



2023-24

# ESG Report

**PROLOGIS**<sup>®</sup>





Prologis Chicago 10 Mural, Chicago, Illinois.

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## About this report

This report describes the performance of Prologis' portfolio as of December 31, 2023: approximately 1.2 billion square feet of properties and development projects that we owned or had investments in, on a wholly owned basis or through co-investment ventures. This report also describes the 10 co-investment vehicles in our [Strategic Capital](#) business. We include some highlights from early 2024.

This report focuses on the topics identified by our 2024 ESG materiality assessment, and was prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021 and aligns with the Sustainability Accounting Standards Board (SASB) 2023 Real Estate Standards; the Task Force on Climate-related Financial Disclosures (TCFD); and the Greenhouse Gas Protocol. LRQA, Inc. has provided limited assurance using the AA1000 AccountAbility Principles (AA1000AP 2018).

We welcome comments and encourage feedback. Please email [esg@prologis.com](mailto:esg@prologis.com).

**I've said this many times, and it remains true: At Prologis, we focus on and invest in environmental, social and governance because it makes good business sense.**

More efficient buildings with features such as solar, energy storage and electric vehicle charging bring our customers a range of benefits. These services and features also enhance the value of our real estate, a priority for our investors. All of this will help us achieve net-zero greenhouse gas emissions by 2040.

We're also creating social and community value through the jobs we support and from the economic value we create — more than 1 million people work under a Prologis roof every day. As a long-term owner, we value long-term relationships with the people in the communities where we do business. That means we listen and respond to their feedback and create programs and partnerships, such as the Morehouse College Real Estate Institute, PARKlife and Space for Good.

Our focus on good governance goes back to our founding some 40 years ago. Our culture is a key driver, as is our drive to stay ahead of what's next. Our policies, systems and processes encourage integrity, accountability and sound decision-making across our company. We spend significant time and effort fostering a culture of inclusion and belonging, which we believe helps us attract and retain the talent we need to implement our business plan. Finally, we set bold targets and base our decisions on data. When we know how our buildings are being used, we can better serve our customers. This remains a continuing area of focus.

This ESG report describes our 2023 performance, outlines our continuing priorities and shows where we are headed. In the past year:

- We achieved more than 500 megawatts (MW) of installed solar and energy storage capacity.
- Our net-zero goal was validated by the Science Based Targets initiative.
- Prologis employees gave more than 16,400 hours of their time to community organizations.
- We announced a \$3 million donation to Morehouse College to create an endowed fund for the new Morehouse Real Estate Institute (MREI).

These and many other highlights are a source of pride for our people and demonstrate our continuing commitment to leadership — in our industry and beyond.

Driven by our innovative employees, guided by our customers' priorities and aligned around a clear vision, we look forward to the future with tremendous optimism.

Thank you for your interest in – and engagement with – Prologis. We welcome your input and ideas.

Sincerely,

Hamid R. Moghadam  
Co-Founder, Chairman and CEO



“  
**We set bold targets and base our decisions on data.**  
”

Hamid R. Moghadam

**At Prologis, we are driven by a powerful purpose: to empower a thriving future for our customers, communities and the planet. We recognize our impact and are committed to addressing emissions from our operations and value chain to lead in decarbonization and sustainable logistics.**

As Prologis' chief energy and sustainability officer, my mission is to turn our commitment into reality by leading our customers as their partner in decarbonization, supporting the communities we serve and delivering strong results for our shareholders.

Our unique scale allows us to drive meaningful change across the entire supply chain. This ESG report serves as a roadmap for our journey toward resilient and responsible operations.

**Driving Decarbonization: Partnering for a Net-Zero Future**

We are deeply committed to addressing emissions across our operations and value chain. We see ourselves as a decarbonization partner for our customers and utilities. By providing innovative and sustainable warehousing solutions, we empower customers to achieve their environmental goals. We collaborate with utilities to support their clean energy initiatives, working together towards a more sustainable future.

**Technology and Innovation: Catalysts for Sustainability**

Technology and innovation are at the forefront of our sustainability strategy. We made significant progress toward our goal of 1 gigawatt (GW) of installed solar and storage capacity by 2025, reaching over 500 MW in 2023. Our Prologis Mobility program charged 22% of California's registered Class 8 electric trucks at our sites and has electrified over 2 million miles of clean transportation. We are constantly identifying and implementing new technologies to further decarbonize our operations and push the boundaries of sustainability within our industry.

**Beyond the Building: Building Strong Communities**

We remain steadfast in our commitment to transparency, continuous improvement and a culture of sustainability, both within Prologis and in the communities where we do business.



“  
**Our unique scale allows us to drive meaningful change across the entire supply chain.**  
”

Susan Uthayakumar

Our employees are a driving force behind our success, contributing over 16,400 volunteer hours in 2023 and propelling us towards our goal of 75,000 hours by 2025. Through our Community Workforce Initiative, we trained nearly 8,800 individuals in 2023, addressing the logistics talent gap while creating economic opportunities in the communities we call home.

The road ahead demands continued innovation and collaboration. But with a shared vision and unwavering commitment, we will create a more sustainable future, not just for ourselves, but for generations to come. We look forward to making further progress on our goals, together.

Sincerely,

Susan Uthayakumar  
Chief Energy and Sustainability Officer



# Overview of Our Business

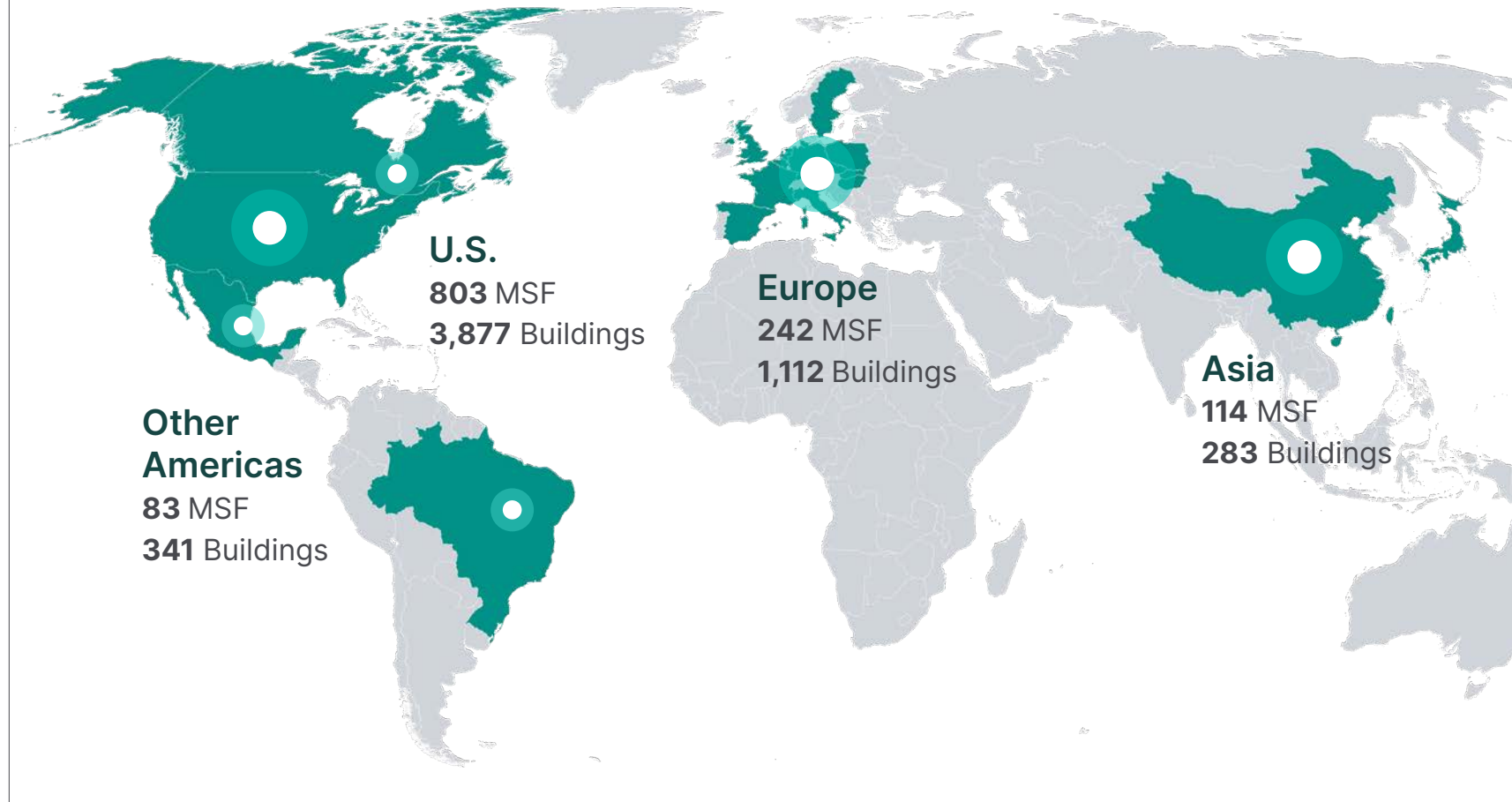




# Prologis at a glance

Prologis is the global leader in logistics real estate. Our more than 5,600 facilities serve some 6,700 customers in key global and regional markets. Through the Prologis Essentials platform, we help our customers address their operations and energy + sustainability needs.

## Our Global Portfolio



## By the Numbers

**6,700**  
customers

**\$219B**  
assets under management (AUM)

**10**  
investment vehicles through our Strategic Capital business

**#65**  
on the S&P 500 Index

**A3/A**  
credit ratings<sup>1</sup>

**1.2 BSF**  
of space in 19 countries

**8,630-acre**  
land bank

**2.8%**  
of the world's GDP flows through our buildings each year

**~2,570**  
employees around the world

**53**  
net promoter score<sup>2</sup>

1. From Moody's and S&P, respectively. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.  
 2. Net Promoter Score (NPS) is an indicator of customer loyalty, ranging from -100 to +100. A higher score is desirable.



**Vision, mission and values**

Our vision is "enduring excellence." Our mission is to be the leading logistics real estate company in terms of customer service, employee engagement, financial performance and balance sheet strength. Our core values are Integrity, Mentorship, Passion, Accountability, Courage and Teamwork (IMPACT).

**Strategy**

We develop, own, lease and manage properties in the world's most vibrant centers of trade and commerce: markets that have high growth potential and are difficult to penetrate.

By implementing this strategy, we make the global supply chain stronger and more efficient. This is consistent with environmental, social and governance principles: Efficient and well-planned logistics real estate reduces environmental impacts, creates social and economic benefits, reduces risks to our business, and increases revenue and recruitment opportunities.

**Real estate operations**

Our real estate operations include capital deployment, development and leasing. Put simply, we determine how best to invest in properties; we develop or improve those properties; and then we lease them out to customers in need of logistics space. In 2023, we achieved:

- \$1B in acquisitions covering nearly 7 MSF across six countries;
- \$3.63B of development starts;



Forklift at Prologis Irwindale Distribution Center, Irwindale, California.

- Weighted average net effective rent change of 61.2%; and
- Occupancy of 98% at year-end.

Our 8,630-acre land bank can support an estimated \$40B of future development. It allows us to build at the right time and in the right locations, optimizing the value we create for our shareholders.

**Strategic Capital**

Our strategic capital business gives institutional investors a unique opportunity to co-invest in the Prologis platform. We operate 10 co-investment vehicles: three

“  
**Well-planned logistics real estate reduces environmental impacts, creates social benefits, reduces risks and increases revenue opportunities.**  
 ”

open-ended funds, five private joint ventures and two Prologis-sponsored publicly traded funds, each with a track record of delivering industry-leading, risk-adjusted returns with a superior investor experience. At year-end 2023, these vehicles comprised approximately 40% of our assets under management (AUM).

**Prologis Essentials**

With our Prologis Essentials platform, we address some of the most critical challenges facing our customers by providing solutions in operations and energy + sustainability. With Essentials, our customers can maximize the value of the warehouse from day one.



# Year in review

## Forty years young

Prologis teams around the world celebrated our 40th anniversary as each of our six regions received \$40,000 from the Prologis Foundation to donate to nonprofits of their choice.



## Renewable energy

We surpassed 500 MW of installed solar and storage capacity across our portfolio.<sup>1</sup>



## World's first

Our Eindhoven DC4 warehouse in the Netherlands received a Zero Carbon Certification from the International Living Future Institute (ILFI), a first for an industrial building.



## Community service

Our employees donated more than 16,400 hours to community organizations in 2023, including more than 10,800 hours on our 11th annual IMPACT Day, a record number of hours for our annual global day of service.



## Record revenue

We earned a company record of \$8.02B in revenue in 2023, driven by the strength of our portfolio and business model.



## Targeted growth

We announced an agreement to acquire nearly 14 MSF of industrial properties from real estate funds affiliated with Blackstone for \$3.1B.



## Industry leadership

GROUNDBREAKERS, our signature thought leadership forum, focused on global supply chain opportunities in energy transition, workforce transformation and artificial intelligence. It received approximately 775,000 views worldwide, making it one of the premiere supply chain events in the world.



## Diversity in real estate

The Prologis Foundation announced a \$3M donation to Morehouse College to create an endowed fund for the new Morehouse Real Estate Institute (MREI).

1. Across our owned and managed portfolio.



# Goals and progress

GOAL	2023 PROGRESS	STATUS
<b>Net-zero emissions.</b> Achieve net-zero greenhouse gas emissions across our value chain by 2040 from a 2019 baseline. This goal has been validated by the Science Based Targets initiative.	Reduced Scope 1 emissions by 25%, Scope 2 emissions by 99%, <sup>1</sup> and Scope 3 emissions by 29% from our 2019 baseline.	On track
<b>Renewable energy.</b> Achieve 1 GW of installed solar and storage capacity by 2025.	Achieved 506 MW of installed capacity. <sup>2</sup>	On track
<b>Building certifications.</b> Achieve a sustainable certification for every eligible <sup>3</sup> new development and redevelopment.	Achieved, or in progress of achieving, sustainable building certifications for 96% of eligible <sup>3</sup> projects.	On track
<b>LED lighting.</b> Install LED lighting across 100% of new developments and redevelopments each year and across 80% of our portfolio by 2025. <sup>4</sup>	Achieved LED lighting across 74% of our portfolio. We will begin reporting on LED lighting in new developments in our 2025 ESG report. <sup>4</sup>	On track
<b>Workforce inclusion.</b> Achieve two DEIB certifications by 2025: <u>Management Leadership for Tomorrow's</u> "Black Equity at Work" and "Hispanic Equity at Work."	Completed a baseline assessment and submitted initial goals for the certification process.	On track
<b>Community engagement.</b> Achieve 75,000 hours of volunteer time supporting our local communities around the globe by 2025 (2019 baseline).	Donated 16,400 hours in 2023, bringing our total to approximately 54,500 hours donated since 2019.	On track
<b>Logistics workforce training.</b> Train 25,000 people in logistics by 2025 (2018 baseline) through our Community Workforce Initiative.	Trained 8,760 people in 2023, reaching 29,700 people by year-end 2023 and achieving our goal two years early.	Achieved
<b>Ethics.</b> Train 100% of our employees in ethics each year.	100% of our employees completed ethics training.	Achieved

Our goals demonstrate ambition, create accountability and drive integration with our business strategy. They are aligned with the following targets within the UN Sustainable Development Goals (SDGs):



Our **Renewable energy, Building certifications** and **LED lighting** goals are aligned with UNSDGs 7 and 9:

- Reliance on clean fuels and technology;
- Renewable energy consumption; and
- CO<sub>2</sub> emissions per unit of value added.



Our **Logistics workforce training** and **Workforce inclusion** goals are aligned with UNSDG 10:

- Growth rate of household income;
- Population living below median income; and
- Population experiencing discrimination.



Our **Net-zero emissions** goal is aligned with UNSDG 13:

- Total annual greenhouse gas emissions.

1. Market based, achieved through the purchase of RECs.

2. Across our owned and managed portfolio.

3. Includes projects approved from June 2021. Due to customer requirements and/or the limitations of certain co-development agreements, a small number of projects are ineligible to receive a sustainable building certification.

4. We have updated our LED lighting goal to allow time to convert newly acquired properties to LED. Across our owned and managed operating properties. Data from a portfolio of properties acquired in June 2023 will be included in our 2024-25 ESG report.

# Net-zero update

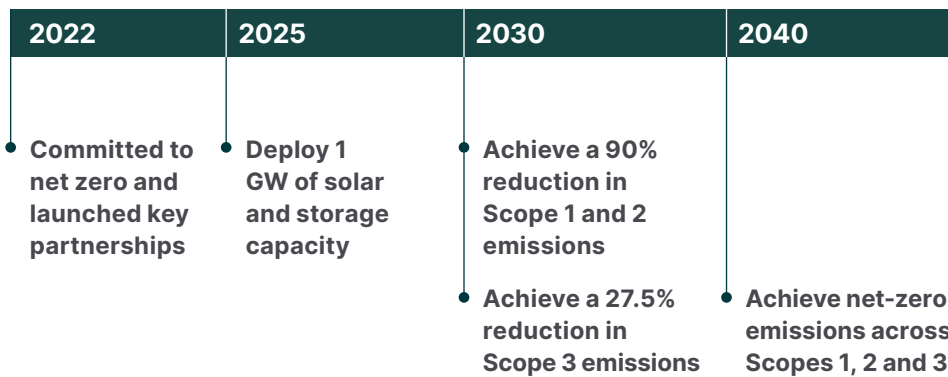
In June 2022, we made a commitment to achieve net-zero greenhouse gas emissions across our value chain (Scopes 1, 2 and 3) by 2040. In early 2024, the Science Based Targets initiative (SBTi) validated this commitment, along with our near-term (2030) targets: to reduce Scope 1 and 2 emissions by 90% and Scope 3 emissions by 27.5%. Our baseline year for all targets is 2019.<sup>1</sup>

Our goal represents a significant opportunity to serve our customers in new ways, as many of them are also working to decarbonize their operations and value chains.

Scope 1 and 2 emissions represent approximately 0.2%—and Scope 3 emissions represent approximately 99.8%—of our total emissions.

Detail on emissions performance and our climate strategy can be found in [Sustainable Logistics](#).

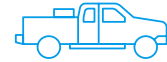
## Timeline



1. The target boundary includes land-related emissions and removals from bioenergy feedstocks.  
 2. Across our owned and managed operating properties. Does not include a portfolio of properties acquired in June 2023.

## Progress

### Scope 1 and 2 – Operational Emissions:



We're working to electrify the Prologis fleet, with a **goal of 100%** by year-end 2030. This will help us reduce emissions from mobile fuels.



We purchase renewable energy credits (RECs) to cover 100% of our annual office electricity. This has helped us achieve **zero emissions** from office electricity.

### Scope 3 – Supply Chain Emissions:



We complete life cycle assessments (LCAs) to determine the **embodied and operational emissions** of every new development.



We participate in a wide range of industry **partnerships and collaborations** (see [Climate Strategy](#) for examples) to identify ways to reduce emissions from our supply chain. This will help us reduce embodied carbon emissions, including from the production of concrete and steel.

### Scope 3 – Leased Asset Emissions:



We have **more than 500 MW of solar and storage capacity** across our portfolio. When this energy is used by our customers, we reduce our emissions from downstream leased assets (emissions from the energy our customers purchase and use).



We implemented net-zero-ready building design standards for **60% of new builds** in 2023, with a goal to reach 100% in 2024. Net-zero-ready building design standards include solar-ready roofs, efficient LED lighting and, where feasible, electric heat pumps in place of natural gas-fired heating systems.

