

A Culture of Resilience

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A Culture of Resilience

The global leader in logistics real estate

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All data in this report is as of 12/31/2017 unless otherwise specified.





Prologis Shanghai Qingpu Logistics Center, Shanghai, China

The global leader in logistics real estate

Prologis owns, manages and develops high-quality properties in the world's most vibrant centers of commerce. Our 3,282 buildings in 19 countries serve 5,000 of the world's best brands and businesses, and more than 800,000 people come to work under our roofs each day¹. Customers turn to us because they know that a strategic relationship with Prologis will make their operations more efficient and sustainable, creating competitive advantage.

Through our six private and two public co-investment vehicles, the world's leading institutional investors invest shoulder-to-shoulder with us in properties that

are reliable, efficient, desirable for customers, beneficial for communities and the environment, and built to withstand the test of time.

\$1.3 trillion in goods representing 1.7 percent of the world's GDP flow through our buildings each year¹. Global consumption is growing; much of the world's supply chain is poised for modernization; and long-term trends in urbanization and e-commerce are driving demand for efficient logistics facilities. Our balance sheet is strong, and our debt is rated "A-"² / "A3"³. Our employees work in a culture that advances talent and rewards adaptability. They are committed to doing the

right thing for our customers, investors, communities and other stakeholders—consistently.

In a world changing at speed, Prologis is forward looking, nimble and resilient. We foresee growth and prosperity for our company in the years ahead.

1. Data gathered as part of an audit performed by Oxford Economics. For more information, visit our [Future Flow of Goods](#) website.

2. Rating provided by Standard & Poors. A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization.

3. Rating provided by Moody's. A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization.

CEO LETTER

Good business

Dear Stakeholders,

Every year in our sustainability report, we share our efforts and the progress we've made toward our environmental stewardship, social responsibility and governance (ESG) objectives.

When I reflect on years past, I note that while our ESG strategies, tactics and technologies evolve over time, our reasons for pursuing these efforts have held constant for decades.

Our ESG program is good business—benefiting our customers, investors, communities and employees. Good ESG practices support our corporate commitment to enduring excellence and advance our longstanding focus on exemplary customer service. We have been and will continue to be forward looking when it comes to ESG, as this is key to helping ourselves and our customers stay ahead of what's next.

While ESG is a topic of increasing interest to our stakeholders and the business community at large, our sights are set on the long term and our commitment to ESG is longstanding. We have worked hard to build a resilient balance sheet that enables us to invest in capital-intensive, future-focused projects like lighting upgrades and clean energy. Prologis was among the first in our industry to invest in rooftop solar. Today, solar capacity in our portfolio is 175 megawatts, which is enough clean energy to power 26,000 average U.S. homes each year. We have been developing buildings to recognized sustainability standards for well over a decade. We were timely adopters of cool roofs, resilient landscaping and efficient lighting. Giving back to the communities where we live and work has been a hallmark of our culture throughout our more than

30-year history. Green Street Advisors has named us the REIT industry's corporate governance leader for 15 years running. For all of our employees across the globe, ESG is embedded in our daily business practices and our corporate culture. It is a fundamental component of who we are and what we believe in.

Our ESG program serves our 5,000 customers around the world. Because sustainability is increasingly central to their brands and business models, our sustainable buildings give us an edge in attracting and retaining top companies.

Meanwhile, energy-efficient buildings lower our customers' operating costs, which strengthens our relationships with them. Our resilient buildings help our customers withstand natural disasters. When hurricanes and earthquakes hit North America and typhoons struck Japan last year, our buildings stood strong while our teams mobilized immediately—keeping our customers in business or putting them back in business quickly.

We know that the design and development decisions we make impact the communities we serve for decades to come. That's one reason our buildings are built to last. We further strengthen our presence in key markets with social impact programs. These initiatives forge relationships that facilitate our development activities and ensure the communities in which we operate remain receptive to our plans for future growth.

Maintaining market-leading governance translates directly into positive relations with our investors. The sharper and clearer the lens investors have on our performance, the better they can gauge risk and value when assessing our stock.

continued

“ Our ESG program is good business—benefiting our customers, investors, communities and employees.



Prologis CEO and Chairman, Hamid Moghadam

Essential to our enduring value, as competition for talent heats up across the globe, our leadership in ESG helps us recruit and retain top candidates. As proud as I am of our past accomplishments, I'm even more energized about the efforts we have planned for the years to come. We are always thinking about how we can do better—this year, next year and next decade—so that we and our stakeholders will grow and prosper.

To ensure our ESG program continues to evolve and thrive, we've recently aligned it under Ed Nekritz, our chief legal officer and general counsel, who leads many of our strategic initiatives. Under new leadership, our ESG innovations and investments will continue to focus on generating value for our stakeholders in line with our corporate strategy. We're centralizing procurement

of building components, which will enable us to drive ESG measures into our supply chain more effectively. We are launching programs to help our customers meet their labor needs while boosting local employment. Our offices are designed to help our employees be both healthy and productive. Our scholarship program is aimed at attracting women and underrepresented groups to real estate, increasing diversity of talent for our company and our industry.

At Prologis, we look back on 2017 as a year of significant ESG accomplishments. We're pleased to share our progress with you, highlight the areas in which we can still improve, focus on the connection between good ESG practices and good business, and point the way forward to a more resilient future.

Sincerely,



Hamid R. Moghadam
Chairman and Chief Executive Officer



VP SUSTAINABILITY PERSPECTIVE

Resilient by design

One word defines 2017 for me: resilience. Throughout the year, communities across the globe withstood the environmental, social and economic costs of weather-related disruptions and disasters. When September and October brought damaging hurricanes, earthquakes and fires to North America and a typhoon to Japan, Prologis mobilized to assist impacted communities and keep our customers up and running.

Because we design high-quality buildings and use resilient roofing and other building materials, our buildings suffered minimal damage. Our emergency response protocols put our customers back in service quickly, minimizing disruptions to their businesses. Although we had \$2 billion in assets in regions impacted by 2017's extreme weather events, our structures stood strong incurring negligible damage, and our customers experienced no significant business interruptions.

This demonstrates the connection between cultivating a culture of sustainability, contributing to the health and well-being of our communities, and running a profitable global business.

We know the weather events of 2017 are part of a broader pattern. The recently released "National Climate Assessment" reveals that we are likely to continue to experience extreme weather events. The World Economic Forum's "Global Risks Report" consistently ranks climate change—including extreme weather events and natural disasters—among the top five risks.

Prologis is taking a forward-looking approach to climate issues. In 2017, when we signed our name to

continued

“ Prologis is taking a forward-looking approach to climate issues.



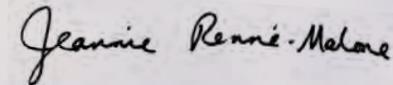
Prologis VP of Sustainability, Jeannie Renné-Malone

We Are Still In, we joined influential leaders from government, education and industry in a coalition to reaffirm our commitment to the goals of the Paris Climate agreement and support climate action in the U.S. We continue to align with the United Nations' Sustainable Development Goals, and we are now setting science-based targets to address climate change proactively.

The initiatives you'll read about in this report relating to ESG are essential to our strategy and business model. We actively pursue new technologies, business practices and policies with the objective of making our enterprise more resilient. While these efforts contribute to efficient buildings, strong relationships with our communities and a healthy workforce, the whole is bigger than the sum of its parts. Combined, these activities help to ensure the enduring strength of our company.

I am optimistic that the resilience of our people, our business and our buildings will keep us strong in the face of future extreme weather events and other unforeseen global disruptions.

Sincerely,



Jeannie Renné-Malone, LEED AP BD+C,
Vice President, Sustainability



A culture of resilience

Resilient companies face the future head on with strategies and tactics designed to meet the needs of stakeholders across cycles, challenges and opportunities.

At Prologis, our ESG programs are designed to augment resilience—on behalf of our own business and the businesses of our customers.

Hallmarks of our culture of resilience include:

- **Adaptability** to rise to new opportunities—in our customers' businesses and our own, and in the broader marketplace.
- **A culture that advances talent** through inclusion and diversity; learning, development and leadership training; excellent benefits; and robust health and wellness programs.

- **Committed employees** who go above and beyond to do the right thing for our customers, communities and other stakeholders—consistently.
- **Quality properties** that are durable, reliable, efficient to operate, desirable for customers, beneficial for communities and the environment, and built to withstand the test of time.
- **Financial strength** that, combined with disciplined planning, positions the company to respond to changes and opportunities in the marketplace.



A straightforward business model

Real Estate Operations

Leading customer service to the world's best brands across 684 million square feet in 19 countries

Strategic Capital

Diversifying capital sources through partnerships with institutional investors

Development

A track record of success developing well-located land into income-generating logistics facilities

OUR GLOBAL LEADERSHIP¹

Global reach increases opportunity.

2,323
buildings in
the Americas

788
buildings in
Europe

171
buildings in
Asia

Scale augments efficiency.

\$79_B
in assets under
management (AUM)

684_{MSF}
owned, managed
or under development

3,282
industrial
properties

Commitment drives sustainability.

175_{MW}
of solar energy
installations

304
sustainable building
certifications
in 17 countries

11,200
volunteer hours

Partnership ensures enduring value.

5,000
customers

729
multi-site
customers

97.2%
occupancy
rate (global)

1. Owned and managed portfolio.

Sustainability at a glance

Our forward-looking approach to sustainable design, development, operations and culture delivers long-term value for our stakeholders.



¹ 1. Number includes IMPACT Day, Prologis' global day of service, two days of company-sponsored volunteer time and one day of personal volunteer time.

Materiality assessment and alignment with GRI

In defining our sustainability strategies, initiatives and metrics, we balance issues of importance to our business with priorities defined by our stakeholders. We engage with stakeholders to understand their needs, deepen relationships and strengthen our business.

Every two years, starting in 2013, we have completed a materiality assessment. In our 2017 assessment, we engaged internal and external stakeholders to ensure a broad range of perspectives inform our understanding of Prologis' impacts on the environment, economy and society. In past assessments, we have engaged internal stakeholders only, focusing on the environmental, economic and social impacts to Prologis' business.

Four material topics emerged from our 2017 materiality assessment: emissions, energy, employment and anti-corruption.

GRI Principles for Defining Report Content

In designing this report, the Global Reporting Initiatives' (GRI) Principles for Defining Report Content guided our content, design and structure.

In the past year, there have been two important clarifications to GRI's materiality principle:

- The first pertains to the meaning of "impact," which refers to the effect an organization has on the economy, the environment and society. It does not refer to an effect on an organization.
- The second guides companies to consider two dimensions of the materiality principle:
 1. The significance of the organization's economic, environmental and social impacts; and
 2. Their substantive influence on the assessments and decisions of stakeholders.

A topic can be material if it ranks highly for one or both dimensions.

In addition to the materiality assessment described in this section, the Prologis board conducts consistent and recurring enterprise risk assessments. These assessments cover many key governance issues for the company and drive strategies to ensure we meet requirements and act responsibly. Risk and governance items identified in the enterprise risk assessment align with material topics identified in the materiality assessment.

To better align with international standards, GRI has updated its guidance on boundaries for material topics. For each material topic, boundaries are defined by two factors: (1) where the impacts occur and (2) the organization's involvement with the impacts.

We manage our material topics through commitments and organizational memberships, stakeholder engagement, internal HR, ethics and sustainability policies, goal setting, and instilling in our employees a sense of personal and professional responsibility to the communities where they live and work.

The basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can affect period-over-period comparability is detailed in our 2017 annual report and in our Form 10-K, which is filed with and available through the U.S. Securities and Exchange Commission. It can also be seen at our [Investor Relations website](#).



Prologis International Park of
Commerce, Tracy, California

Awards and recognition

Prologis has been widely recognized for our sustainability achievements and the way we do business.

In the 2017 Global Real Estate Sustainability Benchmark (GRESB) survey, each of our 10 entries—for Prologis, Nippon Prologis REIT, FIBRA Prologis and our coinvestments in Europe and the United States—earned a Green Star, the highest distinction. All three of our publicly listed companies (Prologis, FIBRA Prologis and NPR) earned an “A” in Public Disclosure, the highest possible grade for a new metric added by GRESB in 2017.

For the tenth straight year, Prologis was selected as a component of the Dow Jones Sustainability Index, which tracks the leading sustainability-driven companies worldwide. NPR has been listed on the DJSI Asia Pacific index for three consecutive years, and FIBRA Prologis is listed on the newly created DJSI MILA Pacific Alliance.

