

# 2021 Green Bond Report

17 June 2021



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Unless stated otherwise, all information in this document is as of 31 March 2021.

In conjunction with all information presented in this document, you should review and consider carefully this Notice to Recipients and all applicable footnotes, definitions and assumptions in this document. The receipt of this document by its recipients implies their full acceptance of the above statements.



# 2021 Green Bond Report



Prologis Datteln DC1, Datteln, Germany

Prologis European Logistics Fund FCP-FIS (“PELF”)<sup>1</sup> is pleased to present its third Green Bond Report following the 2019 and 2020 Green Bond reports.

This Green Bond Report is being released in relation to the 17 June 2020 and 23 March 2021 Green Bond issuances by Prologis European Logistics Fund FCP- FIS and covers additional impact analysis for all of PELF’s Green Bond issuances.

PELF is sponsored and managed by Prologis, Inc. (NYSE: PLD), one of the leading global real estate companies on the sustainability front. As part of Prologis, sustainability is in PELF’s DNA and an integral part of our forward-thinking strategy. The year 2020 was again significant in advancing PELF’s sustainability objectives.

We issued the following two green bonds in 2020 and 2021 in accordance with Prologis’ Green Bond Framework (released in 2020):

- 17 June 2020 €500M 1.625% 12-year Green Euro (“EUR”) bond (ISIN no. XS2187529180)
- 23 March 2021 €500M 0.750 % 12-year Green Euro (“EUR”) bond (ISIN no. XS2314657409)

The 2020 and 2021 Green Bonds were well-received, demonstrated by the high-quality order books and demand from fixed income investors with focused environmental stewardship, social responsibility and governance (ESG) allocations.

We utilised the net proceeds from these bonds to invest in green projects that met the use of proceeds criteria in the Green Bond Framework. The net proceeds from these Green bonds were fully allocated to green projects as detailed on pages 16-17.

1. Prologis International Funding II SA ( The Issuer) is a wholly owned subsidiary of PELF ( The Guarantor) and the issuer of the Eurobonds subject to this report.

# 2021 Green Bond Report

All PELF green bond issuances demonstrate Prologis' and the Fund's alignment with the Paris Climate Agreement and applicable UN's Sustainable Development Goals (SDGs). As a result of our ongoing commitment to sustainability, the Fund participated for the ninth consecutive year in the Global Real Estate Sustainability Benchmark (GRESB). The Fund earned a Green Star (5 out of 5 stars) status for four consecutive years, GRESB's highest level of achievement and a testament to the Fund's outstanding ESG performance. With this, the Fund has now earned a top-five position for four consecutive years.

Furthermore, in an effort to continuously improve the monitoring of our eligible green building portfolio, we have worked with Arcadis, as in previous years, to estimate the reduction in carbon emissions as a result of our building design. European and national legislations provide the framework and benchmark for measuring these outputs across various European countries, which were used to compare and estimate the impact of PELF's allocated eligible green buildings. The analysis and estimation continues to be a pioneering effort across the European countries in which the Fund operates, providing insight into how logistics buildings can contribute to a sustainable future.

PELF's buildings added an additional 19 MW to arrive at 48 MW installed solar energy capacity at year end 2020, generating enough electricity to power 14,437 average European homes for a year. PELF's total portfolio of green eligible buildings (in accordance with the Green Bond Framework August 2020 criteria) comprised 108 buildings at the end of 2020 with a total value of approximately €3.9 billion across 12 European countries, an increase of 24 buildings compared to the end of 2019. As of 31 December 2020, the total Net Market Value (NMV) of the 108 buildings represents 29% of PELF's total NMV.

Prologis has been named one of the 2021 Global 100 Most Sustainable Corporations in the World by Corporate Knights. Global 100 companies represent the top tier in the world on sustainability performance. Prologis was named sector leader in a number of global regions by GRESB and seven of its funds all earned Green Stars. In addition, Prologis has been part of the Dow Jones Sustainability Index (DJSI) for 13 years, including being part of DJSI's top 10% globally and received NAREIT's Industrial Leader in the Light Award for sustainability for the ninth consecutive year. For more information regarding Prologis' sustainability initiatives, KPIs and science-based targets for carbon emissions reduction across the corporate and real estate operations of Prologis (including PELF), please visit the [Sustainability section of the Prologis website](#) or the [Prologis 2020 Sustainability Report](#).



# Sustainability

## Building a better future today

Sustainability is embedded in our long-term strategy. PELF, along with Prologis, has focused on continuous improvements to its portfolio, expanding the number and quality of sustainable buildings. PELF incorporates various sustainable design features on many of its buildings to stay ahead of our customers' evolving energy, transportation and labour requirements. Sustainable design features, such as efficient lighting, cool roofs, data sensors and smart metering, result in less energy consumption and reduced carbon emissions.

