



Green Financing Framework

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PROLOGIS®

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Introduction and Background

Overview

Prologis, Inc. (“Prologis” or the “company”) is a leading global logistics real estate company. The company leases distribution facilities to customers in the business-to-business and retail/online fulfillment categories. Prologis was founded in 1983 and is headquartered in San Francisco, California.

Prologis manages its business on an owned-and-managed basis, including properties wholly owned by Prologis, L.P., owned by our co-investment vehicles, any of our private funds or other affiliates. The company operates properties on an ownership-blind basis, such that the management policies, including those relating to sustainability, apply to all of the properties the company manages whether held by a co-investment vehicle, private fund or directly by Prologis.

Sustainability Strategy

Prologis’ sustainability strategy has a strong focus on minimizing the negative environmental impacts of its logistics real estate facilities and corporate offices, with a core objective of improving energy efficiency and reducing corporate greenhouse gas (“GHG”) emissions. Prologis establishes goals, tracks progress and reports outcomes across the company’s portfolio through an Environmental, Social, and Governance (“ESG”) framework:

- **Environmental** - impact of the portfolio and operations;
- **Social** - relationships with employees, customers, investors and communities; and
- **Governance** - organizational policies, procedures and practices.

Prologis seeks to do the following, in line with the company’s operating and development strategies:

- Develop energy-efficient buildings that reduce operating costs;
- Meet recognized sustainable development standards; and
- Reduce the company’s environmental footprint.

Our mission is to be the leading logistics real estate company as measured by customer service, employee engagement, financial performance, and balance sheet strength. Our values guide how we work with our customers, colleagues, and communities. We focus on customer-focused sustainability and energy solutions, innovation, and a strong culture of inclusion and diversity.

Commitment to Net-Zero

In 2018, we became the first logistics REIT with an approved science-based target. In June 2022, we increased our ambition and announced a goal to achieve net-zero emissions across our operations and value

chain by 2040. This goal encompasses Scope 1, 2 and 3 emissions and includes several interim targets to support our progress, including:

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

Our net-zero goal is aligned with the Science-Based Targets initiative’s (“SBTi”) Net-Zero Standard. It makes us a better partner to our customers, who are also working to reduce their carbon footprints.

To begin to achieve carbon neutral construction in every building built or redeveloped, we minimize construction waste and use smart building design, new construction technologies and lower-impact materials, which reduce embodied carbon emissions. We are also increasing our use of circular design principles (e.g., reuse, refurbish, recycle) into new construction, for example using circular, bio-based and cradle-to-cradle materials. In some cases, we use a digital material passport to catalog materials and components used, making it easier to reuse them at the end of the building’s life.

It is anticipated that energy consumption across our industry will continue to rise in line with increased demand for building electrification, automation of warehouse

operations and fleet decarbonization. We can optimize energy use and minimize GHG emissions by:

- Operating buildings more efficiently (electrification, LED lighting, cool roofs, etc.)
- Generating and delivering renewable energy to our customers to support their operations, including their use of electric vehicles (“EVs”)
- Pursuing sustainable building certifications for all new developments and redevelopments

Approach to Sustainable Building Certifications

In June 2021, we committed that every eligible project¹ approved by our investment committee will achieve a sustainable certification. A building can achieve a sustainable certification once it is built and substantially occupied. These sustainable certifications (including LEED, BREEAM, CASBEE, DGNB and WELL) drive decisions related to site selection; building materials; biodiversity; energy and water efficiency; and indoor environmental quality. Prologis strives to achieve high levels of certification within each standard; however, the methodology/scoring systems of certain standards can make achieving higher levels more challenging for industrial properties vs. other real estate segments and building types.

Our focus on achieving sustainable certifications does not limit our acquisition strategy—we do not let the fact that an existing building may not be certified impact our decision to acquire that building. Rather, we manage the newly acquired building efficiently and look for opportunities to make sustainable upgrades. If we fully redevelop the property, we seek a sustainable certification at that time.

To support our sustainable certification goal and our net-zero goal, we updated our design standards for new buildings and retrofits: every eligible development or redevelopment will be rooftop-solar ready. In addition, where feasible, we require the installation of more efficient lighting and the electrification of onsite equipment. For new construction, a lifecycle analysis of the GHG impacts of the building must be completed and the building must be made EV-charging ready. Given the large size and global reach of Prologis, the process to certify our buildings does vary greatly, however with our commitment to our design standards we remain focused on reducing energy use and improving emissions performance across our portfolio.

For more information on Prologis’s sustainability strategy, including allocation reports from prior Green Bond issuances, please visit our website: <https://www.prologis.com/sustainability>.