2017 AWARDS

- Dow Jones Sustainability Indices: North America (Prologis), Asia Pacific (NPR) and MILA Pacific Alliance (FIBRA)
- FTSE4Good Constituent
- Green Street Advisors: REIT Industry’s Corporate Governance Leader
- GRESB Green Stars (10): Sector leader in North America and Asia
- Harvard Business Review: Best-Performing CEOs in the World—Hamid Moghadam
- NAREIT: 2017 Industrial Leader in the Light Award
- Colorado Environmental Leadership Program: Gold Level
- Commercial Property Executive’s 2017 Executive of the Year—Hamid Moghadam
- Corporate Knights Global 100 Most Sustainable Corporations in the World
- World at Work: Work-Life Seal of Distinction



In its annual rankings, determined by the votes of analysts, Institutional Investor recognized Prologis chief financial officer Tom Olinger and the Prologis Investor Relations team in the categories of Best CFO, Best Investor Relations Program and Best Analyst Day within the REIT industry.

At the tenth annual Corporate Secretary Corporate Governance Awards, Prologis was a finalist in the Best Proxy Statement category—the only real estate company nominated for the last two years.

The company also received the National Association of Real Estate Investment Trusts (NAREIT) Industrial Leader in the Light Award for the sixth year running.

Prologis earned a perfect 10 in 2017 sustainability benchmark

In the 2017 Global Real Estate Sustainability Benchmark (GRESB) assessment of 850 property companies, REITs, funds and developers, Prologis, FIBRA Prologis and Nippon Prologis REIT (NPR) each earned an “A” in disclosure while Prologis earned a clean sweep of Green Stars once again. Prologis participated in 10 GRESB surveys, one each for Prologis, FIBRA Prologis, NPR, four European funds and three U.S. funds. All 10 earned Green Stars. The Green Star is GRESB’s highest distinction for outstanding performance in ESG.

2017 GRESB INDUSTRIAL SECTOR LEADER IN ALL OPERATING REGIONS

| ENTITY | REGION | RANK AND NUMBER OF PEERS |
|------------|---------------|--------------------------|
| ★ Prologis | North America | 1st of 12 |
| ★ NPR | Asia | 1st of 6 |
| ★ PEPFII | Europe | 2nd of 14 |
| ★ FIBRA | North America | 2nd of 12 |
| ★ PELP | Europe | 3rd of 14 |
| ★ NAIIF | United States | 3rd of 8 |
| ★ PTELF | Europe | 4th of 14 |
| ★ USLV | United States | 4th of 8 |
| ★ USLF | United States | 5th of 8 |
| ★ ELV1 | Europe | 7th of 14 |

Building a resilient world

Prologis demonstrates conscientious environmental stewardship by developing and maintaining resilient and efficient buildings that enable our customers to operate cost effectively and without disruption.

Across our own operations, we focus on two key drivers of environmental stewardship: (1) continuous improvement, always striving to do more with less; and (2) resilience, adaptation in response to disruptive forces.

Our focus on environmental stewardship aligns with the interests of our customers and their customers—the end consumer. We establish goals and objectives,

including science-based targets; align with international commitments; track emerging trends; emphasize resilient design and construction; invest in renewable energy and energy-efficiency projects; and implement measures to reduce water use and carbon emissions.

We use our scale to support environmental stewardship across our supply chain. Then we share our successes and opportunity areas by reporting progress toward our goals—including our corporate carbon footprint, in a timely and transparent manner.

Prologis is proud to stand with other corporate and institutional leaders committed to combatting climate change. In June 2017, when we signed We Are Still In, we joined a diverse group of U.S. governors, mayors, businesses, investors and universities to reaffirm our promise to work collaboratively to pursue and meet the goals of the Paris Agreement.



Leading through action

Prologis sets environmental goals and objectives based on a combination of careful planning and thorough understanding of the latest developments in technology and climate science. We explicitly link our environmental goals and objectives with our broader business goals and objectives. High-quality, resilient design and construction; innovations in renewable energy and energy efficiency; reducing water use, waste and carbon emissions—all of these give us a competitive advantage in attracting and retaining customers. As we work with our supply chain partners to support their sustainability objectives, we strengthen our relationships with them.

We set goals and continuously raise the bar, building on past successes to further improve our business processes and practices. In 2017, for example, we added a commitment to deploy cool roofs in 100 percent of new development and property improvement projects where feasible, given climate restrictions. In 2018, we are working with our customers to gain access to their utility and usage data for benchmarking and GRESB reporting purposes, and we are augmenting our customer onboarding processes to promote energy efficiency and other sustainable practices in our buildings.

As the graphic to the right shows, by December 31, 2017, we had made significant progress toward our sustainability goals:

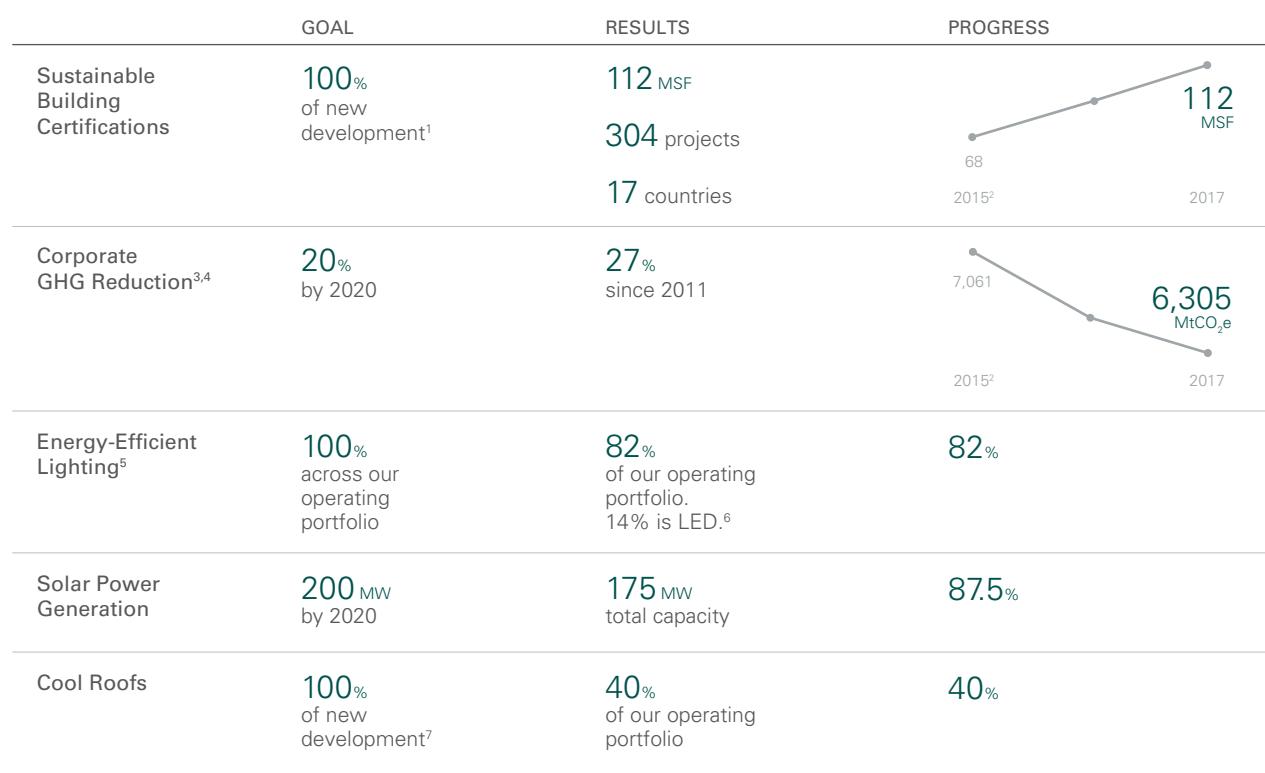
- We added 10 megawatts of solar installations to our portfolio, increasing our total generating capacity to 175 megawatts and keeping us on track to achieve 200 megawatts of solar capacity by 2020.
- Eighty-two percent of our operating portfolio had energy-efficient lighting as of year-end 2017, moving us closer to our goal of 100 percent energy-efficient lighting throughout our portfolio.⁵

- Forty percent of our operating portfolio has cool or reflective roofing.
- We met our 2020 corporate GHG emission reduction target four years early, and we are in the process of finalizing our science-based target.

We actively participate in broad-based global efforts to improve the environment and combat climate change, adding our voice and resources to support the CDP's

Commit to Action, the UN's Sustainable Development Goals and the Paris Climate Agreement.

We will continue to monitor global environmental issues and trends, adapt the latest processes and technology innovations to our business operations, set challenging and meaningful sustainability goals for Prologis beyond 2020, and track and report our performance in a timely and transparent manner.



1. Goal is to design to sustainable building certification standards or with sustainable design features as appropriate and in line with customer specifications.

2. Chart shows three years of data; refer to prior reports for additional data.

3. Based on 2011 baseline, for Prologis corporate offices only.

4. Scope 1 and Scope 2 emissions figures were updated for 2015 and 2016 to account for refrigerant gases at sites that Prologis manages. 2017 accounts for these refrigerant gases as well.

5. Prologis defines efficient lighting as T5 or T8 fluorescent and LED.

6. Based on 96 percent of the portfolio surveyed.

7. Goal is to build 100 percent cool roofing in new development and property improvements where feasible, given climate restrictions.

BUILDING CERTIFICATIONS

Resilient and sustainable by design

| | BREEAM® | CASBEE® | DGNB | HQE® | LEED® | TOTAL |
|--------------------------|----------|---------|-------|-------|-------|-------|
| Added in 2017 | SF | 7.7M | 1.6M | 0.7M | 0 | 8.7M |
| | SQM | 0.7M | 0.15M | 0.06M | 0 | 0.8M |
| | Projects | 29 | 1 | 3 | 0 | 30 |
| Cumulative since 2006 | MSF | 29.7 | 27.4 | 4 | 0.93 | 50 |
| | SQM | 2.8M | 2.5M | 0.4M | 0.09M | 4.6M |
| | Projects | 112 | 36 | 12 | 3 | 141 |

We integrate energy and water reduction technologies into our buildings, develop brownfield and infill sites, and pursue certification for our buildings where available. These strategies ensure the resilience and enduring value of our buildings, creating value for our customers and our company.

Buildings constructed to the highest sustainability design standards have features that minimize use of energy and water, reducing operating costs for our customers and for Prologis. Higher-quality insulation, ventilation and lighting cut costs and promote employee wellness and productivity. As our customers continue to automate their warehouse operations, energy efficiency technologies become more valuable. Designed for resilience, our buildings are more likely to withstand natural disasters than conventional buildings, enabling operational continuity for our customers and continuous employment for their employees. These factors combine to encourage extended occupancy among our customers.

In 2014, Prologis became the first warehouse developer to participate in the LEED Volume Program which streamlines certification, creating a competitive advantage

for Prologis because we can secure certifications quickly and efficiently.

Prologis has established a global Environmental Management System that is implemented, maintained and continuously improved in accordance with the requirements of ISO 14001:2015. Prologis' development management activities have been certified under ISO 14001 in the UK and EU since 2008 and in North America since 2016. In 2018, Prologis' Japan operations will pursue ISO 14001 certification.

Our strategic focus on the consumption end of the supply chain is well-aligned with our commitment to sustainability. Our Last Touch™ and multistory buildings shorten the distance goods travel to reach consumers, thereby reducing supply chain-related carbon emissions.

This past year saw significant gains in building certifications. In 2017, we added 19 million square feet (1.7 million square meters) of building certifications across 63 projects, bringing our total certifications in accordance with internationally recognized rating systems to 304 projects totaling 112 million square feet (10.4 million square meters) in 17 countries.



Notable certifications in 2017

A build-to-suit facility in Prologis Park Prague-Rudna became the first logistics facility in the Czech Republic to receive BREEAM "Outstanding" accreditation, the agency's highest rating. A 1.7 million square foot warehouse with sustainable design feature in Osaka, Japan received a CASBEE "S" accreditation, the highest level for CASBEE. A 483,990 square foot warehouse outside of Allentown, Pennsylvania, received LEED "Gold" certification, the second-highest level for LEED.

Resilient buildings. We recognize the potential impact of extreme weather events and natural disasters, including seismic activity, on our facilities. To protect our customers' operations and adapt to climate change across the globe, we invest in the latest innovations designed to ensure the resilience of our buildings. Resilient buildings provide value for our stakeholders because they withstand extreme weather and natural disasters more effectively, and they reduce the cost and waste associated with damage and reconstruction.

We maintain detailed emergency response and communications plans for each building in our global portfolio, and we have construction crews and supplies on standby in areas where natural disasters are more likely. In earthquake-prone areas, such as Japan, our buildings have seismic isolation systems that function as shock absorbers during earthquakes. In addition, many of our buildings in Japan include early warning systems and backup energy and water supplies.

Brownfield and infill. Our location decisions are driven primarily by customer needs and preferences. As our customers look to reduce transit times and associated carbon emissions and meet their customers' expectations for next-day and same-day delivery, we have the opportunity to invest in development on brownfield and infill sites. Today, more than a third of our global portfolio comprises infill assets, many of which are positioned to enable Last Touch™ delivery to consumers. These projects often shorten delivery routes and spur local economic development. We target buildings and development opportunities in locations close to major transportation hubs, such as ports, airports, railways and highways, and seek sites in busy centers of commerce and consumption. As necessary, we remediate environmental contamination, put abandoned land to higher and better use, and enhance or build new infrastructure.