Besides sustainable designs, the Fund also looks for ways for circular use of construction materials. Prologis Park Waalwijk DC3 is an example of the circular building concept - it was constructed with 20 - 30% circular, biobased or cradle-to-cradle (C2C) materials.

The Fund's location decisions are driven primarily by customer needs and preferences as customers look to shorten delivery routes and reduce transit times and the associated carbon emissions. Design features, such as the use of more natural light, efficient insulation and access to nature can enhance employee health and comfort in the work environment. PELF's high-quality buildings result in operational efficiency, cost savings and health benefits for our customers and their employees. Ultimately, these efforts ensure value creation for our customers, investors and other stakeholders while benefitting the environment.

Our enduring commitment to sustainability also includes upgrading existing buildings with LED lighting, cool roofs and water-saving solutions. Our industry-leading, energy-efficient buildings cost less to operate and can result in higher profitability for our customers.

Note: Not all buildings have all features shown  
Prologis Park Malsch, Malsch, Germany

# PELF Environmental KPI's and goals

KPI	2019 ACTUALS	2020 ACTUALS
Green certifications	<b>84</b>	<b>108</b>
LED lighting	<b>42%</b>	<b>64%</b>
Solar <sup>1</sup>	<b>29 MW</b>	<b>48 MW</b>

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS<sup>2</sup>



GOALS	KPI
Certifications	<b>100%</b> of newly constructed buildings acquired with sustainability certificates
LED lighting	<b>70%</b> of total portfolio coverage based on sqm by 2021, <b>85%</b> by the end of 2023
Smart metering	<b>70%</b> of total portfolio coverage based on sqm by 2021, <b>85%</b> by the end of 2023
Solar <sup>1</sup>	Increase from <b>48 MW</b> peak to <b>70 MW</b> peak installed by the end of 2023
Cool roofing	<b>100%</b> of roof replacements with cool roofing material, where feasible given climate restrictions

Note: All numbers on this page are as of 31 December 2020

1. The generating capacity of solar installations is measured in megawatts (MW)

2. The Fund supports Prologis' global ESG goals that are aligned with United Nations' Sustainable Development Goals of 1, 7, 8, 9, 13, and 17

# PELF's green eligible building portfolio

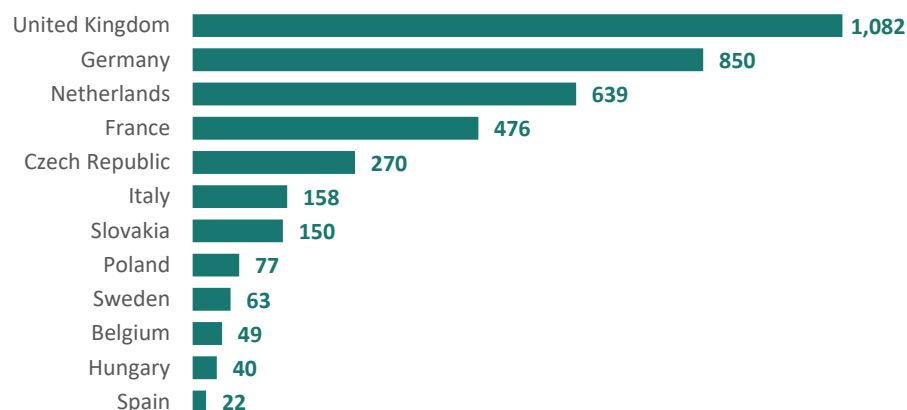
## GREEN ELIGIBLE BUILDINGS PORTFOLIO

composition by certificate type, number of buildings



## GREEN ELIGIBLE BUILDINGS PORTFOLIO

country split by NMV, €M



Note: All numbers on this page are as of 31 December 2020

1. Green Buildings as Eligible Green Projects per Prologis Green Bond Framework

2. CO2 equivalent emissions were calculated using the amount of projected energy and in some instances, energy consumed in buildings

Green Buildings Portfolio<sup>1</sup> avoids **90,166 tons** of CO<sub>2</sub> per year, which results in **53.9% savings** over baseline buildings.<sup>2</sup>

PELF continuously reviews the Green Bond Framework against potential new developments (such as EU Green Bond Standards and EU Taxonomy for Sustainable Activities as well as the United Nations Sustainable Development Goals) and will update the Green Bond Framework as appropriate.



