees better understanding of our industry



Leadership development

Designed to enhance leadership ability, prepare leaders for future roles and cultivate internal bench strength



Career enrichment

Opportunities that help all employees build basic business skills to succeed, such as presentation skills, effective communication and time management



HR and Talent Management

Programs aimed at performance management, feedback, career development, mentoring and support of inclusion & diversity. As an example, in 2021, nearly 500 employees completed a team effectiveness training using the Insights Discovery evaluation.



Talent and leadership development

Through Prologis' "Mentorship Connect" program, mentors and mentees share institutional knowledge and diverse perspectives, improve their leadership and critical-thinking skills and develop the Prologis talent pool. Since its launch in May 2021, Prologis Mentorship Connect has welcomed more than 300 mentors and mentees.

Our "Prologis Diverse Leaders" program matches women and under-represented minorities in mid-senior level leadership positions with senior leader mentors. Participants meet two to four hours per month. We launched this program in 2021 and are expanding it in 2022.

Our High-Performance Employee Leadership Development Program (HiPE) is a rigorous 3-5 year program that trains diverse employees in logistics real estate. The rotational program covers valuations, property management, leasing, construction, and capital deployment.

Inclusion & diversity

Prologis' Inclusion & Diversity (I&D) vision is to create a company where everyone is respected, included and treated fairly. We recognize the business value of inclusion and diversity: When we incorporate a wide range of perspectives, better business and customer outcomes are possible. As part of our commitment, we are a signatory to [CEO Action for Diversity & Inclusion](#).

How we operate

- We set clear expectations on inclusive hiring for our colleagues and staffing agencies. This includes a goal that each candidate pool be 50% diverse.
- We determine a portion of our annual bonus based on the percentage of diverse hires in real estate roles.
- We conduct an annual pay equity analysis that covers gender and people of color and includes base salary, bonus and long-term incentives. The analysis is reviewed by our executive committee and board of directors. In the first quarter of 2022, our annual global gender pay equity analysis found women are overall paid within +/- 3% of their male peers in the same job and same labor market. Our analysis also found people of color in the U.S. are overall paid within +/- 3% of their white peers in the same job and same labor market. When we find differences in compensation not explained by relevant job factors, we adjust compensation accordingly.

How we learn

- We include questions related to inclusion and diversity in our annual employee engagement survey. Survey respondents are asked how much they agree with statements such as, "Diverse perspectives are valued and encouraged in my team" and "I am comfortable voicing my ideas and opinions, even if they are different from others."
- In 2021, we added new educational resources, programs and toolkits to support employee training on inclusion and diversity. These include a new I&D intranet site, unconscious bias awareness training and celebration of special days and months (e.g. Black History, Women's History, Pride) throughout the year.
- In 2022, we will launch our global I&D steering committee to support and guide our efforts. The chairs of our five newly created employee resource groups (African Americans, Asian Americans, Latinx, LGBTQIA+ and women) will participate in this steering committee along with other senior leaders.

How we engage beyond our walls

- We partner with industry organizations—like [ULI](#), [NAIOP](#), [NAREIT](#) and [REAP](#)—to broaden our candidate pools through recruiting and mentoring efforts. Through our partnership with NAIOP, we help women and members of underrepresented groups advance their careers in commercial real estate.
- To encourage careers in real estate, we sponsor scholarships for individuals from underrepresented groups and invest in educational development and job training programs in the communities where we operate. This includes the work of our Community Workforce Initiative, described in [Resilient Communities](#).
- We provide philanthropic support to organizations working to advance equity and inclusion. In 2020, the Prologis Foundation designated \$1 million to support organizations fighting for racial justice.



“ Different perspectives are strengths. The biggest danger for companies—particularly successful companies—is when they engage in group think. And group think comes from people who all have the same background, who've all gone to the same schools. After all, our customers are pretty diverse, our communities are pretty diverse, why shouldn't our people be diverse? ”

– Hamid R. Moghadam, Co-Founder, CEO and Chairman

INCLUSION & DIVERSITY PERFORMANCE¹

Women, 2021



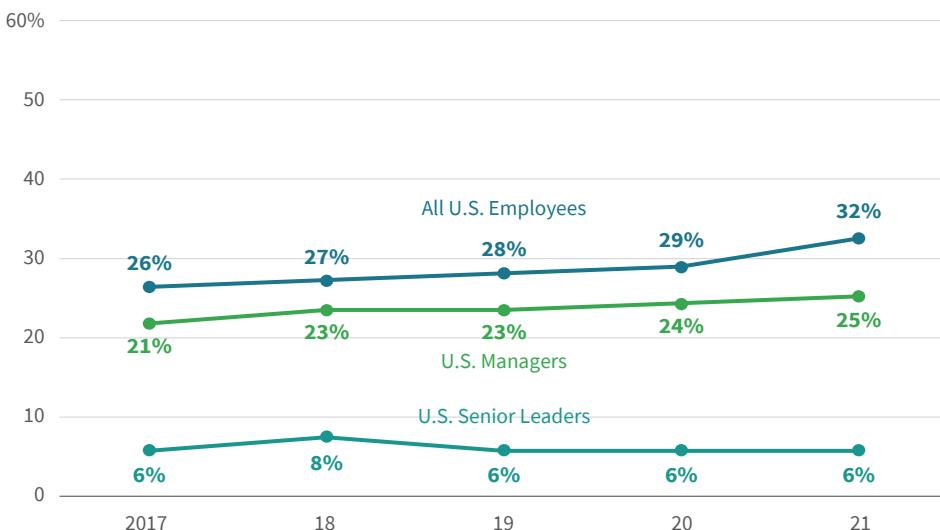
People of Color (U.S.), 2021



Women, 2017-21



People of Color (U.S.), 2017-21



Our representation levels are higher than the industry average for both gender and racial/ethnic diversity, but there is still work to be done, particularly with respect to representation at our senior leadership level. This remains a strong focus in 2022.

Please see our latest [EO-1 report](#) and the [Data and Assurance](#) page on the Prologis website for additional information.

¹. Managers includes employees with "manager," "director" or "vice president" titles. Senior Leaders includes employees with "senior vice president" or higher titles. Additional data on [prologis.com](#).

Health and safety

A safe work environment is a high priority at Prologis. Our risk-based program focuses on field safety for Prologis personnel and construction contractors. We describe our approach to community safety in [Resilient Communities](#).

We work with employees and contractors to ensure awareness of—and compliance with—our global safety standards.

GLOBAL SAFETY STANDARD COMPLIANCE



Ongoing safety-focused training covering development and operations. As an example, in 2021 every maintenance technician in the U.S. completed the OSHA 10 general industry training.



To ensure a consistent standard for development projects, we verify compliance through Prologis project manager safety observation checklists and periodic third-party safety audits.



Annual customer audits focused on risk, environmental and sustainability factors.

For building construction and renovation, our design guidelines require features such as anchor points, railings and skylight screens. To facilitate a safe work environment, each development project must have a qualified safety inspector who is free from any other project responsibilities. We supplement our own internal safety observations with regular third-party safety audits.

To facilitate a safe work environment, each development project must have a qualified safety inspector who is free from any other project responsibilities.

Prologis employees, employees of our contractors and anyone else may report a job-site safety concern using our anonymous third-party administered safety helpline. This includes options for reporting via the [web](#) and phone (1-833-SAFE-PLD in the U.S. and Canada; additional numbers are listed on our company intranet).