Prologis Park Tres Ríos, Mexico City, Mexico

Energy-saving innovations

Innovative solutions in the areas of production, consumption, storage and measurement of energy afford Prologis opportunities to test and scale new, sustainable solutions for our customers. Across our portfolio and our operations, we continually assess and deploy energy-related innovations, including those designed to produce renewable energy, reduce energy use, and measure and manage energy consumption.

Consumption monitoring. Tools to monitor and manage energy consumption are essential for customers seeking to become more energy efficient. Where we have access to whole-building data, we enter and track energy, GHG emissions and water and waste data through the Urban Land Institute Greenprint Center for Building Performance's environmental management platform: Measurabl. In our corporate offices, we monitor energy consumption to better understand our own energy-related GHG emissions and work toward our goal of minimizing our impacts on climate change. Prologis reported 2017 energy data for 3,604 of our global assets, including 678 properties for which we had consistent year-over-year information. Energy use decreased by 8.9 percent,

which in turn decreased emissions by 4 percent from 937,911 MTCO₂e in 2016 to 900,380 MTCO₂e in 2017. Efficiency upgrades and changes in customer mix likely influenced these values. (Data extracted May 1, 2018, from Measurabl.)

Smart meters. Gradually around the world, existing gas, electric and water meters are being replaced with smart meters, which increase visibility into usage patterns and create opportunities to boost efficiencies. Building on a successful pilot in Central and Eastern Europe, Prologis has begun to introduce smart meters in Prologis parks across the world while partnering with software developers to increase the relevance and viability of emerging technologies. Beyond improving the ability to analyze energy consumption, smart meters improve customer service by reducing reliance on annual energy estimates and minimizing unanticipated year-end reconciliation payments.

Solar power. Prologis has long been ahead when it comes to placing solar-generating arrays on our rooftops. In 2017, Prologis added 10 megawatts of solar capacity to our portfolio in four countries, bringing the total to 175 megawatts in nine countries. Together, these installations produce enough emissions-free energy to power approximately 26,000 average-size U.S. homes annually. Our efforts have put us on track to surpass our goal of 200 megawatts of solar across our portfolio by 2020 and earned us third-place ranking among corporate solar installers in the U.S. from the Solar Energy Industries Association (SEIA).

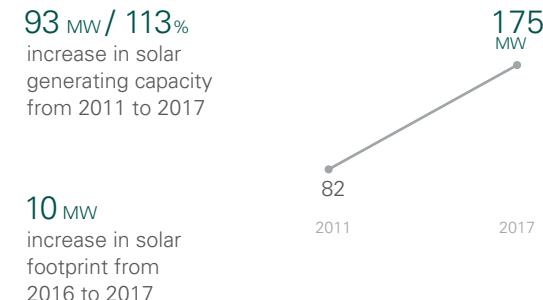
Economic analysis: We are working with a consultant on pilot projects to analyze the long-term financial, environmental and social benefits of a typical Prologis building for Prologis, Prologis customers and the broader community in dimensions ranging from water savings to improved ventilation.

Powering the future

DIRFT III DC115, completed in October 2017, showcases what is possible. The facility, which received BREEAM 'Excellent' (Design Stage) certification, includes a 56kWp rooftop solar photovoltaic array and three 14kWh Tesla Powerwall batteries, which eliminate the need to draw power from the grid on summer days and reduce operating costs for the building's occupiers.

| REGION | SOLAR FOOTPRINT (MW) | EQUIVALENT HOMES POWERED PER REGION PER YEAR* |
|---------------|----------------------|---|
| NORTH AMERICA | 120 | 13,000 |
| ASIA | 33 | 6,000 |
| EUROPE | 22 | 7,000 |
| TOTAL | 175 | 26,000 |

93 MW / 113%
increase in solar generating capacity from 2011 to 2017



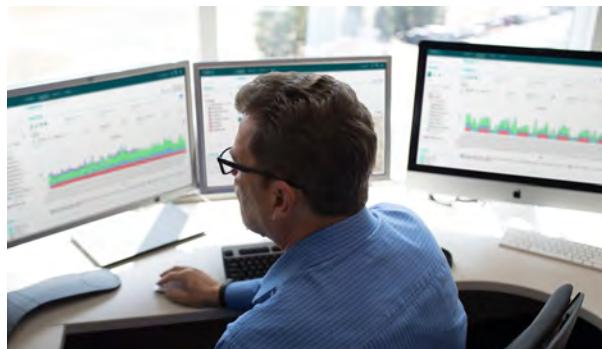
10 MW
increase in solar footprint from 2016 to 2017

Pioneering green technologies

Prologis' track record of industry-leading innovation is nowhere more apparent than in our global portfolio of green technology and business process projects. In buildings and in partnerships with customers across the globe, we test new technologies and develop new processes that advance the sustainability goals and capabilities of our company and our customers. These efforts help to ensure that our company, customers and industry stay ahead of what's next.



Our recent refurbishment of 372,284 square foot Prologis Park Pineham DC3 in Northampton, UK, upgraded the building so it exceeds current energy efficiency regulations by 29 percent.



Prologis Park Marston Gate DC9 in Milton Keynes, UK, is testing Fabriq to measure energy consumption. The building's occupier uses the system to identify inefficiencies in building operations and reduce costs.



In eight Prologis buildings in the Netherlands, Hello Energy combines data sensors and narrowcasting to provide energy consumption information to the building's occupiers.



Upgrading to cool roofs entails disposal of in-place roofing, which is often held in place with stone ballast. Our Chicago, Illinois, maintenance technicians are using recycled stone ballast to shore up waterways, enhance landscaping and pave roadways.

Programs for energy savings

Efficient lighting

Lighting is one of the main drivers of electricity consumption in distribution centers. In recent years, lighting technology has evolved rapidly, first with efficient fluorescent bulbs and then with light-emitting diodes (LEDs). Installing LEDs can reduce energy consumption and electric bills by more than 35 percent, yielding a rapid investment payback. In addition, the long lifespan of LED fixtures reduces lighting-related maintenance needs, thereby simplifying operations and producing savings that we can pass on to our customers.

By the end of 2017, 82 percent of our global operating portfolio had efficient lighting,¹ up from 78 percent at the end of 2016. As technology improves, we continue to experiment and work toward adoption of more efficient lighting across the portfolio.

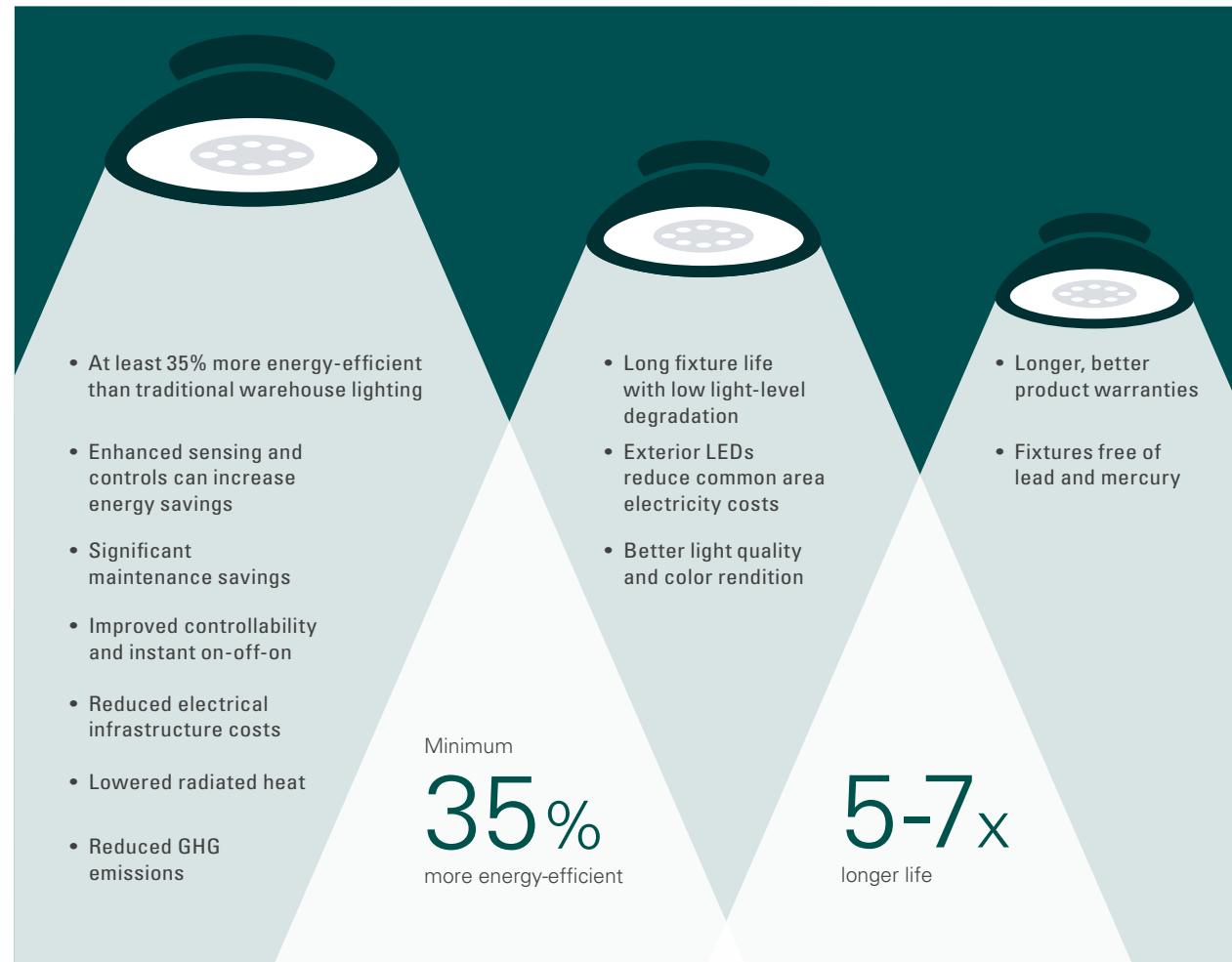
Cool roofs

Installing white or reflective roofing materials, known as cool roofs, is a proven way to reduce energy consumption inside buildings in certain climates. The white, reflective surface of a cool roof reflects more sunlight and absorbs less heat than a standard roof. Cool roofs produce a range of benefits: energy savings for customers, reduced cost of roof maintenance and replacement for building owners, and a reduction in the urban heat island effect—the warming of the air that occurs as the sun's heat is absorbed by roads, buildings and rooftops. What's more, cool roofing materials cost essentially the same to purchase and install as traditional roofing materials.

Prologis is an industry leader in cool roofs. In 2017, we set a goal of installing cool roofing at 100 percent of new developments and property improvements, where

LED STANDARD: A COMPETITIVE ADVANTAGE

Prologis has moved to an LED standard, resulting in the benefits enumerated below.



feasible considering climate restrictions. At the end of 2017, 40 percent of our global portfolio had cool or reflective roofing.

1. Prologis defines efficient lighting as T5 or T8 fluorescent and LED.

Efficient with water and waste by design

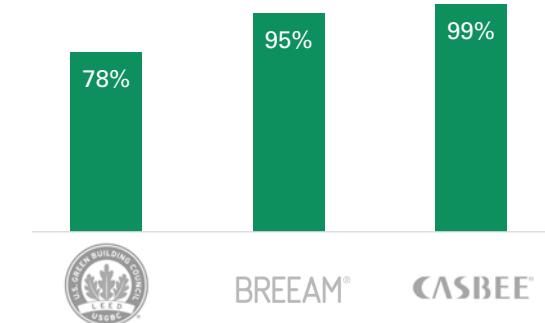
Logistics facilities do not consume much water compared with other building types. Even so, we recognize the environmental and business gains that can be realized by adopting an integrated approach to how we use and manage resources. Where possible, we design landscaping that doesn't require much water or which captures and recycles runoff. Many of our buildings are equipped with water-saving features, such as low-flow toilets, motion-activated faucets and systems to capture rainwater for irrigation.

Minimizing our use of materials and maximizing the quantity of materials we recycle is an important part of our culture. During the construction phase of every certified development project, we set up dedicated areas for collection and storage of recyclable materials to divert waste from landfills. When possible, we use materials that are either recycled or contain a high level of recycled content. In addition, 25 to 30 percent of building material is locally sourced and manufactured for new development projects.