## Case study

### Pineham DC7, Northampton, United Kingdom



## BREEAM Excellent

- Potential CO<sub>2</sub> savings: **91.9 tons of CO<sub>2</sub>/year**
- Net Zero Carbon in Construction with **151 acres** of rainforest protected in Papua New Guinea
- Carbon Lifecycle Assessment verified through Planet Mark Certification
- Improvement over baseline: **47%**
- **52%** water demand improvement on baseline during operation of the building
- **80%** of waste diverted from landfill during construction phase of the building
- Solar production per annum: **104,110 MWh/a**

## Core features

Northampton Pineham DC7 achieved an EPC rating of A(9), which significantly exceeds the existing building regulations due to features such as 15% roof lights, smart LED lighting, solar thermal hot water, 130kWp of solar PV, and 60kWh of energy storage through Tesla batteries. Our customer benefits from reduced energy costs of up to 88% compared to similar sized existing units. In addition to the Planet Mark Certification, donations to the Cool Earth, a rainforest protection charity, were made to avoid emissions five times greater than the building's embodied carbon footprint. Northampton Pineham DC7 protected 151 acres of rainforest, which allows describing the building as Net Zero Carbon in Construction based on the UKGBC net-zero carbon framework.



# Case study

Eindhoven DC3, Eindhoven, The Netherlands



## BREEAM Excellent

- Potential CO<sub>2</sub> savings: **6.023 tons** of CO<sub>2</sub>/year
- Improvement over baseline **133.5%**
- 87% of waste diverted from landfill during construction phase of the building
- Solar production per annum: **3,086,720 MWh/a**

The building is located within the prime logistics Prologis Park Eindhoven. It sits in close proximity to the city centre, which enables e-commerce users to expedite deliveries to one of the most densely populated areas in the Netherlands.

## Core features

The property is BREEAM Excellent certified, with a BREEAM energy score of 95.8% and a Health & Comfort score of 86.3%, demonstrating an exceptional performance for a logistics facility. The roof of the property is equipped with solar installations. The building's lighting system can be controlled remotely via an App, providing adjustable lighting levels for the building user. The LED lighting, supported with enhanced daylighting and presence detection, creates an energy-efficient lighting concept. The high-quality ventilation system is equipped with heat recovery and together with a Variable Refrigerant Flow (VRF) heat-pump system, provides a healthy indoor climate with low energy demand.

# Case study

## Moissy II DC4, Paris, France



## BREEAM Excellent

- Potential CO<sub>2</sub> savings: **478 tons** of CO<sub>2</sub>/year
- Improvement over baseline **52.4%**

