

# Corporate Carbon Footprint Reporting

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.

Prologis exceeded our CDP Industry Group Average of 87 by 11 points. We also improved our CDP Disclosure Score by 12 points year-over-year, moving from 86 to 98. The Disclosure Score measures a company's level of transparency in its response. Our improved score demonstrates our commitment to transparency and disclosure in quantifying impacts related to our corporate operations and real estate portfolio.

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. Carbon offsets invest in real, on-the-ground projects that would not move forward without

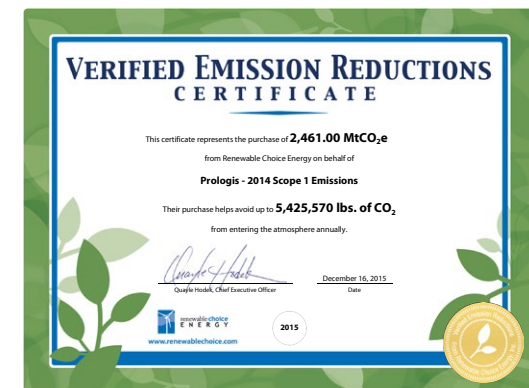


Prologis Park Terra Francesco, Ontario, California.

carbon financing. Typically, these projects have sustainability benefits beyond reducing GHG emissions, such as improving air quality, human health, energy consumption and more. RECs are a mechanism for purchasing renewable energy that is either added to or pulled from the grid.

In 2015, we offset 100 percent of our 2014 Scope 1 GHG emissions with carbon offsets from the JB Hunt Intermodal carbon offset project, which is industry-relevant because its mandate is to improve the efficiency of intermodal freight transport. In 2015, we purchased RECs through our partner, Renewable Choice Energy, to offset 100 percent of our 2014 purchased electricity for our Denver and San Francisco offices.

**100%**  
of 2014 headquarter offices' Scope 1 GHG emissions and purchased electricity offset by the purchase of carbon offsets and Renewable Energy Credits



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

- Scope 1: Direct emissions from sources owned or controlled by Prologis, such as natural gas used to heat our offices, fugitive emissions from refrigerants and the gasoline used in our vehicle fleet
- Scope 2: Indirect emissions associated with consumption of purchased electricity and gas
- Scope 3: All other indirect emissions not included in Scope 2, such as business travel (air travel, rental cars, hotels and public transportation), personal vehicle use for business travel and employee commute

In 2015, we partnered with Anthesis Mosaic to calculate our carbon footprint and track data annually in their web-based platform. The platform performs all of the conversions and calculations necessary to turn our raw data into a GHG inventory that is compliant with international protocols. As part of our process to develop the 2015 inventory, we assessed each methodology and calculation and made several changes to make the entire process more efficient going forward.

### Greenhouse Gas Emissions Summary

	2013	2014	2015	Change from 2014 to 2015
<b>Scope 1</b>	2,159	2,461	2,264	-197
<b>Scope 2</b>	5,796	5,361	4,754	-607
<b>Scope 3</b>	8,231	9,834	7,835	-1,999
<b>Total</b>	16,186	17,656	14,853	-2,803
<b>MTCO<sub>2</sub>e* / FTE</b>	11	12	9	-3

\*Metric Tons of Carbon Emissions (MTCO<sub>2</sub>e)

Given the confidence in our 2015 inventory in terms of accuracy and completeness, and that we are quickly approaching 2020, we plan to change our baseline year to 2015 and extend our goal to 2025. Over the next few months we will conduct an in-depth assessment of our emissions and reduction trends and possibly set a science-based target. We will also recalculate all previous inventories to ensure consistency looking back and going forward and to help in setting a more meaningful goal for 2025. To meet our new goal, we will continue to identify and implement sustainable business practices and further engage our employees in our sustainability initiatives and emissions reduction strategies.

The results of our 2015 GHG inventory, without the recalculation of the previous

inventories, reveal a 16-percent decrease in emissions from 2014 to 2015. Scope 1 emissions decreased 8 percent, while Scope 2 emissions decreased 11 percent. Revised methodologies play a significant role in these reductions and will be better assessed after our recalculation. Scope 2 emissions reductions related to office electricity can be attributed partly to completion of our data center consolidation project and the positive effects of employees taking simple steps to save energy, such as turning off lights and monitoring building temperatures.

We report our operational carbon footprint to the CDP, and our Scope 1, 2 and 3 emissions are verified independently by DNV GL. See page 48 for our Assurance Statement.