

Environmental, Social and Governance (ESG) Policy

Policy Scope

This policy applies to all Prologis operations and assets including all Prologis Strategic Capital funds, without regard to ownership.

Purpose

This policy formalizes our longstanding commitment to responsible environmental, social and governance (ESG) practices, including their integration into our investment processes.

Key Principles

- **Business integration** – We integrate ESG into our business strategy, goals, policies and systems-to manage risk, promote resilience and create business value. ESG performance drives innovation, expands our value proposition, deepens stakeholder relationships, attracts and retains top talent and reduces our capital costs through ESG-related financing.
- **Value creation and innovation** – Our ESG strategy is to improve the resilience and efficiency of the global supply chain, which creates significant value for our customers, investors and the communities where we operate. This includes innovating and investing in sustainable building materials and developing and delivering sustainable logistics products and services.
- **Opportunity and risk management** – Our ESG performance creates a range of business opportunities, including in customer-focused innovation; community resilience; economic impact; recruitment and retention; and diversity, equity, inclusion and belonging. Our approach to risk management is guided by ESG principles. This includes how we review key investment decisions; develop and implement company policies; and assess potential climate risk impacts.

Oversight and Implementation

By [charter](#), the Board Governance and Nomination Committee oversees ESG matters and updates the Prologis board of directors on ESG developments. The Global ESG department reports to our chief energy and sustainability officer, who is a member of our Executive Committee and reports to our president. Our global leaders; regional ESG leaders and committees; and every Prologis employee help deliver on our ESG aspirations.

Our ESG goals are informed by input from our stakeholders, including through a periodic materiality assessment; reviewed and approved by senior management; and implemented by teams across our organization. We use data systems to track our progress, and publicly report on our performance.

To drive accountability, a portion of our employee bonus scorecard is linked to quantitative ESG metrics. Details may be found in our [latest Proxy Statement](#).

Environmental Sustainability

Our focus: Build a portfolio of modern, efficient assets in strategic locations; stay ahead of our customers' needs; minimize our impact on the environment; and address climate change risk including through our work to achieve net-zero greenhouse gas emissions by 2040 across Scopes 1, 2 and 3. Within new developments and existing assets, help our customers reduce their energy use and emissions and provide them with energy efficient building features, onsite energy generation, energy storage and mobility solutions.

Our actions:

- **Customer decarbonization solutions.** We provide our customers with decarbonization solutions such as on-site solar, battery storage, efficient HVAC, electric heat pumps and electric vehicle (EV) infrastructure to help them reduce carbon emissions from their operations.
- **Management system.** We work to ensure compliance with relevant environmental laws and regulations. We implement, maintain and improve our global Environmental Management System (EMS) for development activities, in accordance with the requirements of ISO 14001:2015. We report on GHG emissions across our operations and value chain, and set and work to achieve our net-zero commitment.
- **Sustainable buildings.** We update our building specifications to advance sustainable building design. Building features can include LED lighting, solar-ready roofs, the use of lower-carbon construction materials, decreased water and energy usage, and circular design principles. We perform life cycle assessments on development projects to identify opportunities to reduce greenhouse gas emissions over the life of the asset. We achieve sustainable building certifications for eligible new developments and redevelopments, and incorporate efficient, cutting-edge technology to benefit our customers.
- **Biodiversity.** We manage impacts on biodiversity, including identifying opportunities to enhance biodiversity across our portfolio and in the communities where we operate. This includes completing Environmental Impact Assessments as part of the land procurement and entitlement process and performing appropriate assessments of impacts to ecologically significant habitats.
- **Climate risk.** We complete physical climate risk assessments across our portfolio to identify actions that can increase resilience and reduce potential impact, including impacts on our customers' operations. We identify and deploy innovative measures to enhance the resilience of our buildings to potential changes in the climate or the environment.

Social Impact

Our focus: Strengthen relationships with our key stakeholders by investing in our employees and partnering with our customers, communities, investors and suppliers. Work with local leaders and organizations to provide job training programs; promote community health and safety; and enhance recreation and transit infrastructure.

Our actions:

- **Stakeholder engagement.** We consult with stakeholders and incorporate their feedback, including through investor and customer meetings, ESG materiality assessments and entitlement processes.