Our safety program is overseen by a global safety committee, comprised of senior executives from relevant global functions. The committee, which meets quarterly, identifies and implements best practices and standards and facilitates employee and contractor training.

1-833-SAFE-PLD

Prologis Safety Helpline

LOST TIME INJURY FREQUENCY

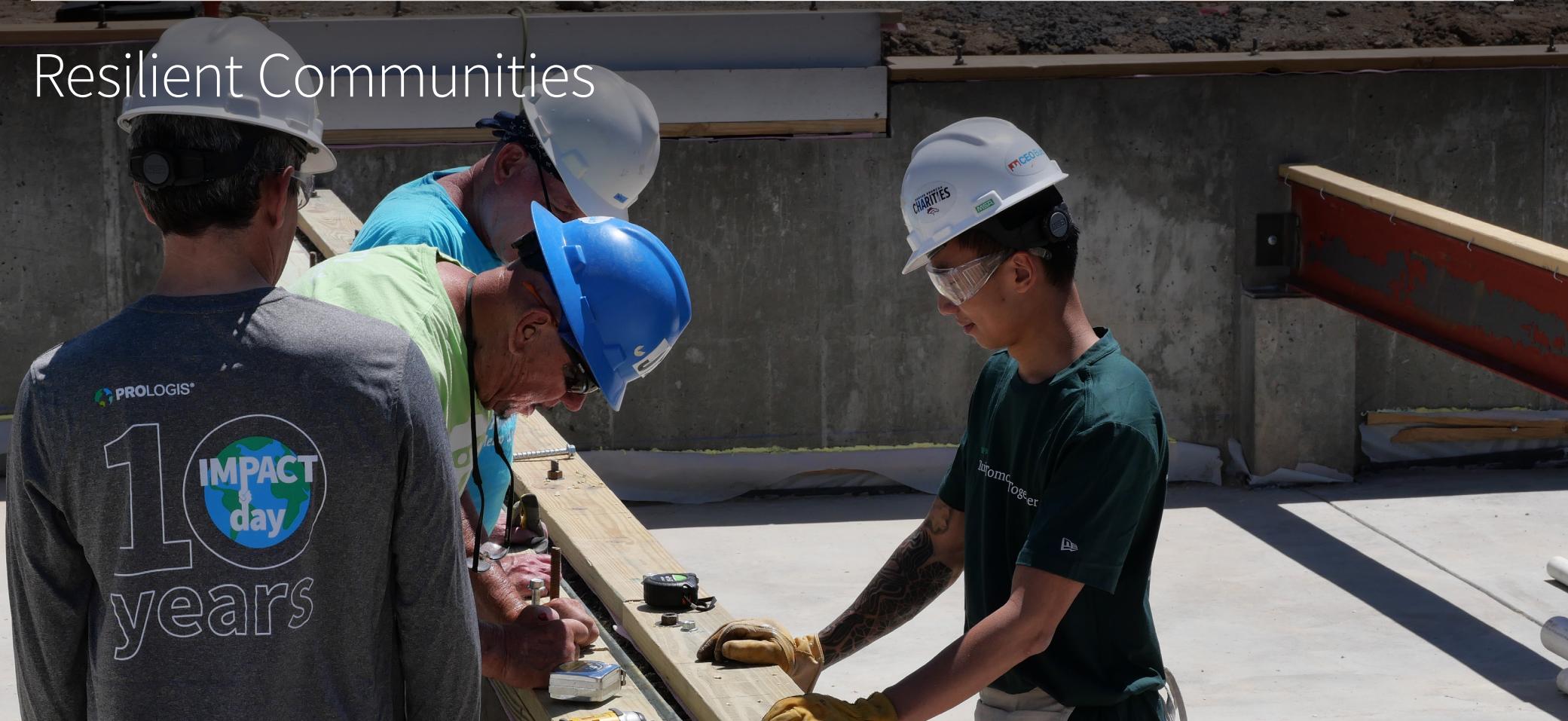
Per 1 million hours worked



To protect our employees and their families during the COVID-19 pandemic, we have provided:

- Free COVID-19 testing for employees and their dependents
- Extended telehealth and Teledoc services, with a focus on mental health
- Quarantine pay for employees forced to isolate after exposure
- Managed leave and short-term disability for employees ill for longer than two weeks
- Zero-interest loans, since forgiven, for non-management employees with reduced household incomes
- A monthly stipend to assist parents with childcare and home-schooling
- An equipment allowance and virtual ergonomic assessments of home offices.

Resilient Communities



Economic opportunity is the foundation of our approach to resilient communities. We work in partnership with local leaders and organizations to create jobs and job training programs; promote health and safety; and enhance recreational and transit infrastructure. These efforts, together with our employees' community engagement activities, help create a more stable and predictable business environment for Prologis and our customers, and support social wellness and well-being in the communities we serve.

\$226B

in direct, indirect and induced economic impact per year

13,000

people trained in logistics through our Community Workforce Initiative since 2018

1.2M

square feet of space worth \$5.4 million in in-kind rent donated to 30 charities through Space for Good

33,000

hours supporting local nonprofits (since 2019)

Stakeholder engagement

Our stakeholders include employees, contractors, suppliers, customers, community members and leaders, elected officials and investors.

To keep our **employees** updated on important company developments and industry trends, we leverage multiple internal communication channels. Webinars let employees opt in to learn about a particular topic that interests them. To share best practices, we publish employee success stories on our intranet. At town hall meetings, employees have the opportunity to ask our senior leaders tough questions. All of these methods create a consistent culture that connects Prologis employees around the world. Additional information on our employees can be found in [Inspired People](#).

We engage, on a case-by-case basis, with key stakeholders in **local communities** during project development. Engagement occurs through social media and dedicated websites; face-to-face meetings; and presentations, exhibitions and workshops. Community feedback helps us design and build a development that adds value to our customers and the community where they operate.

Prologis' people are the foundation of our commitment to **our customers**. Our maintenance techs, customer-focused managers and leaders are highly motivated to develop the customer relationship. They adapt to customer needs and work to exceed expectations through onsite visits, e-mails, phone calls and even an online app.

The role of government affairs at Prologis is to advance the company's interests through responsible and constructive engagement with **public policy makers, elected officials and community leaders**. We educate

key decisionmakers at all levels of government about our company and the critical role we play in global commerce. This includes our approach to sustainable development, our renewable energy investments and our work to help our customers operate in a cleaner more efficient way. If a public policy action has the potential to impact our business, our industry or our customers, we conduct a full review and analysis; develop a thoughtful, data-driven response; and share it with relevant decision-makers. Prologis' unique perspective on topics like workforce, the supply chain, renewable energy and transportation is both vital and valued.

In 2021, we engaged with 78% of our top 100 **stockholders**.¹ Stockholder feedback influenced our development of a list of potential compensation program improvements—as well as development of our revised peer group. Additional information on our engagement with stockholders may be found on pages 40-42 of our most recent [Proxy Statement](#).

78%
engagement
with our top 100
stockholders



1. Calculated by outstanding shares of common stock.

Political accountability

Prologis' government affairs team advocates on issues directly relevant to our business and industry, including but not limited to:

- Green energy and sustainable development.
- The transition to zero emissions vehicles and electric charging infrastructure.
- Investments in workforce training and development in logistics.
- Tax policies that impact the REIT business model and our shareholders' investments in REITs.
- Land use policy and the development of supply chain infrastructure.

Starting in 2022, we will post annual lobbying expenditures on our corporate website.

