Corporate Carbon Footprint Reporting

In 2016, we exceeded our corporate GHG reduction goal ahead of the 2020 deadline.

Prologis has been reporting our corporate GHG inventory annually since 2006 to The Climate Registry and to CDP. These widely recognized, voluntary and leading GHG registries help businesses measure, track and report annual GHG emissions. We understand our impacts in the broader context of sustainability and their direct causal impact on climate change. We have made several climate change related commitments, including our goal to reduce our corporate GHG emissions 20 percent by 2020 from a 2011 baseline. In addition, we are a signatory to CDP's Commit to Action.

In 2016, we met and exceeded our GHG reduction goal ahead of the 2020 deadline. Our 2011 baseline included fewer emission sources, and therefore we track our emission reduction goal based on the most complete data since that year (Scope 1 and Scope 2).

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

1. Natural gas
2. Refrigerants
3. Vehicle fleet
4. Purchased electricity
5. Business travel
6. Employee commute
7. Electricity consumption from data centers

- 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

We turn to carbon offset projects and Renewable Energy Credits (RECs) only after we have done everything we can to reduce our GHG emissions. We recognize the importance of these programs to make up for impacts we cannot currently mitigate. Therefore, we offset 100 percent of our 2016 Scope 1 GHG emissions with carbon offsets from the JB Hunt carbon offset project, which is industry-relevant because its mandate is to improve the efficiency of intermodal freight transport. We also purchased RECs through our partner, Renewable Choice Energy, to offset 97 percent of our 2016 purchased electricity from locally sourced projects in each region where our corporate offices are located. It should be noted that market-based emissions take into account purchased RECs, while location-based emissions do not.

For the past two years, we have partnered with Anthesis Mosaic to calculate our carbon footprint and track annual data. The results of our 2016 GHG Inventory reveal a 0.22 percent increase in location-based emissions from 2015 to 2016. Scope 1 emissions increased 10 percent, while Scope 2 emissions decreased 14 percent. In 2016, Scope 3 emissions increased due to addition of data center emissions to our inventory and variability of response to our employee commute survey from the previous year.

GHG CHANGES

	2014-2015 $MtCO_2e$	2015-2016 $MtCO_2e$
Scope 1	-197	+227
Scope 2	-607	MB: -1970 LB: -656
Scope 3	-1,999	MB: +340 LB: +461
Total	-2,803	MB: -1402 LB: +32
$MtCO_2e$*/FTE	-3	0

MB=market-based, LB=location-based

We report our operational carbon footprint to the CDP, and our Scope 1, 2 and 3 emissions are verified independently by LRQA. See page 31 for our Assurance Statement.

GHG EMISSIONS SUMMARY