PROLOGIS®

2021-22 ESG Report

Executive Summary

Prologis Eindhoven Distribution Center, Eindhoven, Netherlands.

Dear Stakeholders,

Prologis is known for aiming high in all that we do. Our ambition around reducing our carbon impact is no different. That's why we're proud to announce the following aggressive net zero goals:

- Net zero emissions by 2040 across our value chain
- Net zero emissions from our operations (scopes 1 and 2) by 2030
- Enabling our customers' decarbonization goals by deploying 1 GW solar, supported by energy storage, by 2025

Every day, our teams work tirelessly to make the global supply chain more efficient and resilient. We partner with our customers and other stakeholders to develop properties and services that deliver business value and positive impact. We're also partnering with academic and industry leaders to find new ways to innovate on sustainable warehouse building and operations.

Our 2021-22 ESG report describes the progress we've made on building greener, more efficient warehouses; expanding our solar program; standing up our energy and electric vehicle (EV) business; and training new skilled workers through our innovative community-based approach. We recently completed construction on our first LEED Platinum building in Brazil. We also have a cutting-edge distribution center project in the Netherlands, which was built using 30% circular or bio-based materials.

Every day, our teams work to make the global supply chain more efficient and resilient.

Our ESG Report also details progress we've made on inclusion & diversity. Fully 50% of our workforce is women, and people of color account for 32% of our U.S. workforce, both of which exceed industry benchmarks. To help further our progress, last year we launched a new Prologis Diverse Leaders program.

Our talented and engaged workforce make these accomplishments possible. In fact, in our most recent employee engagement survey, 94% of our employees said they are proud to work at Prologis.

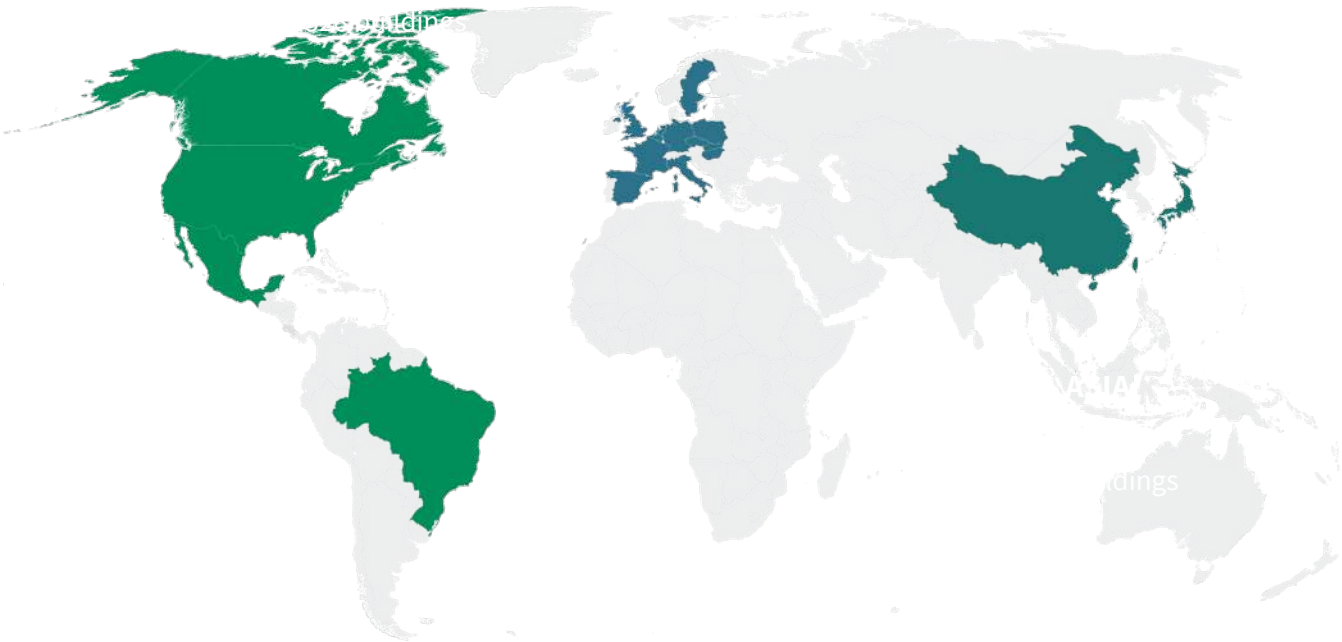
I hope you take the time to read this report to learn the many ways we are helping build a cleaner and more efficient supply chain. On behalf of the Prologis team, thank you for your support and confidence. We welcome your input, ideas and questions as we continue to stay ahead of what's next.