- **Inclusive workforce.** We engage with our employees to provide a challenging, dynamic, inclusive and diverse work environment that supports their professional development and promotes their well-being. Our commitment and policies related to diversity, equity, inclusion and belonging (DEIB), including policies on non-discrimination and anti-harassment, are outlined in our [Code of Ethics & Business Conduct](#) and [Global Human Rights Policy](#).
- **Health and Safety.** We engage suppliers, customers and employees around safety, health and wellness. We develop disaster response plans in coordination with local authorities.
- **Human Rights.** We promote the protection of human rights and welfare within our own operations and across our supply chain in accordance with our [Global Human Rights Policy](#), [Code of Ethics & Business Conduct](#), [Supplier Code of Conduct](#) and our [UK Modern Slavery & Human Trafficking Act Policy](#).
- **Community Impact.** We support initiatives that benefit economic development, the environment, human welfare and education. This includes skills training programs that build workforce talent pipelines for our customers; economic development that makes the communities where we operate more resilient; employee volunteering; and philanthropy. We help our customers attract logistics workers through property features that support health and wellbeing, including recreation and transit infrastructure.

Governance and Ethics

Our focus: Promote strong oversight, transparency and risk management at all levels of our organization to protect resilience and preserve long-term business value.

Our actions:

- **Oversight and accountability.** We maintain strong corporate governance practices through board stewardship, management accountability and proactive risk management. We establish clear and effective ESG governance.
- **Ethics and compliance.** We maintain high ethical standards through our [Code of Ethics & Business Conduct](#). We regularly review our ethics policies and performance as well as our required annual ethics training for all employees and executive leadership. We also monitor new ESG- and climate-related regulations and integrate them into our planning.
- **Charitable contributions and political accountability.** All charitable contributions are subject to pre-clearance according to the Prologis Policy on Charitable and Other Non-Profit Giving. The Prologis [“Participation in the Political Process” Policy](#) outlines our governance and disclosure approach and prohibits the use of corporate funds or assets to support U.S. federal or state candidates or political parties without the prior approval of our Ethics Committee.
- **Risk management.** We mitigate risk exposure and build resilience to climate change, cybersecurity threats, natural disasters and other uncertainties. Actions include monitoring risks to our portfolio and business and updating our strategies, processes and employee training accordingly.
- **Stakeholder engagement.** We build strong stakeholder relationships through transparency and open, two-way communication.
- **Responsible tax.** We comply with tax law in all operating countries. We support the principles of openness and transparency with tax authorities.

Responsible Investment

Our focus: Integrate the fundamental principles of ESG, as stated in this policy, when considering investment decisions and managing our investments.

Our actions:

- **Integration.** Consistent with the Prologis One Portfolio Policy, under which we operate the Prologis owned and managed portfolio on an ownership-blind basis, we incorporate ESG principles into: investment due diligence and analysis; decision-making processes; and ownership policies, practices and asset management (including budgeting and hold/sell considerations). This includes incorporating ESG considerations, such as our commitment to achieve net-zero greenhouse gas emissions across Scopes 1, 2 and 3 by 2040, into our standard Investment Committee evaluation process for all significant developments, acquisitions and dispositions. This also includes implementation of our Energy, Mobility and Sustainability program across the Prologis portfolio.
- **Operation.** Through the Energy, Mobility and Sustainability solutions we provide, we support the efficient operation of our assets to help our customers reduce costs, attract qualified workers, reduce negative environmental impacts and achieve their business and sustainability goals. To provide Energy, Mobility and Sustainability solutions in a consistent way, Prologis may invest in and own the projects or improvements. To do this, Prologis may enter into arms-length agreements for site access with Prologis-managed funds and joint ventures (Strategic Capital funds) without the need for additional approvals, except where required under terms of legacy Strategic Capital funds. New Strategic Capital funds will be subject to this ESG Policy and will utilize then-existing site compensation frameworks where relevant. These agreements may help create incremental revenue opportunities for Strategic Capital funds, including attracting higher rents, increasing customer satisfaction and retention, increasing occupancy, reducing void periods and potentially improving overall performance.
- **Transparency.** We disclose our ESG policies and performance and seek appropriate disclosure of ESG policies and performance by the entities in which we invest. This includes the evaluation and disclosure of sustainability risks in accordance with the relevant articles of the EU Sustainable Finance Disclosure Regulation (2019/2088).
- **Industry leadership.** We promote acceptance and implementation of ESG principles within our industry and across our value chain (i.e. suppliers, customers, employees, communities, etc.).

Monitoring and Enforcement

- Prologis seeks to proactively prevent and mitigate instances of non-compliance with this policy. We make this policy available to our stakeholders to raise awareness of our commitment to ESG and sustainability. If an employee or external party has an ethics- or human rights-related question or concern, they are encouraged to contact the Ethics Helpline, a confidential 24-hour hotline and grievance mechanism. More information can be found in our [Code of Ethics and Business Conduct](#). If an employee or external party has a safety-related question or concern, they are encouraged to contact our Safety Helpline: 1-833-SAFE-PLD in the U.S. and Canada; additional numbers are listed on our company intranet.

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