1. Due to customer requirements and/or the limitations of certain co-development agreements, a small number of projects are ineligible to receive a sustainable certification

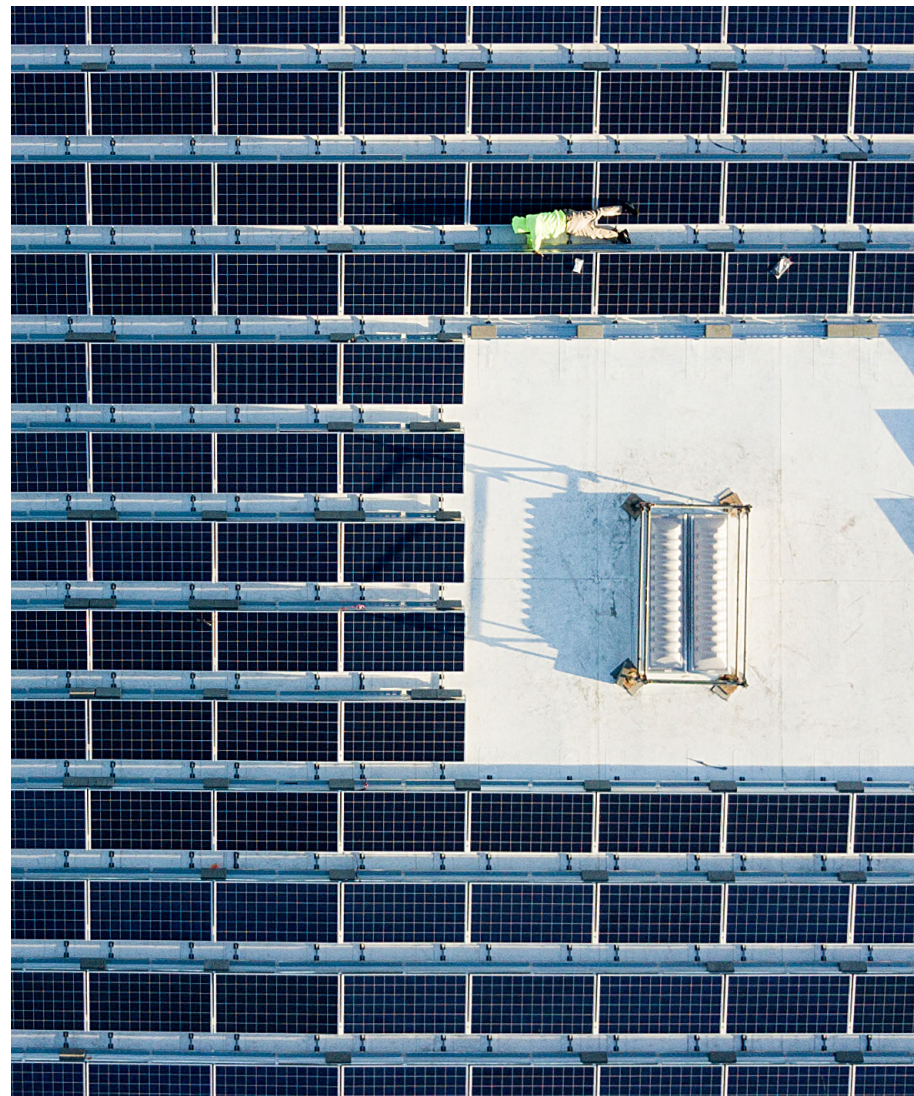
Green Financing Framework

Scope

In accordance with our climate strategy, this Green Financing Framework (the “Framework”) outlines how we fund projects that enhance sustainability and minimize environmental impact. Prologis, via Prologis, L.P., its public co-investment vehicles, any of its private funds or other affiliates, may issue bonds, notes, credit facilities, loans and placements in line with this Framework (each a “Green Financing”). Prologis’ issuers of potential future Green Financings in line with this Framework are set forth in the list of Prologis Green Financing Issuers, which will be posted on our website and may be updated from time to time².

This Framework aligns with the latest versions of the Green Bond Principles 2021 (“GBP”) administered by the International Capital Market Association (“ICMA”), and the Green Loan Principles 2023 (“GLP”) administered by the Loan Market Association (“LMA”), and their four core components:





- 1. Use of Proceeds;**
- 2. Process for Project Evaluation and Selection;**
- 3. Management of Proceeds; and**
- 4. Reporting**



Use of Proceeds







Prologis intends to allocate an amount equal to the net proceeds of any Green Financing to finance or refinance, in whole or in part, new and/or existing Eligible Green Projects. “Eligible Green Projects” include new or existing investments and expenditures made by Prologis, including its public co-investment vehicles, any of its private funds or other affiliates, up to 24 months preceding the date of the Green Financing issuance in the following categories.