Prologis' approach to political accountability and transparency is governed by a policy entitled [“Our Participation in the Political Process.”](#) This policy, which is further reinforced by our Code of Ethics, states that we will:

“...comply with all laws governing political activity and interactions with public officials, and never seek to influence the judgment of any government officials by promising or giving money, political contributions, charitable contributions, other forms of consideration, or any other unlawful inducement.”

We prohibit the use of corporate funds and assets to support U.S. federal or state candidates or political parties.¹



Prologis is a member of certain trade associations, including NAREIT and NAIOP, through which we engage with policymakers and other stakeholders. We have informed our major U.S. trade associations and relevant 501(c)(4) organizations that they are prohibited from applying any Prologis funds to support contributions to any U.S. federal or state candidate or political party.

On an annual basis, the governance committee of our board of directors receives an update on our public policy priorities, lobbying expenditures, information regarding our memberships, payments to trade associations and political contributions. Starting in 2022, we will post annual lobbying expenditures on our corporate website.

1. Exceptions to this policy require approval by the Ethics Committee. To date, no exceptions have been sought or approved.

Economic and social impact

Logistics real estate can have a significant positive impact on the surrounding community. A study by the independent advisory firm Oxford Economics and commissioned by Prologis found that:

\$2.2T

in goods flows through our distribution centers each year.¹ This represents:

2.5%

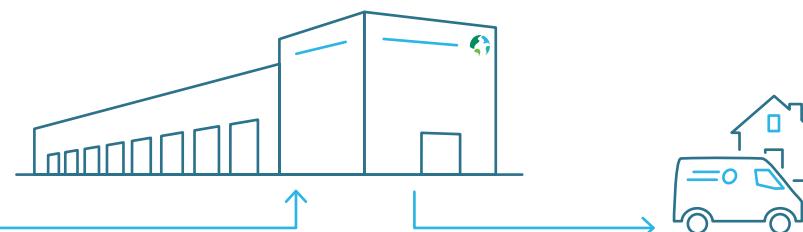
of the world's GDP and...

3.5%

of the GDP for the 19 countries where we do business and...

15%

of global goods consumption in those 19 countries.



850,000

people go to work under Prologis roofs each day.²



The direct and indirect impact of our global operations adds up to...



2.8M jobs and...



\$226B per year in economic impact.

Prologis' business strategy is to build, own and operate logistics facilities close to urban centers. This shortens delivery routes, reduces delivery times and reduces related emissions. Prologis' customers and our customers' customers (both business and residential) benefit from next-day or even same-day delivery of the goods and services they need. Additional benefits include plentiful logistics jobs, shorter commute times for logistics workers, reclamation and remediation of abandoned or brownfield sites and even enhancement of local parks and transportation.



Social value in the United Kingdom

Logistics real estate can have a significant positive impact on the surrounding community. According to the [Social Value Portal](#), two Prologis projects in the United Kingdom were determined to provide more than \$35 million of local social and economic value, including 82 construction and logistics jobs. Both projects were compliant with the "UK National Social Value Measurement Standard" (National TOMS-Themes, Outcomes and Measures,) which was developed to identify and provide metrics to measure five key societal benefit themes: Promoting Jobs & Self Skills, Supporting Regional Growth, Empowering Communities, Protecting the Environment and Promoting Social Innovation.

1. Based on 2019 data per [Oxford Economics report](#).

2. Based on country-specific estimates of 1,000-1,900 square feet per direct employee.

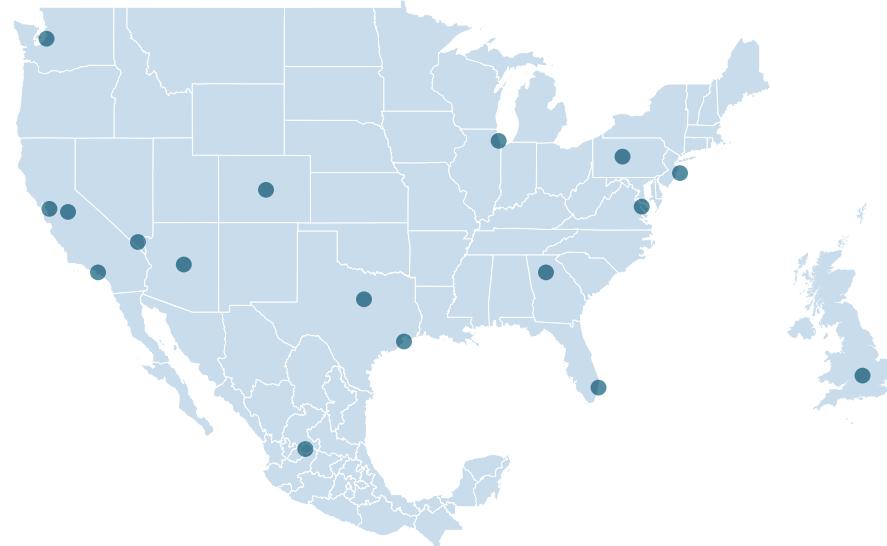
Community Workforce Initiative

Recruitment and retention of logistics talent is a key challenge for many of our customers. Recognizing this, we launched our Community Workforce Initiative (CWI) in 2018. CWI is a talent development program that can advance the skills and capabilities of logistics workers, while also building a pipeline to careers with our customers.

Feedback from stakeholders and lessons learned during early pilot programs have informed our strategy and ambition. Today, our goal is long-term systems change built on a foundation of training 25,000 people by 2025. Over the past three years, and in spite of pandemic-related challenges, we have grown the program to reach 17 markets through partnerships with nearly 20 community organizations in three countries. As of year-end 2021, we have trained more than 13,000 people and placed nearly 1,500 people in logistics jobs.

25,000
people trained in logistics
by 2025 (2018 baseline)

● CWI partnership location



“ Industry-developed training programs like Prologis CWI offer concrete opportunities to learn skills that are aligned with immediate job openings. We've seen the positive impact this program can have on people's lives. We're proud to collaborate with Prologis to help people in the Long Beach area and beyond acquire the skills necessary for immediate labor market attachment and advancement. ”

– Nick Schultz, executive director, Pacific Gateway Workforce Innovation Network



Space for Good

Through our Space for Good program, we donate temporary, rent-free space in unoccupied parts of our logistics buildings to charitable organizations providing disaster relief or addressing short-term community needs. In 2021, in response to a range of crises around the world, we donated 1.2 million square feet of space worth \$5.4 million in in-kind rent to 30 charities.

CWI includes courses in areas such as equipment training; inventory and warehouse management; and environmental impact. The Association of Supply Chain management, the largest supply chain association in the world, has certified CWI with the first-of-its-kind logistics training certificate. We believe this certificate will serve as the global standard in logistics training and education.

PARKlife™

Supporting social wellness and well-being helps build our relationship with the communities we serve. As a long-term owner, we establish a presence in the community, build relationships with key stakeholders and demonstrate our commitment. Our goal is to be the logistics facility provider of choice, not only for our customers but for the communities where our customers do business.

As a long-term owner, we build relationships with key stakeholders.