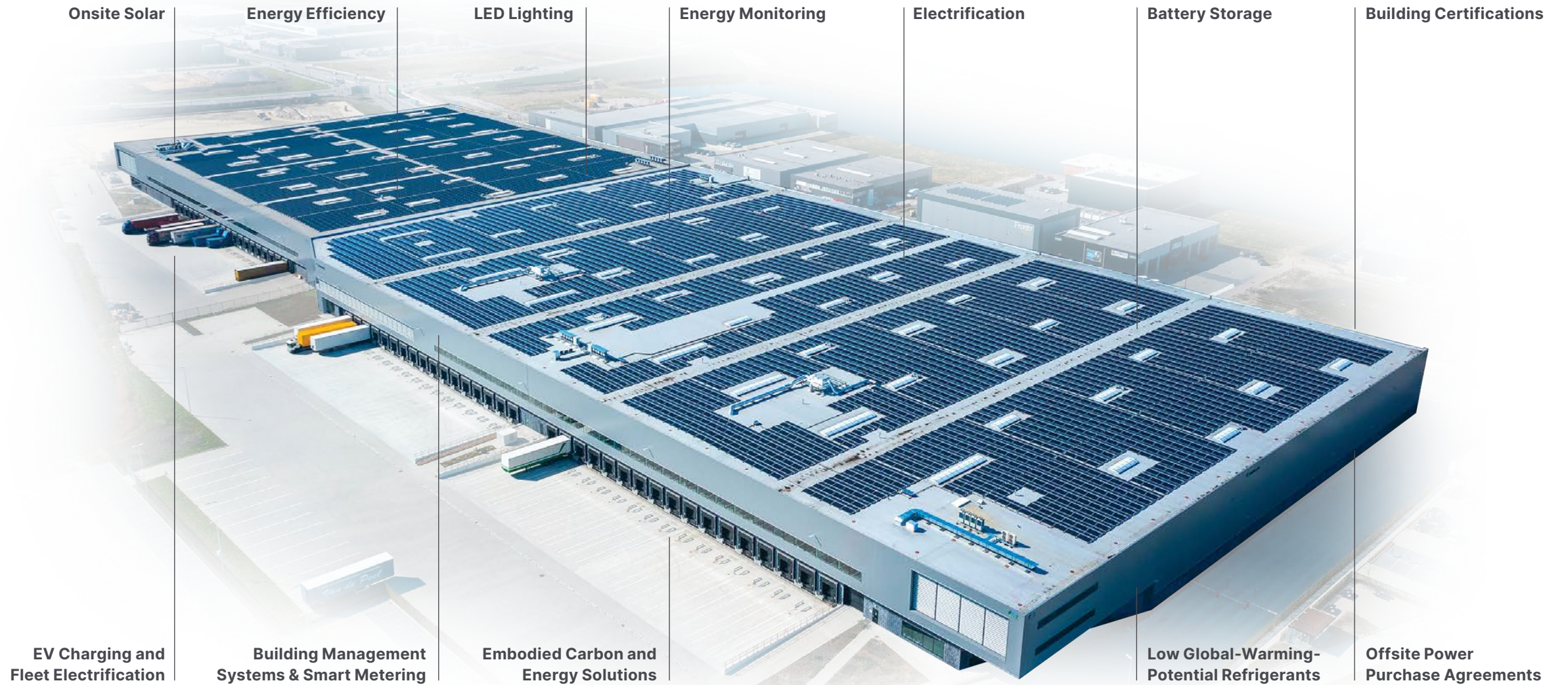


We've installed efficient LED lighting across **74% of our portfolio**,<sup>2</sup> also reducing emissions from downstream leased assets (emissions from the energy our customers purchase and use).



## Achieving net zero at distribution centers

As we work to achieve net-zero emissions by 2040, we expect an increasing percentage of our portfolio will include sustainable features.



# Awards and recognitions

The following is a selection of recent ESG-related awards and recognitions.



Dow Jones Sustainability World Index (Top 10% globally) – Prologis and Nippon Prologis REIT – 2023



100 Most Sustainable Companies in the World – 2024



Industrial “Leader in the Light” – 2023 (12th consecutive year)  
Investor CARE Award (Gold) – 2022



Green Star Recognition – Prologis and seven of our co-investment vehicles – 2023  
Regional Sector Leader in the Americas – Prologis – 2023



Leadership Award – 2022



ESG Rating of “A”<sup>1</sup>



#1 in Real Estate – 2023



ISS Corporate ESG Rating of “Prime”<sup>1</sup>



Leading REIT in Corporate Governance (21st consecutive year) – 2023



Organizational Leadership Award – 2023



#2 for Onsite Solar Generation Capacity (U.S.) – 2022



“A-” rating on Climate Change Response – 2023



All-American Executive Team Rankings REIT Sector – #1 CEO, #1 CFO, #1 IR Professional, #1 in IR, #1 in ESG – 2023



World's Most Admired Companies – 2024



10 Most Sustainable REITs – 2023

1. As of January 2024.



# Ahead of What's Next

Prologis works to stay ahead of what's next. Using both our scale and our role in the global supply chain, we promote innovation and demonstrate leadership in ESG.

**\$200M**

Since 2016, [Prologis Ventures](#) has invested approximately \$200M in 45 companies to drive innovation in logistics.

**100**

We hosted nearly 100 customer appreciation events across our portfolio.

**5 years in a row**

We were included in the Dow Jones Sustainability World Index for the fifth year in a row for ESG performance among the top 10% of companies globally.

**10%**

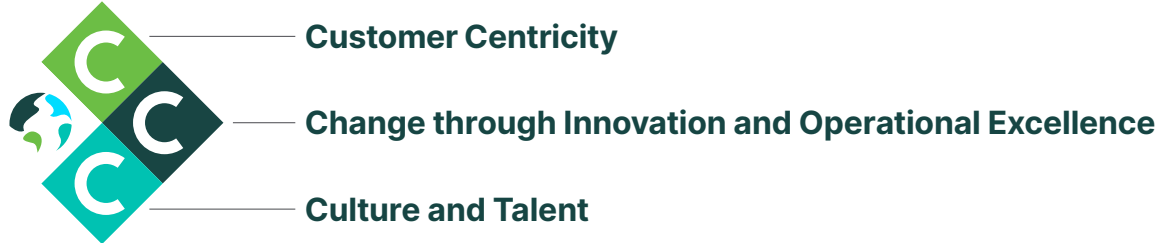
10% of our 2023 employee bonus scorecard was linked to ESG metrics.





# What makes us different?

Prologis combines the spirit of a startup with the resources of a seasoned business. We pilot and implement a wide range of solutions for our customers. We encourage our employees to “simplify and sprint” and to “fail fast.” And we participate in—and contribute to—the communities where we do business. Our “3Cs” have been developed based on decades of experience. They describe what we value and how we work:



## Customer focus

We learn about the challenges our customers are facing – and work to address them:

- Our **Customer Led Solutions** group builds a customized experience for major customers through strategic account management, which includes a partnership with the Prologis Essentials team to drive scalable solutions across operations and energy + sustainability.
- **Customer Led Innovation** improves day-to-day customer interactions with a dual focus on real estate and creating value across the supply chain.
- **Customer Led Development** ensures consistency across our global platform, while streamlining the build-to-suit process for targeted multi-market customers.

In 2023, we hosted nearly 100 customer appreciation events where we connected with our customers to thank them for trusting us with their logistics real estate needs. Examples include an appreciation caravan in Japan that reached more than 3,400 customers; a biodiversity event in France that focused on native bees; and a cultural showcase event in China with Sichuan opera face-changing and Chinese shadow puppetry.



## Thought Leadership

At our annual **GROUNDBREAKERS** forum, we discuss key trends in logistics with leaders from our industry and beyond. The 2023 edition focused on opportunities in energy transition, workforce and artificial intelligence and received more than 775,000 views from around the world. In connection with the event, Prologis also convened an energy and sustainability leadership roundtable with 80 key customers, utility executives and partners to discuss cross-sector challenges and identify opportunities for collective action on decarbonization.



To further understand customer sentiment, we conduct customer experience surveys on a rolling basis. In 2023, we achieved a net promoter score of 53 on a scale of -100 to 100, indicating very strong customer loyalty.



### Prologis Ventures

Since its launch in 2016, Prologis Ventures has invested approximately \$200M in 45 early- and growth-stage companies across three main verticals: supply chain transformation; digital buildings and infrastructure; and real estate and construction. Recent Ventures investments, which focus on energy or ESG related topics, include:



**TERMINAL**

Terminal Industries, a yard visibility platform that allows customers to report and reduce truck dwell time at the gate, lowering overall emissions.



**TROVE**

Trove, a recommerce operating system that helps retailers develop resale programs that keep pre-loved items out of landfills.



**RELAY**

Relay, a tech-enabled delivery network that accelerates e-commerce parcel delivery and reduces overall miles traveled.



**SOLARCYLE**

Solarcycle, a solar panel recycling company that uses a proprietary process to extract up to 95% of the materials in a solar panel, addressing both end-of-life and supply chain challenges.

### Global Insights and Research

Our in-house Global Insights and Research team analyzes proprietary or third-party data and complex market drivers to:

- Establish a dependable view on the economy and the logistics real estate sector;
- Develop methodologies that help us make informed investment decisions about markets and properties;
- Produce white papers, trend reports and outlooks to inform our leaders and our investors on factors that influence real estate performance.

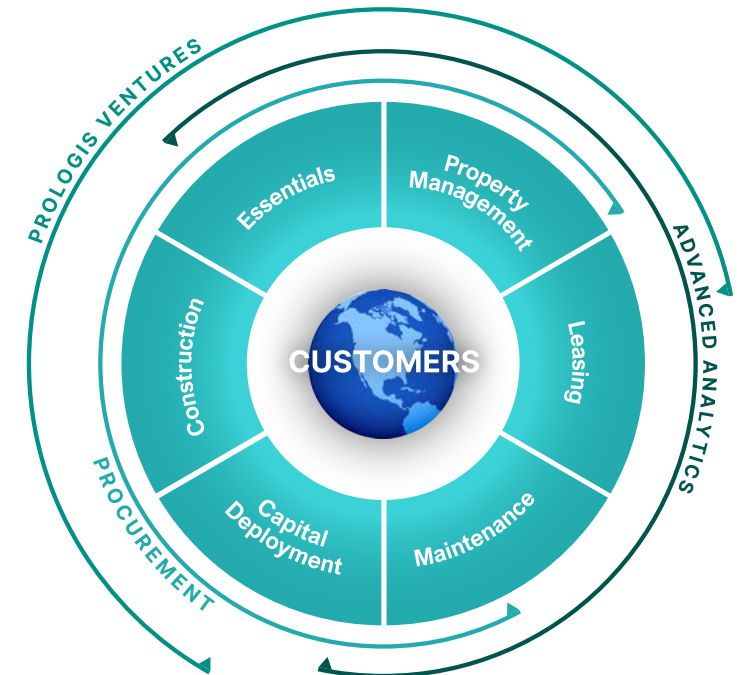
The team's latest work is available on [prologis.com](https://www.prologis.com).

### Data centrality and governance

Early investments in technology and our access to vast proprietary and public data pools provide actionable insights that drive optimization and competitive advantage for Prologis and our customers. Our focus on innovating through data analytics and digitization is central to the success of our critical operations: developing new properties, managing our facilities, introducing innovative solutions and delivering a high-quality customer experience.

Data centrality is also critical to our work in environmental, social and governance. During 2023, we made investments in new systems and processes to increase data coverage and drive increased automation of data collection across our global portfolio. This included new systems for energy and carbon data management, stakeholder and regulatory issues tracking and ESG reporting. We also continued to increase the implementation of smart meters, Internet of things (we now have more than 100,000 sensors across our portfolio that stream real-time data and enable decision automation) and other building technologies.

### Multiple Differentiators Define One Unique Business





# Governance and ethics

Our culture, policies, systems and processes guide how we do business: We focus on serving our customers and encourage integrity, accountability and sound decision-making. We set ambitious goals and base decisions on data—a continuing area of focus.

## Board oversight

The Prologis board of directors serves our stockholders' best interests, sets company strategy and provides independent and experienced oversight. The board has four standing committees:

- Audit Committee
- Board Governance and Nomination Committee
- Talent and Compensation Committee
- Executive Committee

Ninety-one percent of the members of our board qualify as independent, according to the principles and standards established by the New York Stock Exchange. Our latest Proxy Statement describes the rights and responsibilities of our lead independent director and provides detail on each board member's qualifications and experience, including the fact that two of our board members have experience with climate, energy or ESG.

By committee charter, the Board Governance and Nomination Committee oversees ESG matters and updates the full board on ESG developments, including management

of climate change risks and performance against our ESG goals, including our net-zero goal. In 2023, climate- or energy-related matters were on the agenda at every meeting of both the Board Governance and Nomination Committee and the full board. Other board committees provide oversight on relevant ESG topics:

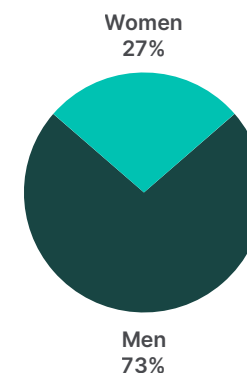
- Our Audit Committee oversees the development of data systems and disclosures to comply with emerging regulation.
- Our Talent and Compensation Committee oversees human capital development and diversity, equity, inclusion and belonging (DEIB) performance, initiatives and related risks.

The Prologis board believes that diversity promotes robust discussion and the consideration of a range of viewpoints. Our board governance guidelines state:

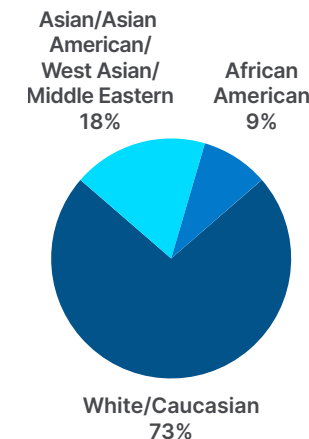
*In any formal search for new directors, the Board Governance and Nomination Committee will consider, and will instruct any third-party search firm to include, candidates from diverse backgrounds, including in its initial list both gender and racial/ethnic diversity.*

## Board Diversity<sup>1</sup>

### Gender

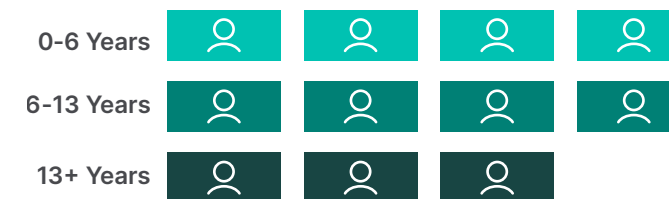


### Ethnic and Geographic



## Number of Directors

by years of tenure



7 new directors  
in the last nine years

1. As of May 10, 2024.

**Ethics, compliance and human rights**

We hold our employees and board members to the highest ethical standards and seek to do business with customers and business partners who share our values. We describe our expectations for suppliers in Supply Chain Responsibility.

Our **ethics and compliance** program reflects our commitment to integrity. Each year, every active employee acknowledges their understanding of our **Code of Ethics and Business Conduct** (“The Code”) and completes training on topics covered in The Code. The Code has been translated into 15 languages and covers a range of topics, including our Anti-Corruption and FCPA Policy; our Insider Trading Policy; equal employment; nondiscrimination; antitrust and fair dealing; political activities and contributions; conflicts of interest; bribery; retaliation; and discrimination and harassment. Non-U.S. employees receive special training on—and our internal audit group conducts an annual audit of—FCPA compliance.

Employees and other stakeholders may report any ethical issue or concern to their supervisor, their supervisor’s supervisor, human resources, the ethics and compliance team, any member of the Ethics Committee or the **ethics helpline**. The helpline is operated by a third party; is available 24 hours a day, seven days a week; and includes options for reporting from any of the 19 countries where we do business. Prologis maintains a policy of anti-retaliation against anyone who reports a concern in good faith or participates in an investigation. In 2023, Prologis received

and investigated 12 ethics helpline inquiries and took corrective action, as appropriate.

Prologis’ chief legal officer and general counsel, chief human resources officer, chief financial officer and chief compliance officer sit on our Ethics Committee. This committee provides ethics-related advice and guidance to employees, investigates reported incidents of potential noncompliance and reports any significant concerns to the Audit Committee of our board of directors in accordance with The Code and the Audit Committee Charter.

We are committed to operating our business in an ethical manner that respects **human rights**. This includes surveying suppliers about their human rights practices, consistent with our **Supplier Code of Conduct**. Our **Global Human Rights Policy** outlines our commitment to:

- Fair hiring, compensation and promotion.
- Prevent the use of child and indentured or forced labor, including in our supply chain.
- Maintain a safe and healthy work environment.
- Follow all applicable laws and regulations that govern working hours, guarantee fair and equal compensation, and protect the right to collective bargaining and freedom of association.

Our Ethics and Compliance and ESG departments are responsible for this policy and for tracking emerging issues and regulations. We are not aware of any significant human rights issues that occurred in 2023.



“  
**We are committed to operating our business in an ethical manner that respects human rights.**  
 ”



**Risk management**

Effective risk management can help us achieve strong business outcomes. Our risk assessment processes include scenario testing, audit controls, probabilistic modeling and input from third-party experts. Risk assessment findings are reported to the executive committee, audit committee and board of directors.

We use a global risk management framework to identify, assess and manage risks facing our company and industry. Examples include:

- **Investment Committee:** All material capital deployment (development, acquisitions and dispositions) is subject to review by our Investment Committee, which evaluates investment considerations as well as environmental matters; natural hazard exposures; and legal and regulatory considerations. Our CEO and chairman, president, CFO, chief investment officer (CIO), chief customer officer (CCO) and other senior leaders serve on this committee.
- **Cybersecurity:** We use robust and constantly changing measures to defend against emerging cyber

risk scenarios. We review our cybersecurity posture through regular participation in a third-party security benchmarking survey. Our IT infrastructure is externally audited as part of our Sarbanes Oxley audit process, and our controls include information security standards following the NIST Framework. Our Information Security Policy includes mandatory annual training for all employees. To our knowledge, no material information security or privacy incidents occurred in 2023.

- **Climate risk:** Before we acquire land or buildings, we evaluate vulnerability to natural hazards and climate risks as part of our due diligence process. In 2023, across our portfolio, there were 73 instances when natural hazard events resulted in insurance claims. These included windstorms, severe storms and extreme cold weather. Our planning and risk mitigation measures protected our customers' business continuity: Only three of these events led to business-continuity-insured damage in excess of \$500,000.

More Information on risk can be found in the "Risk Factors" section of our 10-K and in the [Appendix](#) of this report.

**A Tool for Evaluating Climate Risk**

Our climate risk tool helps us evaluate risks and opportunities across our portfolio.

The tool uses data from a leading global reinsurer and includes a range of natural hazard factors and three GHG emissions trajectories. It helps Prologis leaders assess the potential impacts of more extreme climate conditions, including more frequent and intense natural disasters. Through our use of this tool, we can be more strategic in how we improve our assets to make them more resilient.

In 2023, we incorporated assessment of future climate risk hazards into our investment committee process. This expands on the current assessment of natural hazards already being performed by looking at storm, flood and heat exposures at a timeframe of 2050 using IPCC's RCP4.5 scenario as our base case. This assessment increases awareness among our capital deployment teams of possible future hazards and allows us to consider potential risk mitigation measures in conjunction with our investment decisions.