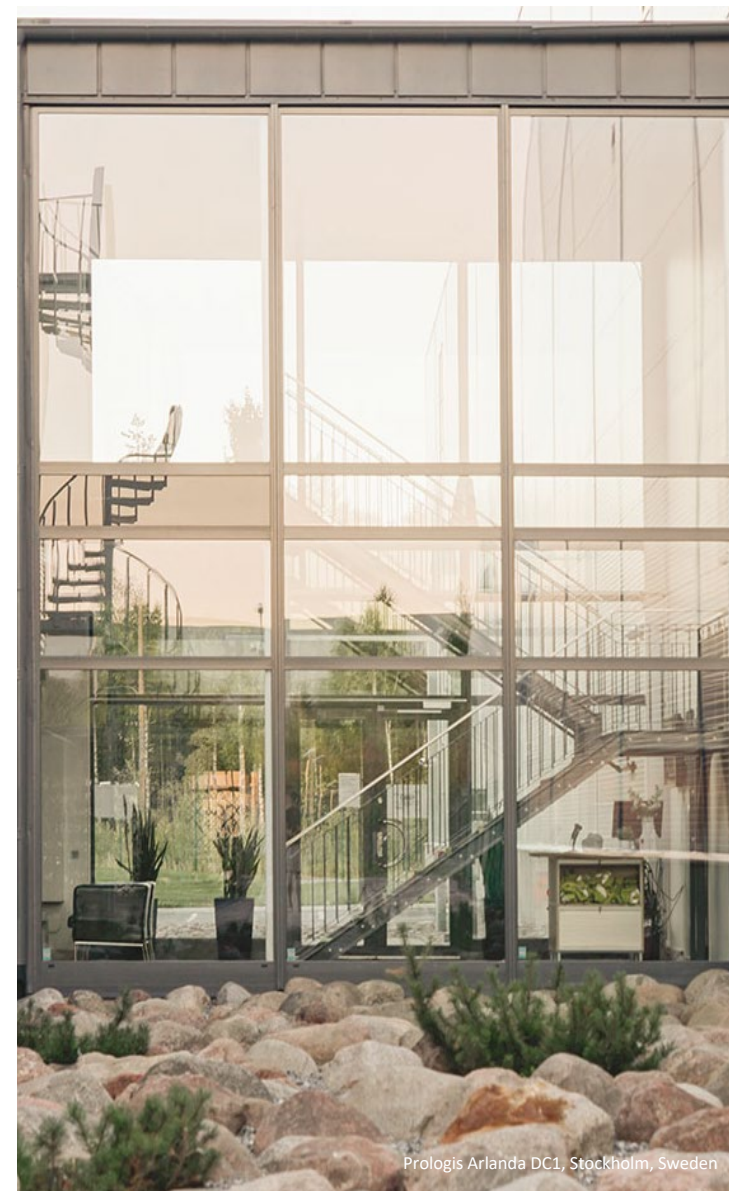
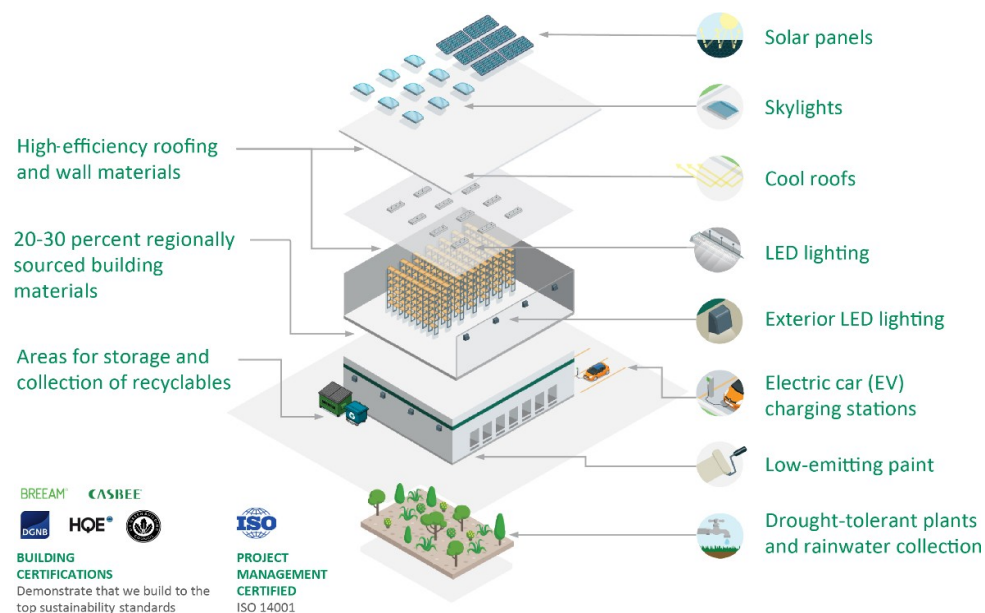
Prologis Park Moissy II is approximately 35 km south of Paris within the new town of Sénart. The Park, which is located on the former grounds of a car manufacturer, was established following the demolition of various buildings, and the materials from these demolished buildings are recycled for the new constructions, resulting in BREEAM – Excellent certification.

## Core features

The warehouse is certified BREEAM Excellent with an overall score of 72,7% including an exceptional 89% score for the Water management credit. The building is equipped with a rainwater regeneration system for each plot of office and a solar water heating system. The LED lighting, supported with enhanced daylighting and presence detection, creates an energy-efficient lighting concept. The high-quality ventilation system is equipped with heat recovery and together with a Variable Refrigerant Flow (VRF) heat-pump system, provides a healthy indoor climate with low energy demand.

# Prologis sustainable building design

Prologis' sustainable building design, which includes features such as high-efficiency lighting, insulation and ventilation and minimised use of energy and water, reduces operating costs for us and our customers while promoting employee wellness and productivity. The following is an illustration of the sustainable design features typical of the certified sustainable buildings in our green portfolio. This illustration represents a state-of-the-art building. Not all buildings have all of the features shown.

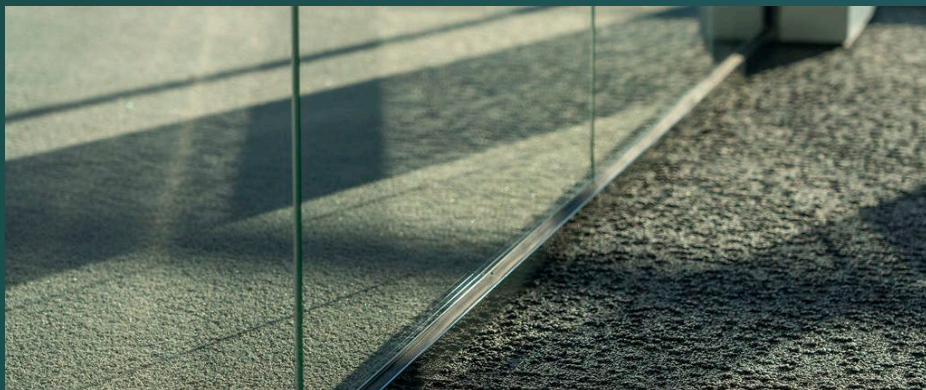


Prologis Arlanda DC1, Stockholm, Sweden



# Case study

## Sustainability features



### Waalwijk DC3

- Glass system walls in the office of Prologis Park Waalwijk DC3 were 'harvested' from a local dental practice