Sincerely,

Hamid R. Moghadam
Co-Founder, CEO and Chairman

Prologis at a Glance

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 2021, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 1.0 billion square feet (93 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,800 customers principally across two major categories: business-to-business and retail/online fulfilment.



By the numbers[1]

$215B
assets under management (AUM)

1B SF
of space in 19 countries

5,800
B2B and retail customers around the world

A-/A3
credit ratings[2]

2.5%
of the world's GDP flows through our buildings each year[3]

2,000
employees around the world

9 funds
through our Strategic Capital business

#71
on the S&P 500 Index

1. As of December 31, 2021.
2. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.
3. Based on 2019 data per Oxford Economics report.

Creating Value Through ESG

We create value for our customers, communities and individuals around the world when we improve the resilience and efficiency of the global supply chain. Our integrated approach to ESG builds value for Prologis through reduced risk; increased efficiency; brand differentiation; and expanded revenue and talent-recruitment opportunities.

Customers. 100% of our top 25 customers have set public ESG goals. We are uniquely positioned to help drive their success by building sustainably, operating efficiently and providing services such as EV charging and workforce development.

Investors. Our strong ESG performance helps our public shareholders and private capital partners integrate ESG into their investment priorities and respond to new regulatory requirements. In 2021, we engaged 78% of our top 100 shareholders[1] on a wide range of ESG topics, from climate change to inclusion & diversity.

Employees and Future Talent. Our focus on ESG makes us attractive to current and future talent. Recent research from Deloitte found that 49% of GenZ base their employer choice on ESG factors.

Communities. We build trusted relationships that enable us to help address pressing community needs—from workforce training to donated logistics space.

Recent awards and recognitions

Corporate Knights. Global 100 Most Sustainable Corporations – 2022 (13th consecutive year and #1 ranked REIT)

Dow Jones Sustainability Indices. World Index (top 10% globally) – 2021 (Prologis and Nippon Prologis REIT)

Fortune. World's Most Admired Companies – 2022 (#1 ranked real estate company)

GRESB. Green Star recognition for all Prologis funds – 2021 (6th consecutive year) and the 2021 Regional Sector Leader in the Americas

GlobeSt.com. Best Places to Work in Commercial Real Estate – 2021

Green Street. A Leading REIT in Corporate Governance (19th consecutive year) – 2021

HRH The Prince of Wales – Sustainable Markets Initiative. Terra Carta Seal – 2021 (one of only 45 companies recognized)

Institute for Market Transformation and U.S. Department of Energy's Better Buildings Alliance. Green Lease Leader: Gold Level – 2021

Institutional Investor. All-America Executive Team Rankings REIT Sector – 2022 (#1 CEO, #1 CFO, #1 IR Professional, # 1 Investor Relations, #1 ESG, and #1 Communication and Crisis Management during COVID-19)

ISS. ISS ESG rating of "Prime"[2]

MSCI. "A" Rating

NAREIT. Industrial "Leader in Light" – 2021 (10th consecutive year) and Investor CARE Award (Gold) - 2022

San Francisco Business Times. Most Admired CEO Lifetime Achievement Award – Hamid R. Moghadam – 2021

Sustainalytics. ESG risk rating of 8.5 out of 100 (negligible risk)[3]

1. Calculated by outstanding shares of common stock of our top 100 shareholders. Includes outreach conducted through March 2022.
2. Rating as of Dec. 31, 2021
3. Rating as of Dec. 4, 2021. Source: Sustainalytics.