Our PARKlife™ program is one example of this approach. Through PARKlife, we create [a range of services and amenities](#) to support our customers, their employees and the community at large. These include green spaces and fitness trails, art installations, green transportation programs, amenity maintenance and security. Examples include:

- In November 2021, Barcelona's Prologis Park Sant Boi hosted its first farmer's market, inviting vendors from the nearby Mercado de Cooperativa Agrària Santboiana to sell fresh produce onsite. Designed to encourage healthy eating, sustainable consumption and support for the local community, the greenmarket event was well received and is planned to continue on a monthly basis.
- As part of a makeover of Prologis Park Lodi near Milan, Italy, we asked eight leading Italian street artists to create large-scale works across 44,000 square meters of park facade. The result is a monumental open-air urban art gallery that elevates the day-to-day work experience and adds visual richness to the surrounding neighborhood. Additional PARKlife™ upgrades to the facility include shaded walkways and seating areas, eating and drinking areas, ping-pong tables, walking paths, bicycle routes and washrooms with showers for truck drivers.



Parklife Moissy, Moissy, France.

We #standwithukraine

In early 2022, in response to the invasion of Ukraine, the Prologis Foundation began double matching every employee donation to the following organizations:

- International Red Cross' Ukrainian relief campaign.
- Poland – Polska Akcja Humanitarna (Polish Humanitarian Action).
- Czech Republic – Člověk v tísni / People in Need CR.
- Slovakia - Člověk v ohrožení/People in Need SK.
- Hungary - UNICEF Hungary.

As of May 15, 2022, employee donations totaled approximately \$250,000. Combined with a double match from the Prologis Foundation, the company's total contribution was more than \$750,000. Many European employees also gave their time, donated needed supplies and even opened up their homes to refugees.

“Together, with my husband, we made the decision to host a Ukrainian refugee family with two small children. As they needed nearly everything to start their life in Warsaw, we also organized a collection of goods with Prologis colleagues, our friends, neighbors and parents from our kids' school. After only three days, the amount of goods collected enabled us to support an additional family. It's now about shifting from providing short-term help into a long-term solution.”

– Karolina Gorgiel, vice president of operations, Prologis Poland Management



Community health and safety

Community safety and environmental security is another example of our commitment to establishing a meaningful long-term presence in the communities where we do business. It is a top priority and an opportunity for us to go above and beyond what a community might expect of a typical logistics real estate provider.

Community safety is another opportunity for us to go above and beyond what our stakeholders might expect of a typical logistics real estate company.

Prologis leases require tenants to comply with all applicable laws and regulations in their operations and occupancy of the leased premises. We conduct financial due diligence on a tenant before entering into a lease agreement, and we work closely with our tenants throughout their leases. Once leased, our tenants have exclusive possession and control of the premises under the terms of the lease as well as tenant-landlord law. When we become aware of conditions that might impact community safety, we notify relevant authorities and take corrective action, including seeking to evict the tenant if appropriate.

When a community safety incident occurs at or near a Prologis property, we work with our tenants to mitigate and minimize the community impact as part of our commitment to being a good neighbor.

In addition to [workplace safety](#), we also develop disaster preparedness and recovery plans to maintain business continuity for our customers and their employees.

Particularly in the wake of a crisis, our customers must maintain the flow of goods and services to the customers and communities they serve.

In 2021, across our 4,700-facility portfolio, there were more than 50 times when natural hazard events resulted in insurance claims. These included unprecedented floods in China, Germany and Belgium; the Texas Freeze; and other severe events throughout the United States. Our planning and risk mitigation measures protected our customers' business continuity: Only two of these events led to business-continuity-insured damage in excess of \$500,000.

In 2021 and the first part of 2022, we hosted Disaster Recovery Plan tabletop scenarios for Europe where we worked through flooding, snowstorm and windstorm scenarios. We also hosted a training with the U.S. West Region that focused on earthquake preparedness and included working through hypothetical scenarios. In Inagawa, Japan, we agreed that our facility would serve as the local disaster response hub if needed. We are also directly involved in supporting disaster response through our Space for Good program, described earlier in this section.



Mitigating flood risk in Italy

In 2019, Prologis acquired 408 acres of uncultivated land, former quarries and disused industrial properties in Castelnuovo di Porto, Italy, to serve as the site for a two-hundred-thousand-square-meter logistics facility.

As part of the permitting phase, Prologis agreed to mitigate flood risk from the nearby Tiber River, working in partnership with experts from the University of Rome and other institutional organizations. The results of these mitigation efforts will positively impact neighboring municipalities and the city of Rome, some 10 miles to the south.

We describe our approach to climate risk in more detail in the Sustainable Logistics section of this report.

Community involvement

The community impact we create goes beyond the value of our operations to include community giving and volunteering. We focus these efforts in three areas: education, the environment and community support. On our annual IMPACT Day, we close our offices and encourage every employee to participate in a volunteer event in the region where they work.

In 2021, Prologis employees delivered more than 10,700 hours to organizations serving local communities, including the National System for Integral Family Development in the U.S.; Honzon Group in Beijing, China; and HEMA in Amsterdam, The Netherlands. Prologis employees Anita Weggemans and Fumie Yoshihara were the recipients of the 2021 Walter C.

Rakowich Award, Prologis' highest honor for community-based service. Anita worked with her daughter during the Dock Doors of Giving campaign and Fumie organized several activities in the office, such as making face shields for caretakers at nursing homes.

In 2021, Prologis and the Prologis Foundation made \$4.7 million in contributions to organizations around the world. In the U.S., through our “Dollars for Doers” program, the Foundation matches employee donations and provides monetary support to organizations where employees volunteer.

In 2022, we continue our work to evolve our social impact and corporate giving strategy to create even greater value

On our annual IMPACT Day, we close our offices and encourage every employee to participate in a volunteer event in the region where they work.

in the communities where we operate. This has included celebrating the 10th anniversary of IMPACT Day in May, with employees volunteering more than 7,900 hours on 76 projects to support local communities, including 19 projects supporting Habitat for Humanity.

A sustainable “Hub” for community-based training

In September 2021, Prologis celebrated the grand opening of the Hub at DIRFT III. The Hub is a nearly 10,000 square foot training and amenities building in Northampton, UK. The facility was built to UK Green Building Council standards for net zero construction and has achieved an EPC A+ rating for operations.

In addition to serving as an amenities center for the Prologis park and local community, The Hub hosts the Prologis Warehousing and Logistics Training Programme (PWLTP), an extension of the company's U.S.-focused Community Workforce Initiative. PWLTP uses a combination of in-person and online

instruction to give students the knowledge and skills required for logistics sector careers, from forklift operators to customer service advisors, automation engineers and data analysts.

Sustainable building features include solar thermal and photovoltaic generation, an underground rainwater harvesting tank and 10 EV charging stations. The reception area, cafe, training rooms and meeting rooms feature an industrial feel with high ceilings, abundant natural light and natural greenery. The outdoor spaces feature hard and soft landscaping and seating for breakout sessions and relaxation.



Delivering significant added value through a project like this is a statement of the value we place on the community. Our customers also benefit when community members see benefits beyond what they would normally expect.