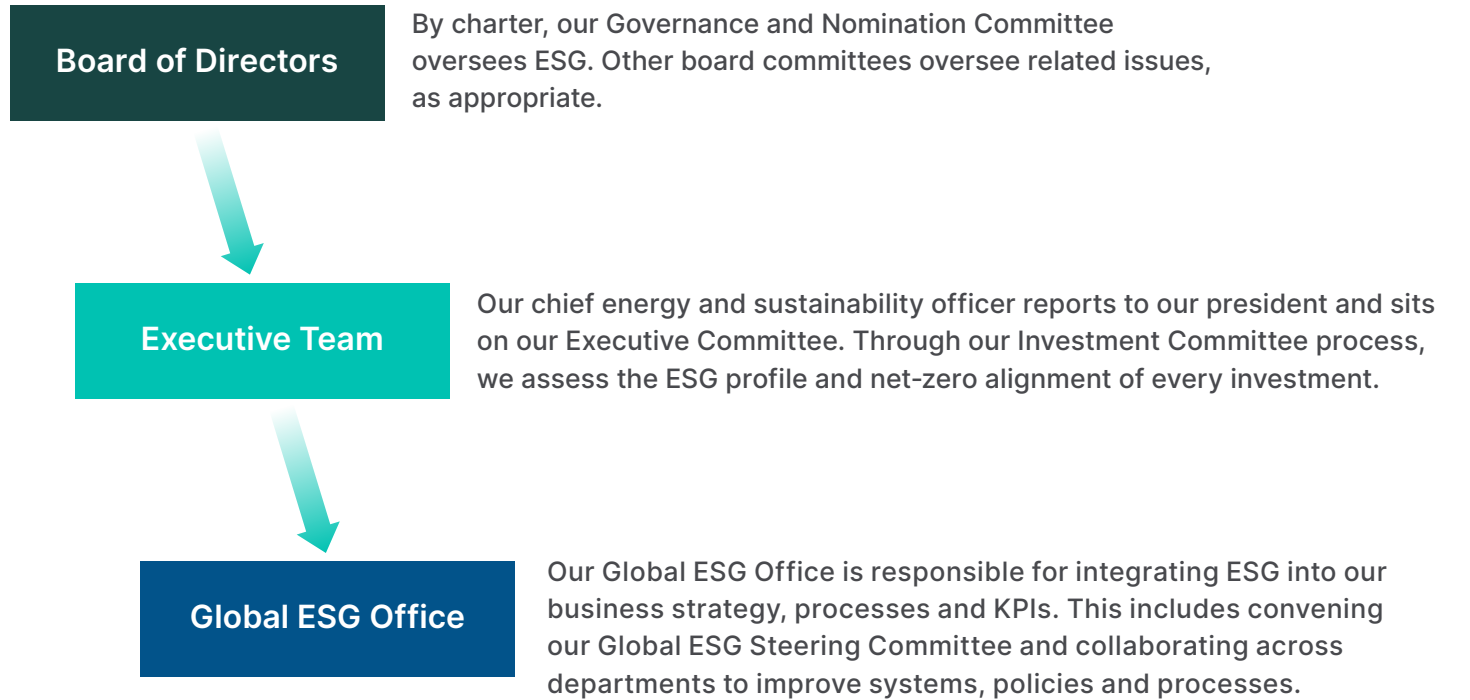
**ESG governance**

ESG at Prologis is not a separate program or initiative. Instead, it is integrated into our business strategy, processes and KPIs, with robust data management and multiple systems to track our performance. Integrated ESG reduces risk, improves efficiency, differentiates our brand and expands revenue and talent-recruitment opportunities. It influences the way we design, build and operate distribution centers. This includes providing our customers with services, such as renewable energy, electric vehicle charging and workforce development. Our [ESG Policy](#) and the [Stakeholder Engagement](#) section of this report provide additional detail.

A periodic ESG materiality assessment informs our ESG reporting and the priorities of the Global ESG team. The senior leaders who comprise our Global ESG Steering Committee provide strategic direction and guidance, ensuring our ESG efforts are aligned with business priorities. Please see the appendix for our most recent [ESG materiality assessment](#).

In 2023, ESG performance represented 10% of our bonus scorecard. Environmental metrics included solar and storage installed capacity, LED lighting and sustainable building certifications. Social metrics included culture, talent and inclusion scores, the number of new participants in our Community Workforce Initiative and employee volunteer hours in our communities. Governance metrics included third-party assessments of our corporate governance performance. Please see our latest [Proxy Statement](#) for detail on our performance in these areas. Our 2024 bonus scorecard will include similar ESG metrics to 2023 and will continue to represent 10% of the scorecard.

**ESG Governance Creates Accountability and Drives Action**



**At Prologis, ESG is everyone's business.**





# Supply chain responsibility

We work to manage and mitigate risk in our supply chain.

Our procurement spend is divided into three categories: opex, capex and development. Opex (operational expenses) includes the services we need to operate our distribution centers and offices. Capex (capital expenses) includes expenses related to maintaining and improving our properties. Development includes the goods and services we need to grow our business — to develop and build properties.

We purchase goods and services directly from our tier 1 suppliers who, in turn, purchase goods and services from our tier 2 suppliers. Language in our purchasing and engineering, procurement and construction agreements states that suppliers must not procure, incorporate or utilize any part or equipment that is manufactured from any country or region suspected of using — or known to use — forced or child labor. Tier 1 suppliers are responsible for tier 2 supplier compliance.

Our procurement team leverages Prologis' scale to secure favorable pricing and lead times while mitigating supply chain risk. We pass this value on to our customers. As an example, in 2023 we selected a new vendor for dock equipment to reduce costs, increase the availability of replacement equipment and improve lead times. Also in 2023, we sourced 30-year solar-ready roofing, switchgear and heat pumps at below-market prices and improved lead times, in support of our net-zero goal.

Our Vendor Optimization team evaluates opex vendor performance in the U.S. across four metrics: customer satisfaction, Prologis satisfaction (including adherence to our Supplier Code of Conduct), responsiveness to customer tickets and compliance with service-level agreements. In 2023, based on these metrics, we reviewed and refined this vendor pool to improve quality and achieve significant operational cost savings.

Our Supplier Code of Conduct outlines our expectations for supplier practices, including ESG-related practices and the use and conduct of subcontractors. Suppliers must:

- Prohibit the use of involuntary and child labor.
- Provide a safe and healthy work environment, free of discrimination and harassment.
- Reduce energy and water consumption and implement waste-minimization programs.

An independent third party evaluates and screens potential suppliers based on their adherence to our standards, including their responses to ESG questions on topics such as sustainable sourcing and human rights, in our standard RFP.

For our approach and performance on employee and contractor safety, please see Employee health and safety. For information on our approach to supplier diversity, please see Diversity, equity, inclusion and belonging.



## Significant Procurement Categories

- **General contractors** – the companies that build and upgrade our distribution centers. (We select general contractors based on competitive pricing, past performance and safety performance. All our contractors are required to be approved in Avetta, a third-party safety prequalification and compliance program.)
- **Steel joists and decking** – crucial to warehouse construction
- **Electrical and lighting** – used in both construction and operations
- **Roofing systems** – our new construction standards specify that roofs be solar ready
- **Heating and cooling systems** – including the maintenance of these systems
- **Facilities management services** – landscaping, snow removal, paving, painting and more



# Sustainable Logistics

Our customers are interested in operating more efficiently—and in reducing their energy use and emissions. We provide them with a range of solutions, including renewable energy, energy storage and mobility infrastructure.

## 2040

Our goal to achieve net-zero emissions by 2040 has been validated by the Science Based Targets initiative.

## >500 MW

We achieved more than 500 MW of solar and storage capacity in 2023, halfway to our goal of 1 GW by 2025.

## \$9.9B

Since 2018, we've issued 29 green bonds worth \$9.9B to help fund green building design and innovation.

## 2M

We have provided 2 million miles worth of EV truck-charging services.





# Climate strategy

As the global leader in logistics real estate, our climate strategy is to site, develop and operate our buildings with efficiency in mind. We create additional emissions reductions through our operations and energy + sustainability solutions.

Our goal to achieve net-zero emissions by 2040 demonstrates our ambition. This goal includes Scopes 1, 2 and 3 emissions and has been validated by the Science Based Targets initiative.



## Collaborating on Climate

Our path to net zero includes tackling some big challenges. Innovation and collaboration will be key. In 2023, our development teams piloted a range of solutions, including the use of recyclable modular building materials, mass timber and stronger lower-carbon concrete. And by collaborating with industry and academic organizations, we can accelerate our industry's progress and ramp up our impact:



MIT's Climate & Sustainability Consortium is an academic and industry group working to develop and implement large-scale climate solutions, including in transportation, value chain resilience and low-carbon building materials.



Climate Group's EV100+ and RE100 are industry groups working to accelerate the industry's transition to zero-emission medium- and heavy-duty vehicles and increase the use of renewable energy.



The Climate Pledge is a cross-sector community launched by Prologis' customer Amazon to develop and implement decarbonization strategies and measure and report on results.



ZEROGrid Initiative is building a new framework to accelerate the transition to a reliable and affordable zero-emissions electric grid.

# Greenhouse gas emissions

In 2023, 99.8% of Prologis emissions were Scope 3, with approximately 69% from customer energy use in our buildings and 31% from construction and operations. Just 0.2% of our emissions were Scope 1 and 2: emissions from our own operations and emissions from our energy use. For detail on how we are working to reduce our emissions, please see our [Net-Zero update](#).

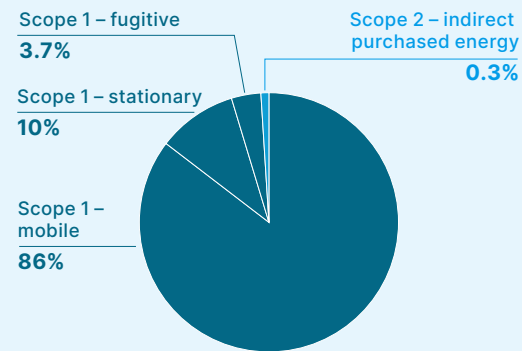
## 2023 GHG Emissions<sup>1</sup>

Scope 1 and 2 Emissions:

**0.2%**  
of total

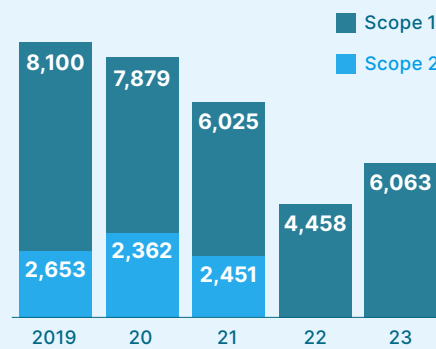


### Emissions Sources, Scope 1 and 2 (market-based)



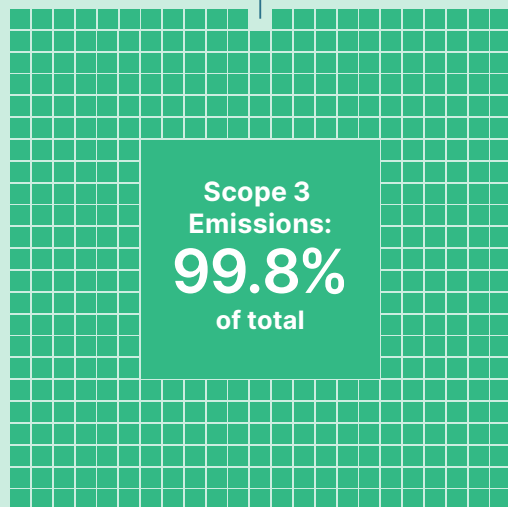
### Emissions Performance, Scope 1 and 2 (market-based)<sup>2</sup>

Metric tons CO<sub>2</sub>e

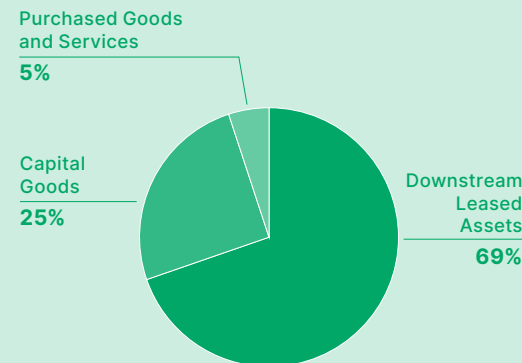


Our Scope 1 emissions increased by 36% from 2022 to 2023, as corporate jet travel returned to pre-pandemic levels, and were 25% below our 2019 baseline. We're working to electrify our fleet and are investigating the use of sustainable aviation fuel to reduce our Scope 1 emissions.

Our Scope 2 emissions remained consistent from 2022 to 2023 and were 99% below our 2019 baseline. We purchase RECs to account for our purchased electricity (Scope 2 market-based).



### Emissions Sources, Scope 3 (location-based)<sup>3</sup>



### Emissions Performance, Scope 3 (location-based)

Million metric tons CO<sub>2</sub>e



Our Scope 3 emissions declined from 2022 to 2023 by 9% and were 29% below our 2019 baseline. Our data indicate this is due to decreases in development activity and in customer consumption of both electricity and natural gas. We continue to work to improve data quality for our Scope 3 emissions, including by improving data coverage to reduce reliance on estimates and updating emissions factors and methodology to reflect evolving standards.

1. Based on improved data quality and alignment with SBTi, we have updated our emissions methodology and historical data. We now include updated emissions factors; more precise fleet- and office-related emissions data; and Scope 1 and Scope 2 emissions from fugitive refrigerants and chilled water. We now exclude energy related spend from purchased goods and services. Additionally, across all years, we now exclude as immaterial: FERA (indirect emissions associated with the production, transmission and delivery of fuels and energy we purchased), employee commuting, business travel and emissions from properties outside of our owned and managed operating properties and development portfolio.  
 2. We have purchased RECs to account for our purchased electricity since 2019. For 2019-2021, we include emissions from offices included in the Duke acquisition, per GHG Protocol requirements. For 2022 and 2023, our Scope 2 emissions were 7 and 17 metric tons of CO<sub>2</sub>e, respectively.  
 3. Total does not add up to 100% due to rounding. Excludes upstream leased assets at 0.001%.



# Driving sustainable operations

Through the [Prologis Essentials](#) platform, we provide our customers with operations and energy + sustainability solutions. These solutions can reduce our customers' emissions, costs and environmental impact—and can help them achieve their sustainability goals.

Our work in siting, design and construction also supports customer sustainability. This includes sustainable build-to-suit, building certifications and other solutions.

## Energy

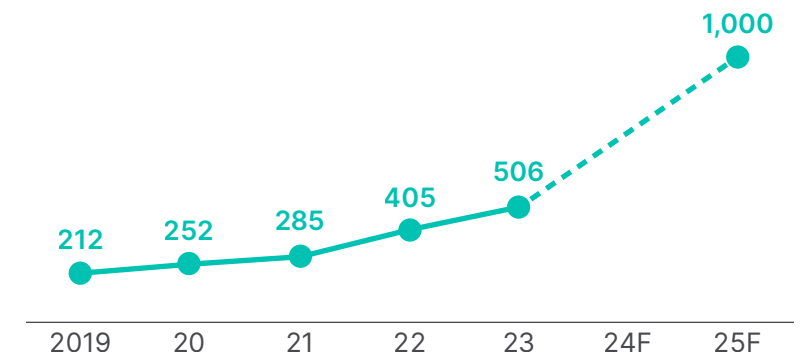
We build, operate and maintain rooftop solar and energy storage systems to meet the needs of our customers, including to reduce their GHG emissions. This includes onsite and offsite solutions. The [Prologis Clear Lease®](#) is critical to our work in this area. Clear Lease language protects our ability to add rooftop solar to a building. It also

improves our access to our customers' utility data, which we can use to help our customers reduce their energy use and operating costs. Approximately 35% of leases across our portfolio are Clear Leases, an increase from approximately 31% at year-end 2022. At year-end 2023, we had more than 500 MW of solar and storage capacity from approximately 425 buildings in 16 countries.<sup>1</sup> That's enough to power more than 85,000 typical U.S. homes.

We also offer our solar and energy storage resources to local communities through our community solar program. In 2023, this included projects in various stages in Illinois, Maryland, New Jersey and Oregon. We also started construction in Southern California on [projects that will provide 5 MW of solar generation capacity](#) to Clean Power Alliance, a local utility provider.

## Growth in Solar and Storage Capacity

MW of solar and storage capacity



## Solar + Storage Satisfaction

A brand-new speculative building in Northern California provided an opportunity to bring in a key retail customer, but the customer had one request: that the building include onsite solar and energy storage to support their GHG reduction goals.

Because this was a new site, the energy team at Prologis Essentials took an innovative approach. They analyzed the customer's energy consumption profile at other locations to estimate how much energy would be needed at this site. They verified this estimate with the customer and then began

installation of two solar and two energy storage projects, totaling 1.75 MW and 1.11 MWh of generating capacity and storage, respectively.

Follow through and attention to detail were critical as we worked to expedite permitting, install equipment and commence operation.

The resulting project demonstrates Prologis' ability to integrate clean energy and deliver sustainability solutions for our customers.



1. Within our owned and managed portfolio.

**Mobility**

Many Prologis customers are transitioning their fleets to low- or zero-emissions vehicles. Prologis Mobility provides expertise and critical infrastructure through a range of solutions:

- **Hubs** – subscription-based fleet charging at dedicated sites along common routes and near key locations.
- **Depots** – onsite fleet charging at warehouses for drayage, last-mile delivery, yard tractors, forklifts and more.
- **Workplace Charging** – passenger vehicle charging for distribution center employees.

At year-end 2022, some 22% of the registered Class 8 EV trucks in California had charged at Prologis sites. At year-end 2023, we had provided enough EV charging to our customers to enable approximately 2 million miles of EV truck travel.

By 2030, to better support the fleet needs of our customers, we aim to achieve 900 MW of EV charging capacity at a network of charging locations across our portfolio. At this scale, we will be able to help local utilities improve grid resilience through vehicle-to-grid and load management services.



**Building a 9 MW Heavy-Duty Truck Charging Project**

In late 2023 and early 2024, Prologis created North America’s largest heavy-duty truck charging project in Torrance, California. The project is capable of using hydrogen as a fuel source and features innovative microgrid technology, up to 9 MW of EV charging capacity (enough to charge nearly 100 trucks) and 18 MWh of energy storage.

The project is one of the largest EV charging projects of its kind in the world, with best-in-class operational flexibility (provided via six 1.5 MW microgrids). It was delivered at an extraordinary pace, thanks, in large part, to a strong partnership with the Los Angeles Department of Water and Power, the City of Los Angeles and SoCalGas.

This project is a testament to the power of collaboration and innovation, strategic partnerships, pioneering technology and forward-thinking approaches. It represents a new standard for electrified logistics hubs.



**Sustainability solutions**

With our sustainability solutions offering, we serve our customers by tackling enterprise-level logistics challenges beyond those covered by our energy or mobility teams. These include:

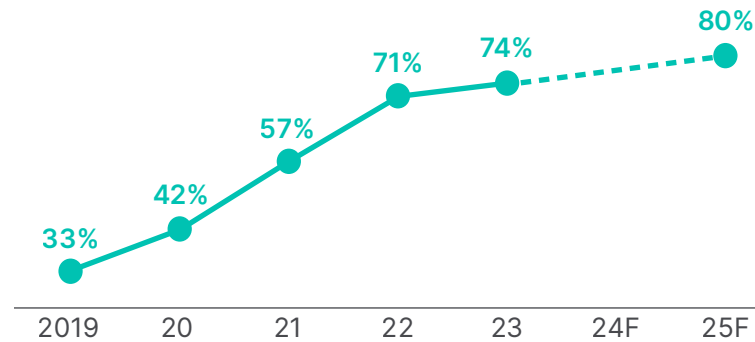
- LED lighting
- Smart-building technologies
- Power purchase agreements (PPAs) and RECs
- EnergyStar certification

Our customers can upgrade to **LED lighting** with no upfront capital costs. They can reduce their lighting-related energy use by approximately 60%-80% and enjoy the benefits of better illumination: improved safety, productivity and employee satisfaction. At year-end 2023, we had installed LED lighting across 74% of our owned and managed operating properties.<sup>1</sup> For detail on our LED lighting goal, see [Goals and Progress](#).