### Moissy PARKlife

- Bee hives at Moissy Park



### Venlo DC6

- Bike shed with solar panel installation



### Muggensturm DC2

- Vegetated replacement habitat for skylarks on the roof

# Environmental impact of PELF Green bond portfolios

BOND OFFERINGS	AMOUNT	PORTFOLIO	ISIN NO	ISSUANCE DATE	CO <sub>2</sub> SAVINGS (TONS OF CO <sub>2</sub> PER YEAR)	CO <sub>2</sub> SAVINGS % (TONS OF CO <sub>2</sub> PER YEAR)	CO <sub>2</sub> SAVINGS PER SQM (KG CO <sub>2</sub> /YEAR)
March 2018 Green Bond Offering	€300,000,000	Portfolio-1	XS1789176846	15 March 2018	6,567	35%	21.5
November 2018 Green Bond Offering	€300,000,000	Portfolio-2	XS1904690341	14 November 2018	7,249	39%	20.6
July 2019 Green Bond Offering	€450,000,000	Portfolio-3	XS2021462440	9 July 2019	8,688	73%	26.2
June 2020 Green Bond Offering	€500,000,000	Portfolio-4	XS2187529180	17 June 2020	29,091	72%	54.2
March 2021 Green Bond Offering	€500,000,000	Portfolio-5	XS2314657409	23 March 2021	13,597	55%	27.3
<b>Total</b>	<b>€2,050,000,000</b>				<b>65,173</b>	<b>57%</b>	<b>32.2</b>



Total CO<sub>2</sub> avoidance: **65,173** tons CO<sub>2</sub> per year – represents **57%** savings over baseline (equivalent to taking more than **36,871** cars off the road)



Total installed solar capacity: **38** MW – equivalent to powering **11,433** homes

Baseline and avoided CO<sub>2</sub> emissions estimated by Arcadis as of June 2021 based on analysis of data from existing BREEAM, DGNB, LEED and EPC assessments<sup>1</sup>.

1. The estimate is on the building core and shell design for annual emissions savings against baseline. The impact analysis for the Green Bonds issued in March and November 2018 and July 2019 has been updated for additional data available.

# Green Bond framework

## GREEN BOND FRAMEWORK

### 1. Use of proceeds

- Investments in green buildings
- Renewable energy: solar panels and wind-related projects
- Energy efficiency and storage

### 2. Process for project evaluation & selection

- PELF Green Bond Committee
- Proceeds evaluated and allocated based on criteria listed in Use of Proceeds

### 3. Management of proceeds

- Value of allocated portfolios matches or exceeds the net proceeds raised from outstanding Green Bonds
- Any shortfall, due to intervening circumstances, is remediated by adding eligible projects to portfolio

### 4. Reporting

- Allocation report within a year of issuance to include the total amount of proceeds, number of eligible projects, and levels of certification achieved

### 5. External review

- Opinion by Sustainalytics, a second party opinion provider, that confirms that the framework is credible and impactful
- Report from independent accounting firm attesting to management's assertion of the allocation of bond proceeds to eligible projects

For further detail and definition of Use of Proceeds please see:

Green bond framework: <https://www.prologis.com/sites/corporate/files/documents/2020/08/august-2020-green-bond-framework.pdf>

Second party opinion: <https://www.prologis.com/sites/corporate/files/documents/2020/08/august-2020-prologis-green-bond-framework-and-sustainalytics-opinion.pdf>



# Green Bond proceeds allocation

In 2021 portfolio 4 and 5 were allocated to green bonds issued in 2020 and 2021, addition to the already allocated portfolios for the three green bonds issued by PELF in 2018 and 2019. The Green Bond Committee evaluated and selected projects that comply with the “Use of Proceeds” eligibility criteria of the [Green Bond Framework](#) and allocated the net proceeds of the bonds to green buildings with a qualifying sustainable building classification (i.e. section 1.a.i of the Green Bond Framework’s “Use of Proceeds”). The net proceeds were allocated to three portfolios comprised of these green buildings, one for each green bond issuance.

Net proceeds of:

- €295,977,000 from the 15 March 2018 green bond issuance,
- €295,611,000 from the 14 November 2018 green bond issuance,
- €445,720,500 from 9 July 2019 green bond issuance

have been allocated fully to Portfolio 1, to Portfolio 2 and to Portfolio 3, respectively.

From PELF’s green building portfolio of 108 (as of Q4 2020) green buildings (in accordance with the criteria set out in the Green Bond Framework), the Green Bond Committee evaluated and selected Portfolio 4 to fully allocate 2020 Green Bond issuance net proceeds of €496,165,000 and Portfolio 5 to fully allocate 2021 Green Bond issuance net proceeds of €496,005,000.