ESG Highlights

Our ESG approach includes four key areas of focus: We stay **ahead of what's next**; deliver **sustainable logistics** solutions to our customers; **inspire our people**; and build **resilient communities**.

Net Zero Ambition

In 2022, we committed to achieve net zero emissions by 2040 for our entire value chain covering scope 1, 2 and 3 emissions.

Groundbreaking Sustainability

Our Park Moissy II DC1 building near Paris was built with no gas connection and relies on design efficiencies, rooftop solar and borehole geothermal energy storage for heating, cooling and power.

Emissions Reductions

Since 2019, we have been carbon neutral for our scope 1 and 2 emissions, and we have decreased our scope 3 emissions 38% from a 2016 baseline.

Training Future Logistics Workers

In 2021, we more than doubled the number of people trained through our Community Workforce Initiative (CWI), reaching more than 13,000 people. CWI helps build talent for our customers and opens up new employment pathways for individuals in our communities.

Solar Leadership

In the U.S., we are the #3 ranked corporation for installed onsite solar capacity and #1 for business-to-business. Our goal is to build 1 GW of solar energy capacity, supported by battery storage, by 2025.

Inclusion and Employee Engagement

88% of our employees reported being engaged by their work at Prologis, and we continued to expand our inclusion and diversity programs with the creation of five new sponsored employee resource groups.

Ahead of What's Next

A key Prologis attribute is our intense drive to stay ahead of what's next. We leverage the scale of our global real estate portfolio and our key position in the supply chain to advance leadership and ESG integration in our industry and beyond.

Our unique business model makes us the preferred logistics provider for our customers. Key differentiators include:

- Our culture of customer centricity and expertise and tenure of our team
- The quality and unrivaled scale of our global portfolio and our global land bank, which is focused on scarce prime locations
- Our Strategic Capital, Prologis Essentials and Prologis Ventures businesses
- The integration of ESG across our business

Customer-focused development

Our premier real estate portfolio is a foundational differentiator, with 4,700 properties and a global land bank covering the world's top consumption markets. Through our development business, we can build to our customers' current and future requirements and support their green building strategies. 2021 saw a record number of development project starts valued at $3.6 billion. We anticipate $4.5 billion to $5 billion of starts in 2022.

Differentiated investment capacity

Another important differentiator is our strategic capital business, through which we enable many of the world's largest institutional investors to invest with us. Prologis is the only public logistics REIT with a significant in-house strategic capital business. In 2022, we anticipate our Strategic Capital revenue will top $1 billion.

Scalable solutions and logistics innovation

The value we create goes beyond real estate. In 2021, we continued to scale our Prologis Essentials platform, which offers services and solutions that span five core categories: operations, energy, workforce, transportation and digital. Since 2016, Prologis Ventures has invested $150M in nearly 40 companies, including those focused on innovation in ESG and sustainability. Recent investments support technology to reduce food waste in grocery delivery systems; software to calculate GHG emissions associated with third-party shipments; and solutions for workforce safety and productivity.

Defining future ESG leadership practices

We continue to advance leading ESG practices across our business, from integrating ESG into our financing activities and executive compensation to advancing transparency and investing in technology and data projects to better assess climate risk. We also actively engage on the development of more effective ESG measurement and reporting practices and standards.

In October 2021, approximately 4,000 people participated in Prologis' inaugural Groundbreakers thought leadership event. The series serves as a forum for discussion of key issues facing the industry. Sessions covered smart transportation; the future of energy and workforce challenges and solutions.

$150M
invested by Prologis Ventures in nearly 40 companies since 2016, including ESG-related solutions

#1 REIT
on the Global 100 Most Sustainable Corporations ranking

16 green bonds
issued from 2018-2021 to help fund green building design and innovation projects

5 years
of linking executive and employee compensation to ESG factors, including 10% of our 2022 annual bonus

Sustainable Logistics

At Prologis, our approach to sustainable logistics is customer centric. This includes reducing energy use and emissions in both construction and operations; generating renewable energy for use in our buildings; and providing energy and mobility solutions such as energy storage and EV charging.