Our **smart-building technologies** include sensor-controlled smart meters (controlled by a mobile app) to help our customers manage their utility consumption and analyze their facility operations. In many cases, this includes the ability to control temperature, humidity and pressure levels. We also offer microgrids to provide resilience and control to customers for whom reliability is critical.

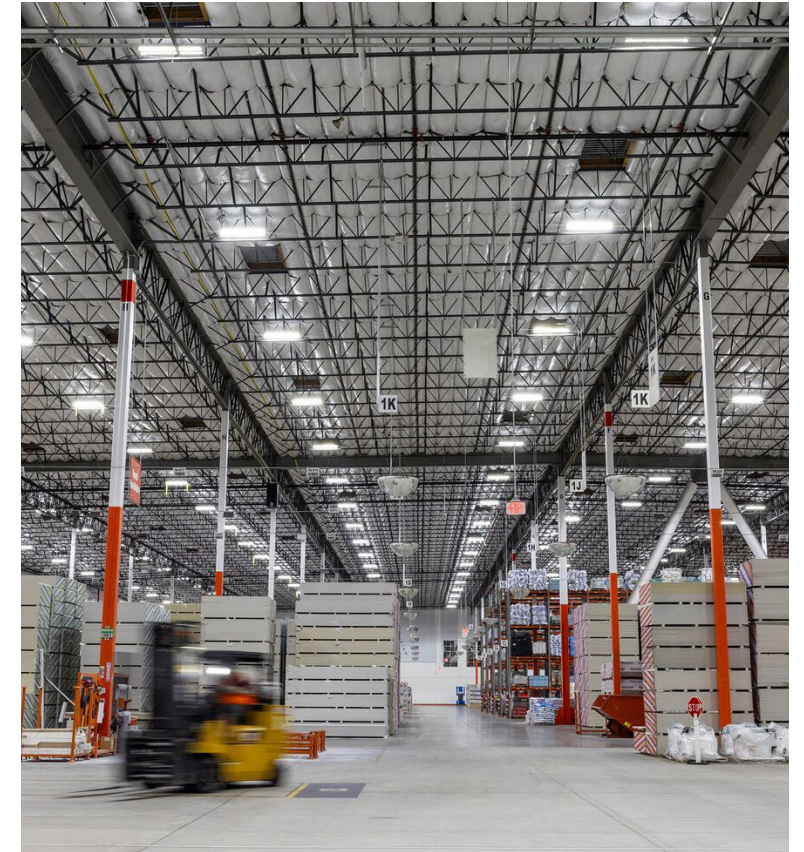
**Growth in LED Lighting**

% , owned and managed operating properties<sup>1</sup>



Through the use of **PPAs** and **RECs**, our customers can reduce the emissions associated with their energy use. For information on sustainable building design and green financing, please see [Siting, design and construction](#).

Electricity consumption at modern distribution centers is likely to increase with the addition of automation and EV-charging services. We help our customers optimize energy efficiency, which can result in a building receiving an **EnergyStar certification**.



LED lighting installation at Irwindale Distribution Center, Irwindale, California.

1. Does not include a portfolio of properties acquired in June 2023.

# Siting, design and construction

We locate, design and build our distribution centers in a way that helps maximize efficiency and minimize impact.

## Siting

A distribution center's location is a key aspect of sustainable logistics. Siting our buildings near major metropolitan areas helps our customers shorten delivery routes and reduce delivery times and related emissions. The sustainability benefits of smart siting cannot be overstated. We describe our approach to project permitting and stakeholder engagement in [Resilient Communities](#).

## Design and construction

We follow circular design principles (e.g., reduce, reuse, refurbish, recycle) in new construction, where feasible. We report contractor-provided waste data on our [ESG data page](#). 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.

We reduce embodied carbon through the use of the latest construction technologies and materials, including mass timber, flexible office walls and lower-carbon concrete and steel. We intend to increase our use of these materials and leverage our significant purchasing power to encourage innovation. See [Innovation in New Development](#) for examples.

Our design standards require that buildings be rooftop-solar ready, have LED lighting and have heat pumps where feasible. We complete a life cycle assessment of the GHG impacts of every new building.

We aim to achieve carbon-neutral construction by 2025 through our purchase of high-quality carbon offsets. Our offset strategy is based on the principles of additionality (mitigation or removal would not otherwise have occurred); co-location (in same geographic region as our operations); and ESG co-benefits (local social and environmental benefit beyond emissions reduction). We require offsets to have been verified by Gold Standard, Voluntary Carbon Standard(VCS)/Verra, Climate Action Reserve and/or American Carbon Registry. Each of these registries has been accepted by one or more of the following third parties: ILFI, The Task Force on Scaling Voluntary Carbon Markets and/or California's Cap and Trade program.

In 2023, we retired, or utilized, offsets to account for approximately 60% of our construction-related GHG emissions.

## Green Financing

Prologis and our co-investment ventures in Europe, Japan, Mexico and the U.S. have issued 29 green bonds and 12 green private placements of debt since 2018. These bonds and private placements attract environmentally conscious investors from around the world.

In 2024, we updated our [Green Financing Framework](#) to align with the latest global standards: The Green Bond Principles 2021, administered by the International Capital Market Association, and the Green Loan Principles 2023, administered by the Loan Market Association. We also updated the types of projects eligible for the use of proceeds, including the following categories: Green Buildings; Renewable Energy; Energy Efficiency; Clean Transportation; and Circular Economy and Pollution Prevention & Control.

Our green financing efforts also include our global line of credit (GLOC), our Yen revolver and additional sustainability linked lines of credit and term loans that support the operations of the FIBRA, PELF and USLF. Our GLOC key performance indicators include sustainably certified space and onsite solar generation/storage capacity. At year-end 2023, these figures were 287 MSF and 506 MW, respectively.

Prologis is also a signatory to the [UN Principles for Responsible Investment](#) (PRI).





### Building certifications

We have committed that every eligible new construction or redevelopment project that has been approved by our investment committee from June 2021 will achieve a sustainable certification. At year-end 2023, this included 54 projects, 22 of which had achieved a certification and 32 of which were in the process of achieving a certification. A building can achieve a sustainable certification once it is built and stabilized (substantially occupied).

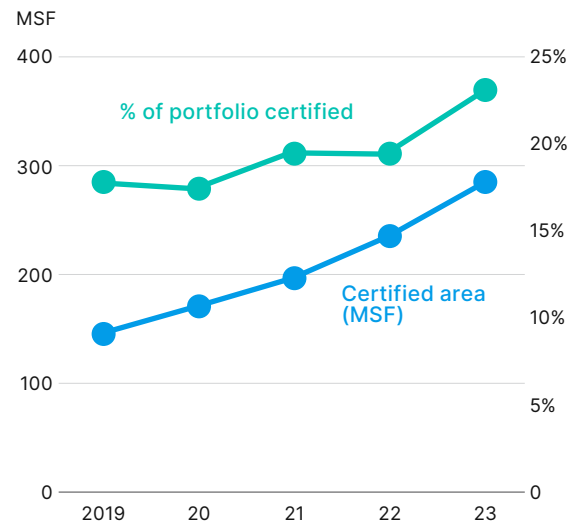
Some 23% of our 1.2 BSF owned and managed portfolio has received a sustainable certification. These include EnergyStar, LEED, BREEAM, CASBEE, DGNB and WELL. They measure a range of factors, including site selection; building materials; biodiversity; energy and water efficiency; and indoor environmental quality. Nearly one-third of the space leased by our 25 largest customers is sustainably certified.

Our focus on achieving sustainable certifications does not constrain our acquisition strategy. We operate a newly acquired building in an efficient manner and seek a sustainable certification if we redevelop the property.

For additional building certification data, please see our [ESG data page](#).

### Sustainable Building Certifications

A development can achieve a sustainable certification once it has been built and stabilized.



### Innovation in New Development

The Prologis team that manages new development projects is always on the lookout for ways to make Prologis buildings better. Ideas come from new development employees as well as from regional teams. The team has piloted many innovative ideas, including:

- The Falkbuilt prefabricated wall system, where walls and cladding are fabricated offsite using recycled aluminum and MDF. The walls can be easily reconfigured as tenant needs change, reducing waste and the need for demolition and rework. This product has been installed on 10 projects, with more in the pipeline.
- OptiPave, a synthetic-fiber-reinforced exterior concrete paving system that allows for the concrete thickness to be significantly reduced and can achieve a 20%-40% reduction in embodied carbon compared to baseline pavement. This solution has been piloted on three projects to date.
- Pozzotive, a company that uses recycled glass to produce a powder that replaces cement in concrete. This innovation has been piloted on one project and can achieve a reduction of as much as 50% in embodied carbon.

The bottom line: Prologis is always looking for ways to improve our buildings. Our culture of innovation and the hard work and creative thinking of our employees make this possible.



## Sustainable Distribution Centers

Prologis distribution centers offer a wide range of sustainable features (detailed below). As we continue toward net-zero emissions by 2040, we expect an increasing percentage of our portfolio will include these features.



### Rooftop solar

We are the #2 company in the U.S. for solar and storage capacity, according to SEIA, with more than 500 MW across our global portfolio.



### Support for biodiversity

Prologis RFI DIRFT in the UK includes a Prologis-funded 193-acre nature reserve with extensive wetland habitat that supports a wide range of birds, including short-eared owls, little ringed plovers, curlews and wigeons; great crested newts; a population of bats; and a rare breed of sheep.



### Lower-carbon construction materials

Our development teams have piloted a range of solutions, including the use of recyclable modular building materials, mass timber and stronger lower-carbon concrete.



### EV charging

At a distribution center in New York, we added charging capacity to support 60 EV route trucks, making the customer's fleet at this facility 100% electrified.



### Geothermal energy

Prologis Park Moissy II DC1 in Paris relies on design efficiencies, rooftop solar, purchased renewable energy and borehole geothermal energy storage for heating, cooling and power.



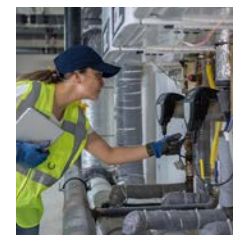
### Sustainable building certificates

Through the purchase of renewable energy and the use of LED lighting, heat pumps and insulating exterior metal "sandwich" panels, Inagawa I is the first Japanese property in our portfolio to be ZEB certified (zero emissions).



### Construction circularity

Some 95% of the waste from the construction of our Dutra RJ Building 100 in Brazil was reused or recycled.



### Electrification

At our Perris DC 6 and Perris DC 8 buildings in Southern California, we use electric heat pumps for heating and cooling instead of natural gas-powered climate control systems.



### Responsible water use

We are committed to responsible water use and water management practices.

During construction, surface water runoff is managed according to local regulations (in the U.S., it is governed by a Stormwater Pollution and Prevention Plan). Once a building is complete, surface water runoff flows through systems designed to applicable civil engineering standards. Although we do not track water used in construction, we require general contractors to reduce waste; to reduce energy and water consumption; and to comply with federal, state and local laws and regulations, including those related to water quality and availability.

We also work to reduce water consumption during operation of our buildings. More than half of the properties in our portfolio are in areas of high or extremely high water stress. Customers are responsible for their use and discharge of water during their lease. To help them minimize their water use, we install smart pump kits, high efficiency fixtures and native plants. In California, we've removed all ornamental and non-functional turf grasses from most of our properties, replacing them with drought-tolerant vegetation. This has reduced water usage at these properties by an estimated 50%.

Data for water consumption in our offices may be found on our [ESG Data page](#).

### Biodiversity

A typical distribution center has a minimal impact on biodiversity. This is due, in part, to our strategy of locating distribution centers in urban locations where biodiversity impacts are negligible.

Although we have minimal impact, we support biodiversity where feasible, as detailed in our [ESG Policy](#). This includes enhancing landscaping and adjacent habitat with native plants to support native wildlife, including hedgehogs, bees, bats, insects, newts and birds, including short-eared owls, little ringed plovers, curlews and wigeons. Consistent with the biodiversity practices of many customers in the United Kingdom, we help protect biodiversity-rich rainforest in Peru and Papua New Guinea through a partnership with Cool Earth.

Where required, we perform an Environmental Impact Assessment (EIA) as part of the project permitting process. We follow local environmental laws and regulations during construction. Some developments improve environmental health and biodiversity by removing historic contaminants from the soil and water that might negatively impact biodiversity.

### Twenty Types of Trees

At our Mitry II DC1 building in Paris, we're planting a Miyawaki forest.

The Miyawaki method was developed decades ago as a way to spur a quicker maturing native forest. At Mitry DC1, this means we're planting 20 to 25 different types of native trees specifically selected to speed the process of ecological succession and growth. As an added benefit, this forest should eventually require little to no maintenance. As you might expect, higher levels of biodiversity have been recorded in Miyawaki forests because more diverse trees support more diverse wildlife.

The outcome is designed to benefit the environment, our customers and the surrounding community: a next-level PARKlife™ project with measurable and meaningful biodiversity impact.





# Our Inspired People

Our people are the key to our success. They contribute to our communities and create value for our customers and investors. They work to build an inclusive workplace and innovate to create the future.

88%

We achieved an 88% employee engagement survey score.

+6% and +9%

We improved the diversity of our senior leadership team, with increases of 6% and 9% for women (globally) and people of color (U.S. only), respectively, since renewing our focus on diversity in 2021.

\$3M

In October, we announced a \$3 million Prologis Foundation donation to Morehouse College to create an endowed fund for the new Morehouse Real Estate Institute (MREI).

13,600

Our employees completed more than 13,600 hours of company-provided or -sponsored training.





# Employee engagement

Our employees are the foundation of our business. They create new ways to better serve our customers and help us stay ahead of what's next.

We create a world-class employee experience with competitive compensation and performance-based incentives; support for diversity, equity, inclusion and belonging (DEIB); challenging professional development opportunities; and best-in-class collaborative office space. Each year, every employee receives two performance reviews and professional development support.

According to our 2023 employee engagement survey, 88% of our employees are engaged based on their responses to the five statements that comprise our engagement driver index, including "I am proud to work for this company," which scores at 95%. Our overall engagement score compares favorably with the financial services sector average of 80%. We analyze survey results for significant differences based on age group, gender, management level, race/ethnicity, nationality/country of origin or cultural background.

Based on survey results, company leaders create employee engagement action plans and incorporate them into their goals. In 2023, we improved year-over-year survey results in two of our three lowest-scoring areas: "manageable workload" (from 67% to 72%) and "employees rewarded for performance" (from 64% to 70%). In 2024, we continue

## Employee Benefits

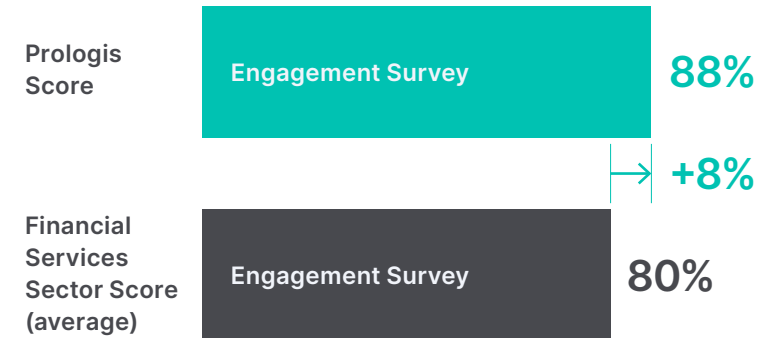
We offer a range of benefits, depending on location:

- Life, medical, disability, dental, vision and identify theft insurance.
- Paid time off, bereavement time off, parental and partner leave and company-sponsored volunteer time.
- Telemedicine, including virtual exercise and physical therapy services.
- An employee assistance program and a mental health services program.
- Fertility/surrogacy and adoption assistance and counseling.
- Flexible spending and health savings accounts.
- Backup childcare assistance.
- Free or subsidized public transit passes, which help reduce greenhouse gas emissions from commuting.
- Health and financial wellness coaching.
- Pension and/or 401(K) benefits.
- Tuition reimbursement for continuing education.

to work on improving the third area: "how we share knowledge across business lines." (Our score remained consistent at 68%.)

In 2023, our regrettable turnover was 1.0% and our non-regrettable turnover was 8.4%. As of December 31, 2023, our CEO approval rating on Glassdoor was 95%, and 91% of our employees said they would recommend Prologis to a friend.

## Employee Engagement 2023



“  
**Our CEO approval rating was 95%, and 91% of our employees said they would recommend Prologis to a friend.**  
 ”

1. Regrettable turnover is defined as "eligible for rehire in the same role." Non-regrettable turnover is defined as "ineligible for rehire in the same role."

### Talent acquisition, learning and development

We recruit talented employees with varied experiences and viewpoints and create opportunities for them to learn and develop. Our goal is to have the right people in the right roles at the right times in their careers. Our culture is key. We are committed to DEIB and try to create a workplace where employees feel that they can take risks; simplify and sprint; and fail fast. Members of our executive committee directly participate in new employee orientations and speak about the importance of our company culture.

Prologis employee learning and development includes training on:

- Prologis' core competencies and traits.
- Business fundamentals, including the fundamentals of real estate.
- Leadership, presentation skills, effective communication and time management.
- Manager-related skills, including performance management, career development, mentoring and DEIB in a workplace setting.

In 2023, Prologis spent approximately \$1,900 per employee on learning and development, and employees completed more than 13,600 hours of training (not including required compliance, ethics and information security training), a year-over-year increase from three to five hours per employee. This was due, in part, to expanded new employee orientation sessions.

Through BetterUp and the Prologis Mentorship Connect programs, we match mentors and mentees based on shared needs and interests. This includes both experienced and early career mentors and mentees. More than 300 Prologis employees participate in the program.

For additional examples of our workforce development, including internships and college/university partnerships, please see [Diversity, Equity, Inclusion and Belonging](#).





# Diversity, equity, inclusion and belonging

DEIB is important to our mission to be the leading logistics real estate company. Our workforce should look like the communities where we do business, and our priorities should reflect the needs of those communities.

Our DEIB strategy is supported by three pillars: people, procurement and philanthropy. Our Global DEIB Steering Committee guides this strategy, and our CEO is a signatory to [CEO Action for Diversity & Inclusion](#).

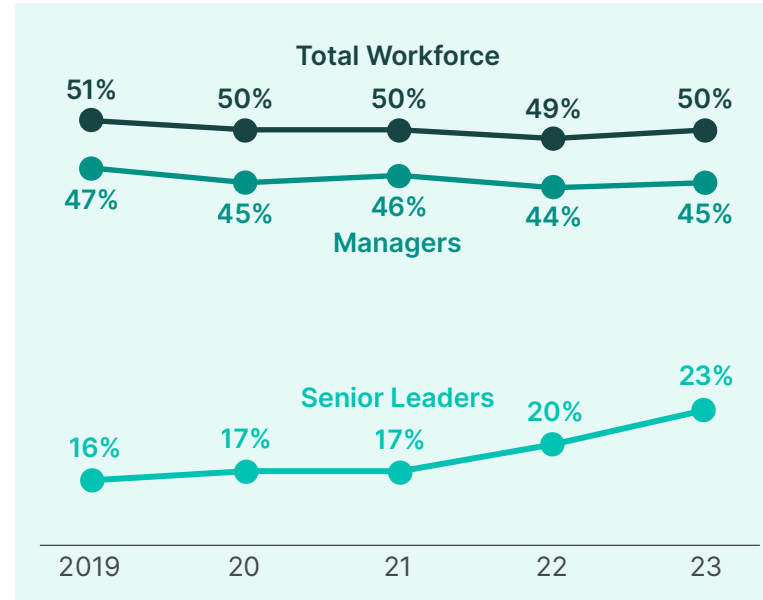
## People

We recognize the importance of inclusion and diverse **representation** at every level of our organization. We partner with organizations—including [Urban Land Institute](#), [NAIOP](#), [NAREIT](#) and [Management Leadership for Tomorrow](#)—to stay informed of workforce trends, identify areas of opportunity and expand our pool of candidates. As an example, Prologis leaders mentor members of under-represented groups at annual NAIOP I-CON conferences and participate in the organization’s “Inclusion in Commercial Real Estate” scholarship program. More than 75 mentees have graduated from the program, and 15 students received scholarships at the most recent conference.