# Green Bond proceeds allocation- Portfolio 4

**€496,165,000** in net proceeds for the Green Bond issued 17 June 2020



CO<sub>2</sub> savings per year: **29,091 tons**, represents **72.2%** saving over baseline buildings.

Annual CO<sub>2</sub> savings per SQM: **58.19 kg**

PROPERTY NAME	COUNTRY	CERTIFICATION LEVEL
Prague Airport DC4	Czech Republic	BREEAM Very Good
Moissy II DC2A	France	BREEAM Very Good
Hamburg Hausburch DC7	Germany	DGNB Gold
Krefeld DC3	Germany	DGNB Gold
Bologna Interporto DC14	Italy	BREEAM Very Good
Bologna Interporto DC15	Italy	BREEAM Very Good
Bologna Interporto DC17	Italy	Leed Gold
Bologna Interporto DC18	Italy	Leed Gold
Paullo DC2	Italy	Leed Gold
Eindhoven DC3 A	Netherlands	BREEAM Excellent
Eindhoven DC3 B	Netherlands	BREEAM Excellent
Nieuwegein DC2 Expansion	Netherlands	BREEAM Excellent
Venlo DC6	Netherlands	BREEAM Excellent
Venlo DC7	Netherlands	BREEAM Very Good
Venlo DC8 Phase 1	Netherlands	BREEAM Very Good
Bratislava DC14	Slovakia	BREEAM Very Good
Bratislava DC20	Slovakia	BREEAM Very Good
Dartford Littlebrook DC1	United Kingdom	BREEAM Very Good
Hemel Hempstead Eastman DC3	United Kingdom	BREEAM Very Good
<b>Total SQM</b>		<b>499,897</b>
<b>Total allocation in EUR</b>		<b>€496,165,000</b>

# Green Bond proceeds allocation- Portfolio 5

**€496,005,000** in net proceeds for the Green Bond issued 23 March 2021



CO<sub>2</sub> savings per year: **13,597 tons**, represents **55.4%** saving over baseline buildings.

Annual CO<sub>2</sub> savings per SQM: **29.75 kg**

PROPERTY NAME	COUNTRY	CERTIFICATION LEVEL
Liege DC1- Unit C	Belgium	BREEAM Very Good
Brno DC2	Czech Republic	BREEAM Very Good
Prague Airport DC1	Czech Republic	BREEAM Excellent
Moissy II DC2B	France	BREEAM Very Good
Vemars DC7	France	BREEAM Very Good
Moissy II DC4	France	BREEAM Excellent
Neufahrn DC3a	Germany	DGNB Gold
Muggensturm DC2	Germany	DGNB Gold
Tilburg DC5 Expansion	Netherlands	BREEAM Excellent
Tilburg DC4 Unit AB	Netherlands	BREEAM Very Good
Tilburg DC4 Phase II Extension	Netherlands	BREEAM Very Good
Eindhoven DC2 Phase I	Netherlands	BREEAM Very Good
Hemel Hempstead Eastman DC2	United Kingdom	BREEAM Very Good
Northampton Pineham DC7	United Kingdom	BREEAM Excellent
Northampton Pineham DC6	United Kingdom	BREEAM Excellent
<b>Total SQM</b>		<b>456,885</b>
<b>Total allocation in EUR</b>		<b>€496,005,000</b>