Net Zero by 2040
We have committed to achieve net zero emissions by 2040, supported by interim targets such as achieving carbon neutral construction for every building we build by 2025.

Customer decarbonization solutions
While we continue to take actions to reduce our scope 1 and 2 emissions, scope 3 emissions represent 99.9% of our total emissions footprint—and our best opportunity to make an impact. This includes reducing building and tenant energy consumption; expanding our generation and use of renewable energy; making sustainable design choices; and supporting the transition to low/zero-emissions vehicles.

Solar energy leadership
In the U.S., we are the #3 ranked corporation for installed onsite solar capacity and had 285 MW of generating capacity at the end of 2021. As part of our net zero goal, we have committed to 1 GW of solar energy capacity, supported by battery storage, by 2025. In 2022, we plan to expand our investments in EV infrastructure and expect to manage approximately 10 MW of EV charging capacity.

Sustainable buildings innovation
Our portfolio includes more than 550 buildings with sustainable certifications from LEED and other best-in-class certifiers. From June 2021, 100% of our development and redevelopment projects approved by our Investment Committee will achieve a sustainable certification.

325 MW
solar generation onsite as of April 30, 2022, enough to power +60,000 U.S. homes in a year

Net Zero
across our operations by 2030 and our across our value chain by 2040 (goal)

38%
reduction in scope 3 emissions since 2016 in support of our Science Based Target

195MSF
sustainably certified space—equal to more than five Central Parks (New York City)

Sustainability by design

Prologis' Park Moissy 2 DC1 is a one-million-square-foot logistics facility in Paris, France. Built with no gas connection, the building relies on design efficiencies, rooftop solar, purchased renewable energy and borehole geothermal energy storage for heating, cooling and power. It features electric and natural gas vehicle infrastructure, a rain catchment system for irrigation, PARKlife space and placement of beehives onsite (The honey is shared with the tenant.) These innovations eliminate 115,000 $mtCO_2e$ of greenhouse gas emission and reduce operating expenses by an estimated $215,000 each year, depending on energy prices.

Our Inspired People

Our employees are the foundation of our business. They implement our strategy and create value for our customers and shareholders. Our culture is key: Our people are committed to inclusion and diversity; they listen, question and commit; and they create the future.

We recruit talented employees with varied experiences and viewpoints who can deliver the best solutions and value for our customers. To create a world-class employee experience, we offer competitive compensation, professional development opportunities, flexible work locations and schedules, top-tier office space and amenities, and industry-leading benefits. In 2021, we delivered approximately 7,800 hours of company-provided or -sponsored learning, development and training.

Employee engagement

In our 2021 employee experience survey, 88% employees were engaged based on their positive response to the five questions that comprise our employee engagement driver index. Our strong Glassdoor scores provide additional validation: 83% of respondents said they would recommend Prologis to a friend and 99% approved of our CEO.

Investing in inclusive practices

We set clear expectations on inclusive hiring, including a goal that each candidate pool be 50% diverse. We also conduct an annual pay equity analysis that covers gender and people of color. We created five new employee resource groups in 2021. At the end of 2021, women comprised 50% of our global workforce and held 46% of managerial roles. 32% of our U.S. workforce were people of color (up from 26% in 2016), and 25% of our U.S. managers were people of color.

Health and safety

A safe work environment is a high priority at Prologis. Our risk-based safety program and training focuses on field safety for Prologis personnel and construction contractors.

In 2021, we continued to advance inclusion in our own workforce through our High-Performance Employee Leadership Development Program (HIPE), a rigorous 3- to 5-year rotational program that trains diverse team members in logistics real estate. We also launched our Prologis Diverse Leaders Program which matches women and under-represented minorities in mid-senior level leadership positions with senior leader mentors to support retention and progression.