At year-end 2023, 50% of our employees, 45% of our managers and 23% of our senior leaders were women. At year-end 2023, 34% of our U.S. employees, 29% of our U.S. managers and 15% of our U.S.-based senior leaders were people of color.

## Workforce Diversity<sup>1</sup>

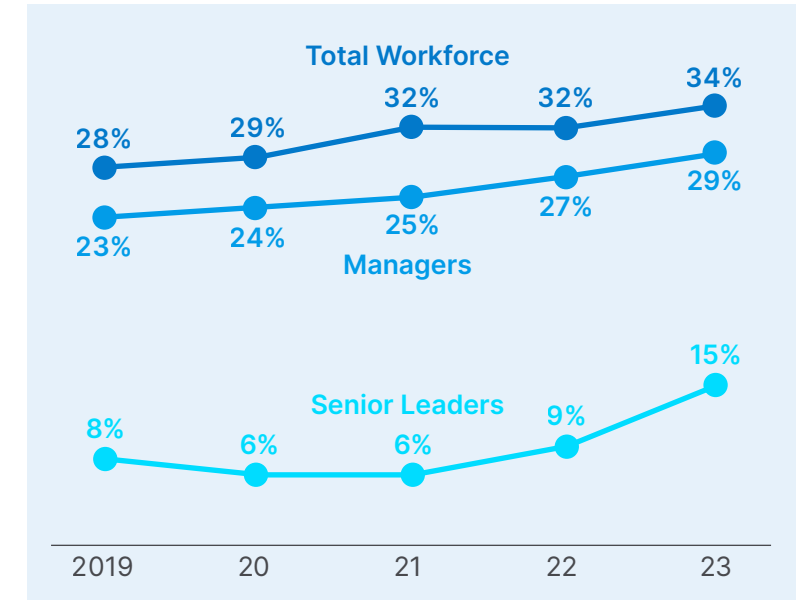
### Women (companywide)



In 2024, we continue to work to improve representation at our senior leadership level. Additional information may be found in our [EEO-1 report](#), [Bloomberg Gender Equality Index](#) and [ESG Data page](#).

In 2024, we retained a third party to conduct our annual **pay equity** analysis. This analysis included base salary,

### People of Color (U.S.)



bonus and long-term incentives, and was reviewed by our executive committee and board of directors. Results indicate that after controlling for relevant factors, women (globally) and people of color (in the U.S.) were paid within +/-3% of their male and white peers. If we find differences in compensation not explained by relevant job factors, we adjust compensation accordingly.

1. "Managers" includes managers, directors and vice presidents. "Senior leaders" includes those at or above the senior vice president level.

An **inclusive work environment** fosters innovation and allows everyone to do their best work. Our DEIB offerings include training resources, cultural awareness campaigns and celebrations such as Asian Heritage Month, Black History Month, Hispanic/Latin-American Heritage Month, Pride Month and Women's History Month. Prologis provides dedicated funding and staffing resources to support our five employee resource groups (ERGs): the Asian Leadership Network, the Black Industrial Leadership Network, Hispanic/Latinx Organization for Leadership and Advancement, Leadership Empowerment Alliance at Prologis (women) and the Prologis Pride Network (LGBTQIA+). In 2023, each ERG doubled in size and ERG-sponsored webinars drew an average audience of more than 400 employees. DEIB-focused questions in our biannual employee engagement survey measure our progress in building an inclusive work environment. We analyze full engagement survey results for significant differences based on age group, gender, management level, race/ethnicity, nationality/country of origin or cultural background.

**Procurement**

In 2023, we launched a supplier diversity initiative to encourage diverse-owned businesses (BIPOC, women, veteran, disabled and LGBTQIA+) to bid on Prologis business; to make our supply chain more resilient; and to support our customers' supplier diversity efforts. We established a baseline for diverse supplier spend to guide our diverse supplier strategy and capacity building efforts. And in 2024, we are comparing this baseline to that of our peers. We also engaged with the National Minority Supplier Diversity Council to learn and share best practices in supplier diversity.

Our CEO's statement of support for supplier diversity may be found on our [website](#). Prospective suppliers, whether diverse or not, may register through our [supplier portal](#). At year-end 2023, we had more than 500 diverse suppliers in our active supplier database. For additional information, please see [Supply Chain Responsibility](#).

**Philanthropy**

Giving back to the communities where we work, including diverse communities, is an important part of our social impact. This includes building diversity within our industry: According to the U.S. Bureau of Labor Statistics, only 10% of real estate professionals and 5% of real estate brokers are Black.

In 2023, Prologis announced a \$3 million Prologis Foundation donation to Morehouse College to create an endowed fund for the new Morehouse Real Estate Institute (MREI). This donation will expand opportunities for students from Morehouse College, Spelman College and Clark Atlanta University, three Atlanta-area historically Black colleges and universities (HBCUs). Students will be able to learn about commercial real estate and prepare for careers in the industry. The institute will also connect students with internship and entrepreneurship opportunities.

Prologis leaders will contribute their time to MREI through guest lectures, specialized workshops, site tours and on-campus training programs. To launch this ongoing relationship, leaders from across the U.S. joined Hamid Moghadam, our co-founder, chairman and CEO, for the kickoff event, where they provided guidance on course curriculum and shared career advice with students.



Prologis announced a \$3 million Prologis Foundation donation to Morehouse College to create an endowed fund for the new Morehouse Real Estate Institute (MREI).

It is our hope that through this partnership, and by maintaining diversity as a priority in our philanthropy, we can be a catalyst for change. We believe our industry will be stronger and more resilient with a workforce that more closely reflects the diversity of the communities we serve.

In addition to the MREI donation, the Prologis Foundation also worked closely with our ERGs in 2023 to identify and donate approximately \$100,000 to nonprofit organizations serving ERG communities. For additional information on corporate giving, please see [Community Involvement](#).



# Employee health and safety

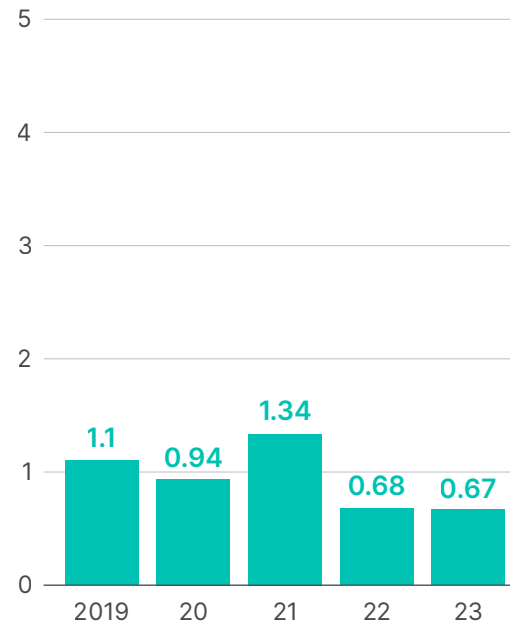
Safety is a high priority at Prologis. Our safety program is overseen by a global safety committee of senior executives from relevant functions. This committee meets quarterly; identifies and implements best practices and standards; and facilitates employee and contractor training.

For building construction and renovation, our design guidelines require safety features—such as anchor points, railings and skylight screens—at every development site around the world. We require our contractor partners, worldwide, to provide a competent full-time safety professional on all projects while hazardous work, such as trenching and work at heights, is taking place. We also require our contractor partners to perform a weekly job site safety survey — and we require that our development managers complete a monthly safety survey — on every active project. Once a building is complete, we work to maintain a safe work environment: Every maintenance technician in the U.S. is required to complete the OSHA 10-hour safety training.

Prologis employees, contractor employees and anyone else may report a job-site

## Employee Lost Time Injury Frequency (U.S. only)

Number of injuries per 1 million hours worked



safety concern using our anonymous third-party-administered safety helpline: 1-833-SAFE-PLD in the U.S. and Canada. In 2023, we had no employee work-related fatalities and received no calls to the safety hotline.

## National Safety Awareness Month

In honor of National Safety Awareness Month in June, our Inland Empire team held a first-of-its-kind event at The Merrill Commerce Center in Ontario, California. Some 300 local employees and contractors attended.

As one of the largest projects in Prologis history, the Merrill Commerce Center serves as a great example of what safety success looks like. The event included:

- Short talks about safety awareness by company leaders and general contractors
- Lunch at a food truck market for all participants
- Raffles and giveaways.

Jim Thornton, Prologis director of Construction Safety, noted, “Events like this go a long way in differentiating us from other owners and developers and show that we really care about the health and safety of the workers on our project sites. I was struck by the energy from the workers during the event, showing that they really appreciated the recognition for the hard work.”

Moving forward, the team plans to host similar safety events at project sites throughout the region and beyond.





# Resilient Communities

Logistics real estate drives economic development and fosters resilient communities. We work in partnership with local leaders and organizations to provide job training programs; promote community health and safety; and enhance park and transit infrastructure.

1.1M

Approximately 1.1 million people work under a Prologis roof every day.

29,700

Through our Community Workforce Initiative, we trained 8,760 people in 2023, reaching 29,700 people by year-end 2023 and achieving our goal for this program two years early.

40 years

Prologis teams around the world celebrated our 40th anniversary, and each of our six regions received \$40,000 from the Prologis Foundation to donate to nonprofits of their choice.

16,400

Our employees donated more than 16,400 hours to community organizations.





# Stakeholder engagement

We are more effective when we incorporate ideas and input from our stakeholders. The social impact section of our [ESG Policy](#) describes our approach.

We engage with our **employees** through webinars, intranet storytelling and interactive town hall meetings. We aim to create a people-first culture that prioritizes well-being and connects Prologis employees around the world in an authentic, fun and human way.

During project planning and development, we work closely with city staff to align our projects with applicable ordinances, regulations and guidelines. As appropriate, we engage with **community members** to learn about community needs and find ways to help address them. Depending on the project, this can include face-to-face meetings, presentations and community workshops. We also participate in community organizations and volunteer with local nonprofits in the communities where we do business.

We work closely with **policymakers** to strengthen the supply chain, improve sustainability and advance our core business objectives. This includes working to advance positive economic development, smart land use planning, rooftop solar, battery storage and mobility policy.

In December 2023, our senior leaders provided an in-depth view of Prologis' market position to more than 1,000 investors and analysts during our Investor Forum in New York City. From May 2023 to March 2024, we engaged with **shareholders** representing 71%<sup>1</sup> of the shares held by our 100 largest shareholders, or 56% of total outstanding shares. In response to their feedback over the years, we have made enhancements to our executive compensation and corporate governance. For more detail, please see our most recent [Proxy Statement](#).



## Laying the Groundwork: Community Engagement Done Right

As a long-term owner, Prologis is part of the fabric of the community. We recognize that community engagement is most successful when it is consistent and authentic.

The Prologis team in Japan provides a good example of this approach. They reach out to the full range of stakeholders, including local residents, landowners, government agencies, neighboring companies, customers and warehouse workers. Their engagement is consistent, often beginning years prior to land acquisition, and continues through entitlement (permitting) and on to construction and operation.

Community engagement in Japan takes many forms, allowing each stakeholder many different opportunities to learn about a project and share their ideas. These include town hall meetings, property tours, individual meetings with elected leaders, urban planning meetings, participation in local and regional economic councils, hosting or sponsoring local events, warehouse tours for local elementary students and disaster response demonstrations and trainings. As one example, the Japan team put together a contest for local children to design the artwork that will be displayed on the side of the Prologis shuttle bus.

During warehouse operation, the Japan team works to create community value, including by running job training programs; conducting emergency response drills; maintaining PARKlife spaces; and even operating public convenience stores and dining spaces.

The outcome, in most cases, is that local stakeholders see the benefit of having a Prologis warehouse nearby—and Prologis and Prologis customers enjoy a positive and productive relationship with the local community.

1. Calculated by outstanding shares of common stock of our top 100 stockholders. Our top 100 stockholders hold 79% of our outstanding shares.

# Economic and social impact

Logistics real estate drives economic development and supports the needs of surrounding communities. A 2022 study by the independent advisory firm Oxford Economics determined that \$2.7T in goods flow through our distribution centers each year. This represents 2.8% of global GDP and 4.0% of the GDP for the 19 countries where we do business. Some 1.1 million people work under a Prologis roof each day. Oxford Economics will be updating their study in the second half of 2024.

As a long-term owner, we value long-term relationships with the people in the communities where we do business. Our goal is to be the logistics facility provider of choice by creating value not only for our customers, but also for the communities where we operate. As an example, in the United Kingdom in 2023, according to the Social Value Portal, five Prologis projects provided more than \$28M of local social and economic value, including but not limited to indirect local spending; training and apprenticeships; and 68 construction and logistics jobs.



By locating our logistics facilities close to urban centers, we create economic and social value through shorter delivery routes, reduced greenhouse gas emissions and next-day or even same-day delivery of the crucial goods and services, including food and medicine, that local residents and businesses need.

Prologis is committed to openness and transparency regarding taxes, an important aspect of our economic impact. Our global head of tax is responsible for our tax policies and procedures. We comply with all applicable rules and regulations and report current and deferred domestic and international tax liabilities in our [Form 10-K](#). Our tax planning is aligned with our commercial business activities.

### Community safety

Protecting health and safety is a key part of our commitment to the communities where we operate.

Prologis leases require customers to comply with all applicable laws and regulations in their operations and occupancy. We conduct financial due diligence on a customer before entering into a lease agreement and then work closely with the customer during the lease. Once leased, the customer has exclusive possession and control of the premises under the terms of the lease as well as under tenant-landlord law. When we become aware of conditions that might impact community safety, we notify relevant authorities and take appropriate action, including seeking to evict the customer if warranted by the circumstances and permitted by applicable law. If a community safety incident occurs at or near a Prologis property, we work with the customer to mitigate and minimize the community impact.

**\$2.7T**

in goods flow through our distribution centers each year

**2.8%**

of global GDP

**4.0%**

of the GDP for the 19 countries where we do business

**1.1 M**

people work under a Prologis roof each day



**Logistics skills training**

With Prologis' custom workforce solutions, we address our customers' need for logistics talent and create economic opportunity in the communities where we do business.

- **Prologis Learning Academy** – In collaboration with local workforce development experts, our academy provides skill-building training and education for a variety of positions in warehousing, distribution and logistics.
- **Community Workforce Initiative (CWI)** – CWI leverages digital learning and development tools to level up a customer's logistics workforce and place trained individuals in logistics jobs. We've trained approximately 29,700 people with this program since its inception in 2018.
- **Training and Certification** – Our training and logistics programs provide basic workforce skills, upskilling and certification opportunities and individualized placement support. The online courses leverage the latest technologies, including virtual reality tools, to enhance the learning experience.

**PARKlife™**

At some logistics centers, we create PARKlife spaces to improve the local quality of life and help our customers attract and retain workers. Examples of PARKlife include green spaces, sports facilities, fitness trails, job training centers and other community features. PARKlife murals and other artwork, created in partnership with local artists, brighten the walls of our distribution centers, bringing a touch of whimsy, a different perspective or a refreshing visual break from the day to day.



Prologis Mexico launched several PARKlife initiatives, including new sports and recreation areas with multi-use courts, fields and barbecues.

In 2023, Prologis Mexico launched several PARKlife initiatives. They installed free little libraries at 25 locations; opened new sports and recreation areas in Mexico City; and hosted two soccer tournaments in Monterrey that drew hundreds of customers' employees. With PARKlife, Prologis Mexico can help provide needed resources to serve our customers' employees as well as the broader community.

**Space for Good**

Through our Space for Good program, we donate rent-free space in unoccupied parts of our logistics buildings to charitable organizations that provide short-term community services such as disaster relief. In 2023, in response to a range of crises around the world, we donated some 2.1 MSF worth nearly \$5M of in-kind rent to 25 charities. (Since 2019, we've donated nearly 6 MSF worth approximately \$24M in in-kind rent.) As an example, following the devastating earthquake that struck Turkey and Syria in early 2023, Prologis Spain provided warehouse space in Prologis Park Coslada to organize goods for delivery to the disaster zone.

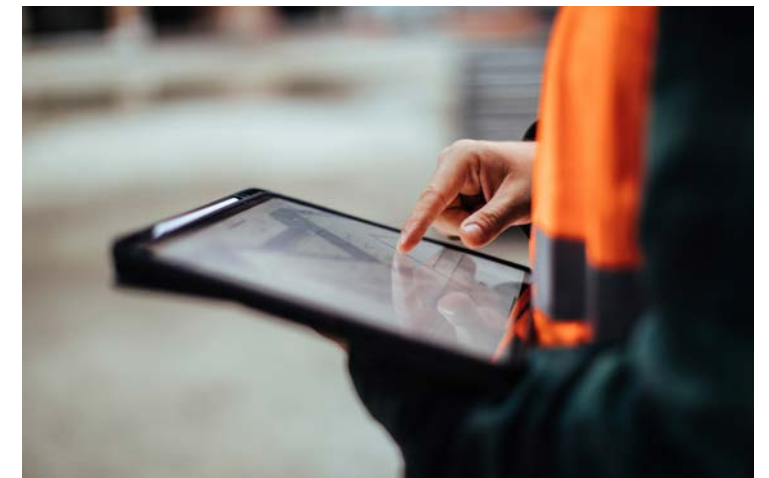
**Transparency Trendsetter**

In 2023, Prologis was named a "Trendsetter in Political Disclosure and Accountability" by Center for Political Accountability with a score of 92.9 out of 100 points on the CPA-Zicklin Index of Corporate Political Disclosure and Accountability.

**92.9**  
out of 100 on  
the CPA-Zicklin  
Index

Our **political participation policy** 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.

We engage with policymakers through our membership in trade associations, including NAREIT and the California Chamber of Commerce. We post annual lobbying expenditures, including the total amount paid in trade association membership fees, to **our website**. We have informed major U.S. trade associations and relevant 501(c)(4) organizations that they are prohibited from using any Prologis funds to support any U.S. federal or state candidate or political party. The governance committee of our board of directors receives an annual update on our public policy priorities, lobbying expenditures and payments to trade associations.





## The Hub at DIRFT: Centre for Logistics Training

The Hub at DIRFT (The Hub) is a nearly 10,000 square foot building in Northampton, UK. The facility provides amenities for the Prologis distribution centre and the local community. It also hosts the Prologis Warehousing and Logistics Training Programme (PWLTP).

PWLTP is designed to provide young people with the skills they need to start a career in logistics and a pathway to employment in the sector. This creates value to our customers, providing them with a pool of skilled workers. The program recently started delivering inclusive apprenticeship and training for individuals with special educational needs and disabilities.

To help inspire and educate local kids about the logistics sector as part of National Careers Week, Prologis UK welcomed 160 students to The Hub in 2023. Students between ages 11 and 14 from six schools were treated to a highly interactive day with different learning experiences on topics such as packaging, technology and automation. Activities included:

- **Tour:** To help bring the work to life, students could tour an operating GXO warehouse and a rail terminal operation.
- **Networking:** The students were given the opportunity to speed network with a range of logistics operators and trade associations, allowing them to hear directly from industry professionals about their roles.
- **Problem solving:** Students were given practical problems they needed to solve throughout the course of the day, including what to consider when shipping products (e.g., fastest, cheapest, most sustainable).