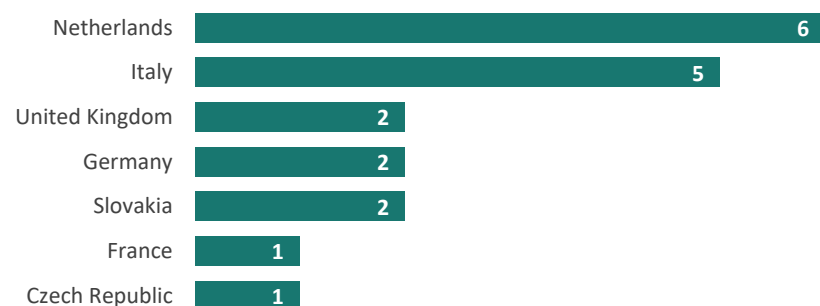


# 2020 and 2021 Green Bond proceeds allocation

**€500,000,000** Green Bond issued 17 June 2020 and **€500,000,000** Green Bond issued 23 March 2021

## BOND 2020 PER COUNTRY

number of buildings per country

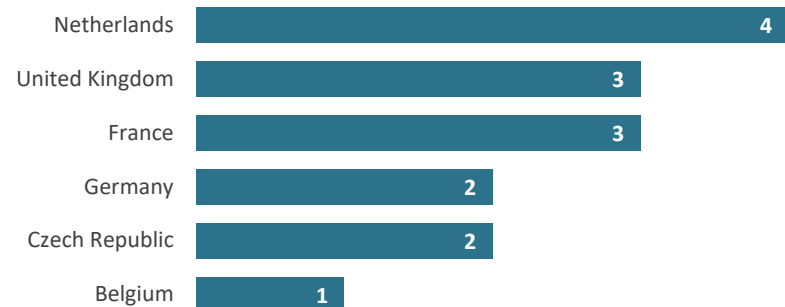


## BOND 2020 PORTFOLIO, SUSTAINABILITY CERTIFICATES

number of sustainability certificates



## BOND 2021 PER COUNTRY



## BOND 2021 PORTFOLIO, SUSTAINABILITY CERTIFICATES



# How Prologis leads by example

Recognised for ESG performance and transparency



## Prologis Named to 2021 Global 100 Most Sustainable Corporations in the World List

This year marks Prologis' twelfth appearance



## GRESB – 2020 Regional Sector Leader in Asia and Americas

NPR and FIBRA recognised as regional leader for industrial; also received 10 out of 10 Green Stars for all funds



## 2020 World Index of Dow Jones Sustainability Index (DJSI)

Recognizes Prologis and NPR in top 10% globally, FIBRA also recognised for ESG efforts and successes



## Institutional Investor

#1 Financially Material ESG Disclosures; #1 Communication of Strategy and Risk Management Amid COVID-19; #1 CEO, CFO and Investor Relations



## CDP "A-" score

For Prologis and its public funds ranks among the top 5% of global respondents



## Top Real Estate Company by SEIA's 2019 Solar Means Business Report

Ranked #3 for onsite installed solar capacity



## MSCI

AA Rating, among top 24% of Real Estate Management & Services constituents within MSCI ACWI Index

Aligned with global reporting frameworks



## **INDEPENDENT LIMITED ASSURANCE REPORT TO PROLOGIS INTERNATIONAL FUNDING II S.A ON THE ALLOCATION OF THE NET PROCEEDS TO ELIGIBLE PROJECTS**

We have been engaged by the Board of Directors (the “Management”) of Prologis International Funding II S.A. (“Prologis” or “the Issuer”) to provide limited assurance as to whether the Net Proceeds (“Net Proceeds”) of the Green Bonds (“the Green Bonds”) issued on dated 17 June 2020 and 23 March 2021 by the Issuer, and described in the “Allocation” section in pages 16 and 17 of the Prologis International Funding II S.A. (‘PIF II’) 2021 Green Bond Report dated 17 June 2021 (“the Report”), have been allocated to eligible projects (“Eligible Projects”), as per the Internal Criteria defined in the Green Bond Framework developed for Prologis Inc., Prologis L.P., related co-investments ventures and other affiliates, dated June 2018 and August 2020 (hereafter “the Framework”) and following the ICMA 2017 Green Bond Principles (“GBP”).

### **1. Management’s responsibility for the Report**

The Management of Prologis is responsible for the:

- a) Preparation of the pages 16 and 17 of the Report (and the information contained within it, in accordance with the Internal Criteria included in the Green Bond Framework);
- b) Design, implementation and maintenance of such internal control as the Management of Prologis determines as necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error; for determining and implementing Prologis’ objectives and related activities in respect of the Report, including Allocation and/or Use of Proceeds and Eligible Project evaluation and Selection in accordance with the Green Bond Framework; and for defining the Internal Criteria used in this Framework;
- c) Prevention and detection of fraud and for identifying and ensuring that Prologis complies with laws and regulations applicable to its activities, including Internal Criteria in accordance with the Green Bond Framework;
- d) Process to ensure that personnel involved with the preparation of the Report are properly trained, systems are properly updated and that any changes in reporting relevant to the Report encompass all significant relevant business units. This responsibility also includes informing us of any changes in the Prologis’ operations since the date of preparation and issuance of the “Allocation” section in the Report.

The Report has been prepared for the Management of Prologis and will be published on Prologis’ website.

### **2. Responsibility of the Réviseur d’Entreprises agréé**

Our responsibility is to provide a limited assurance on the Allocation of the Net Proceeds of the Green Bonds to Eligible Projects in accordance with International Standard on Assurance Engagements ISAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (hereafter “ISAE 3000”), as adopted for Luxembourg by the Institut des Réviseurs d’Entreprises.





This standard requires that we comply with applicable ethical requirements, including independence requirements, and plan and perform the engagement to obtain limited assurance about whether:

- the Net Proceeds of the Green Bonds issued on 17 June 2020 and 23 March 2021 by the Issuer, and described on pages 16 and 17 of the Report, have been allocated to Eligible Projects as per the Internal Criteria defined in the Green Bond Framework.