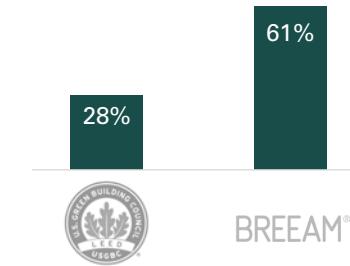
Prologis Mid Counties Distribution Center, Santa Fe Springs, California

WASTE DIVERTED FROM LANDFILLS DURING CONSTRUCTION OF CERTIFIED BUILDINGS (2017)



Construction waste diverted for the year sums to 3,300 tons for LEED-certified projects, 3,000 tonnes for BREEAM-accredited projects and 2,800 tons for CASBEE-assessed projects.

REDUCED WATER USE ATTRIBUTABLE TO EFFICIENT FIXTURES IN CERTIFIED BUILDINGS (2017)



As water becomes an increasingly precious resource, efficient fixtures yield substantial usage savings.

Driving efficiency through scale

Large global organizations use their scale to realize efficiencies and set standards through their procurement policies. Our procurement team is positioning the company to better leverage our data, scale and spend on construction, operations, capital and administrative expenses. We are working to ensure consistent standards and practices across our platform, achieve cost savings and share the resulting benefits with our customers.

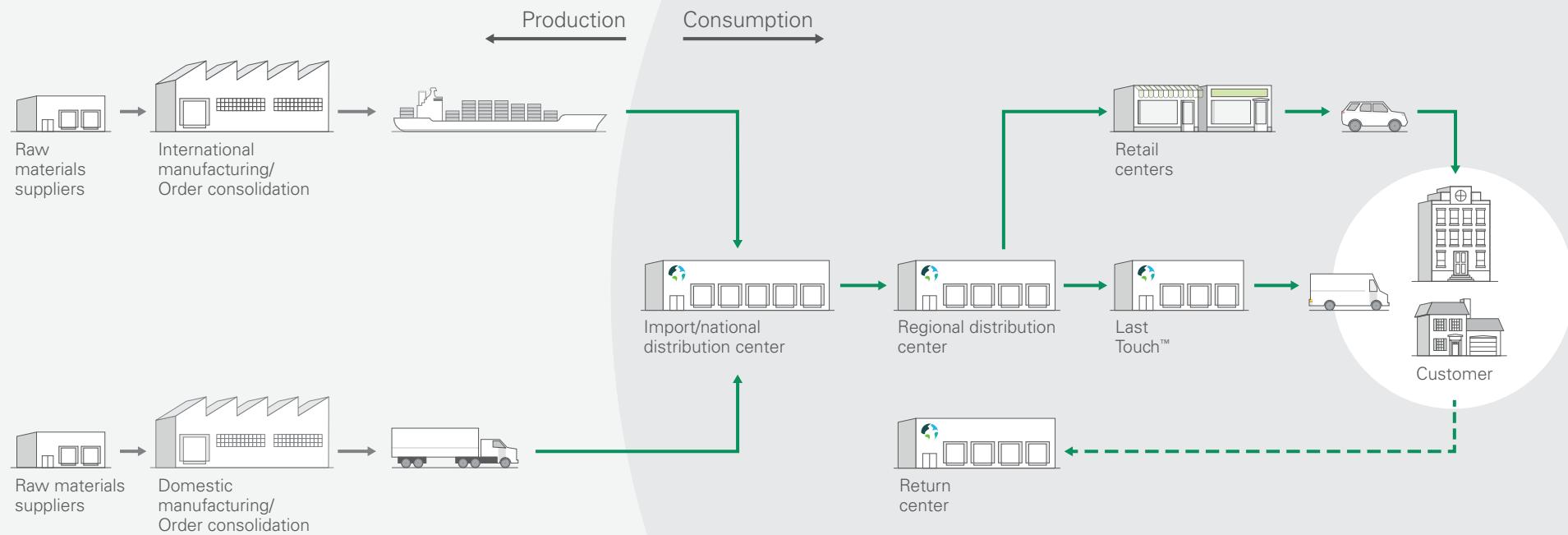
Buying local

We typically ensure that the two largest material components of our facilities, concrete and steel, are purchased from local suppliers. Whether we are building in China, Brazil or Belgium, we strive to work with local and regional contractors. Partnering with local businesses allows us to invest in the communities where we operate, spurs local employment opportunities, and reduces shipping and transportation costs and their associated environmental impacts.

World's longest-range zero-emissions electric buses produced at Prologis facility in Industry, California

Proterra's buses travel up to 350 miles on a single charge. The company's grand opening at Prologis Industry Distribution Center #4 coincided with delivery of its first California-made bus. The company has added 150 new jobs to California's economy.

FOCUSED ON THE CONSUMPTION END OF THE OVERALL SUPPLY CHAIN



Sustainability at work

Office sustainability programs

We implement strategies for reducing GHG emissions across our business operations—from the energy consumed in our offices to the way we travel to work. Our sustainability programs are designed to engage employees in sustainable practices through the course of their daily work. Employees representing each of our offices globally interact regularly with our sustainability team to promote best practices and make environmental stewardship part of our mindset. Our employees' actions help reduce our corporate GHG emissions and advance our progress towards our science-based targets.



The Denver office's commuter program provides every employee with a mass transit pass to reduce commuting expenses, travel time and the office's carbon footprint.



Sixty percent of our Amsterdam employees take advantage of the company's 100 percent commuter subsidy to travel from home to work and back again.



Prologis parks across the UK facilitate ride sharing among park workers to reduce our customers' carbon footprints and help their employees save money.



A new car-sharing website at three parks in Hungary helps workers form carpools to build relationships and reduce environmental impacts.

Corporate carbon footprint reporting

Corporate carbon footprint reporting is a business imperative. Stakeholders, from customers to investors, expect access to companies' emissions data.

Since 2006, Prologis has reported our annual corporate GHG inventory to CDP, a voluntary, leading registry that helps businesses measure, track and report GHG emissions. Understanding the impact our operations have on climate change has led us to set, pursue and achieve significant climate-related goals. In 2016, we beat our 2020 goal of a 20 percent reduction in Scope 1 and 2 GHG emissions from a 2011 basis by 2 percent. In 2017, we continued to advance, delivering a 27 percent reduction in Scope 1 and 2 GHG emissions from a 2011 basis.

As a result, we are setting new goals to ensure continued leadership and positive impacts. We have joined other major companies in setting science-based targets (SBTs) through the Science-Based Target Initiative (SBTi)—a collaboration between CDP, World Resources Institute, the World Wide Fund for Nature and the United Nations Global Compact. SBTs align with the latest climate science for reducing GHG emissions to levels that could keep the global temperature increase versus a pre-industrial baseline below 2 degrees Celsius. They give companies a pathway to sustainable growth by specifying how much and how quickly to reduce their GHG emissions. Prologis is using SBTs to ensure we're reducing our impacts in a measured and effective manner. We have submitted our SBTs to the SBTi for acceptance.

To measure our progress, we calculate annual corporate GHG emissions for our corporate and regional offices as defined by the GHG Protocol:

- **Scope 1:** Direct emissions from sources owned or controlled by Prologis
- **Scope 2:** Indirect emissions associated with consumption of purchased electricity and gas

- **Scope 3:** All other indirect emissions not included in Scope 2

To meet our new goal, we will continue to identify and implement sustainable business practices, involve employees in environmental stewardship initiatives and emissions reduction strategies, including lighting upgrades, occupancy sensors, insulation, powering down unused equipment and optimizing office temperatures. In addition, we employ carbon offsets and renewable energy credits (RECs). Carbon offsets invest in projects, such as landfill gas to energy, anaerobic digestion or fuel switching that would not move forward without such financing. RECs are a mechanism for purchasing renewable energy that is either added to or pulled from the grid.

In 2017, we offset 100 percent of our Scope 1 GHG emissions with carbon offsets from the JB Hunt Intermodal carbon offset project, which is industry relevant because it works to improve the efficiency of intermodal freight transport. We purchased RECs through our partner, Renewable Choice Energy, to offset 96.15 percent of our 2017 purchased electricity from locally sourced projects in each region where our corporate offices are located.

For the past four years, we have partnered with Anthesis Mosaic to calculate and track our carbon footprint data. The results of our 2017 GHG inventory reveal a year-over-year decrease in Scope 1 and 2 GHG emissions of 5 percent and a corresponding decrease in emissions intensity per employee from nine to eight metric tons. These figures include estimated fugitive emissions for refrigerant gases at company-managed sites. Estimated fugitive emissions for refrigerant gases are likely to exceed actual emissions associated with operation and maintenance of cooling equipment. Prologis is continuing to evaluate opportunities to

track actual refrigerant gas leakage rates at company-managed sites.

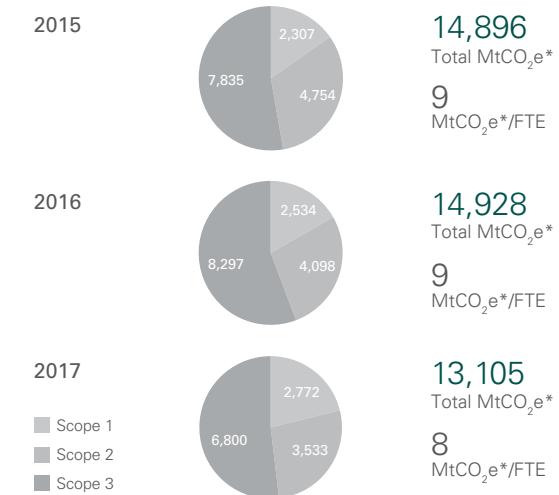
We report our operational carbon footprint to CDP, and our Scope 1, 2 and 3 emissions are verified independently by Lloyd's Register Quality Assurance. See page 42 for our external assurance statement.

GHG CHANGES

| | 2015-2016 MtCO ₂ e | 2016-2017 MtCO ₂ e |
|--------------------------|-------------------------------|-------------------------------|
| Scope 1 | +227 | +238 |
| Scope 2 | MB: -1986 LB: -656 | MB: +13 LB: -565 |
| Scope 3 | MB: +340 LB: +461 | MB: -1426 LB: -1497 |
| Total | MB: -1419 LB: +32 | MB: -1175 LB: -1823 |
| MtCO ₂ e*/FTE | 0 | -1 |

MB=market-based, LB=location-based

GHG EMISSIONS SUMMARY



*Metric Tons of Carbon Emissions (MtCO₂e)

Promoting biodiversity

Biodiversity is integral to sustainability, so we work to ensure the health of plants and wildlife in and around the built environment.

By focusing on infill redevelopment, often with legacy contamination issues, we promote biodiversity in two key ways: (1) we clean up potentially harmful ecosystem contaminants; (2) we recycle land. Similarly, by building multistory warehouses in supply constrained markets, we discourage sprawl and redirect development to urban cores.

All new developments are subject to rigorous environmental permitting processes, including evaluation of sensitive habitats and protected species. In our development processes, we adhere to local codes and guidelines, including those governing biodiversity, and we incorporate landscaping and bioswales designed to protect flora and fauna and decrease contaminants in storm water runoff.

There's a clear business case for biodiversity. Being a good and sensitive neighbor gives us the social license to develop and operate in communities around the world.

The Hive Mind

A growing number of our facilities in France are buzzing with apian activity. Bees are vital to a healthy ecosystem, contributing to more than 80 percent of plant and crop reproduction. As a first for our industry, four Prologis facilities near Paris have beehives in their green spaces. Collectively, they produced about 600 jars of honey that we distributed to our customers in the summer of 2017. These initiatives support our efforts to ensure local communities welcome Prologis and remain receptive to our future plans for growth.



Beekeepers maintain hives at Prologis Park Moissy, Paris, France.

A good neighbor

We strive to be a good neighbor because strong relationships where we live and work increase communities' receptivity to growth and development, which enables us to continue to serve our valued customers. At Prologis, our vision for social responsibility stretches beyond the walls of our buildings. While our primary business is ensuring the efficient movement of goods from manufacturers to markets on behalf of our customers, we never lose sight of the fact that we impact peoples' lives. Our commitment to social responsibility encompasses all our stakeholders—employees, customers, communities, suppliers and investors. We endeavor to use our strength to help others become more resilient—able to weather change, thrive in the face of adversity and grow. Our employees demonstrate their commitment by investing time and resources into organizations that promote education, the environment, social progress and well-being.



Prologis volunteers take a walk with their physically challenged neighbors on IMPACT Day 2017, Amsterdam, the Netherlands.

Inclusion and diversity

Prologis has valuable properties around the world, but our most valuable assets go home every night. They are our team of 1,606 employees, and they are the foundation for our success. Every employee at every level in every location plays a vital role in ensuring enduring value for our company. We set goals and objectives for sustainability at the corporate level, but it is the actions of each employee that bring these goals to life.

We demonstrate our commitment to our employees by being a responsible and supportive employer. As an equal opportunity employer, we uphold consistent and fair policies that respect cultural differences, recognize performance based on merit and reward team members for their contributions. In 2017, Prologis received the Seal of Distinction from WorldatWork, a nonprofit HR association and compensation authority, which recognizes organizations with strong total rewards and positive workforce experiences.