As a continuation of Prologis' community outreach work, the activities were specifically designed to raise awareness about the exciting career opportunities that the sector and our customers have to offer, especially in Central England where logistics companies are a key employer.





# Community involvement

We focus our community giving and volunteering in three areas: education, the environment and community support. In 2023, we made significant progress toward our goal, established in 2019, to donate 75,000 hours to community organizations by 2025: Employees donated 16,400 hours in 2023 to reach approximately 54,500 hours.

On IMPACT Day, our annual global day of service, we close our offices and encourage every employee to volunteer with a local organization. In addition, every employee receives 32 paid hours per year to volunteer with nonprofit organizations in their community, subject to manager approval. As an additional benefit, employees can turn service hours performed outside of working hours into a financial contribution from the Prologis Foundation through our Dollars for Doers program.

The Prologis Foundation helps local communities thrive by supporting economic, educational and environmental causes and organizations. In 2023, Prologis and the Prologis Foundation made approximately \$8 million in contributions to community organizations around the world. This included a \$3 million Foundation donation to create an endowed fund for the new Morehouse Real Estate Institute (MREI) to expand career opportunities in commercial real estate for students of Morehouse College, Spelman College and Clark Atlanta University. (See [Diversity, Equity, Inclusion and Belonging](#) for more.) Additionally in 2023, the Foundation provided \$356,000 in matching funds through the company's Matching Gifts and Dollars for Doers programs to support employee giving and volunteering.

## Charitable and Volunteer Contributions

	2019	2020	2021	2022	2023
<b>Charitable contributions</b> (million USD)	\$2.30	\$8.20	\$4.70	\$6.48	\$7.92
<b>Employee volunteer time</b> (hours)	11,872	4,428	7,324	14,557	16,406

## Foundation Funds 40th Festivities

In connection with Prologis' 40th anniversary, the Prologis Foundation granted \$240,000 in funds, \$40,000 per region (U.S. East, U.S. Central, U.S. West, Europe, Latin America, Asia), to charitable organizations across the globe. With guidance from the Foundation, organizations were chosen by regional leaders, ensuring the grants made the biggest impact in their local communities. These included:

- **Rocking the Boat**, which teaches children in the Bronx (New York) the art of wooden boat building, rowing, sailing and ecological preservation along the Bronx River.
- **Generation One** in Houston, Texas, which helps tackle childhood education in Houston's roughest neighborhoods.
- **Birmingham Children's Hospital Charity** in the United Kingdom.

- **The San Leandro Education Foundation** in Northern California, an organization that helps high school students prepare for and land paid part-time summer internships.
- **Banco de Alimentos Associacao Civil** in Brazil, which helps meet the needs of local families, beyond providing basic food baskets.
- **The Kinderhilfezentrum Düsseldorf**, a children's welfare center, which has been taking care of young people in need of support for more than 50 years.
- **Yahaba Yurikago** and the **Tokai Social Welfare Program**, organizations in Japan that provide child care/parenting support and services to all age groups.
- **Beijing Meet Charity Foundation** in Beijing, China, which focuses on providing funds for the health and education of children.





## IMPACT Day

IMPACT Day 2023 saw Prologis employees donating more than 10,800 hours to local organizations, including Build with Love (Amsterdam), The Food Project at Ingalls School Farm (Boston), Zero Waste Farm (China), Cuddles Foundation (India), Jardín de Niños Rodolfo Morales (Mexico), Leybourne Grange Riding Centre for the Disabled (United Kingdom) and Habitat for Humanity (19 projects around the world).

Since 2015, Prologis volunteers have worked on 119 Habitat for Humanity homes and community revitalization projects to help provide families and individuals with affordable housing. On IMPACT Day 2023, more than 250 employees participated in 19 Habitat for Humanity projects in three countries, supporting local homeownership and helping to revitalize neighborhoods in the communities where we do business.





# Appendix



Oakland Global Logistics Center, Oakland, California.



# Performance data

	2019	2020	2021	2022	2023
<b>Our Business</b>					
Revenue (dollars in billions)	\$3.33	\$4.44	\$4.76	\$5.97	\$8.02
Assets under management (dollars in billions)	\$118	\$148	\$215	\$196	\$219
Square footage of real estate portfolio (MSF)	814	984	1,001	1,213	1,242
Number of buildings (owned and managed portfolio)	3,840	4,703	4,735	5,495	5,613
Number of customers	5,000	5,500	5,800	6,600	6,700
Global occupancy rate at year-end	97%	96%	98%	98%	98%
Global customer retention rate	79%	77%	74%	78%	74%
Number of employees	1,713	1,945	2,053	2,466	2,574
<b>Environment<sup>1</sup></b>					
Scope 1 and 2 GHG emissions (mtCO <sub>2</sub> e—market based)	10,753	10,241	8,476	4,465	6,081
Scope 1 and 2 GHG emissions (mtCO <sub>2</sub> e—location based)	13,493	12,869	11,135	6,498	8,302
Scope 3 GHG emissions (mtCO <sub>2</sub> e—location based)	5,429,592	5,094,320	4,514,735	4,215,247	3,841,252
Energy consumption (MWh)	18,708	22,786	20,671	9,831	9,967
Total renewable energy purchased or generated for our operations (MWh)	72	72	214	346	765
Solar and storage capacity (in MW) <sup>2</sup>	212	252	285	405	506
Area of sustainably certified space (million square feet)	145	170	195	235	287
LED lighting (% of owned and managed operating properties) <sup>3</sup>	33%	42%	57%	71%	74%
<b>Social &amp; Governance</b>					
Women in global workforce	51%	50%	50%	49%	50%
People of color in U.S. workforce	28%	29%	32%	32%	34%
People trained through Community Workforce Initiative <sup>4</sup>	597	4,036	6,809	10,119	8,760
Employee volunteer hours	11,872	4,428	7,324	14,557	16,406
Charitable giving (dollars in millions)	\$2.30	\$8.20	\$4.70	\$6.48	\$7.92
Employee ethics training completed	100%	100%	100%	100%	100%
Employee lost time injury frequency rate (U.S. only, per 1 million hours worked)	1.10	0.94	1.34	0.68	0.67

1. Based on improved data quality and alignment with SBTi, we have updated our emissions methodology and historical data. We now include updated emissions factors; more precise fleet- and office-related emissions data; and Scope 1 and Scope 2 emissions from fugitive refrigerants and chilled water. We now exclude energy related spend from purchased goods and services. Additionally, across all years, we now exclude as immaterial: FERA (indirect emissions associated with the production, transmission and delivery of fuels and energy we purchased), employee commuting, business travel and emissions from properties outside of our owned and managed operating properties and development portfolio.

2. Across our owned and managed portfolio.

3. Across our owned and managed operating properties. Data from a portfolio of properties acquired in June 2023 will be included in our 2024-25 ESG report.

4. Historical data has been updated. 2020-2023 data includes participants in online program only.



# Assurance statement

Our full assurance statement and GHG emissions validation statement are available on our ESG data page.



## LRQA Independent Assurance Statement Relating to Prologis' Environmental, Social and Governance Report for Calendar Year 2023

This Assurance Statement has been prepared for Prologis, Inc. (Prologis) in accordance with our contract but is intended for the readers of this Report.

### Terms of Engagement

LRQA was commissioned by Prologis to provide independent assurance on its 2023 Environmental, Social and Governance (ESG) Report (the report) to a moderate level of assurance and materiality of the professional judgement of the verifier using AccountAbility's AA 1000AS (v3), where the scope was a Type 2 engagement.

Our assurance engagement covered Prologis' global operations and activities and specifically:

- verified conformance with AA1000 AccountAbility Principles (AA1000AP 2018); and
- evaluated the accuracy and reliability of data and information.

Our assurance engagement excluded the data and information of Prologis' suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to Prologis. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Prologis' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Prologis.

LRQA's corresponding Greenhouse Gas Verification Assurance Statement should be referred to in conjunction with this Assurance Statement.

### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Prologis has not, in all material respects:

- Met the requirements above;
- Disclosed accurate and reliable performance data and information as no errors or omissions were detected; and
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

*Note: The extent of evidence-gathering for a moderate assurance engagement is less than for a high assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.*

### LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing Prologis' approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through interviews with senior management and a review of procedures and processes in place to manage stakeholder engagement.
- Reviewing Prologis' process for identifying and determining material issues to confirm that the right issues were included in their Report. We did this by independently reviewing Prologis' internal materiality process, reviewing reports written by Prologis and its peers to ensure that sector specific issues were included for comparability, referencing the Global Reporting Initiative (GRI) Universal Standards and Topic-specific Standards and referencing Sustainability Accounting Standards Board (SASB) real estate sector standard.
- Auditing Prologis' data management systems to confirm that there were no significant errors, omissions or misstatements in the Report. We did this by:



- sampling specific source and aggregated data points referenced in the Report,
- speaking with key people responsible for compiling the data and drafting the Report; and
- interviewing members of the executive committee, senior management, and various other roles within the company by virtual meetings.

### Observations

Further observations and findings, made during the assurance engagement, are:

- Stakeholder inclusivity:

We are not aware of any stakeholder groups that have been excluded from Prologis' stakeholder engagement process. Prologis refreshed the 2017 stakeholder engagement process in 2019 and LRQA encourages further engagement of external stakeholders to support results. The process is biennial and was expected to be completed again in 2021. Due to limited resources, Prologis conducted the 2021 review by engaging internal stakeholders including those who have direct contact with Prologis external stakeholders. A materiality assessment was conducted in 2023 that included both internal and external stakeholders.

- Materiality:

We are not aware of any material issues concerning Prologis' sustainability performance that have been excluded from the Report. The Report covers a range of ESG performance. The published annual PDF report provides highlights of key accomplishments and initiatives. Reporting is also consistent with GRI and SASB Real Estate reporting.

- Responsiveness:

Prologis engages regularly with internal and external stakeholders, with an emphasis on customers. Specific examples of responsiveness in 2023 include construction circularity, lower carbon construction materials and support for biodiversity.

- Reliability:

We believe that the criteria applied are appropriate and sufficient to produce consistent, unbiased and understandable content for the end user.

- Impact:

Prologis' goals and strategies are mature and in line with ESG philosophy. Impacts across the property life cycle are considered, improvements are committed to, progress is measured, and metrics are reported. Two prominent life cycle examples include solar and LED. Continuation in this strategy is seen in growing prominence of EV charging stations and expanding solar beyond what the building tenant can utilize. Most recently impact is influenced through construction circularity and lower carbon construction materials.

### LRQA's Standards, Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

The verification assessment along with GHG verification is the only work undertaken by LRQA for Prologis and as such does not compromise our independence or impartiality.

Signed

Andrea M. Bockrath  
LRQA Lead Verifier

On behalf of Lloyd's Register Quality Assurance, Inc.  
810 Seventh Avenue, Suite 1110 New York, New York 10019

LRQA reference: UQA0000496

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Dated: May 16<sup>th</sup>, 2024



## LRQA Independent Assurance Statement

Relating to Prologis' Greenhouse Gas Emissions and Environmental, Social & Governance Metrics for the 2023 Calendar Year

This Assurance Statement has been prepared for Prologis, L.P. in accordance with our contract.

LRQA was commissioned by Prologis, L.P. (Prologis) to provide independent assurance of its greenhouse gas (GHG) emissions inventory and its environmental, social and governance (ESG) metrics ("the Report") for the Calendar Year 2023 against the assurance criteria below to a limited level of assurance using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas emissions data. LRQA's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Prologis corporate operations and activities worldwide and specifically the following requirements:

- Verifying conformance with:
  - Prologis' reporting methodologies for the selected datasets
    - Corporate offices and GHG emissions from Prologis' wholly-owned subsidiaries, Nippon Prologis REIT and FIBRA Prologis, are included in the total emissions and also listed separately for CDP reporting purposes.
  - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data<sup>1</sup>.
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Direct (Scope 1), Energy Indirect (Scope 2) and Other Indirect (Scope 3) GHG emissions;
    - Scope 3 GHG emissions verified by LRQA only include Purchased Goods and Services, Capital Goods, Fuel and Energy Related Activities, Business Travel, Employee Commuting, Upstream Leased Assets, Downstream Leased Assets and Investments.
    - Properties from the following funds were included in the verification activities of Scope 3 Downstream Leased Assets: FIBRA Prologis (FIBRA); Nippon Prologis REIT, Inc. (NPR); PBLV; PCCLF; PELF; PELP; USLF; and USLV.
  - ESG metrics including:
    - Site solar capacity, percentage of LED lighting installed by area, percentage of new developments that are sustainability certified or in the process of being certified (by building count), percentage of owned and managed portfolio (by area) that is sustainability certified, number of people trained through the Community Workforce Initiative since CY 2020, number of volunteer hours since CY 2019, percentage of women in workforce and in senior leadership (globally), percentage of people of color in workforce and in senior leadership (U.S. only).

LRQA's responsibility is only to Prologis. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Prologis' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of Prologis.

### LRQA's Opinion

Based on LRQA's approach, nothing has come to our attention that would cause us to believe that Prologis has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance<sup>2</sup> and at the materiality of the professional judgement of the verifier.

<sup>1</sup> <http://www.ghgprotocol.org/>



**Table 1. Summary of Prologis' GHG Emissions Data for CY 2023**

Scope of GHG emissions		Tonnes CO2e
Scope 1	Direct GHG Emissions	6,063
Scope 2 <sup>1</sup>	Energy indirect GHG emissions (Location-based)	2,239
	Energy indirect electricity GHG emissions (Market-based)	0
	Energy indirect total GHG emissions (Market-based)	17
Scope 3	Category 1 Purchased goods and services	202,491
	Category 2 Capital goods	973,765
	Category 3: Fuel and Energy Related Activities	1,941
	Category 6: Business Travel	5,630
	Category 7: Employee Commuting	2,921
	Category 8 Upstream leased assets	57
	Category 13 Downstream leased assets <sup>2</sup>	2,664,938
	Category 15: Investments	2,752

Note 1: Scope 2 Location-based and Scope 2 Market-based are defined in the WRI/WBCSD GHG Protocol Scope 2 Guidance, 2015.  
Note 2: Scope 3 Category 13 includes all energy for Prologis tenant portfolio buildings. Properties from the following funds were included in the verification activities of Scope 3 Downstream Leased Assets: FIBRA Prologis (FIBRA); Nippon Prologis REIT, Inc. (NPR); PBLV; PCCLF; PELF; PELP; USLF; and USLV.

**Table 2. REIT GHG Emissions Inventory for CY 2023**

Scope of GHG emissions		Tonnes CO2e
<b>Nippon Prologis REIT<sup>1</sup></b>		
Scope 1	Nippon Prologis REIT Direct GHG Emissions	2
Scope 2	Nippon Prologis REIT Energy Indirect GHG emissions (Location-based) <sup>2</sup>	14
	Nippon Prologis REIT Energy Indirect total GHG emissions (Market-based) <sup>2</sup>	0
<b>FIBRA Prologis<sup>1</sup></b>		
Scope 1	FIBRA Prologis Direct Emissions	303
Scope 2	FIBRA Prologis Energy Indirect GHG emissions (Location-based) <sup>2</sup>	188
	FIBRA Prologis Energy Indirect total GHG emissions (Market-based) <sup>2</sup>	0

Note 1: Nippon Prologis REIT (NPR) and FIBRA Prologis GHG emissions are included in the total Prologis emissions in Table 1 and are also listed separately in Table 2 for CDP reporting purposes. Emissions for NPR only include those associated with Prologis REIT Management K.K. (PLDRM), NPR's Asset Manager as specified on NPR's Corporate Governance webpage. Scope 1 and 2 data reflects emissions from Prologis Mexico's operations that are under FIBRA's operational control.  
Note 2: Scope 2, Location-based and Scope 2, Market-based are defined in the WRI/WBCSD GHG Protocol Scope 2 Guidance, 2015.

**Table 3.1 CY 2023 ESG Metrics**

Data Parameter	Value
Percentage of new developments that are sustainability certified or in the process of being certified (by building count)	96%
Number of people trained through the Community Workforce Initiative since CY 2020	29,724
Number of volunteer hours since CY 2019	54,587
Percentage of women in workforce (globally)	50%
Percentage of women in senior leadership (globally)	23%
Percentage of people of color in workforce (U.S. only)	34%
Percentage of people of color in senior leadership (U.S. only)	15%

<sup>2</sup> Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



**Table 3.2 CY 2023 ESG Metrics by Entity and Funds**

Data Parameter	Funds and Entity								
	PLD	FIBRA	NPR	PBLV	PCCLF	PELF	PELP	USLF	USLV
Onsite installed solar capacity supported by storage (MW) <sup>1</sup>	506	1	59	0.1	3	150	39	44	31
Percentage of LED lighting installed by area	74%	81%	89%	77%	72%	81%	83%	66%	68%
Percentage of owned and managed portfolio sustainability certified by area	23%	85%	92%	70%	15%	36%	20%	10%	5%

Note 1: Capacity in megawatts (MW) is expressed in terms of the peak capacity of the installed solar energy systems.

### LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- interviewing relevant employees of the organization responsible for managing GHG emissions and ESG data and records;
- reviewing Prologis' systems for collecting, recording and reporting data;
- verifying direct and indirect GHG emissions and ESG data and records at an aggregated level for the calendar year 2023; and
- reviewing Prologis' Base Year recalculation policy and confirming that recalculation is not required at this time.

### LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases - Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment - Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed

Joycelyn Swamidoss  
LRQA Lead Verifier  
On behalf of LRQA, Inc.  
810 Seventh Avenue, Suite 1110, NY 10019  
LRQA reference: UQA00000496/6751384

Dated: May 25, 2024

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# ESG materiality assessment

In early 2024, we completed an ESG materiality assessment to identify key issues, risks and opportunities that might impact our business and our stakeholders. We used an AI-driven platform to analyze real estate industry-level data and regulations, applying Prologis-specific filters for geography, customers, suppliers and investors. We evaluated the initial ranking of issues, which consisted of separate numerical scores for impacts on our business (outside-in) and stakeholders and the environment (inside-out), making adjustments based on our knowledge of the current logistics real estate business environment and our business model. The final list of material ESG topics, in order of importance, has been reviewed and approved by our Global ESG Steering Committee.

TOPIC	REPORT SECTION(S)
Climate change and GHG emissions	<a href="#">Net zero</a> , <a href="#">Climate strategy</a>
Renewable energy and energy management	<a href="#">Driving sustainable logistics</a>
Data governance and information security	<a href="#">What makes us different</a> ; <a href="#">Governance and ethics</a>
Business model resilience	<a href="#">What makes us different</a>
Employee diversity and inclusion	<a href="#">Diversity, equity, inclusion and belonging</a>
Governance and ethics	<a href="#">Governance and ethics</a>
Employee health and safety	<a href="#">Employee health and safety</a>
Innovation and technology	<a href="#">What makes us different</a>
Sustainable buildings	<a href="#">Driving sustainable logistics</a> ; <a href="#">Siting, design and construction</a>
Stakeholder engagement	<a href="#">Stakeholder engagement</a>
Talent management	<a href="#">Our inspired people</a>
Waste and water management and circularity	<a href="#">Siting, design and construction</a>
Supply chain responsibility	<a href="#">Supply chain responsibility</a>
Ecological Impacts	<a href="#">Siting, design and construction</a>
Local social and economic impact	<a href="#">Resilient communities</a>
Management of the legal and regulatory environment	<a href="#">Governance and ethics</a> ; <a href="#">Stakeholder engagement</a>

# GRI index

This report was prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021 and covers the topics identified in our most recent ESG materiality assessment.

