

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.

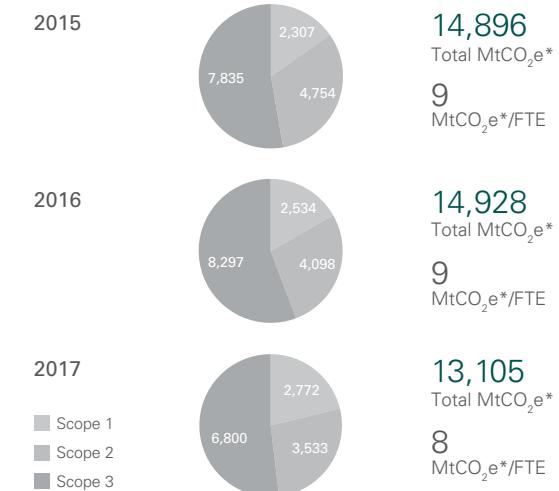
We report our operational carbon footprint to CDP, and our Scope 1, 2 and 3 emissions are verified independently by Lloyd's Register Quality Assurance. See page 42 for our external assurance statement.

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)