At Prologis, inclusion and diversity (I&D) are core to our strategy. To run and grow our business effectively, we must recruit, develop and grow the best available talent. Our customers and the communities in which we operate are remarkably diverse, and a workplace

that mirrors our diverse customers and communities will help ensure that the full breadth of ideas and perspectives are available to address challenges and pursue opportunities. We know that people achieve their maximum potential when they can be themselves, so we are working to ensure that our culture is open to and inclusive of everyone.

In 2017, Prologis changed its compensation structure to include I&D as a bonus metric. At the board level, the compensation committee was renamed the Talent and Compensation Committee, and its charter amended to include an emphasis on I&D.

We are committed to increasing our success with I&D. To that end, in 2017 we created recruiting ambassadors to reflect our diversity to potential new hires. We also partnered with Urban Land Institute's Women's Leadership Initiative and the Forte Foundation, a nonprofit consortium of leading companies and top business schools working together to launch women into fulfilling careers through access to education, opportunities and a network of successful mentors. Our European operations signed on to the Real Estate Balance commitment to diversity, an organization committed to seeing 33 percent of the industry's senior

GLOBAL WORKFORCE IN 2017

| | BY REGION | | | BY CATEGORY (PERMANENT) | | | TOTAL EMPLOYEES |
|-------|-----------|--------|------|-------------------------|-----------|-----|-----------------|
| | Americas | Europe | Asia | Full Time | Part Time | | |
| Women | 498 | 196 | 124 | 794 | 24 | 818 | |
| Men | 463 | 170 | 155 | 785 | 3 | 788 | |

1,606

*Data has been compiled by Human Resources. Please note that interns are not included in this count to be consistent with other annual reports/surveys. Number includes personnel in our China platform, including those under Wholly Foreign-Owned Enterprises.

Commitment at the highest level

For Prologis CEO Hamid Moghadam, I&D is personal. When he graduated from business school in 1980, he had difficulty finding a job. "It was a time that it was really bad to be an Iranian-American in this country, because we were in the throes of the hostage crisis," he said. "And I'm sure that I suffered from some discrimination at that point in time. So, I made it a point where if I could ever get in a position to make a difference, I would."

positions occupied by women by 2020.

Since the 2014 launch of Breakthrough, the company's global grassroots gender-diversity network, Prologis has updated its parental leave policy in the U.S. and launched Bias in Decision-Making training across the organization. Breakthrough was recognized as a Promising Practice by the 2017 Gender Equality Challenge.

Externally, Prologis encourages gender diversity in the real estate industry by partnering with the Urban Land Institute's Women's Leadership Initiative to sponsor 10 emerging women leaders in real estate. This program is designed to increase gender diversity across the industry, not just at Prologis.

Socially engaged

At Prologis, our culture is characterized by a genuine spirit of caring and a deep commitment to giving generously. In 2017, Prologis was named one of the 100 largest Bay Area Corporate Philanthropists by the San Francisco Business Times. Around the world, as individuals, as teams and as a company, Prologis acts to give people, institutions and communities the tools and resources to improve lives. Beyond giving our employees pride in the company, these efforts enhance our reputation as a responsible and caring presence in the communities in which we operate.

Employee volunteer programs

Every year, each employee is fully sponsored by Prologis to volunteer for four business days: two at company-sponsored events, one at an organization of the employee's choice and one on IMPACT Day. IMPACT Day, our global day of service, is the company's signature event. Every year on a Friday in May, the entire Prologis community spends a full day giving back in partnership with charities in our local communities. From Guangzhou to Denver, from Sao Paolo to Paris, our team members anticipate and take pride in this special day.

In an example of Prologis' enduring commitment to the communities in which we operate, three Prologis property managers in Los Angeles volunteered in the International Trade Education Program (ITEP) for high school students in Carson, California. ITEP connects local high school students to potential career opportunities in the logistics industry through career exploration activities, mentoring and scholarships. The three property managers taught students about setting goals, interviewing techniques and how to craft a winning resume.

Prologis Foundation

Established in 2001, the Prologis Foundation provides financial support to charitable organizations focused on education, the environment and human welfare. The foundation has a matching gift program to double employee contributions to 501(c)(3) nonprofit organizations, schools and universities, and the Dollars for Doers program pairs employee donations of time with funds from the Prologis Foundation.

Space for Good

Prologis developed the Space for Good program to provide temporary rent-free space in our distribution facilities to help charitable organizations address seasonal and short-term needs and provide disaster relief—to the extent we have vacancies in a relevant market. Space for Good demonstrates Prologis' commitment to corporate citizenship and willingness to form meaningful public/private partnerships in service to our communities.

IMPACT DAY: GLOBAL DAY OF SERVICE

1,304

Employees volunteered

8,383

Total volunteer hours

36

Nonprofit organizations served



IMPACT Day 2017, Paris, France



IMPACT Day 2017, Madrid, Spain



IMPACT Day 2017, Shanghai, China

Committed to giving back

225+

nonprofits supported by
the Prologis Foundation

36,383

hours donated by Prologis
employees over the course of
five IMPACT Days since 2013

650,000

square feet provided
to local nonprofits



Prologis raised more than \$100,000 for Junior Achievement Rocky Mountain, donating more than any other participating company in 2017. Prologis Denver employees also volunteer with Junior Achievement. Since 2001, they have taught 423 classes on work-readiness, entrepreneurship and financial literacy.



In March 2017, seven team members from our Amsterdam office working through Friends of Volunteers Initiative Nepal built latrines for Nepalese families, improving living conditions for some of the 57 percent of Nepal's rural population without sanitary facilities.



After Hurricane Harvey and other storms damaged cities across North America, the Prologis Foundation donated \$150,000 to the American Red Cross, matched up to \$50,000 in employee contributions and donated 400,000 square feet to nonprofits assisting with recovery efforts.



In July 2017, 2,500 riders from around the world participated in the 28th annual Courage Classic, a two-day cycling event and fundraiser for Children's Hospital of Colorado. Prologis was the event's presenting sponsor for the eighth year running. Prologis team members, 109 in all, raised \$153,000 in donations and \$300,000 from 29 corporate sponsors. Since 2010, Prologis has raised more than \$2.1 million for the hospital.

A positive work environment

At Prologis, we encourage our employees to bring their whole selves to work and view the office as a place where they can develop as people and professionals. To that end, we invest in initiatives that encourage learning and development, offer competitive and progressive pay and benefits, and support employee wellness programs. Our culture promotes diversity of thought, and we are committed to developing an engaged and resilient workforce who will fuel our future growth.

Learning and development

Investing in our employees' education and development isn't just a good human resources policy, it's a good business policy. When employees augment their skills and deepen their professionalism, they solve problems more readily, work more effectively with others, better adapt to change and increase business impact. We promote lifelong learning and encourage lateral assignments, so our employees broaden their knowledge of our business and enrich their ability to understand the perspectives of our stakeholders.

Prologis' Learning and Development team has built an extensive curriculum focused on five areas:

- 1. Career enrichment:** Helping all employees build basic business competencies critical to success, such as presentation skills, effective communication and time management
- 2. Leadership development:** Preparing future leaders, expanding overall leadership capacity and cultivating leadership skills in high-potential employees
- 3. Real estate training:** Giving all employees the opportunity to better understand our industry and ensuring ongoing enrichment for those involved in real estate operations
- 4. Systems and technical:** Facilitating understanding of core systems

5. HR and talent management: Focusing on topics that include performance management, compliance with local laws and onboarding

Training is delivered through a combination of classes at Prologis offices, virtual classes and a library of self-paced online classes available anytime and anywhere.

Compensation and equal pay

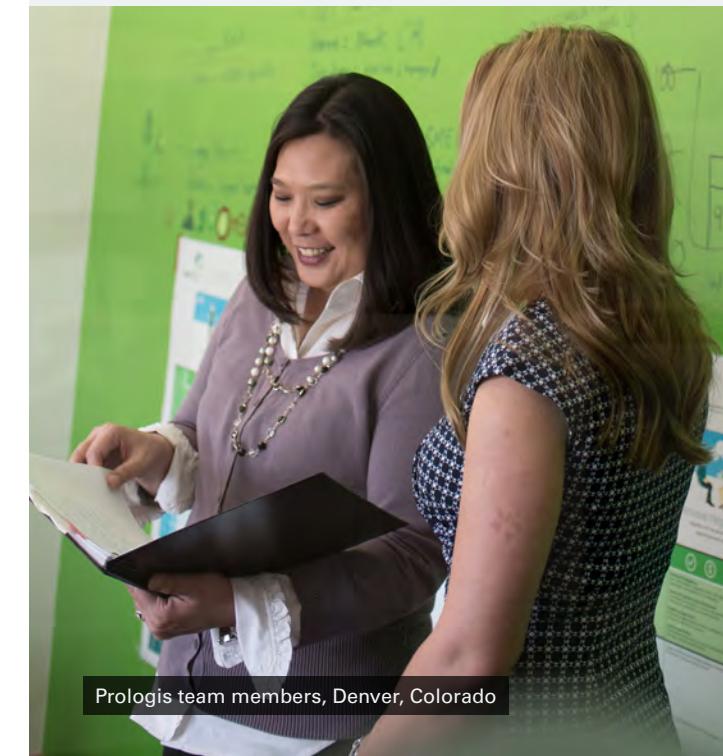
Prologis employees receive a benefits package that includes time off and holiday pay, health coverage, parental leave, retirement savings plans, life and disability insurance, continuing education opportunities and wellness programs. We target compensation to market benchmarks that do not factor in gender, so our compensation is equitable and competitive for each market and position.

Our comprehensive benefits package is designed to improve quality of life, financial security and the balance of work and home responsibilities. Standard benefits include:

- Medical, dental and vision insurance
- Paid time off
- Flexible spending accounts
- Health savings account
- Adoption assistance
- Wellness program
- Telemedicine
- Parental leave
- Life and disability benefits
- 401K retirement plan with employer matching
- Continuing education and reimbursement
- Employee assistance program

Prologis recognized as an Employer of Choice

In 2017, Prologis again earned the World at Work Seal of Distinction, which is awarded every year to companies across North America that set the standard for employee engagement, which is a key driver of business success.



Prologis team members, Denver, Colorado

The benefits listed to the left are available for all U.S.-based, full-time employees. U.S.-based part time employees receive paid time off on a prorated basis and are eligible for the Prologis 401k and Employee Assistance Program. Because more than 50 percent of Prologis employees are U.S. based, the U.S. is deemed Prologis' most "significant location of operations." Because no other country qualifies as a "significant location of operations," data from other countries is not included here per GRI Standards.

Updates to parental leave and adoption assistance

Building on a strong, existing foundation, Prologis expanded parental benefits starting in 2018. Previously, Prologis provided up to eight weeks of maternity leave at 70 percent of salary, and up to two weeks of 100-percent paid parental leave to all eligible parents following a birth, adoption or surrogacy, as well as up to \$5,000 in reimbursements for eligible adoption expenses. Effective in 2018, we provide up to 10 weeks of 100-percent paid parental leave following the birth of a child, and adoption reimbursement up to \$10,000.

Employee engagement

In August, we completed our fourth global employee engagement survey, achieving an outstanding 98-percent participation rate. Among the key findings:

- Employees have confidence in company leadership, highly favorable perceptions of their immediate supervisors, are committed to the company's success and understand how their work aligns with Prologis' strategy.
- Employees are proud of Prologis' focus on our customers, our IMPACT values and how we work together to improve the communities where we work and live.
- Employees are energized by their jobs, feel challenged and would recommend Prologis as a great place to work.
- By reducing bureaucracy and administration, we can increase productivity and strengthen employees' focus on strategic business objectives.



Prologis team member David Huajardo, Oakland, California

Wellness initiatives

Prologis believes that promoting health and well-being encourages higher productivity at work and helps people maintain a happy, healthy lifestyle overall. That's why we incorporate wellness into the design and operations of our facilities. We have ergonomic desks and computer equipment. Some of our offices feature workout rooms and acoustical and indoor air quality comfort controls. Managers have the option of green cleaning supplies and healthy snacks.

We are also mindful of the well-being of our customers and their employees. Our facilities have excellent ventilation, daylighting, efficient lighting and other features that promote wellness. In 2017, we launched two WELL Building Standard pilots—one in the U.S. and the other in the EU—and initiated a project with the International WELL Building Institute to define certification standards for logistics buildings.

Prologis sponsors and participates in charitable events, such as the Courage Classic bicycle tour, and holds

company-wide health challenges. The annual Healthy Steps Challenge encourages colleagues across the globe to take 10,000 steps per day. Prizes are awarded to individuals and the team with the most steps.

Prologis works with a leading health management service provider to give employees the latest health and wellness content, educational programs and an online community for motivation. A health assessment and biometric screening evaluate participating employees' lifestyles and potential health risks. Individual counselors help employees maintain or improve health and well-being. Whether an employee's goal is a better health score, more energy, weight loss, stress reduction or an improved diet, the Prologis wellness program can help.