88%
of employees reported they are engaged by their work at Prologis

5 ERGs
created to advance inclusion for our African Americans, Asian Americans, Latinx, LGBTQIA+ and women employees

46%
of managerial roles held by women

7,800
hours of learning, development and training delivered in 2021

Resilient Communities

Economic opportunity is the foundation of our approach to resilient communities. We work in partnership with local leaders and organizations to create jobs and job training programs; promote health and safety; and enhance recreational and transit infrastructure. These efforts, together with our employees' community engagement activities, help create a more stable and predictable business environment for Prologis and our customers, and support social wellness and well-being in the communities we serve.

Economic impact and local value creation

We build, own and operate logistics facilities close to urban centers. This shortens delivery routes and times and reduces emissions. Additional benefits include job creation; shorter commute times for logistics workers; reclamation and remediation of abandoned or brownfield sites; and even enhancement of local parks and transportation. An estimated $2.2 trillion in goods flows through our distribution centers each year, representing 15% of global goods consumption in the 19 countries where we operate. The direct and indirect impact of our global operations adds up to 2.8 million jobs and $226 billion per year in economic impact.[1]

Community Workforce Initiative

Our customers face challenges in recruitment and retention of logistics talent. Through CWI and in partnership with community organizations, we provide courses in areas such as equipment training; inventory and warehouse management; and environmental impact. Participants completed 14,000 courses through our online training platform in 2021. Since 2018, we have trained more than 13,000 people across 17 markets and placed nearly 1,500 people in logistics jobs. We have also partnered with the Association of Supply Chain Management to create a new first-of-its-kind Supply Chain Warehousing Certificate. We also built a new Warehousing and Logistics Training Programme facility at our DIRFT UK site.

Space for Good

Through our Space for Good program, we donate temporary, rent-free space in unoccupied parts of our logistics buildings to charitable organizations providing disaster relief or addressing short-term community needs. In 2021, in response to a range of crises around the world, we donated 1.2 million square feet of space worth $5.4 million in in-kind rent to 30 charities.

Supporting local communities

In 2021, Prologis and the Prologis Foundation made $4.7 million in contributions to organizations around the world. In 2021, Prologis employees delivered more than 10,700 hours to organizations serving local communities. In early 2022, employee donations were matched 2:1 to support relief efforts for Ukraine, for total donations of more than $750,000.

On our annual IMPACT Day, we close our offices and encourage every team member to participate in a volunteer event in the region where they work. In May 2022, we celebrated the 10th anniversary of IMPACT Day with team members in 18 countries volunteering more than 7,900 hours on 76 projects to support local communities in 18 countries, including 19 projects supporting Habitat for Humanity.

$226B
in direct, indirect and induced economic impact per year

13,000
people trained in logistics through our Community Workforce Initiative since 2018

1.2M
square feet of space worth $5.4 million in in-kind rent donated to 30 charities through Space for Good

33,000
hours our employees support local nonprofits since 2019

1. Based on 2019 data per Oxford Economics report.

Goals and Progress

Our goals demonstrate our ambition, create accountability and drive alignment with our business strategy. They are influenced by our stakeholders and by frameworks such as the UN Sustainable Development Goals (SDGs).