Eligible Green Projects

| GBP ELIGIBLE PROJECT CATEGORY | ELIGIBILITY CRITERIA | UN SDG ALIGNMENT ³ |
|----------------------------------|--|---|
| Green Buildings | <p>New, existing, or refurbished buildings which meet one of the below criteria:</p> <ul style="list-style-type: none"> Have received or are expected to receive at least one of the following green building certifications: <ul style="list-style-type: none"> LEED: Platinum, Gold, or Silver DGNB: Platinum or Gold BREEAM: Outstanding, Excellent, or Very Good CASBEE: S, A, or B+ DBJ Green Building Certification: 5 or 4 BELS: 5 or 4 EPC: A or B BOMA BEST: Platinum, Gold, or Silver Energy Star: minimum of 75 Have achieved or are expected to achieve, after refurbishment a reduction of energy use or carbon emissions of at least 30% Rank in the top 15% of buildings in their geographic region based on either energy efficiency or carbon emissions |   |
| Renewable Energy | <p>Investments in the acquisition, development, construction and/or installation of:</p> <ul style="list-style-type: none"> Renewable Energy power generation Equipment, technology, and infrastructure dedicated to the storage, transmission, distribution or interconnection of electricity from Renewable Energy Purchase of Renewable Energy under medium- and long-term (minimum of 5 years) power purchase agreements or virtual power purchase agreements <p>Renewable Energy includes:</p> <ul style="list-style-type: none"> Wind Solar Geothermal with life cycle emissions lower than 100gCO₂/kWh Tidal power |   |

3. United Nations Sustainable Development Goals: <https://sdgs.un.org/goals>

Eligible Green Projects (continued)

| GBP ELIGIBLE PROJECT CATEGORY | ELIGIBILITY CRITERIA | UN SDG ALIGNMENT ³ |
|--|---|---|
| Energy Efficiency | <p>Investments or expenditures in equipment, technology and infrastructure that reduce energy consumption and/or enable the integration and deployment of renewable energy technologies, including:</p> <ul style="list-style-type: none"> – Energy systems investments such as: <ul style="list-style-type: none"> – Advanced Metering Infrastructure (AMI) or smart meters, load control systems, sensors or building information systems – Electricity storage, transmission or distribution investments dedicated to electric vehicle charging and other electric fleet infrastructure – Front-of-the-meter electricity storage – Front-of-the-meter transmission, distribution and interconnection investments that maintain or enhance renewable energy capacity on the grid⁴ – Equipment, technology and infrastructure that improve energy efficiency by at least 20% such as: <ul style="list-style-type: none"> – Energy efficient lighting (e.g. LED) – Energy efficient roof improvements (e.g. cool roofs and green roofs) and sustainability-oriented construction materials (e.g. low U-value insulation products, high performance insulation) – Energy efficient heating, ventilation, air conditioning (HVAC) including ground or air source electric heat pumps, refrigeration, and electrical equipment and control software systems <p>Expenditures under this category will exclude investment in equipment or technologies that are powered directly by fossil fuels</p> |   |
| Clean Transportation | <p>Investments in the development, construction and/or installation of low or zero-carbon transport infrastructure, such as:</p> <ul style="list-style-type: none"> – Electric vehicle charging stations – Transport and cycling facilities, such as cycling lanes or bicycle storage |  |
| Circular Economy and Pollution Prevention & Control | <p>Procurement of:</p> <ul style="list-style-type: none"> – Recycled building materials such as concrete, glass, steel, asphalt, and other composites for new construction and refurbishments – Low-carbon building materials for use exclusively in Green Buildings as defined in this Framework |    |

4. Where feasible, Prologis intends to identify investments that are eligible under or aligned with regional sustainable finance taxonomies and clean energy policies/regulations such as the EU Taxonomy or the U.S. Inflation Reduction Act.

Process for Project Evaluation and Selection

Projects to which an amount equal to the Green Financing net proceeds are intended to be allocated are evaluated and selected based on compliance with the eligibility criteria set forth under the section “Use of Proceeds” by the Prologis Green Financing Committee (the “Committee”). The Committee is comprised of members of Prologis’ Global Environmental, Social and Governance department together with members of Prologis management as applicable. The individuals on the Committee may vary based on region.

Prologis intends to prioritize allocations to Eligible Green Projects that deliver demonstrable environmental benefits, particularly climate change mitigation. Where feasible and relevant, for the green building category Prologis intends to allocate to buildings that receive the top two levels of the respective green building certification.