Appendix



Performance data

	2017	2018	2019	2020	2021
Our Business					
Revenue (dollars in billions)	2.62	2.80	3.33	4.44	4.76
Assets under management (dollars in billions)	78.70	86.70	118.40	148.30	215.10
Square footage of real estate portfolio (MSF)	684	768	814	984	1,000
Number of buildings (owned and managed portfolio)	3,282	3,690	3,840	4,101	4,675
Number of customers	5,000	5,100	5,000	5,500	5,800
Global occupancy rate (%)	97.2%	97.2%	96.5%	96.2%	97.7%
Number of employees	1,606	1,617	1,713	1,945	2,053
Environment					
Scope 1 and 2 GHG emissions (mtCO ₂ e - market based w/ RECs)	3,046	4,045	4,842	3,841	3,011
Scope 3 GHG emissions (mtCO ₂ e - location based)	5,980,049	6,024,262	5,250,154	3,758,991	3,704,143
Energy consumption (MWh)	8,688	7,867	7,664	10,476	10,644
Total renewable energy purchased or generated for our operations (MWh)	72	72	72	72	214
Onsite solar generating capacity installed (in MW)	175	186	212	252	285
Area of sustainably certified space (million square feet)	98	122	148	171	195
LED lighting (% of portfolio)	14%	27%	33%	42%	57%
Social & Governance					
Women in global workforce (%)	51%	52%	51%	50%	50%
People of color in U.S. workforce (%)	26%	27%	29%	30%	32%
People trained through Community Workforce Initiative	N/A	134	597	5,500	13,039
Employee volunteering and hours spent benefiting the community	11,200	10,543	15,266	7,111	10,776
Charitable giving (dollars in millions)	\$1.6	\$2.6	\$3.1	\$11.2	\$4.7
Employee ethics training completed (%)	100%	100%	100%	100%	100%
Employee lost time injury frequency rate (per 1 million hours worked)	2.95	0	0	0.94	1.34

Assurance statement

Our [full assurance statement](#) and greenhouse gas emissions validation statement are on prologis.com.



LRQA Independent Assurance Statement

Relating to Prologis' Sustainability Report for Calendar Year 2021

This Assurance Statement has been prepared for Prologis, Inc. (Prologis) in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

LRQA was commissioned by Prologis to provide independent assurance on its 2021 Environmental, Social and Governance (ESG) Report (the report) to a moderate level of assurance and materiality of the professional judgement of the verifier using AccountAbility's AA 1000AS (v3), where the scope was a Type 2 engagement.

Our assurance engagement covered Prologis' global operations and activities and specifically:

- verified conformance with AA1000 Accountability Principles (AA1000AP 2018)
- evaluated the accuracy and reliability of data and information.

Our assurance engagement excluded the data and information of Prologis' suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to Prologis. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Prologis' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Prologis.

LRQA's corresponding Greenhouse Gas Verification Assurance Statement should be referred to in conjunction with this Assurance Statement.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Prologis has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing Prologis' approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through interviews with senior management and a review of procedures and processes in place to manage stakeholder engagement.
- Reviewing Prologis' process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by independently reviewing Prologis' internal materiality process, benchmarking reports written by Prologis and its peers to ensure that sector specific issues were included for comparability, referencing the Global Reporting Initiative (GRI) Universal Standards and Topic-specific Standards and referencing Sustainability Accounting Standards Board (SASB) real estate sector standard.
- Auditing Prologis' data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report. We did this by:
 - sampling specific source and aggregated data points referenced in the Report
 - speaking with key people responsible for compiling the data and drafting the Report.
 - Interviewing members of the executive committee, senior management, and various other roles within the company by virtual meetings.



Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder inclusivity:
We are not aware of any stakeholder groups that have been excluded from Prologis' stakeholder engagement process. Prologis refreshed the 2017 stakeholder engagement process in 2019 and LRQ encourages further engagement of external stakeholders to support results. The process is biennial and was expected to be completed again in 2021. Due to limited resources, Prologis conducted the 2021 review by engaging internal stakeholders including those who have direct contact with Prologis external stakeholders. Prologis plans to improve the process and conduct a more comprehensive review in 2022.
- Materiality:
We are not aware of any material issues concerning Prologis' sustainability performance that have been excluded from the Report. The Report covers a range of ESG performance. The published annual PDF report provides highlights of key accomplishments and initiatives. The addition of the Data Disclosure Table in 2020, which Prologis has continued to develop in 2021, provides comprehensive ESG data spanning the last five years.
- Responsiveness:
Prologis engages regularly with internal and external stakeholders, with an emphasis on customers. Specific examples of responsiveness in 2021 include:
 - continued expansion of access to green energy through solar and reduced energy consumption through LED lighting and cool roofs
 - installation of battery storage and electric vehicle stations and programs for community buy back of excess solar electricity
 - continuing to support the concept of circular building, reducing waste and GHGs across the life cycle of the asset.
 These goals are supportive of the United Nations Sustainable Development Goals (UN SDGs) and align with Prologis' customer, local community and global community sustainability goals.
- Reliability:
We believe that the criteria applied are appropriate and sufficient to produce consistent, unbiased, understandable content for the end user.
- Impact:
Prologis goals and strategies are mature and in line with ESG philosophy. Impacts across the property life cycle are considered, improvements are committed to, progress is measured and metrics are reported. Two prominent life cycle examples include solar and LED. Continuation in this strategy is seen in growing prominence of EV charging stations and expanding solar beyond what the building tenant can utilize.

LRQA's Standards, Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification assessment along with GHG verification is the only work undertaken by LRQA for Sands and as such does not compromise our independence or impartiality.

Signed

Andrea M. Bockrath
LRQA Lead Verifier
On behalf of Lloyd's Register Quality Assurance, Inc.
1330 Enclave Pkwy, Suite 200, Houston, Texas 77077
LRQA reference: UQA00000496

Dated: May 18, 2022

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GRI Index

This report was prepared in accordance with the [Global Reporting Initiative \(GRI\) Universal Standards 2021](#) and covers the topics identified in our most recent materiality assessment completed in 2021.

MATERIALITY ASSESSMENT

MATERIALITY MATRIX



TOPIC	
SOCIAL	1 Diversity and Equal Opportunity
	2 Health & Safety
	3 Employment & Labor Relations
	4 Customer Privacy
	5 Community / Local Economic Development
ENVIRONMENTAL	6 Energy
	7 Green Building Certifications
	8 Emissions
	9 Construction Materials & Waste
GOVERNANCE	10 Green Financing
	11 Corporate Governance
	12 Resilience
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GRI INDEX