GRI STANDARD/OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION	ADDITIONAL RESOURCES
GRI 2: General Disclosures 2021	2-1	2-1 Organizational details	<a href="#">Prologis Inc.</a>		<a href="#">What We Do</a>
	2-2	2-2 Entities included in the organization's sustainability reporting	ESG Report: About Prologis		<a href="#">Prologis ESG</a>
	2-3	2-3 Reporting period, frequency and contact point	ESG Report: About this report		<a href="#">Reports and Resources</a>
	2-4	2-4 Restatements of information	ESG Report: Climate strategy; Greenhouse gas emissions; Assurance Statement		<a href="#">Assurance Page</a>
	2-5	2-5 External assurance	ESG Report: Assurance Statement		<a href="#">Assurance Page</a>
	2-6	2-6 Activities, value chain and other business relationships	ESG Report: Sustainable Logistics		<a href="#">ESG Policy</a>
	2-7	2-7 Employees	ESG Report: Our Inspired People; Inclusion & diversity performance, <a href="#">Proxy Statement</a>		<a href="#">Human Rights Policy</a> ; <a href="#">SEC Filings</a>
	2-8	2-8 Workers who are not employees	ESG Report: Our Inspired People		
	2-9	2-9 Governance structure and composition	ESG Report: Ahead of What's Next, <a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a>
	2-10	2-10 Nomination and selection of the highest governance body	<a href="#">Proxy Statement</a> , SEC Filings		<a href="#">SEC Filings</a>
	2-11	2-11 Chair of the highest governance body	<a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a>
	2-12	2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a>
	2-13	2-13 Delegation of responsibility for managing impacts	ESG Report: Ahead of What's Next; Governance		<a href="#">SEC Filings</a>
	2-14	2-14 Role of the highest governance body in sustainability reporting	<a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a>
	2-15	2-15 Conflicts of interest	ESG Report: Ethics, compliance and human rights		<a href="#">Code of Ethics and Business Conduct</a>



GRI STANDARD/OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION	ADDITIONAL RESOURCES
	2-16	2-16 Communication of critical concerns	ESG Report: Employee Health and Safety		<a href="#">Code of Ethics and Business Conduct</a>
	2-17	2-17 Collective knowledge of the highest governance body	<a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a> ; <a href="#">Annual Report</a>
	2-18	2-18 Evaluation of the performance of the highest governance body	<a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a>
	2-19	2-19 Remuneration policies	<a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a>
	2-20	2-20 Process to determine remuneration	<a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a>
	2-21	2-21 Annual total compensation ratio	<a href="#">Proxy Statement</a>		<a href="#">SEC Filings</a>
	2-22	2-22 Statement on sustainable development strategy	ESG Report: Letter from our Co-Founder, CEO and Chairman, and Chief Energy & Sustainability Officer		<a href="#">ESG Policy</a> ; <a href="#">Annual Report</a>
	2-23	2-23 Policy commitments	ESG Report: Ethics, compliance and human rights		<a href="#">Code of Ethics and Business Conduct</a>
	2-24	2-24 Embedding policy commitments	ESG Report: Ethics, compliance and human rights		<a href="#">Code of Ethics and Business Conduct</a>
	2-25	2-25 Processes to remediate negative impacts	ESG Report: Ahead of What's Next, Risk management		<a href="#">ESG Policy</a>
	2-26	2-26 Mechanisms for seeking advice and raising concerns	ESG Report: Ethics, compliance and human rights		<a href="#">Code of Ethics and Business Conduct</a>
	2-27	2-27 Compliance with laws and regulations	ESG Report: Ethics, compliance and human rights		<a href="#">Code of Ethics and Business Conduct</a>
	2-28	2-28 Membership associations	ESG Report: Awards and recognitions; Stakeholder engagement		<a href="#">Memberships and Associations</a>
	2-29	2-29 Approach to stakeholder engagement	ESG Report: Stakeholder engagement		
	2-30	2-30 Collective bargaining agreements	ESG Report: Ethics, compliance and human rights		<a href="#">Code of Ethics and Business Conduct</a>
<b>MATERIAL TOPICS</b>					
GRI 3: Material Topics 2021	3-1	3-1 Process to determine material topics	ESG Report: ESG Materiality Assessment		
	3-2	3-2 List of material topics	ESG Report: ESG Materiality Assessment		

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	ADDITIONAL RESOURCES
<b>Economic performance</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 201: Economic Performance 2016	201-1	201-1 Direct economic value generated and distributed		<a href="#">10-K</a>
	201-2	201-2 Financial implications and other risks and opportunities due to climate change	ESG Report: Risk Management	
	201-3	201-3 Defined benefit plan obligations and other retirement plans	<a href="#">Proxy Statement</a>	
	201-4	201-4 Financial assistance received from the government	—	Confidentiality constraints
<b>Indirect economic impacts</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 203: Indirect Economic Impacts 2016	203-1	203-1 Infrastructure investments and services supported	ESG Report: Siting, design and construction	<a href="#">Human Rights Policy</a>
	203-2	203-2 Significant indirect economic impacts	ESG Report: Economic and social impact	<a href="#">Human Rights Policy</a>
<b>Procurement Practices</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 204: Procurement Practices 2016	204-1	204-1 Proportion of spending on local suppliers	—	Information unavailable/incomplete
<b>Anti-corruption</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 205: Anti-corruption 2016	205-1	205-1 Operations assessed for risks related to corruption	ESG Report: Ethics, compliance and human rights	<a href="#">Code of Ethics and Business Conduct</a>
	205-2	205-2 Communication and training about anti-corruption policies and procedures	ESG Report: Ethics, compliance and human rights	<a href="#">Code of Ethics and Business Conduct</a>
	205-3	205-3 Confirmed incidents of corruption and actions taken	ESG Report: Ethics, compliance and human rights	<a href="#">Code of Ethics and Business Conduct</a>
<b>Anti-competitive behavior</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 206: Anti-competitive Behavior	206-1	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Report: Ethics, compliance and human rights	<a href="#">Code of Ethics and Business Conduct</a>



GRI STANDARD/OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION	ADDITIONAL RESOURCES
<b>Tax</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 207: Tax 2019	207-1	207-1 Approach to tax	<a href="#">Proxy Statement</a>		<a href="#">10-K</a>
	207-2	207-2 Tax governance, control, and risk management	<a href="#">Proxy Statement</a>		<a href="#">10-K</a>
<b>Materials</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 301: Materials 2016	301-1	301-1 Materials used by weight or volume	ESG Report: Siting, design and construction	Additional data will be available once LCAs are completed across our portfolio.	<a href="#">ESG Data Page</a>
	301-2	301-2 Recycled input materials used	ESG Report: Siting, design and construction	Additional data will be available once LCAs are completed across our portfolio.	<a href="#">ESG Data Page</a>
	301-3	301-3 Reclaimed products and their packaging materials	—	Not applicable	
<b>Energy</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 302: Energy 2016	302-1	302-1 Energy consumption within the organization	ESG Report: Driving sustainable operations; SASB disclosure		<a href="#">ESG Data Page</a>
	302-2	302-2 Energy consumption outside of the organization	ESG Report: Driving sustainable operations; SASB disclosure		<a href="#">ESG Data Page</a>
	302-3	302-3 Energy intensity	ESG Report: Driving sustainable operations; SASB disclosure		<a href="#">ESG Data Page</a>
	302-4	302-4 Reduction of energy consumption	ESG Report: Driving sustainable operations; SASB disclosure		<a href="#">ESG Data Page</a>
	302-5	302-5 Reductions in energy requirements of products and services	ESG Report: Driving sustainable operations; SASB disclosure		<a href="#">ESG Data Page</a>

GRI STANDARD/OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION	ADDITIONAL RESOURCES
<b>Water and effluents</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 303: Water and Effluents 2018	303-1	303-1 Interactions with water as a shared resource	—	Not applicable	
	303-2	303-2 Management of water discharge-related impacts	ESG Report: Siting, design and construction; SASB disclosure		
	303-3	303-3 Water withdrawal	—	Not applicable	
	303-4	303-4 Water discharge	—	Not applicable	
	303-5	303-5 Water consumption	ESG Report: Siting, design and construction; SASB disclosure		<a href="#">ESG Data Page</a>
<b>Biodiversity</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 304: Biodiversity 2016	304-1	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	ESG Report: Biodiversity		
	304-2	304-2 Significant impacts of activities, products and services on biodiversity	ESG Report: Biodiversity		
	304-3	304-3 Habitats protected or restored	ESG Report: Biodiversity		
	304-4	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	—	Information unavailable/incomplete	
<b>Emissions</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 305: Emissions 2016	305-1	305-1 Direct (Scope 1) GHG emissions	ESG Report: Greenhouse gas emissions		<a href="#">ESG Data Page</a>
	305-2	305-2 Energy indirect (Scope 2) GHG emissions	ESG Report: Greenhouse gas emissions		<a href="#">ESG Data Page</a>
	305-3	305-3 Other indirect (Scope 3) GHG emissions	ESG Report: Greenhouse gas emissions		<a href="#">ESG Data Page</a>
	305-4	305-4 GHG emissions intensity	ESG Report: Greenhouse gas emissions		<a href="#">ESG Data Page</a>
	305-5	305-5 Reduction of GHG emissions	ESG Report: Greenhouse gas emissions		<a href="#">ESG Data Page</a>
	305-6	305-6 Emissions of ozone-depleting substances (ODS)	—	Information unavailable/incomplete	
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	—	Information unavailable/incomplete	



GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	ADDITIONAL RESOURCES
<b>Waste</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 306: Waste 2020	306-1	306-1 Waste generation and significant waste-related impacts	ESG Report: Siting, design and construction; Building certification; SASB disclosure	<a href="#">ESG Data Page</a>
	306-2	306-2 Management of significant waste-related impacts	ESG Report: Siting, design and construction; Building certification; SASB disclosure	<a href="#">ESG Data Page</a>
	306-3	306-3 Waste generated		<a href="#">ESG Data Page</a>
	306-4	306-4 Waste diverted from disposal		<a href="#">ESG Data Page</a>
	306-5	306-5 Waste directed to disposal	—	Information unavailable/incomplete
<b>Supplier environmental assessment</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 308: Supplier Environmental Assessment 2016	308-1	308-1 New suppliers that were screened using environmental criteria	ESG Report: Supply chain responsibility	
	308-2	308-2 Negative environmental impacts in the supply chain and actions taken	ESG Report: Collaborating on climate	
<b>Employment</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 401: Employment 2016	401-1	401-1 New employee hires and employee turnover	ESG Report: Our Inspired People	<a href="#">ESG Data Page</a>
	401-2	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report: Employee Engagement	<a href="#">ESG Data Page</a>
	401-3	401-3 Parental leave	ESG Report: Our Inspired People	
<b>Labor/management relations</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 402: Labor/Management Relations 2016	402-1	402-1 Minimum notice periods regarding operational changes	ESG Report: Stakeholder engagement	

GRI STANDARD/OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION	ADDITIONAL RESOURCES
<b>Occupational health and safety</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 403: Occupational Health and Safety 2018	403-1	403-1 Occupational health and safety management system	ESG Report: Employee health and safety; Resilient Communities		<a href="#">Code of Ethics and Business Conduct</a> ; <a href="#">Human Rights Policy</a>
	403-2	403-2 Hazard identification, risk assessment, and incident investigation	ESG Report: Employee health and safety; Resilient Communities		<a href="#">Code of Ethics and Business Conduct</a> ; <a href="#">Human Rights Policy</a>
	403-3	403-3 Occupational health services	ESG Report: Employee health and safety; Resilient Communities		<a href="#">Code of Ethics and Business Conduct</a>
	403-4	403-4 Worker participation, consultation, and communication on occupational health and safety	ESG Report: Employee health and safety; Resilient Communities		<a href="#">Code of Ethics and Business Conduct</a>
	403-5	403-5 Worker training on occupational health and safety	ESG Report: Employee health and safety; Resilient Communities		<a href="#">Code of Ethics and Business Conduct</a>
	403-6	403-6 Promotion of worker health	ESG Report: Employee health and safety; Resilient Communities		<a href="#">Code of Ethics and Business Conduct</a>
	403-7	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Report: Employee health and safety; Resilient Communities		<a href="#">Code of Ethics and Business Conduct</a>
	403-8	403-8 Workers covered by an occupational health and safety management system	ESG Report: Employee health and safety; Resilient Communities		<a href="#">Human Rights Policy</a> ; <a href="#">Code of Ethics and Business Conduct</a>
	403-9	403-9 Work-related injuries	ESG Report: Employee health and safety		<a href="#">ESG Data Page</a>
	403-10	403-10 Work-related ill health	ESG Report: Employee health and safety		
<b>Training and education</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 404: Training and Education 2016	404-1	404-1 Average hours of training per year per employee	ESG Report: Our Inspired People		
	404-2	404-2 Programs for upgrading employee skills and transition assistance programs	ESG Report: Employee engagement		
	404-3	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Report: Employee engagement		



GRI STANDARD/OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION	ADDITIONAL RESOURCES
<b>Diversity and equal opportunity</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 405: Diversity and Equal Opportunity 2016	405-1	405-1 Diversity of governance bodies and employees	ESG Report: Ahead of What's Next, Governance; Diversity, equity, inclusion and belonging; Proxy Statement		<a href="#">SEC Filings</a>
	405-2	405-2 Ratio of basic salary and remuneration of women to men	ESG Report: Diversity, equity, inclusion and belonging		
<b>Non-discrimination</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 406: Non-discrimination 2016	406-1	406-1 Incidents of discrimination and corrective actions taken	ESG Report: Ethics, compliance and human rights		
<b>Freedom of association and collective bargaining</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			<a href="#">Code of Ethics and Business Conduct</a>
<b>Forced or compulsory labor</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 409: Forced or Compulsory Labor 2016	409-1	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor			<a href="#">Human Rights Policy</a> ; <a href="#">Supplier Code of Conduct</a>
<b>Local communities</b>					
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment		
GRI 413: Local Communities 2016	413-1	413-1 Operations with local community engagement, impact assessments, and development programs	ESG Report: Economic and social impact		<a href="#">Human Rights Policy</a>
	413-2	413-2 Operations with significant actual and potential negative impacts on local communities	ESG Report: Economic and social impact		<a href="#">Human Rights Policy</a>

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION	ADDITIONAL RESOURCES
<b>Supplier social assessment</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 414: Supplier Social Assessment 2016	414-1	414-1 New suppliers that were screened using social criteria		<a href="#">Supplier Code of Conduct</a>
	414-2	414-2 Negative social impacts in the supply chain and actions taken		<a href="#">Supplier Code of Conduct</a>
<b>Public Policy</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 415: Public Policy 2016	415-1	415-1 Political contributions	ESG Report: Increasing political transparency; Transparency Trendsetter	<a href="#">Code of Ethics and Business Conduct</a> ; <a href="#">SEC Filings</a>
<b>Customer health and safety</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 416: Customer Health and Safety 2016	416-1	416-1 Assessment of the health and safety impacts of product and service categories	—	Not applicable
	416-2	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	ESG Report: Employee health and safety	<a href="#">Code of Ethics and Business Conduct</a> ; <a href="#">SEC Filings</a>
<b>Customer privacy</b>				
GRI 3: Material Topics 2021	3-3	3-3 Management of material topics	ESG Report: ESG Materiality Assessment	
GRI 418: Customer Privacy 2016	418-1	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Report: Ahead of What's Next, Risk management; <a href="#">Proxy Statement</a>	<a href="#">Code of Ethics and Business Conduct</a> ; <a href="#">SEC Filings</a>



# SASB disclosure

The following table contains our disclosure on the topics included in SASB's Real Estate Standard (2023). Additional metrics may be found throughout our 2023-24 ESG Report.

CODE	ACCOUNTING METRIC	PROLOGIS INFORMATION
<b>Energy Information</b>		
IF-RE-130a.1	Energy consumption data coverage as a percentage of total floor area, by property subsector	Energy consumption data coverage from the global Prologis operating portfolio as a percentage of floor area was equal to 65% in 2023.
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	From the portfolio with available energy data coverage from 2023, the following details pertain to energy: (1) The total energy consumption: 9,635,104 MWh (2) Percentage grid electricity: 61% (3) Percentage of electricity that is renewable (Logistics/Distribution Warehouse): 3%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	Like-for-like change in energy consumption for the global Prologis operating portfolio was a 16% decrease from 2022 to 2023. Our data indicates this is due to decreases in customer consumption of both electricity and natural gas.
IF-RE-130a.4	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Prologis has a goal to certify 100% of eligible new developments and redevelopments approved from June 2021. These sustainable building certification standards incorporate energy efficiency features, as well as other features for water efficiency, waste reduction, and others that promote tenant health and well-being, to name a few. Prologis is exploring EnergyStar Certification as a sustainability solution for customers looking for certifications on energy efficiency. In certain regions like Europe, where Energy Performance Certificates (EPCs) are required to be maintained by various country requirements, we manage the EPCs to maintain local compliance. In 2023, we engaged a third party to complete an analysis of our EPC records across our European portfolio and established enhanced processes for managing EPCs moving forward.
IF-RE-130a.5	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	Prologis integrates energy and water reduction technologies into our new buildings as part of our goal approved from June 2021 to have 100% of eligible new developments and redevelopments achieve sustainable building certification. These strategies ensure the resilience and enduring value of our buildings, creating value for our customers and our company. In addition, Prologis has a customer-centric approach focused on helping further the operational efficiency of our customers. We have energy, mobility and sustainability solutions available through our Essentials marketplace, which were significantly expanded in 2023. We also allocate a portion of our capital expenditure for existing buildings to LED lighting retrofits and other energy-saving technologies, water-saving features, cool roofing technology and solar installations.