Prologis demonstrates its concern for employee financial wellness by offering one-on-one financial coaching to all employees at no cost.

In 2016, GRESB piloted a module that measures real estate companies on their leadership and actions related to the health and well-being of their employees, customers and surrounding communities. Prologis has ranked first among industrial real estate respondents for the past two years.

HEALTHY STEPS FIFTH ANNIVERSARY

520
employees

354
employees averaged the 10,000 steps

336,241,480
steps in eight weeks



Prologis women spring into action for Courage Classic, an annual fundraiser for the Children's Hospital of Denver.

High standards

Prologis is committed to upholding the strictest ethical standards and compliance in all our business dealings.

Our governance structure includes built-in checks and balances to ensure accountability and transparency.

The following section describes how we ensure transparency and openness of reporting; manage corruption, bribery and non-compliance risks; and safeguard the integrity of our supply chain.



Prologis' Peggy White and Erin Straight review plans in Charlotte, North Carolina.

A culture of integrity

Corporate governance sets the framework for how we manage our global business and how we communicate with investors and the public. Our corporate governance practices create a culture of enduring and uncompromising integrity. We maintain strong oversight, collect and share vital information with external stakeholders and devote significant resources to ensure we comply with all relevant laws, regulations and standards. We take a comprehensive and proactive approach to risk management. For example, Prologis reports on our climate risk approach, aligned with the new Task Force on Climate-Related Financial Disclosures (TCFD) structure, through our Dow Jones Sustainability Indices and CDP responses. We are proud that our efforts have been recognized by third parties, including Green Street Advisors, who has named us the REIT industry's corporate governance leader for 15 years running.

Risk management

At Prologis, risk management isn't simply a corporate function. It's a mentality that is woven into every aspect of our operations. Whether we are working with customers and employees to deal with weather disruptions or defining disaster recovery protocols, we take pains to measure and mitigate all risks that might affect our business and our stakeholders. Assessing, appreciating and preparing for risks of all kinds is crucial to a culture of resilience.

We proactively manage financial, operational, organizational, external and macroeconomic risks through a competitive risk oversight framework that includes:

- Board engagement with executive and risk management teams, including risk assessment mapping and one-on-one interviews between each director and our risk management team.

- Executive management committee meetings focused on strategic risks
- A structured approach to capital deployment vetted through weekly investment committee meetings
- One of the strongest balance sheets in the REIT industry
- A dedicated and empowered cybersecurity team charged with dealing with the rising challenges of data protection and security
- Rigorous internal and third-party audits that assess the company's controls and procedures
- A centralized team, closely aligned with their counterparts in each market, dedicated to managing risk globally

Board oversight

In 2017, our board comprised 10 annually elected members, nine of whom were independent, including our lead director. Oversight of sustainability resides with the board's Governance and Nomination Committee. We apply the same standards for performance, diversity and engagement to our board as we do to our broader team. We use our board evaluation process to ensure that we have the appropriate skill sets and board composition. Board members take their responsibilities seriously and are actively engaged with the company. The board visits a field office every year to meet local employees, receives regular reports from departments and interacts with a range of employees in informal settings.

Prologis named finalist for best proxy statement

Prologis was a finalist in the Best Proxy Statement category at the 10th annual Corporate Secretary Corporate Governance Awards on November 9, 2017. Across 15 categories, Prologis was the only real estate company nominated as a finalist. Prologis' second consecutive nomination was a great honor and testament to our focus on strong corporate governance.



In 2017, the lead director and the head of the compensation committee together with senior management conducted outreach meetings with investors representing 70 percent of our public stockholders. For a complete description of Prologis' corporate governance practices and our approach to risk management, please refer to our Proxy statement and our 2017 Form 10-K, or visit the [Investor Relations page](#) on our corporate website.

Proxy access

We balance the interests of shareholders, directors and management, ensuring that shareholders' considerations are fully and consistently represented. In 2016, we adopted proxy access, which gives shareholders the right to include their director candidates in our proxy alongside those nominated by the board. We are using the 3/3/20/20 market standard for proxy access, wherein a group of up to 20 shareholders who have held at least 3 percent of Prologis stock for at least three years may nominate up to 20 percent of the board, which is two directors.

Proxy recognition

For the second consecutive year, Prologis was a finalist for the Corporate Secretary Corporate Governance Awards best proxy statement. This national recognition for strong governance was the culmination of an initiative that started with outreach to Prologis shareholders and resulted in carefully orchestrated improvements that further strengthened the Prologis proxy statement.

Executive compensation

We continue our focus on industry-leading and responsible compensation practices, assessing and strengthening our programs in response to shareholder feedback. Recently, we amended our plan to limit award size and added long-term vesting (seven years), increased vesting in annual grants and promote plan awards. We also added inclusion and diversity as a bonus metric.



Prologis Park Torrance, California

External reporting

We report regularly on ESG issues to a number of widely recognized sustainability reporting organizations, including CDP, the Dow Jones Sustainability Indices and the Global Real Estate Sustainability Benchmark. In addition, we provide comprehensive public disclosures through our annual sustainability report.

Global compliance

We conduct business fairly and in an ethical manner that is in full compliance with all laws and regulations. The Prologis board of directors has adopted a Code of Ethics and Business Conduct and a Global Anti-Corruption and Foreign Corrupt Practices Act Policy, which is applicable to all employees and the board. Every Prologis employee certifies, acknowledges and accepts our Code of Ethics and Business Conduct. All new hires receive extensive ethics training at the commencement of their employment. And the company provides regular ethics training in every country where we do business – in person, via video conference, and through regular updates on our intranet. In 2017, 100 percent of our employees participated in such training, in their local language where appropriate. Our Code of Ethics and Business Conduct and our Global Anti-Corruption and Foreign Corrupt Practices Act Policy have been translated into 16 languages and are posted on our intranet to ensure these documents are well understood by Prologis employees around the world. For more information, see the [2017 Prologis Annual Report](#) and our [Prologis Proxy Statement](#).

Standards and integrity

Corruption is an obstacle to trade and undermines fair business practices. Prologis has a zero-tolerance policy for bribery and corruption. We act with professionalism, fairness and integrity in all our business dealings and relationships. Our employees and board members receive regular training—in their local language where

appropriate—on our Code of Ethics and Business Conduct, information security, global fraud prevention and the Global Anti-Corruption and Foreign Corrupt Practices Act policy to ensure they remain current on ethical issues and corporate expectations.

In 2017, Prologis received inquiries directly through our internal Ethics Helpline, a confidential third party-administered hotline for reporting suspected Code of Ethics and Business Conduct violations. Prologis received additional inquiries for suspected violations through regular communication channels with management. Of 14 total inquiries, six were unsubstantiated and one remains an ongoing investigation. For each of the seven substantiated inquiries, appropriate action was taken and the matters are considered resolved. We had no breaches of antitrust in 2017:

- 100% of global operations are assessed for risks related to corruption.
- Our internal control processes assessed our operations for risks related to corruption, including risks related to documentation for competitive bidding of contract work, the proper monitoring of actual costs against budgets and forecasts, the comprehensiveness of corruption policies and training and rigor of investigations and enforcement of policy violations, the sufficiency of the “tone at the top” to combat corruption and the conduct of proper third-party due diligence. After the risk assessment, it was determined that Prologis does not have any significant risks related to corruption.
- Regarding legal actions for anti-competitive behavior, anti-trust and monopoly practices, there were no legal actions in 2017, pending or completed, and therefore no outcomes to report.

Training for compliance

Prologis provides regular ethics training in every country where we do business and in local languages where appropriate, and the Prologis Code of Ethics and Business Conduct has been translated into 16 languages to promote global understanding of our ethical obligations.



Prologis team members in San Francisco, California

ESG in action

At Prologis, ESG is integral to our business. To advance environmental stewardship, we provide our customers with the modern, sustainable buildings they prefer; to support social responsibility, our employees partner with customers and investors; to ensure strong governance, we work continuously to identify and mitigate risks, and communicate with transparency.

The Board Governance and Nomination Committee has direct oversight over ESG and our ESG team, comprising an SVP and VP who report to Prologis' Chief Legal Officer. The ESG team aligns and advances ESG strategies and tactics across the organization. Our strong ESG practices support our corporate commitment to enduring excellence, advance our longstanding focus on exemplary customer service and impact every level of our organization.



Human rights, affirmative action and equal opportunity

Prologis' policies include a commitment to protecting human rights. We have adopted responsible workplace practices and endeavor to conduct business operations in a manner free from complicity in human rights abuses. In particular, Prologis' core values and culture of integrity (I), mentorship (M), passion (P), accountability (A), courage (C) and teamwork (T)—IMPACT—embody a commitment to ethical business practices and strong corporate citizenship. It is Prologis' policy and practice to provide equal employment opportunities to all individuals, free of discrimination regardless of race, gender, gender identity, creed, religion, sexual orientation, marital status, national origin or ancestry, sex, age, physical or mental disability, medical condition or veteran status.

Supply chain integrity

Prologis practices vigilant environmental stewardship and provides employees a safe and healthy working environment. We expect our partners and suppliers to adhere to these same principles. Our [Supplier Code of Conduct](#), launched in 2013, has been translated into four languages. Prologis will continue to develop systems for monitoring and reviewing supplier adherence to the code of conduct and report our findings.

Prologis general contractors globally are required to provide accident and incident data, as well as reports on any workplace safety or environmental violations as part of the prequalification process for working with Prologis. We plan to improve our processes by automating prequalification documentation for easier access to data and more consistent tracking of suppliers.

Prologis partners with a global supply chain risk management auditor¹ to ensure our suppliers meet all

our requirements, including insurance coverage, safety programs, financial stability, quality systems, terms and conditions, sustainability, Supplier Code of Conduct and regulatory compliance. The partner's platform ensures transparent, effective supply chain management through a rigorous prequalification process to improve supplier performance, validate safety data, increase operational efficiencies and reduce risk.

For a complete description of Prologis' corporate governance practices and approach to risk management, please refer to our Proxy statement and 10-K or visit the Investor Relations page on our corporate website.

1. Avetta is Prologis' global supply chain risk management auditor.



About this report

Prologis' 2017 Sustainability Report provides a comprehensive overview of our company's ESG initiatives and summarizes the progress we've made toward meeting our goals and commitments across our portfolio and operations. The report is global in scope and addresses our 2017 activities in the Americas, Europe and Asia.

This report marks our 10th consecutive year of reporting to Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines and the Construction and Real Estate (CRE) Sector Disclosures. As a GRI Standards Pioneer, we are among the first to adopt the new GRI Standards: global best practice for sustainability reporting. In doing so, we are demonstrating our full support for GRI's mission to empower decisions that create social, environmental and economic benefits for everyone. A GRI Standards Content Index is included on page 43, and specific disclosures are included throughout the report. Information and data for years prior to 2017 have been included where available and relevant.

Prologis has applied GRI's Principles for Defining Report Content. These principles include GRI's guidance on defining material aspects and boundaries to identify the most relevant ESG impacts as they pertain to our business and stakeholders. The basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can affect period-over-period comparability is detailed in our 2017 Annual Report and in our Form 10-K, which is filed with the U.S. Securities and Exchange Commission and is also available in the SEC Filings section of Prologis' website at <http://ir.prologis.com/financial-results/sec-filings>.