GRI MATERIAL TOPIC	DISCLOSURE	LOCATION	LINKED RESOURCES
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	2-2 Entities included in the organization's sustainability reporting	About Prologis	Prologis Sustainability
	2-3 Reporting period, frequency and contact point	ESG Report	Reports and Resources
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	2-6 Activities, value chain and other business relationships	Sustainable Logistics	ESG Policy
	2-7 Employees	ESG Report: Inspired People, Data and Metrics, Proxy	Human Rights Policy
	2-8 Workers who are not employees	ESG Report: Inspired People	Human Rights Policy
	2-9 Governance structure and composition	ESG Report: Ahead of What's Next; Proxy Statement	SEC Filings
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	2-16 Communication of critical concerns	ESG Report: Health and Safety, Code of Ethics & Business Conduct	Code of Ethics & Business Conduct
	2-17 Collective knowledge of the highest governance body	Proxy Statement, Annual Report	SEC Filings
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	2-20 Process to determine remuneration	Proxy Statement	SEC Filings
	2-21 Annual total compensation ratio	Proxy Statement	SEC Filings
	2-22 Statement on sustainable development strategy	ESG Report: Introduction, CEO Letter, Annual Report	ESG Policy
	2-23 Policy commitments	ESG Report: Ethics and Compliance	Code of Ethics & Business Conduct
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GRI MATERIAL TOPIC	DISCLOSURE	LOCATION	LINKED RESOURCES
GRI 203: Indirect Economic Impacts 2016	2-26 Mechanisms for seeking advice and raising concerns	ESG Report: Ethics and Compliance	Code of Ethics & Business Conduct
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	2-28 Membership associations	ESG Report: Recent Awards and Recognitions and Political Accountability	Memberships and Associations
	2-29 Approach to stakeholder engagement	ESG Report: Stakeholder Engagement	
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GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	ESG Report: Economic and Social Impact	Human Rights Policy
	204-2 Significant indirect economic impacts	ESG Report: Economic and Social Impact; Resilient Communities	Human Rights Policy
GRI 301: Materials 2016	301-1 Materials used by weight or volume	ESG Report: Supply Chain Responsibility	ESG Data
GRI 302: Energy 2016	301-2 Recycled input materials used	ESG Report: Green Building Design and Construction	ESG Data
	301-3 Reclaimed products and their packaging materials	ESG Report: Green Building Design and Construction	ESG Data
	302-1 Energy consumption within the organization	ESG Report: Climate Change and Energy; ESG Data Microsite	ESG Data
GRI 305: Emissions 2016	302-2 Energy consumption outside of the organization	ESG Report: Climate Change and Energy; ESG Data Microsite	ESG Data
	302-3 Energy intensity	ESG Report: Climate Change and Energy; ESG Data Microsite	ESG Data
	302-4 Reduction of energy consumption	ESG Report: Climate Change and Energy	ESG Data
	302-5 Reductions in energy requirements of products and services	ESG Report: Climate Change and Energy	ESG Data
	305-1 Direct (Scope 1) GHG emissions	ESG Report: Climate Change and Energy	ESG Data
GRI 401: Employment 2016	305-2 Energy indirect (Scope 2) GHG emissions	ESG Report: Climate Change and Energy	ESG Data
	305-3 Other indirect (Scope 3) GHG emissions	ESG Report: Climate Change and Energy	ESG Data
	305-4 GHG emissions intensity	ESG Report: Climate Change and Energy	ESG Data
	305-5 Reduction of GHG emissions	ESG Report: Climate Change and Energy	ESG Data
	401-1 New employee hires and employee turnover	ESG Report: Inspired People	ESG Data
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report: Culture and our Employee Experience	
	401-3 Parental leave	ESG Report: Culture and our Employee Experience	

GRI MATERIAL TOPIC	DISCLOSURE	LOCATION	LINKED RESOURCES
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESG Report: Health and Safety; Community Health and Safety	Human Rights Policy
	403-2 Hazard identification, risk assessment, and incident investigation	ESG Report: Health and Safety; Community Health and Safety	
	403-3 Occupational health services	ESG Report: Health and Safety; Community Health and Safety	
	403-4 Worker participation, consultation, and communication on occupational health and safety	ESG Report: Health and Safety; Community Health and Safety	
	403-5 Worker training on occupational health and safety	ESG Report: Health and Safety; Community Health and Safety	
	403-6 Promotion of worker health	ESG Report: Health and Safety; Community Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Report: Health and Safety; Community Health and Safety	
	403-8 Workers covered by an occupational health and safety management system	ESG Report: Culture and our Employee Experience	Human Rights Policy
	403-9 Work-related injuries	ESG Data Microsite	ESG Data
	403-10 Work-related ill health	ESG Data Microsite	ESG Data
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Report: Inclusion and Diversity	
	405-2 Ratio of basic salary and remuneration of women to men	ESG Report: Inclusion and Diversity	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESG Report: Economic and Social Impact	Human Rights Policy
	413-2 Operations with significant actual and potential negative impacts on local communities	ESG Report: Economic and Social Impact	Human Rights Policy
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Report: Risk Management	

SASB Disclosure

Prologis supports the mission of the Sustainability Accounting Standards Board (SASB), which creates industry-specific sustainability accounting standards that help companies disclose financially material, decision-useful environmental, social and governance (ESG) information to investors. This is the fourth year that Prologis is disclosing data using SASB's 2018 Real Estate Standard. The following table contains our disclosure on the topics included in that standard. Activity metrics that may assist in the accurate evaluation and comparability of disclosure may be found throughout the Prologis 2021-22 ESG Report.

CODE	ACCOUNTING METRIC	PROLOGIS INFORMATION
Energy Management		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Energy consumption data coverage from the global Prologis operating portfolio, as a percentage of floor area was equal to 40% in 2021.
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	From the portfolio with available energy data coverage from 2021 the following details pertain to energy: (1) The total energy consumption: 3,581,699 MWh (2) Percentage grid electricity: 55% (3) Percentage of electricity that is renewable (Logistics/Distribution Warehouse): 11%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Like-for-like change in energy consumption for the global Prologis operating portfolio was a 22.79% increase from 2020 to 2021. Fluctuations in occupancy, hours of operation, changes in customer mix, and increased e-commerce demand likely led to this increase.
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Prologis has a goal to certify 100% of new developments and redevelopments to sustainable building certification standards. These sustainable building certification standards incorporate energy efficiency features, as well as other features for water efficiency, waste reduction, and others that promote tenant health and well-being, to name a few. Prologis is undertaking a project to review the energy ratings across our global portfolio. Given our asset class and building type we do not typically submit for EnergyStar certification. However, in certain regions like Europe where Energy Performance Certificates (EPCs) are required to be maintained by various country requirements we manage the EPCs to maintain local compliance.
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Prologis integrates energy and water reduction technologies into our new buildings as part of our goal to have 100% of new development and redevelopment achieve sustainable building certification. These strategies ensure the resilience and enduring value of our buildings, creating value for our customers and our company. In addition, Prologis has a customer centric approach focused on helping further the operational efficiency of our customers. We have sustainability solutions available through our Essentials marketplace, and we also allocate a portion of our CAPEX for existing buildings to LED lighting retrofits and other energy-saving technologies, water-saving features, cool roofing technology and solar installations.

CODE	ACCOUNTING METRIC	PROLOGIS INFORMATION
Water Management		
IF-RE-140a.1, IF-RE-140a.2, IF- RE-140a.3	(a.1) Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector. (a.2) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector (a.3) Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Water withdrawals from logistics facilities are typically lower compared to other types of buildings, and thus less material than energy and emissions. (1) For 2021, we report on data available on water consumption across a portion of our global offices. In 2021, we had water consumption reporting from 25 of our global corporate offices, with 18.7 million gallons consumed. We continue to work to improve data coverage. Like-for-like change in water consumption was available for 10 offices that had both 2020 and 2021 data. From the water data provided by the 10 offices with like-for-like data there was a 15% increase in water withdrawals from 2020 to 2021. (2) At this time, we have not completed a full mapping of water stress, but Prologis is using third-party data and internal tools for mapping and evaluating physical climate risk exposure at the asset level through science-based climate scenarios. Based on the data of our physical climate risk assessments we can proactively implement mitigation strategies that further the resilience of our global portfolio. This includes implementing site specific mitigation measures, such as raising a property out of the base flood elevation, raising the height of dock doors, and other measures to ensure the long-term resilience of our assets.
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	Even though logistics facilities typically have a lower water footprint compared to other types of buildings, we have adopted various sustainable water management practices and technologies to minimize water use and the impact of our assets on water quality. Many of these efforts are a result of pursuing sustainable building certifications for 100% of new developments and redevelopments globally. All of our water-related actions are project-specific, taking into account the site's soil conditions, rainfall patterns, topography and infrastructure. Inside our buildings, we install low-flow toilets and motion-activated faucets to reduce consumption. Outside, we landscape using native plants that are adapted to the local climate and require limited additional watering. Many of our buildings also capture rainwater that is used when irrigation is required. We continually monitor the evolution of water-management technologies, seeking to pass cost savings on to our customers.
Management of Tenant Sustainability Impacts		
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Within the Prologis Clear Lease® we have adopted green lease language that seeks to better collaborate with our customers in sharing data, as well as providing options to install systems that can help our customers to operate more efficiently and sustainably, such as solar. In the future we may have more quantifiable metrics on the coverage of our portfolio with leases that specifically contain cost recovery clauses for resource efficiency-related capital improvements.
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Prologis is in the process of expanding our global data gathering systems and evaluating various solutions, including submeter systems for our various tenant spaces. Within the Prologis Clear Lease® we have adopted green lease language that seeks to better collaborate with our customers in sharing data, as well as providing options to install systems that can help our customers to operate more efficiently and sustainably. In the future we may have more quantifiable metrics on the coverage for spaces that are using these types of metering systems.
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	Prologis works with a third-party data collection consultant to track customer energy consumption for our global portfolio. Prologis Essentials LED is a program dedicated to collaborating with customers to accelerate LED lighting upgrades that improve the operational efficiency of our customers' businesses, and decrease customer energy consumption and associated emissions. 57% of our portfolio had LED lighting at the end of 2021. Our modern, efficient and resilient building design saves money for our customers and minimizes impacts on our communities. Our focus on urban locations allows our customers to meet consumer expectations around expedited delivery, while also reducing overall transportation emissions from shortened delivery distances. By incorporating ESG concepts into our lease agreements, deploying sustainability solutions through the Prologis Essentials Marketplace and providing our customers with information packets that include sustainable practices, Prologis improves the sustainability impacts of our customers. We monitor local benchmarking ordinances and work with our property management team to educate customers on how utility data collection can be automated.