CODE	ACCOUNTING METRIC	PROLOGIS INFORMATION
<b>Water Management</b>		
IF-RE-140a.1	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	<p>Water withdrawals from logistics facilities are typically lower compared to other types of buildings, and thus less material than energy and emissions.</p> <p>(1) For 2023, we report on data available on water consumption across a portion of our global offices. In 2023, we had water consumption reporting from 33 of our global corporate offices, with 5.58 million gallons consumed. We continue to work to improve data coverage.</p> <p>(2) Using the WRI Aqueduct dataset, we identified that more than half of the properties in our portfolio are in areas of high or extremely high water stress. Customers are responsible for their use and discharge of water during their lease. To help them minimize their water use, we install smart pump kits, high efficiency fixtures and native plants. In California, we've removed all ornamental and non-functional turf grasses from most of our properties, replacing them with drought tolerant vegetation. This has reduced water usage at these properties by an estimated 50%. Prologis is also using third-party data for mapping and evaluating physical climate risk exposure at the asset level through science-based climate scenarios. Based on the data of our physical climate risk assessments, we can proactively implement mitigation strategies that further the resilience of our global portfolio. This includes implementing site-specific mitigation measures, such as raising a property out of the base flood elevation and other measures to ensure the long-term resilience of our assets.</p>
IF-RE-140a.2	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector	<p>Using the WRI Aqueduct dataset, we identified that more than half of the properties in our portfolio are in areas of high or extremely high water stress. Customers are responsible for their use and discharge of water during their lease. To help them minimize their water use, we install smart pump kits, high efficiency fixtures and native plants. In California, we've removed all ornamental and non-functional turf grasses from most of our properties, replacing them with drought tolerant vegetation. This has reduced water usage at these properties by an estimated 50%. Prologis is also using third-party data for mapping and evaluating physical climate risk exposure at the asset level through science-based climate scenarios. Based on the data of our physical climate risk assessments, we can proactively implement mitigation strategies that further the resilience of our global portfolio. This includes implementing site-specific mitigation measures, such as raising a property out of the base flood elevation and other measures to ensure the long-term resilience of our assets.</p>
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	<p>Like-for-like change in water consumption was available for 15 offices that had both 2022 and 2023 data. From the water data provided by the 15 offices with like-for-like data, there was a 12% decrease in water withdrawals from 2022 to 2023.</p>
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	<p>Even though logistics facilities typically have a lower water footprint compared to other types of buildings, we have adopted various sustainable water management practices and technologies to minimize water use and the impact of our assets on water quality. Many of these efforts are a result of pursuing sustainable building certifications for 100% of new developments and redevelopments globally. All of our water-related actions are project specific, taking into account the site's soil conditions, rainfall patterns, topography and infrastructure. Inside our buildings, we install low-flow toilets and motion-activated faucets to reduce consumption. Outside, we landscape using native plants that are adapted to the local climate and require limited additional watering. In California, we've removed all ornamental and non-functional turf grasses from most of our properties, replacing them with drought tolerant vegetation. This has reduced water usage at these properties by an estimated 50%. Several of our buildings also capture rainwater that is used when irrigation is required. We continually monitor the evolution of water-management technologies, seeking to pass cost savings on to our customers</p>



CODE	ACCOUNTING METRIC	PROLOGIS INFORMATION
<b>Management of Tenant Sustainability Impacts</b>		
IF-RE-410a.1	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Within the Prologis Clear Lease, we have adopted green lease language that seeks to better collaborate with our customers in sharing data, as well as providing options to install systems that can help our customers to operate more efficiently and sustainably, such as solar. In the future, we may have more quantifiable metrics on the coverage of our portfolio with leases that specifically contain cost recovery clauses for resource efficiency-related capital improvements. At the end of 2023, approximately 35% of total leases globally were the Prologis Clear Lease, as measured by area. In early 2024, Prologis was once again recognized as a Gold-level Green Lease Leader by the Green Lease Leaders program, which was developed by the Institute for Market Transformation (IMT) with support from the U.S. Department of Energy's Better Buildings Alliance.
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	During 2023, we made investments in new systems and processes to increase data coverage and drive increased automation of data collection across our global portfolio. This included new systems for energy and carbon data management and expanding our global data gathering systems while evaluating various solutions, including submeter systems for our various tenant spaces. Within the Prologis Clear Lease, we have adopted green lease language that seeks to better collaborate with our customers in sharing data, as well as providing options to install systems that can help our customers to operate more efficiently and sustainably. In the future, we may have more quantifiable metrics on the coverage for spaces that are using these types of metering systems.
IF-RE-410a.3	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	During 2023, we made investments in new systems and processes to increase data coverage and drive increased automation of data collection across our global portfolio. This included new systems for energy and carbon data management. Prologis Essentials LED is a program dedicated to collaborating with customers to accelerate LED lighting upgrades that improve the operational efficiency of our customers' businesses and decrease customer energy consumption and associated emissions. 74% of our owned and managed operating properties, excluding a portfolio of properties acquired in June 2023, had LED lighting at the end of 2023. Our modern, efficient and resilient building design saves money for our customers and minimizes impacts on our communities. Our focus on urban locations allows our customers to meet consumer expectations around expedited delivery, while also reducing overall transportation emissions from shortened delivery distances. By incorporating ESG concepts into our lease agreements, deploying sustainability solutions through the Prologis Essentials Marketplace and providing our customers with information packets that include sustainable practices, Prologis improves the sustainability impacts of our customers. We monitor local benchmarking ordinances and work with our property management team to educate customers on how utility data collection can be automated, as well as emerging regulations like building energy performance standards (BEPS).
<b>Climate Change</b>		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Using third-party data for mapping and evaluating physical climate risk exposure at the asset level through science-based climate scenarios, we can proactively implement mitigation strategies that further the resilience of our global portfolio. This includes implementing site-specific mitigation measures, such as raising a property out of the base flood elevation and other measures to ensure the long-term resilience of our assets. Disclosing a metric on the area of properties within 100-year flood zones would need additional context to understand the site-specific mitigation measures that have been put in place to lower the associated risk from the flood zone. We will continue to explore additional disclosure of this data in response to stakeholder feedback.
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Prologis takes a proactive approach to assessing natural hazards and climate exposures across our portfolio, including earthquakes, storms, floods and coastal exposure. Prologis' Risk Management team is actively evaluating our portfolio exposure to ensure that we have sufficient coverage and protection for our buildings, as well as using third-party data to look ahead and evaluate climate scenarios that may impact our properties in the future. These assessments allow us to determine the appropriate risk mitigation measures for our portfolio and plan for longer term trends. We take preventative measures to improve the resiliency of our buildings to promote business continuity in our customers' operations. As a result of our long-term planning, resiliency measures implemented and diverse portfolio footprint, we believe impacts to our portfolio arising from climate change are well managed.

# TCFD disclosure

Prologis' approach to identifying and managing climate-related risks and opportunities aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and encompasses:

- Dynamic risk management strategy focused on resilience
- Evaluating physical climate risk exposure at the asset level using science-based climate scenarios
- Following a Science Based Target (SBT) for determining GHG emissions reduction targets across Scopes 1, 2 and 3 emissions

Prologis works to maintain portfolio resilience for its customers and stakeholders. This commitment focuses on acute, near-term risks such as hurricanes and flooding as well as longer-term risks resulting from the changing climate. We site, develop and maintain assets with a long-term ownership horizon in mind and a focus on delivering business continuity to our customers. Looking forward, we continue to work with third parties on climate-related scenario analysis to evaluate the exposure of our global assets to physical, natural hazards across our portfolio, and to ensure we continue to be prepared for changes in frequency and severity of extreme weather events. In addition to being a listed TCFD supporter and having TCFD-aligned public disclosures, we have strong engagement from our executive team and board members in evaluating climate-related risks through briefings by the ESG, Accounting and Risk Management groups, and a robust program to track our efforts through metrics and targets.

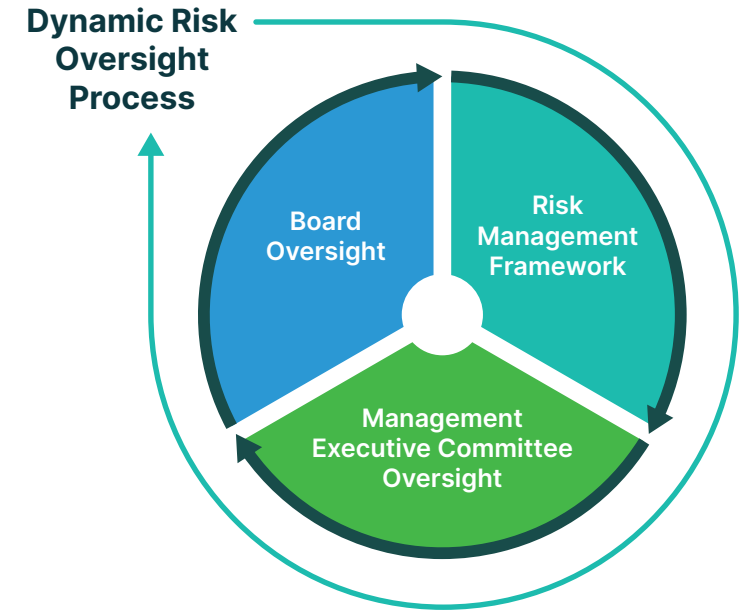
For our SBT, we have received validation from the Science Based Targets initiative that our target to achieve net zero greenhouse gas emissions across our value chain (Scopes 1, 2 and 3) is aligned with a 1.5 degree Celsius scenario. Our updated SBT guides our transition to a low-carbon future by reducing GHG emissions across our operations, portfolio of assets and throughout our value chain.

### Governance

*The organization's governance around climate-related risks and opportunities.*

- Risk, including climate-related risks, are part of the Prologis board's oversight responsibility. Board updates have focused on Prologis' climate-related physical risk assessments, coastal risks, GHG reductions, the expansion of our sustainability offering for customers (e.g., solar installations, etc.), and new and emerging climate-related disclosure requirements.

Our chief legal officer and general counsel oversees the Risk Management team. Our chief energy and sustainability officer reports to the company president and oversees our Energy, Mobility, Sustainability and ESG teams, with broad support and engagement across the entire organization. One example is our structured Investment Committee process, overseen by our Executive Committee, that requires risks and ESG considerations, including the compliance of each proposed investment (above a certain threshold) with our net-zero-ready building design standards for new developments.





## Strategy and risk management

*The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. The processes used by the organization to identify, assess and manage climate-related risks.*

- Prologis is a long-term owner of logistics real estate. This requires us to evaluate material risks and opportunities that may arise over short- (out to 2030), medium- (2030-2040) and long-term (2040-2050) time horizons, as well as risks that are acute or chronic, including those associated with climate change. Evaluating risks and opportunities and the potential financial implications ensures the resilience of our assets and of our customers' operations. This evaluation also helps us identify opportunities to deliver sustainable solutions to our customers.

Our process for identifying and prioritizing risks & opportunities: 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. This can include risks from severe weather, flooding or coastal risk, and opportunities with enhanced energy efficiency products and renewable energy development. Our Investment Committee evaluates these risks and opportunities as part of the process it uses to assess a potential investment.

- Prologis takes a proactive and customer centric approach to mitigate our exposure to risks and create sustainable solutions that benefit our customers:

### – Products and services

- Examples include Onsite Solar and Energy Storage solutions to create resilience and reduce dependence on fossil fuel energy sources.

### – Supply chain and/or value chain

- Prologis is supporting its customers in the transition to electric vehicles by incorporating EV infrastructure into our new developments. We are also developing a turnkey solution to help customers transition to EVs within our existing buildings, while also establishing collaborative partnerships with local utilities.

### – Operations (including types of operations and location of facilities)

- Responsible investment practices advance green design principles and mitigate environmental, climate and other ESG risks.
- Our portfolio is diversified across multiple geographies in 19 countries, minimizing the material risk to our portfolio from any one asset being exposed to a particular physical climate-related risk.
- Using third-party data and internal tools for evaluating physical climate risk exposure at the asset level through science-based climate scenarios, we can proactively implement mitigation strategies that further the resilience of our owned and managed portfolio. This includes implementing site specific mitigation measures, such as raising a property out of the base flood elevation, and taking other measures to ensure the long-term resilience of our assets.

### – Adaptation and mitigation activities

- Local and regional teams have a long track record of adapting to regional natural hazards through robust disaster response plans that take various risks into consideration. These disaster response plans are developed and maintained to make sure that our assets remain resilient to climate-related risks like flooding or extreme weather events.
- We implement site specific mitigation measures, some examples include: raising properties out of the base flood elevation; increasing the thickness of roof materials in hail prone areas; and other measures to ensure the long-term resilience of our assets to various natural hazards.
- For various acute risks including storm damage and flooding, Prologis has a comprehensive insurance program in place to transfer risk.

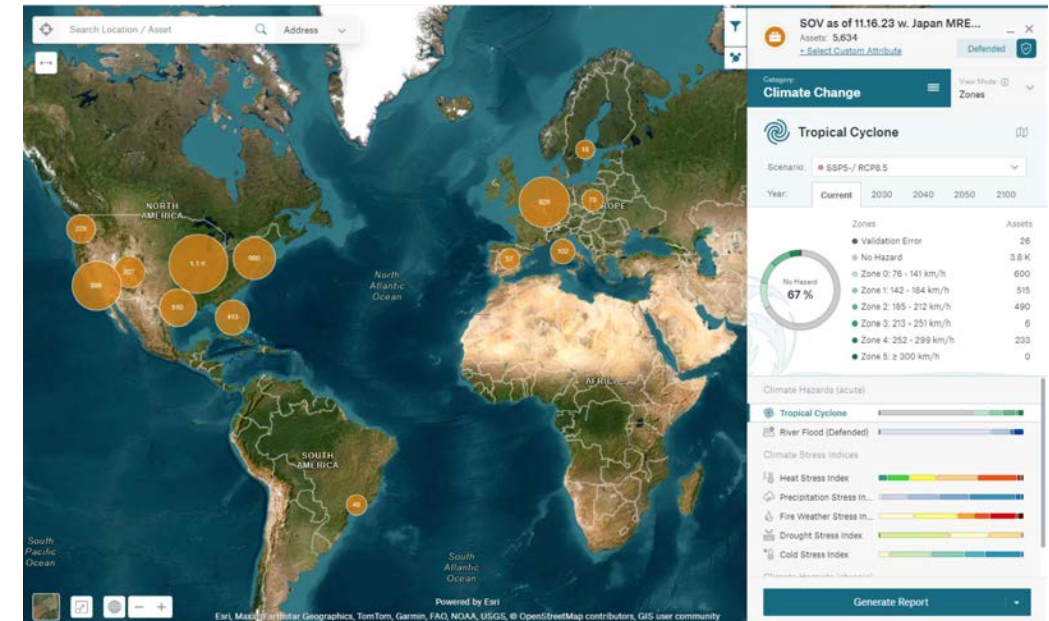
### – Investment in research and development

- The Prologis Ventures group is making investments in various startups that are helping our customers to address ESG-related needs, including tools to help track and report the related emissions from fleet vehicles in our customers' operations.
- Our Risk Management team has sourced third-party data from one of the world's largest reinsurers, Munich RE, that allows us to map, score and evaluate the exposure of our assets to current natural hazards and climate-related physical risks under the following climate-related scenarios (see following page):

### Representative Concentration Pathways (RCP) Effort-Outcomes Model

RCP	EMISSIONS REDUCTION EFFORT	ENERGY SOURCES	TRANSPORTATION METHODS IN USE	ENVIRONMENTAL IMPACT, 2081-2100			FINANCIAL COSTS/ ADAPTATIONS NEEDED
				Temperature Rise	Sea Level Rise	Extreme Weather	
2.6	High	Renewable, plus emissions capture	Electric, public transportation, bicycles	1.0° C / 1.8° F	0.4 m / 1.3 ft	Small increase	Low costs, fewer adaptations
4.5	Moderate	Renewable	Mostly electric, bicycles, less internal combustion	1.8° C / 3.2° F	0.47 m / 1.5 ft	Moderate increase	Moderate costs, moderate adaptations
8.5	Low	Fossil fuels	Fossil fuels	3.7° C / 6.7° F	0.63 m / 2.1 ft	Large increase	High costs & adaptations

### Munich RE Location Risk Intelligence



### Examples of climate-related risks and opportunities

TIME HORIZONS	CLIMATE-RELATED PHYSICAL RISKS	CLIMATE-RELATED TRANSITION RISKS	CLIMATE-RELATED OPPORTUNITIES
<b>Short-Term (Out to 2030)</b>	Increased severity and frequency of floods and storms (Acute)	Enhanced emission reporting and energy benchmarking requirements (Policies & Laws)	Opportunities from increased customer focus on sustainable building practices and efficiency solutions (Markets); LED upgrades (Resource Efficiency; Products & Services); Solar installations (Energy Sources; Products & Services); High efficiency HVAC systems (Technology; Resource Efficiency; Products & Services); Green Bonds tied to sustainability initiatives (Products & Services; Markets)
<b>Medium-Term (2030-2040)</b>	Increased heat stress requiring more cooling (Chronic)	Building performance standards and other upgrade requirements (Policies & Laws; Resource Efficiency; Technology; Products & Services)	Further renewable energy deployment (Energy Source); Customer fleet electrification (Technology; Markets; Products & Services); Carbon storage in building materials (Technology)
<b>Long-Term (2040-2050)</b>	Sea level rise/coastal risk (Chronic)	Net-Zero building requirements (Policies & Laws; Resource Efficiency; Energy Source; Technology; Products & Services)	Building and supply chain electrification and resilience planning (Resource Efficiency; Energy Source; Technology; Products & Services)



### Metrics and targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

- One of the primary metrics for assessing climate-related risks and opportunities is Prologis' SBT for reducing Scope 1, 2 and 3 GHG emissions. For our SBT, we have received validation of our net-zero target by the Science Based Targets initiative, aligning our commitment with the ambition of a 1.5 degree Celsius scenario through a commitment to net zero across our value chain (Scopes 1, 2 and 3) by 2040.
- In addition to measuring progress toward our SBT, Prologis also measures progress towards enhancing the efficiency and sustainability of our assets. Metrics on numerous ESG-related initiatives were again incorporated into our 2023 bonus targets for all Prologis employees and executives. In 2023, these included:
  - Solar and Storage Megawatts Installed
  - Percentage of LED Lighting Installed across our owned and managed operating properties (by area)
  - Percentage of New Developments Certified Sustainable (LEED or equivalent)

Further information on our progress toward these targets can be found in our 2023-24 ESG Report and 2024 Proxy Statement.

### Quantitative ESG bonus metrics in our 2023 bonus scorecard

In 2023, ESG metrics again accounted for 10% of our bonus scorecard, including 4% for environmental/climate-related performance metrics summarized in the table below. For 2024, ESG metrics will continue to comprise 10% of the bonus scorecard and will include targets for the same three environmental metrics.

PERFORMANCE METRIC	TARGET PERFORMANCE	SUB-METRIC WEIGHTING	SCORED 2023
Solar and Storage Megawatts (MW) installed <sup>1</sup>	535MW	2%	535MW
% LED installed Across O&M Portfolio (by area)	75%	1%	74%
% of New eligible Developments Certified Sustainable (LEED or equivalent) <sup>2</sup>	95%	1%	97%

1. Within our owned and managed portfolio. This includes approximately 20 megawatts related to properties that have been disposed of after the time of installation or assets that have been decommissioned and an acquired battery energy storage system with approximately 10 megawatts of capacity.  
 2. 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.

## Forward-looking statements

The statements in this report that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial and/or operating results. Words such as "goal," "commits," "expects," "anticipates," "intends," "plans," "believes," "seeks," and "estimates," including variations of such words and similar expressions, are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, progress toward goals, events or developments that we expect or anticipate will occur in the future are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and therefore actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

Please refer to the "Risk Factors" set forth in our most recent Annual Report on Form 10-K for a non-exhaustive list of factors that could cause such forward-looking statements to differ from actual results. The statements in this report are not intended to expand upon or modify the regulatory disclosures of Prologis Management II S.à r.l. or of our funds as found, for instance, in the SFDR Annex II templates that are part of the pre-contractual documentation of said funds and which include, among others, what we define as environmental and/ or social characteristics promoted for SFDR (EU 2019/2088) purposes. Moreover, the statements in this report apply to Prologis as a whole and are not specific to our Strategic Capital business or to any one fund or regulated entity.



# Glossary and definitions

**AUM:** assets under management

**Behind the meter:** not connected to the local utility

**Biodiversity:** variety of life

**Carbon neutral:** a state in which GHG emissions are offset by removals

**Carbon offset:** removal of GHG emissions

**DEIB:** diversity, equity, inclusion and belonging

**Development portfolio:** industrial and non-industrial properties, yards and parking lots that are under development and properties that are developed but have not stabilized

**EEO:** equal employment opportunity

**EHS:** environmental, health and safety

**EPS:** earnings per share

**ERG:** employee resource group

**ESG:** environmental, social and governance

**GHG:** greenhouse gas emissions

**GRESB:** an assessment of the sustainability performance of real estate and infrastructure portfolios

**ISO:** International Organization for Standardization

**LEED:** Leadership in Energy and Environmental Design

**LGBTQIA+:** lesbian, gay, bisexual, transgender or transsexual, queer or questioning, intersex, asexual and all other identities

**Net zero:** a state in which a company's Scope 1, 2 and 3 emissions have been reduced by at least 90% from a baseline year

**Operating portfolio:** industrial properties in our Owned and Managed portfolio that have stabilized, excluding assets held for sale

**Owned and managed portfolio:** the consolidated properties owned by our unconsolidated co-investment ventures, which we manage

**REC:** renewable energy credit

**REIT:** real estate investment trust

**SASB:** Sustainability Accounting Standards Board

**SBTi:** Science Based Targets initiative

**Stabilized:** completed for one year or 90% occupied, whichever comes first

**TCFD:** Task Force on Climate-related Financial Disclosures





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Eindhoven DC4, Eindhoven, Netherlands,  
the world's first industrial building to receive a Zero Carbon  
Certification from the International Living Future Institute.