We provide data for our corporate operations and for the facilities we own and lease to our customers. Limitations include occupant operations on Prologis properties. Although we strive to work with our customers to enhance their sustainability measures, their business activities fall outside the scope of Prologis' operational control and thus beyond the boundary of our performance-data reporting. In addition, we do not report on the business activities of entities

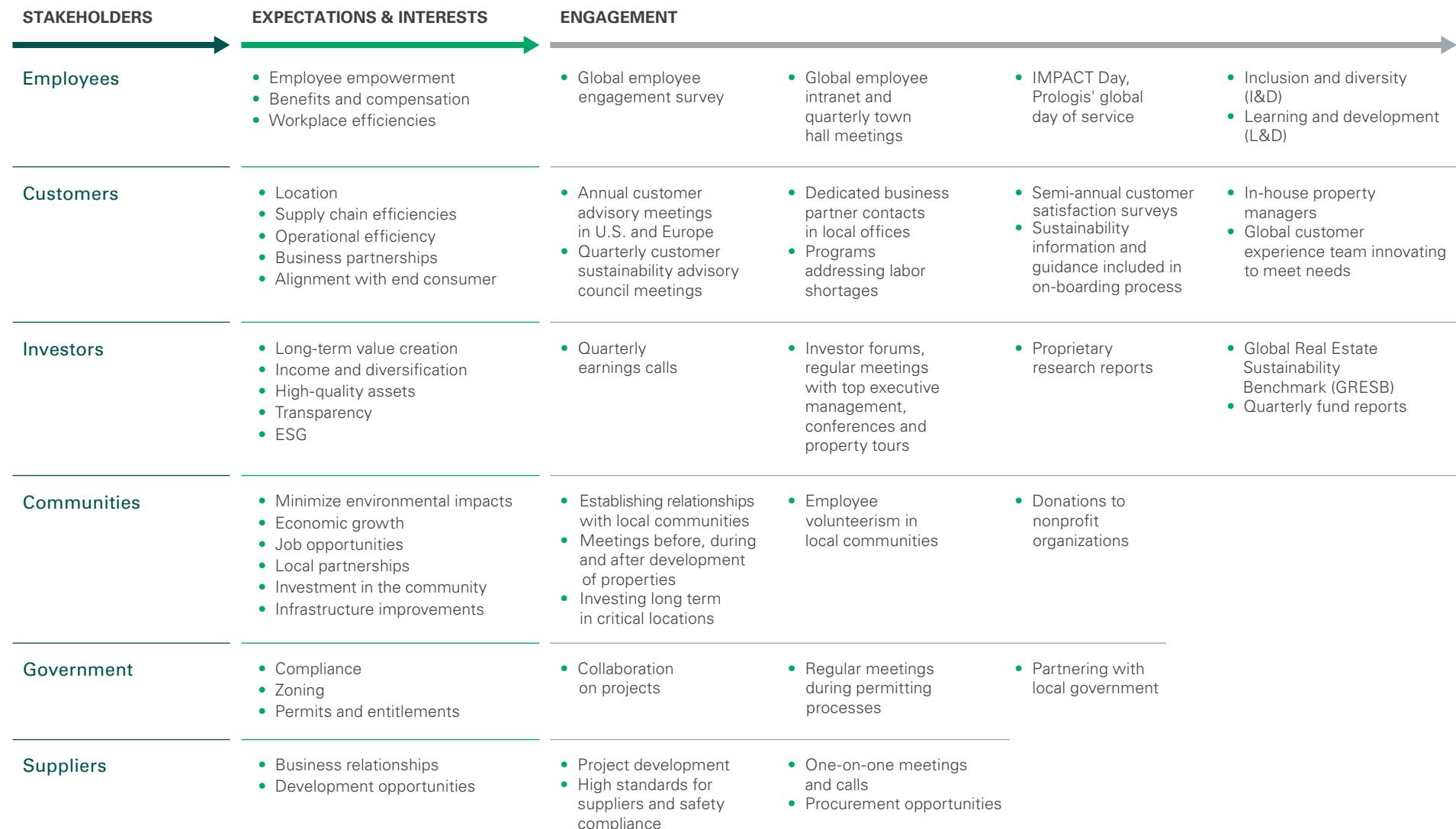
over which we do not exercise direct operational control, including our co-investment and joint venture partners, service providers, customers, contractors, suppliers and vendors.

This report has been externally assured by Lloyd's Register Quality Assurance (LRQA) using the AA1000 Assurance Standard (2008). LRQA interviewed members of the Prologis executive committee and senior management to ensure that this report complies with the principles of inclusivity, materiality and responsiveness. LRQA also assessed the reliability of specified sustainability performance information and verified our 2017 GHG inventory using the World Resource Institute and World Business Council on Sustainable Development Greenhouse Gas Protocol. Our complete External Assurance Statement is found on page 42.



Stakeholder engagement

Sustainability is increasingly central to the business models and brands of leading companies worldwide. About 70 percent of our top 25 customers report their progress to one or more of the major sustainability indices. Our stakeholder engagement model ensures mutual alignment around priorities and fosters ongoing dialogue that serves as the foundation for enduring relationships.



Aligned with United Nations sustainable development goals

Established in September 2015, the UN Sustainable Development Goals (SDGs) are an international agenda to achieve sustainable development by 2030.

| AFFORDABLE AND CLEAN ENERGY | | | INDUSTRY, INNOVATION AND INFRASTRUCTURE | | CLIMATE ACTION | | |
|-----------------------------|---|----------|---|--|--|--|--|
| SDG CATEGORY | 7 | | 9 | | 13 | | |
| SDG TARGET | By 2030, increase substantially the share of renewable energy in the global energy mix. | | | Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. | | Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. | |
| PROLOGIS TARGET & PROGRESS | Target | Progress | Target | Progress | Target | Progress | |
| 200 MW solar by 2020 | 175 MW of generating capacity in nine countries, equating to clean power for 26,000 average homes each year | | 100 percent of new development projects with a goal of certification ¹ | 112 MSF of sustainable building certifications across 304 projects in 17 countries | 20-percent reduction of corporate GHG emissions by 2020 from 2011 baseline | Exceeded 2020 goal in 2016 and continued the trend to post a 27-percent reduction as of year-end 2017 | |
| | | | 100 percent cool roofing in new development and property improvements where feasible, given climate restrictions ² | 40 percent of operating portfolio has cool or reflective roofing material | Science-based target | Committed to and in process of setting a science-based target | |
| | | | 100 percent energy-efficient lighting across our operating portfolio | 82 percent of portfolio has efficient lighting | Resilience | Reduce vulnerability of buildings to extreme weather events ³ | |

1. Goal is to design to sustainable building certification standards or with sustainable design features as appropriate and in line with customer specifications.

2. Goal is to build 100 percent cool roofing in new development and property improvements where feasible, given climate restrictions.

3. As evidence of the resilience of our buildings and the strength of our risk management program and emergency response procedures, we incurred no customer business interruption loss in the 2017 Florida and Houston hurricanes and Mexico City earthquakes.

Memberships and associations

- Asia Pacific Real Estate Association (APREA)
- Association of Industrial Real Estate Brokers (AIRE)
- Boston College Center for Corporate Citizenship (BCCCC)
- Building Owners and Managers Association (BOMA)
- Council on Foundations (COF)
- German Association for Sustainable Construction (DGNB)
- Global Real Estate Sustainability Benchmark (GRESB)
- Global Reporting Initiative (GRI) Organizational Stakeholder
- Institute for Sustainability UK Green Building Council (UKGBC)
- Institute of Real Estate Management (IREM)
- International Facility Management Association (IFMA)
- Japan Institution of Logistics Systems
- National Association of Industrial & Office Parks (NAIOP)
- National Association of Real Estate Investment Trusts (NAREIT)
- National Brownfield Association
- Pension Real Estate Association (PREA)
- Real Estate Roundtable (RER)
- Retail Industry Leaders Association (RILA)
- Society of Industrial & Office Realtors (SIOR)
- The European Association for Investors in Non-Listed Real Estate Vehicles (INREV)
- U.S. Department of Energy's Better Buildings Challenge International Facility
- U.S. Green Building Council (USGBC)
- ULI Greenprint Center for Building Performance
- Urban Land Institute (ULI)



External assurance statement

This report has been externally assured by Lloyd's Register Quality Assurance, Inc. (LRQA). Conclusions and observations can be found in the full [Report Assurance Statement](#) and [Greenhouse Gas Emissions Assurance Statement](#) on Prologis' website.

Report Verification - LRQA's approach summary

LRQA was commissioned by Prologis to provide independent assurance on its 2017 Sustainability Report to a moderate level of assurance and materiality of the professional judgment of the verifier using AccountAbility's AA1000AS (2008).

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.
- Reviewing Prologis' process for identifying and determining material issues to confirm that the right issues were included in the Report.
- Auditing Prologis' data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report.
- Interviewing members of the executive committee and senior management in charge of Funds (FIBRA), Procurement, Human Resources, Risk Management, Property Management and Legal.
- Sampling specific source and aggregated data points referenced in the Report.

GHG Verification - LRQA's approach summary

Our verification has been conducted in accordance with ISO 14064-3:2006, "Specification with guidance for validation and verification of greenhouse gas assertions" to provide reasonable assurance that direct and indirect GHG emissions data and limited assurance for the other indirect GHG emissions data as presented in the Report have been prepared in conformance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD Protocol).

The following tasks were undertaken as part of the evidence-gathering process for this verification engagement:

- Visiting Prologis' office in Denver, Colorado, United States, and headquarters in San Francisco, California, United States, and reviewing processes related to the control of GHG emissions data and records,
- Interviewing relevant staff of the organization responsible for managing GHG emissions data and records,
- Verifying direct and indirect GHG emissions data and records back to source for the calendar year 2017, and
- Verifying other indirect GHG emissions from business travel and employee commuting at an aggregated level for the calendar year 2017.



GRI standards content index

| DISCLOSURE | LOCATION IN REPORT OR URL | EXTERNAL ASSURANCE | PAGE | OMISSION |
|--|---|--------------------|------|----------|
| GRI 102: GENERAL DISCLOSURES 2016 | | | | |
| 102-1 | Name of the organization Prologis, Inc. | | 42 | |
| 102-2 | Activities, brands, products, and services A straightforward business model | | 42 | 9 |
| 102-3 | Location of headquarters San Francisco, CA | | 42 | |
| 102-4 | Location of operations A straightforward business model | | 42 | 9 |
| 102-5 | Ownership and legal form 2017 Form 10-K | | 42 | |
| 102-6 | Markets served A straightforward business model | | 42 | 9 |
| 102-7 | Scale of the organization 2017 Form 10-K | | 42 | |
| 102-8 | Information on employees and other workers Inclusion and Diversity | | 42 | 26 |
| 102-9 | Supply chain Driving efficiency through scale | | 42 | 21 |
| 102-10 | Significant changes to the organization and its supply chain We had no significant changes to the organization's size, structure, ownership or supply chain in 2017. | | 42 | |
| 102-11 | Precautionary principle or approach A culture of integrity | | 42 | 33 |
| 102-12 | External initiatives CDP, CDP Commit to Action, DJSI, GRESB | | 42 | |
| 102-13 | Membership of associations Memberships and Associations | | 42 | 41 |
| 102-14 | Statement from senior decision-maker CEO Letter | | 42 | 4 |
| 102-15 | Key impacts, risks and opportunities CEO Letter | | 42 | 4 |
| 102-16 | Values, principles, standards and norms of behavior A culture of integrity | | 42 | 33 |
| 102-18 | Governance structure 2018 Proxy Statement | | 42 | 33 |
| 102-40 | List of stakeholder groups Materiality assessment and alignment with GRI Stakeholder Engagement | | 42 | 11 |
| 102-41 | Collective bargaining agreement Our employees are not represented by collective bargaining agreements with the exception of those in France, where the country's workforce falls under a collective labor agreement, and in Brazil, where employees are covered under a collective bargaining agreement. Our employees in France and Brazil account for approximately 3 percent of our global workforce. | | 42 | |
| 102-42 | Identifying and selecting stakeholders Materiality assessment and alignment with GRI Stakeholder Engagement | | 42 | 11 39 |
| 102-43 | Approach to stakeholder engagement Materiality assessment and alignment with GRI Stakeholder Engagement | | 42 | 11 39 |
| 102-44 | Key topics and concerns raised Materiality assessment and alignment with GRI Stakeholder Engagement | | 42 | 11 39 |
| 102-45 | Entities included in the consolidated financial statements Prologis, Inc. | | 42 | |
| 102-46 | Defining report content and topic boundaries Materiality assessment and alignment with GRI About this report | | 42 | 11 38 |

| DISCLOSURE | LOCATION IN REPORT OR URL | EXTERNAL ASSURANCE | PAGE | OMISSION |
|---|---|--------------------|------|----------------------|
| 102-47 List of material topics | <p>Materiality assessment and alignment with GRI</p> <p>Material Topics:</p> <ul style="list-style-type: none"> • Energy • Emissions • Employment • Anti-corruption | | 42 | 11 |
| 102-48 Restatements of information | There are no restatements of information from previous reports. | | 42 | |
| 102-49 Changes in reporting | We performed a materiality assessment during 2017. | | 42 | |
| 102-50 Reporting period | January 1, 2017 - December 31, 2017 | | 42 | |
| 102-51 Date of most recent report | Published June 2017 | | 42 | |
| 102-52 Reporting cycle | Annual | | 42 | |
| 102-53 Contact point for questions regarding the report | sustainability@prologis.com | | 42 | |
| 102-54 Claims of reporting in accordance with GRI standards | This report has been prepared in accordance with the GRI Standards: Core option. | | 42 | |
| 102-55 GRI Content Index | GRI Content Index | | 42 | 43 |
| 102-56 External Assurance | External Assurance | | 42 | 42 |
| GRI 205: ANTI-CORRUPTION 2016, GRI 103: MANAGEMENT APPROACH 2016 | | | | |
| 103-1 Explanation of the material topic and its boundary | Materiality assessment and alignment with GRI | | 42 | 11 |
| 103-2 The management approach and its components | <p>Materiality assessment and alignment with GRI</p> <p>GRI Content Index</p> | | 42 | 11 |
| 103-3 Evaluation of the management approach | <p>Materiality assessment and alignment with GRI</p> <p>GRI Content Index</p> | | 42 | 11 |
| 205-1 Operations assessed for risks related to corruption | <p>a. 100% of global operations are assessed for risks related to corruption.</p> <p>b. Our internal control processes assessed our operations for risks related to corruption, including risks related to documentation for competitive bidding of contract work; the proper monitoring of actual costs against budgets and forecasts; the comprehensiveness of corruption policies and training and rigor of investigations and enforcement of policy violations; the sufficiency of the "tone at the top" to combat corruption; and the conduct of proper third-party due diligence. After the risk assessment, it was determined that Prologis does not have any significant risks related to corruption.</p> | | 42 | |
| GRI 302: ENERGY 2016, GRI 103: MANAGEMENT APPROACH 2016 | | | | |
| 103-1 Explanation of the material topic and its boundary | <p>Materiality assessment and alignment with GRI</p> <p>Leading through action</p> <p>Programs for energy savings</p> <p>Corporate carbon footprint reporting</p> | | 42 | 11 14 19 23 |
| 103-2 The management approach and its components | <p>Materiality assessment and alignment with GRI</p> <p>Leading through action</p> <p>Programs for energy savings</p> <p>Corporate carbon footprint reporting</p> | | 42 | 11 14 19 23 |
| 103-3 Evaluation of the management approach | <p>Materiality assessment and alignment with GRI</p> <p>Leading through action</p> <p>Programs for energy savings</p> <p>Corporate carbon footprint reporting</p> | | 42 | 11 14 19 23 |
| 302-1 Energy consumption within the organization | <p>Corporate carbon footprint reporting</p> <p>Data snapshot</p> <p>Source of the conversion factors used: The Greenhouse Gas Protocol and IPCC Fifth Assessment Report</p> | | 42 | 23 46 |