CODE	ACCOUNTING METRIC	PROLOGIS INFORMATION
Climate Change Adaption		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Using third-party data and internal tools for mapping and evaluating physical climate risk exposure at the asset level through science-based climate scenarios, we can proactively implement mitigation strategies that further the resilience of our global portfolio. This includes implementing site specific mitigation measures, such as raising a property out of the base flood elevation, raising the height of dock doors, and other measures to ensure the long-term resilience of our assets. Disclosing a metric on the area of properties within 100-year flood zones would need additional context to understand the site-specific mitigation measures that have been put in place to lower the associated risk from the flood zone. We will continue to explore additional disclosure of this data in response to stakeholder feedback.
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Prologis takes a proactive approach to assessing natural hazards and climate exposures across our portfolio, including earthquakes, windstorms, floods and coastal exposure. Prologis' Risk Management team is actively evaluating our portfolio exposure to ensure that we have sufficient coverage and protection for our buildings, as well as using third-party data to look ahead and evaluate climate scenarios that may impact our properties in the future. These assessments allow us to determine the appropriate risk mitigation measures for our portfolio and plan for longer term trends. We take preventative measures to improve the resiliency of our buildings to promote business continuity in our customers' operations. As a result of our long-term planning, resiliency measures implemented and diverse portfolio footprint, we believe impacts to our portfolio arising from climate change are well-managed.

2021 TCFD Disclosure

Prologis' approach to identifying and managing climate-related risks and opportunities in line with the recommendation of the Taskforce on Climate-related Financial Disclosure (TCFD) encompasses:

- Dynamic risk management strategy focused on resiliency
- Evaluating physical climate risk exposure at the asset level using science-based climate scenarios
- Following a Science Based Target (SBT) for determining greenhouse gas (GHG) emissions reduction targets across scope 1, 2 and 3 emissions

Prologis has an established track record of ensuring its portfolio remains resilient for its customers and stakeholders. This commitment not only focuses on acute, near-term risks such as hurricanes and flooding, but also considers longer-term trends resulting from the changing climate. We develop assets with a long-term ownership horizon in mind and have preparedness plans in place that have consistently differentiated our response and helped us to deliver business continuity to our customers. Looking forward, we are working with third parties on climate-related scenario analysis to evaluate the exposure of our global assets to physical, natural hazards across our portfolio, and to ensure we continue to be prepared for changes in frequency and severity of extreme weather events. Other components include being a listed TCFD supporter, TCFD-aligned public disclosures, engagement from our executive team and board members in evaluating climate-related risks through briefings by the ESG and Risk Management groups, and a robust program to track our efforts through metrics and targets, including our approved SBT. For our SBT we are beginning the process of updating our target to align with the 1.5 degree Celsius scenario as part of our commitment to net zero across our value chain by 2040. Our updated SBT will guide our transition to a low-carbon future by reducing GHG emissions across our operations, portfolio of assets and throughout our value chain.

Governance

The organization's governance around climate-related risks and opportunities.

- Risk, including climate-related risks, are part of the Prologis board's oversight responsibility. Board updates have focused on Prologis' climate-related physical risk assessments, coastal risks, as well as ESG progress on GHG reductions and the expansion of our sustainability offering for customers (e.g. solar installations, etc.).

- Our chief legal officer and general counsel oversees both the Risk Management and ESG teams with broad support and engagement across the entire organization. One example is our structured Investment Committee process, overseen by our Executive Committee, that requires risks and ESG considerations be evaluated for every investment decision. Furthermore, Prologis' new chief energy and sustainability officer reports directly to our chief operating officer and leads the sustainability program that will help our customers transition to a low-carbon future.

Strategy & risk management

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

The processes used by the organization to identify, assess and manage climate-related risks.



- Prologis is a long-term owner of logistics real estate. This requires us to evaluate material risks and opportunities that may arise over the short- (out to 2030), medium- (2030-2040) and long-term (2040-2050) time horizons, as well as risks that are acute or chronic, including those associated with climate change. Evaluating risks and opportunities and the potential financial implications ensure the resilience of our assets and our customers operations, while also identifying opportunities to deliver sustainable solutions to our customers.

- Process for identifying and prioritizing risks & opportunities: Prologis' utilizes a dynamic risk oversight process to identify, evaluate and manage risks across our enterprise, including ESG-related risks such as climate.
- By embedding ESG and risk management throughout the organization, Prologis evaluates the material risks and opportunities associated with climate change. This can include risks from potential severe weather, flooding or coastal risk, and opportunities with enhanced energy-efficiency products, renewable energy development, just to name a few. We also account for these risks and opportunities in our Investment

EXAMPLES OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

TIME HORIZONS	CLIMATE-RELATED PHYSICAL RISKS	CLIMATE-RELATED TRANSITION RISKS	CLIMATE-RELATED OPPORTUNITIES
Short-Term (Out to 2030)	Increased severity and frequency of floods and storms <i>(Acute)</i>	Enhanced emission reporting and energy benchmarking requirements <i>(Policies & Laws)</i>	Opportunities from increased customer focus on sustainable building practices and efficiency solutions <i>(Markets; LED upgrades (Resource Efficiency; Products & Services); Solar installations (Energy Sources; Products & Services); High efficiency HVAC systems (Technology; Resource Efficiency; Products & Services); Green Bonds tied to sustainability initiatives (Products & Services; Markets))</i>
Medium-Term (2030-2040)	Increased heat stress requiring more cooling <i>(Chronic)</i>	Building performance standards and other upgrade requirements <i>(Policies & Laws; Resource Efficiency; Technology; Products & Services)</i>	Further renewable energy deployment <i>(Energy Source; Customer fleet electrification (Technology; Markets; Products & Services); Carbon storage in building materials (Technology))</i>
Long-Term (2040-2050)	Sea level rise/ coastal risk <i>(Chronic)</i>	Net-Zero (Energy Positive) building requirements <i>(Policies & Laws; Resource Efficiency; Energy Source; Technology; Products & Services)</i>	Building and supply chain electrification and resilience planning <i>(Resource Efficiency; Energy Source; Technology; Products & Services)</i>