SDG	GOAL	STATUS	PROGRESS[1]
13 CLIMATE ACTION	**Net zero and GHG Emissions.** Reduce Scope 1 and 2 GHG 21% from a 2016 baseline by 2025. Reduce Scope 3 GHG 15% from a 2016 baseline by 2025 . Achieve net zero by 2040 for Scope 1, 2 and 3 emissions.	On track	Reduced Scope 1 and 2 emissions 22% and Scope 3 emissions 1% from 2020 to 2021. In June 2022, we set a net zero goal.
13 CLIMATE ACTION	**Carbon Neutral Construction.** Achieve 100% carbon neutral construction by 2025	On track	Offset 20% of the estimated GHG emissions from projects that completed construction in 2021. Completed five LCAs in 2021 to better understand our opportunities to reduce our construction footprint.
7 AFFORDABLE AND CLEAN ENERGY	**Renewable Energy.** Install 400 MW of solar capacity on our buildings by 2025 (Increased to 1 GW in June 2022)	On track	285 MW by Dec 31, 2021—increased to >325 MW by April 20, 2022.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Building Certifications.** 100% of new development/ redevelopment achieve sustainable certification	On track	Includes projects approved in June 2021 or later. These projects will receive certification once built and stabilized.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**LED Lighting.** Install 100% LED lighting in all warehouse and office space across our portfolio by 2025	On track	57% of the warehouse and office space across our portfolio has LED lighting
1 NO POVERTY	**Community Engagement.** Spend 75,000 hours supporting our local communities around the globe by 2025 (2019 baseline)	On track	Achieved 33,000 hours
8 DECENT WORK AND ECONOMIC GROWTH	**Logistics Workforce Training.** Train 25,000 people in logistics by 2025 (2018 baseline) through our Community Workforce Initiative	On track	Trained 13,000 people
17 PARTNERSHIPS FOR THE GOALS	**Ethics.** Ensure 100% of employees complete ethics training each year	✓ Achieved	100% of employees completed ethics training

1. As of December 31, 2021.

Performance Data

	2017	2018	2019	2020	2021
Our Business					
Revenue (dollars in billions)	2.62	2.80	3.33	4.44	4.76
Assets under management (dollars in billions)	78.70	86.70	118.40	148.30	215.10
Square footage of real estate portfolio (MSF)	684	768	814	984	1,000
Number of buildings (owned and managed portfolio)	3,282	3,690	3,840	4,101	4,675
Number of customers	5,000	5,100	5,000	5,500	5,800
Global occupancy rate (%)	97.2%	97.2%	96.5%	96.2%	97.7%
Number of employees	1,606	1,617	1,713	1,945	2,053
Environment					
Scope 1 and 2 GHG emissions ($mtCO_2e$ - market based w/ RECs)	3,046	4,045	4,842	3,841	3,011
Scope 3 GHG emissions ($mtCO_2e$ - location based)	5,980,049	6,024,262	5,250,154	3,758,991	3,704,143
Energy consumption (MWh)	8,688	7,867	7,664	10,476	10,644
Total renewable energy purchased or generated for our operations (MWh)	72	72	72	72	214
Onsite solar generating capacity installed (MW)	175	186	212	252	285
Area of sustainably certified space (million square feet)	98	122	148	171	195
LED lighting (% of portfolio)	14%	27%	33%	42%	57%
Social & Governance					
Women in global workforce (%)	51%	52%	51%	50%	50%
People of color in U.S. workforce (%)	26%	27%	29%	30%	32%
People trained through Community Workforce Initiative	N/A	134	597	5,500	13,039
Employee volunteering and hours spent benefiting the community	11,200	10,543	15,266	7,111	10,776
Charitable giving (dollars in millions)	$1.6	$2.6	$3.1	$11.2	$4.7
Employee ethics training completed (%)	100%	100%	100%	100%	100%
Employee lost time injury frequency rate (per 1 million hours worked)	2.95	0	0	0.94	1.34

Data as of December 31, 2021.

About this Report

At Prologis, we're building a sustainable future today. Our ESG efforts create value for our business by driving innovation, deepening relationships, reducing our capital costs, expanding customer offerings and strengthening our position as an employer of choice.

This summary contains highlights of Prologis' 2021-22 ESG Report, which was prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and aligned with other reporting frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) Standards. Lloyd's Register Quality Assurance (LRQA) has provided limited assurance of this report using the AA1000 AccountAbility Principles (AA1000AP 2018).

To view or download the full report, visit **www.prologis.com/esg**.

Please share your ideas or suggestions for improving this executive summary by sending an e-mail to **esg@prologis.com.**

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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 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. 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.

Pictured: Prologis Park Dutra RJ, Rio de Janeiro, Brazil.