| DISCLOSURE | LOCATION IN REPORT OR URL | EXTERNAL ASSURANCE | PAGE | OMISSION |
|--|--|--------------------|------|--|
| 302-2 Energy consumption outside of the organization | Leading through action Programs for energy savings Data snapshot Source of the conversion factors used: The Greenhouse Gas Protocol and IPCC Fifth Assessment Report | | 42 | 14 19 23 |
| 302-3 Energy Intensity | Data snapshot Organization-Specific Metric for Ratio: MtCO ₂ e/FTE | | 42 | 46 |
| GRI 305: EMISSIONS 2016, GRI 103: MANAGEMENT APPROACH 2016 | | | | |
| 103-1 Explanation of the material topic and its boundary | Materiality assessment and alignment with GRI Leading through action Programs for energy savings Corporate carbon footprint reporting | | 42 | 11 14 19 23 |
| 103-2 The management approach and its components | Materiality assessment and alignment with GRI | | 42 | 11 |
| 103-3 Evaluation of the management approach | Materiality assessment and alignment with GRI | | 42 | 11 |
| 305-1 Direct (Scope1) GHG emissions | Corporate Carbon Footprint Reporting Data Snapshot GWP Source: IPCC Fifth Assessment Report | | 42 | 23 46 Biogenic CO ₂ emissions not applicable to Prologis' business (business operations do not use or combust biomass) |
| 305-2 Energy indirect (Scope 2) GHG emissions | Corporate Carbon Footprint Reporting Data Snapshot GWP Source: IPCC Fifth Assessment Report | | 42 | 23 46 |
| 305-3 Other indirect (Scope 3) GHG emissions | Corporate Carbon Footprint Reporting Data Snapshot GWP Source: IPCC Fifth Assessment Report | | 42 | 23 46 Biogenic CO ₂ emissions not applicable to Prologis' business (business operations do not use or combust biomass) |
| 305-4 GHG emissions intensity | Corporate Carbon Footprint Reporting Data Snapshot | | 42 | 23 46 |
| GRI 401: EMPLOYMENT 2016, GRI 103: MANAGEMENT APPROACH 2016 | | | | |
| 103-1 Explanation of the material topic and its boundary | Materiality assessment and alignment with GRI A positive work environment | | 42 | 11 29 |
| 103-2 The management approach and its components | Materiality assessment and alignment with GRI A positive work environment | | 42 | 11 29 |
| 103-3 Evaluation of the management approach | Materiality assessment and alignment with GRI A positive work environment | | 42 | 11 29 |
| 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | A positive work environment <ul style="list-style-type: none"> a. Benefits provided for U.S.-based employees: <ul style="list-style-type: none"> - Medical, dental, and vision insurance - paid time off: part-time employees receive PTO on a prorated basis - flexible spending accounts for medical purposes - life and disability benefits - retirement plans and contribution: part-time employees (20 Hrs/week) are eligible for 401k - parental leave - continuing education and reimbursement - employee assistance program: part-time employees are eligible for EAP b. The United States is considered the most "significant location of operations" due to the fact that over 50% of all international employees are based there. Other countries are not considered "significant locations of operation" because employees are spread throughout other countries, and are therefore not included in this data as per GRI Standards. | | 42 | 29 |

JANUARY 1-DECEMBER 31, 2017

Data snapshot

GENERAL

| | |
|--|--|
| Charitable donations | \$2 million |
| Cool roofs ¹ | 40% of portfolio |
| Energy efficient lighting ¹ | 82% of portfolio (based on 97% surveyed) |
| Office waste and recycling | 376,000 total pounds of waste and recycling with five corporate offices reporting |
| Office water use | 5.26 million gallons used with 14 corporate offices reporting |
| Solar energy ¹ | 175 MW of generating capacity in nine countries |
| Space for Good (space donated to charitable organizations) | <ul style="list-style-type: none"> 84 months of rent-free space 19 nonprofits benefiting \$1.3 million in in-kind rent 650,000 square feet donated to local nonprofits |
| Sustainable building certifications ¹ | <ul style="list-style-type: none"> 112 million square feet 304 projects in 17 countries |
| Sustainable certification waste diversion | <ul style="list-style-type: none"> LEED-certified projects diverted 78% of their construction waste, resulting in 3,300 tons spared from landfills. BREEAM-accredited projects in the UK diverted 95% of their construction waste, resulting in 3,000 tonnes of waste spared from landfills. CASBEE-assessed projects in Japan diverted 99% of their construction waste, resulting in 2,800 tons spared from landfills. |
| Sustainable certification water reduction | <ul style="list-style-type: none"> Fixtures installed in our LEED certified projects reduced water use by 28% versus standard fixtures, resulting in estimated savings of 1.5 million gallons. Fixtures installed in our UK BREEAM certified projects reduced water use by 61% versus standard fixtures |
| Volunteer hours | Over 11,200 <ul style="list-style-type: none"> Includes 8,383 hours on IMPACT Day, benefiting 38 nonprofits working in education, human welfare and the environment |
| Prologis Human Rights Statement | For Prologis' Human Rights statement, please see page 37 of the report. |

GRI 102: GENERAL DISCLOSURES 2016

| | | | | |
|-------|--|------------------------|------|--------|
| 102-8 | Total number of employees by employment contract (permanent and temporary), by gender. | Type | Male | Female |
| | | Permanent | 788 | 818 |
| 102-8 | Total number of employees by employment contract (permanent and temporary), by region. | Region (all permanent) | Male | Female |
| | | Americas | 463 | 498 |
| | | Europe | 170 | 196 |
| | | Asia | 155 | 124 |
| | | Total | 788 | 818 |
| 102-8 | Total number of employees by employment type (full time and part time), by gender. | Type | Male | Female |
| | | Permanent Full Time | 785 | 794 |
| | | Permanent Part Time | 3 | 24 |
| | | Total | 788 | 818 |

All data within this report is as of December 31, 2017 unless otherwise noted. GRI topic area headings as of 2016 refer to GRI reporting requirements published as of 2016. They do not indicate year of data reported.

1. Cumulative as of December 31, 2017.

GRI 205: ANTI-CORRUPTION 2016

| | | |
|-------|--|---|
| 205-1 | Total number and percentage of operations assessed for risks related to corruption and significant risks related to corruption identified through the risk assessment. | 100% of global operations are assessed for risks related to corruption. |
| | | Our internal control processes assessed our operations for risks related to corruption, including risks related to documentation for competitive bidding of contract work; the proper monitoring of actual costs against budgets and forecasts; the comprehensiveness of corruption policies and training and rigor of investigations and enforcement of policy violations; the sufficiency of the "tone at the top" to combat corruption; and the conduct of proper third-party due diligence. After the risk assessment, it was determined that Prologis does not have any significant risks related to corruption. |

GRI 302: ENERGY 2016

| | | |
|-------|---|--|
| 302-1 | Total fuel consumption within the organization from non-renewable sources, in joules or multiples, including fuel types used* Fuel types used: Natural Gas, Propane, Motor Gasoline, Distillate Fuel Oil No. 2/Diesel Fuel | 41,584,246 MJ |
| 302-1 | Total fuel consumption within the organization from renewable sources, in joules or multiples, including fuel types used* Fuel types used: Natural Gas, Propane, Motor Gasoline, Distillate Fuel Oil No. 2/Diesel Fuel | 257,825 MJ |
| 302-1 | In joules, watt-hours or multiples, the total*: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption | 8,081 MWh 607 MWh 0 MWh 0 MWh |
| 302-1 | In joules, watt-hours or multiples, the total*: v. electricity sold vi. heating sold vii. cooling sold viii. steam sold | 0 MWh 0 MWh 0 MWh 0 MWh |
| 302-1 | Total energy consumption within the organization, in joules or multiples* | 70,674,472 MJ |
| 302-2 | Energy consumption outside of the organization, in joules or multiples** | 13,073,000 Gigajoules |
| 302-3 | Energy intensity ratio for the organization* | 44,007 MJ/FTE |

GRI 305: EMISSIONS 2016

| | | |
|-------|---|--|
| 305-1 | Gross direct (Scope 1) GHG emissions under operational control in metric tons of CO ₂ equivalent (CO ₂ , CH ₄ , HFCs, PFCs included) | 2,772 MtCO ₂ e |
| 305-2 | Gross location-based energy indirect (Scope 2) GHG emissions under operational control in metric tons of CO ₂ equivalent (CO ₂ , CH ₄ , HFCs, PFCs included) | 3,533 MtCO ₂ e |
| 305-2 | Gross market-based energy indirect (Scope 2) GHG emissions under operational control in metric tons of CO ₂ equivalent (CO ₂ , CH ₄ , HFCs, PFCs included) | 274 MtCO ₂ e |
| 305-3 | Gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent (CO ₂ , CH ₄ , HFCs, PFCs included) | 6,800 MtCO ₂ e |
| 305-4 | GHG emissions intensity ratio for the organization (CO ₂ , CH ₄ , HFCs, PFCs included) | Market-Based Location-Based 6 MtCO ₂ e/FTE 8 MtCO ₂ e/FTE |

*Anthesis Mosaic tool used for calculations/emission factors and EPA Ap 42: Appendix A used for conversions.

**Data extracted May 1, 2018 out of Measurable Environmental Management Platform and using EPA Ap 42: Appendix for conversions.

All data within this report is as of December 31, 2017 unless otherwise noted. GRI topic area headings as of 2016 refer to GRI reporting requirements published as of 2016. They do not indicate year of data reported.

GRI 401: EMPLOYMENT 2016

404-2

Benefits that are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant location of operation

Standard benefits include:

- Medical, dental and vision insurance
- Paid time off
- Flexible spending accounts
- Health savings account
- Adoption assistance
- Wellness program
- Telemedicine
- Parental leave
- Life and disability benefits
- 401k retirement plan with employer matching
- Continuing education and reimbursement
- Employee assistance program

The above benefits are available for all U.S.-based, full-time employees. U.S.-based part-time employees receive PTO on a prorated basis, are eligible for 401k and are eligible for the Employee Assistance Program.

The United States is considered the most "significant location of operations" due to the fact that over 50% of all international employees are based there. Other countries are not considered "significant locations of operation" because employees are spread throughout other countries, and are therefore not included in this data.

Engage with us

We value your feedback and welcome any questions, comments or suggestions on this report and our performance.

Please send your feedback to:

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San Francisco, California 94111 USA
+1 415 394 9000
sustainability@prologis.com

For more information, contact us at:

www.prologis.com
www.linkedin.com/company/prologis
www.facebook.com/prologis



Prologis team members celebrate IMPACT DAY 2017 in Solihull, UK.

Forward-looking statements

All data in this report is as of December 31, 2017 unless otherwise specified. The statements in this release 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 Prologis operates, management's beliefs and assumptions made by management. Such statements involve uncertainties that could significantly impact Prologis results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that

we expect or anticipate will occur in the future—including statements relating to rent and occupancy growth, acquisition activity, development activity, disposition activity, general conditions in the geographic areas where we operate, our debt and financial position—are forward-looking statements. 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 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. Some of the factors

that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust status and tax structuring, (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments (viii) environmental uncertainties, including risks of natural disasters. Prologis undertakes no duty to update any forward-looking statements appearing in this release.