### **3. Summary of work performed**

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate, with relation to the data contained in the Report.

These procedures include:

- Read sections of the Prospectus dated 16 April 2020, and the Internal Criteria defined in the Green Bond Framework of Prologis dated June 2018 and August 2020, which address the applicability of the Eligibility Criteria used to evaluate and select Eligible Projects and to allocate the Net Proceeds of the Green Bonds;
- Understand how processes, systems and controls related to the use of proceeds, process for project selection and evaluation have been implemented by the Issuer;
- Verify the existence of Internal Criteria for asset evaluation and selection;
- Ensure existence of a process in place to determine the eligibility of assets in accordance with the Internal Criteria;
- Check documentation which supports systems and controls in place for the assets evaluation and selection;
- Review the Eligible Projects to determine whether the eligibility is supported by evidence;
- Recalculate the remaining balance to ensure matching between proceeds and earmarked Eligible Projects.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement or an audit conducted in accordance with International Standards on Auditing and Assurance Engagements, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit or a reasonable assurance engagement. Our limited assurance engagement is not designed to detect all internal control weaknesses or errors in the Report in meeting the requirements of Prologis, as the evidence has been obtained on a sample basis. Accordingly, we do not express an audit or a reasonable assurance conclusion on the “Allocation” section on pages 16 and 17 of the Report as a whole.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.



#### **4. Conclusion**

Based on the procedures described above, nothing has come to our attention that causes us to believe that the Net Proceeds of the Green Bonds issued on 17 June 2020 and 23 March 2021 by the Issuer, as described in the “Allocation” section on pages 16 and 17 of the Report, have not been allocated to Eligible Projects as per the Internal Criteria in the Green Bond Framework developed for Prologis (dated June 2018 and August 2020) and following the ICMA 2017 Green Bond Principles (“GBP”).

#### **5. Restriction on distribution**

Our report is solely for the purpose set forth in the first paragraph of this report, for your information and for the information of existing investors who have participated in the Green Bonds issued on 17 June 2020 and 23 March 2021, and is not to be used for any other purposes or to be distributed to any other parties. This report related only to the items specified above and does not extend to any financial statements or financial information of the Issuer for any period subsequent to 31 December 2020 taken as a whole.

Luxembourg, 17 June 2021

KPMG Luxembourg, Société coopérative

Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'Muhammad Tahir Khan', with a stylized flourish at the end.

Muhammad Tahir Khan

# Management assertion

## Management assertion

### Prologis Green Bond Committee

Deborah Briones

Christian Nickels-Teske

Antoaneta Todorova

The Prologis Green Bond Committee asserts that the net proceeds of the June 2020 €500 million Green Bond offerings and March 2021 €500 million Green Bond offerings were fully allocated<sup>1</sup> to Portfolio 4 and Portfolio 5, respectively, in accordance with the eligibility criteria described in the Green Bond Framework.

Prologis Park Bergheim, Bergheim, Germany

1. For further detail on the Green Bond Framework and the use of proceeds, please see:  
Green bond framework: <https://www.prologis.com/sites/corporate/files/documents/2020/08/august-2020-green-bond-framework.pdf>.



# Appendix: Methodology

## Target and methodology



- Carbon Dioxide Equivalent CO2 equivalent of actually built facilities in comparison to baseline building design
- CO2 equivalent emissions were estimated using actual energy consumed or via energy modeling of the buildings using as-built building data.
- Most of the buildings have determined Energy Demand in the EPC, BREEAM, LEED or DGNB report, only some of the data were measured
- Using the energy demand of the building, the distribution of the demand by individual energy carriers and Primary Energy Conversion Factors, it is possible to calculate the value of the Primary Energy
- With the help of the Energy Demand or the Primary Energy, it is possible to calculate the production of CO2 equivalent emissions. To do this, Emission Factors are needed
- The methodology is able to assess projects avoidance of GHG emissions. The calculated value of absolute GHG emission avoidance will be compared to the baseline value
- Energy Demand – absolute value of all energy consumption in the building. It drives the whole energy system, influencing the total amount of energy used; the location of, and types of fuel used in the energy supply system; and the characteristics of the end use technologies that consume energy. Energy demand is often quantified in [kWh/(m<sup>2</sup>.a)] or [MWh/a]
- Primary Energy Demand – it takes account of the energy associated with fuel production, energy transformation (e.g., electricity generation) and distribution processes, including losses, in addition to the inherent energy content of the fuel or energy source
- Primary Energy Factor – The Primary Energy Factor (PEF) connects primary and final energy. It indicates how much primary energy is used to generate a unit of electricity or a unit of useable thermal energy
- Emission Factor – Emission factors are used to calculate GHG emissions by multiplying the emission factor (e.g. tCO<sub>2</sub>/MWh energy) with energy demand