Prologis utilizes a dynamic risk oversight process to identify, evaluate and manage risks across our enterprise, including ESG-related risks such as climate change. By embedding ESG and risk management throughout the organization, Prologis evaluates the material risks and opportunities associated with climate change. Additionally, the Prologis Code of Ethics and Business Conduct⁵, Human

Rights Policy⁶, Supplier Code of Conduct⁷ and ESG Policy Statement⁸ will help mitigate potential environmental and/or social risks associated with the Eligible Green Projects.

Management of Proceeds

So long as any Green Financing remains outstanding, the Prologis Green Financing Committee will maintain an internal registry to show an amount equal to the net proceeds from the issuance of each Green Financing as allocated to Eligible Green Projects. Prologis will strive, as long as Green Financings are outstanding, to achieve a level of allocation for the Eligible Green Projects which matches or exceeds the balance of an amount equal to the net proceeds from its outstanding Green Financings. If any Eligible Green Project receiving allocation is deemed no longer eligible under our Framework, Prologis will reallocate to other Eligible Green Projects on a best efforts basis.

Pending the allocation of an amount equal to the net proceeds of a Green Financing to Eligible Green Projects, all or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities.

Reporting

Within a year of issuance of the applicable Green Financing, Prologis will provide information on the allocation of an amount

equal to the net proceeds to Eligible Green Projects and where feasible, the impact of such allocated proceeds. The allocation of an amount equal to the net proceeds of each outstanding Green Financing will be reported using either a bond-by-bond or portfolio approach. This reporting will be updated annually until full allocation, and in the case of any material changes, and will be available on Prologis’ website⁹ for the lifetime of the relevant Green Financing.

Allocation Reporting

Prologis intends to report the allocation of an amount equal to the net proceeds to Eligible Green Projects at least at the category level and on an aggregated basis for all Green Financings, for so long as such Green Financing remain outstanding.

To the extent practicable, Prologis will provide information such as:

- The amount of net proceeds outstanding from each Green Financing;
- The total amount allocated to Eligible Green Projects;
- List of Eligible Green Projects receiving allocation from outstanding Green Financings; and
- The balance of unallocated proceeds (if any).

5. https://www.prologis.com/sites/default/files/documents/2017/03/Code_of_Ethics.pdf

6. <https://prologis.getbynder.com/m/28d61f41470def31/original/Prologis-Human-Rights-Policy.pdf>

7. <https://www.prologis.com/sites/default/files/documents/2017/03/Prologis-Supplier-Code-of-Conduct.pdf>

8. <https://www.prologis.com/sites/corporate/files/documents/2021/06/prologis-esg-policy-statement.pdf>

9. <https://www.prologis.com/sustainability/green-bonds>

Impact Reporting

Where feasible, Prologis will adopt the guidance in The Harmonized Framework for Impact Reporting (June 2023) and plans to report one or more core metrics determined most relevant for Eligible Green Projects. The Impact Report will include, on a best efforts basis, (i) quantitative environmental impacts of Eligible Green Projects, and (ii) case studies with additional information on highlighted projects. Impact metrics may include, but are not limited to:

| GBP ELIGIBLE PROJECT CATEGORY | POTENTIAL IMPACT METRIC |
|--|---|
| Green Buildings | <ul style="list-style-type: none"> – Green building certification and level obtained – % of energy use reduced/avoided vs. a baseline – % of carbon emissions reduced/avoided vs. a baseline – % of water reduced/avoided vs. a baseline |
| Renewable Energy | <ul style="list-style-type: none"> – Annual GHG emissions reduced/avoided in tons of CO₂e – Annual renewable energy generation in MWh |
| Energy Efficiency | <ul style="list-style-type: none"> – Energy consumption (kWh) – Annual energy savings (MWh pa) – Annual GHG emissions reduced/avoided – Annual GHG emissions per total property footprint in kg or tons of CO₂e per square meter |
| Clean Transportation | <ul style="list-style-type: none"> – Number of new infrastructure projects deployed that support clean transportation |
| Circular Economy and Pollution Prevention & Control | <ul style="list-style-type: none"> – Embodied GHG emissions reduced – Amount of building materials waste that is prevented, minimized, reused or recycled – # or % of lower-carbon and/or recycled building materials used at select sites |

External Review – Second Party Opinion

Prologis has commissioned Sustainalytics to conduct an external review of its Green Financing Framework, and to issue a Second Party Opinion (“SPO”) on the Framework’s environmental credentials, and its alignment with the ICMA Green Bond Principles 2021, LMA Green Loan Principles 2023 and market practices. The SPO will be made available on Prologis’ website.

Post-Issuance Verification

Prologis intends to receive a report from an independent accountant attesting to its examination of management’s assertion of the allocation of an amount equal to the Green Financing net proceeds to the Eligible Green Projects.



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