- Committee process.
- Prologis takes a proactive and customer centric approach to mitigate our exposure to risks and create sustainable solutions that benefit our customers:
 - Products and services
 - Examples include the Prologis Essentials LED lighting program that helps our customers to lower energy costs and have more efficient operations by upgrading to highly efficient LED lighting that can lower energy costs by 60% to 80%.
 - Supply chain and/or value chain
 - Our SolarSmart program enables our customers to utilize onsite renewable energy for their operations, lowering the emissions from their supply chain, as well as from our value chain. Solar installations on our rooftops are also adding more renewable energy into the local utility grids of regions we operate in.
 - Prologis is supporting its customers in the transition to electric vehicles by incorporating EV infrastructure into our new developments. We are also developing a turnkey solution to help customers transition to EVs within our existing buildings, while also establishing collaborative partnerships with local utilities.
 - Operations (including types of operations and location of facilities)
 - Responsible investment practices advance green design principles and mitigate environmental, climate and other ESG risks.
 - Our portfolio is diversified across multiple geographies in 19 countries minimizing the material risk to our portfolio from any one asset being exposed to a particular physical climate-related risk.
 - Using third-party data and internal tools for mapping and evaluating physical climate risk exposure at the asset level through science-based climate scenarios, we can proactively implement mitigation strategies that further the resilience of our global portfolio. This includes implementing site specific mitigation measures, such as raising a property out of the base flood elevation, raising the height of dock doors, and other measures to ensure the long-term resilience of our assets.
 - Adaptation and mitigation activities
 - Local and regional teams are equipped with disaster response plans and take various risks into consideration when developing or maintaining our assets to make sure that they are resilient to climate-related risks like flooding or extreme weather events.
 - We implement site specific mitigation measures, some examples include: raising properties out of the base flood elevation and raising the height of dock doors;

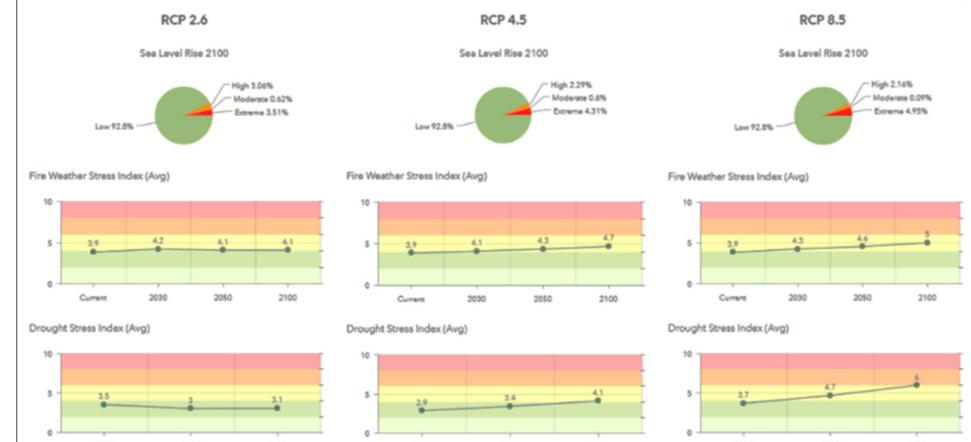
increasing the thickness of roof materials in hail prone areas; and other measures to ensure the long-term resilience of our assets to various natural hazards.

- For various acute risks including storm damage and flooding, Prologis has a comprehensive insurance program in place to transfer risk.
- Investment in research and development
 - The Prologis Ventures group is making investments in various startups that are helping our customers to address ESG-related needs, including tools to help track and report the related emissions from fleet vehicles in their operations.
 - Our Risk Management team has sourced third-party data from one of the world's largest (re)insurers, Munich RE, that allows us to map, score and evaluate the exposure of our assets to current natural hazards and climate-related physical risks under the following climate-related scenarios:

REPRESENTATIVE CONCENTRATION PATHWAYS (RCP) EFFORT-OUTCOMES MODEL

RCP	EMISSIONS REDUCTION EFFORT	ENERGY SOURCES	TRANSPORTATION METHODS IN USE	ENVIRONMENTAL IMPACT, 2081-2100			FINANCIAL COSTS/ADAPTATIONS NEEDED
				Temperature Rise	Sea Level Rise	Extreme Weather	
2.6	High	Renewable, plus emissions capture	Electric, public transportation, bicycles	1.0° C / 1.8° F	0.4 m / 1.3 ft	Small increase	Low costs, fewer adaptations
4.5	Moderate	Renewable	Mostly electric, bicycles, less internal combustion	1.8° C / 3.2° F	0.47 m / 1.5 ft	Moderate increase	Moderate costs, moderate adaptations
8.5	Low	Fossil fuels	Fossil fuels	3.7° C / 6.7° F	0.63 m / 2.1 ft	Large increase	High costs & adaptations

Risk to Prologis Assets



Representative image of Prologis Risk Management tool.

Metrics & targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

- One of the primary metrics for assessing climate-related risks and opportunities is Prologis' SBT for reducing scope 1, 2, and 3 GHG emissions. For our SBT we are beginning the process of updating the ambition of our target to align with the 1.5 degree Celsius scenario as part of our commitment to net zero across our value chain by 2040.

SCOPE	2025 TARGET (2016 Baseline)	2040 TARGET (2016 Baseline)
Scope 1 and 2	21% absolute reduction	56% absolute reduction
Scope 3	15% absolute reduction	40% absolute reduction

- In addition to measuring progress toward our SBT, Prologis also has targets and measures efforts to enhance the efficiency and sustainability of our assets. Metrics on numerous ESG-related initiatives are incorporated into our 2022 bonus targets for all Prologis employees and executives.
 - We aim for 100% LED lighting across our global portfolio by 2025.
 - We aim for 400 MW of installed solar capacity by 2025.
 - We have a goal to achieve sustainable building certification on all new developments and redevelopments globally.
- Further information on our progress toward these targets can be found in our [2021-22 ESG Report](#).

QUANTITATIVE ESG BONUS METRICS IN OUR 2022 BONUS SCORECARD

10% Weighting Overall

	PERFORMANCE METRIC	TARGET PERFORMANCE	SUBMETRIC WEIGHTING*	RATIONALE FOR METRIC
Environmental	Solar Megawatts (MW) installed	350 MW installed in 2022 (22% year over year increase)	20%	Advances our solar program as a customer centric energy solution and ancillary revenue source
	Percentage of LED lighting installed across our entire owned and managed portfolio (by area)	67% of O&M portfolio using LED (10% more than year-end 2021)	10%	Advances our LED lighting program as a customer energy solution and is critical to achieving our Science-Based Target
	Percentage of new developments that are certified sustainable (LEED or equivalent)	95% of new developments certified sustainable	10%	Obtaining third-party verification of our sustainable building practices ensures accountability. The process is also a clear framework for implementing green building features and systematic data collection and meeting our carbon emissions and sustainability goals

Forward-looking statements

The statements in this report that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial results. Words such as "goal," "commits," "expects," "anticipates," "intends," "plans," "believes," "seeks," and "estimates" including variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and therefore actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

Please refer to the "Risk Factors" set forth in our most recent Annual Report on Form 10-K for a non-exhaustive list of factors that could cause such forward-looking statements to differ from actual results.



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