

As a long-term owner and investor in logistics real estate assets, Prologis recognizes the value of responsible investment. Based on our evaluation, we believe that our current disclosures align with the criteria of the six principles of responsible investment established by PRI (a.k.a. “The Principles of Responsible Investment”). Furthermore, our current disclosures could be referred to as sources of information for the annual PRI assessment. These disclosures include, but are not limited to, our annual ESG Report, references to ESG in the [Proxy Statement](#) and [Annual Report/10-K](#), the sustainability section of our website, and other disclosures to third parties like the Global Real Estate Sustainability Benchmark (GRESB), the Dow Jones Sustainability Index (DJSI), and the Carbon Disclosure Project (CDP).

To provide further transparency, the below examples show the specific actions that Prologis takes that align with each of the six principles within PRI, and demonstrate our commitment to responsible investment. At this time, Prologis has made the decision to not become an official signatory to PRI and will continue to evaluate the additional value that would come from joining as a signatory at some point in the future.

PRINCIPLE	PRI POSSIBLE ACTIONS—SPECIFIC ACTIONS TAKEN BY PROLOGIS
1. We will incorporate ESG issues into investment analysis and decision-making processes.	<p>Address ESG issues in investment policy statements</p> <ul style="list-style-type: none"> All investments—including developments, acquisitions and dispositions—go through a rigorous evaluation process led by Prologis’ Investment Committee. The Investment Committee is continuously refreshed with a subset of senior leaders to ensure that diverse perspectives from across the business are integrated in our investment decision making process. Through the Investment Committee evaluation, assets are considered for risks such as flood, extreme weather or earthquakes, as well for opportunities such as the potential to install solar, to upgrade to efficient lighting within existing assets, and for proximity to available labor that would benefit our customers, just to name a few. This rigorous process, along with our dedication to ESG, embody our responsible investment policy. <p>Support development of ESG related tools, metrics and analyses</p> <ul style="list-style-type: none"> Prologis publishes a number of key ESG metrics, including the proportion of the portfolio that has a sustainable building certification, the percentage of the portfolio utilizing LED lighting, the installed capacity of onsite solar installations, the percentage of the portfolio that has cool or reflective roofing, among others. <p>Assess the capabilities of internal investment managers (regional operation and property management) to incorporate ESG issues</p> <ul style="list-style-type: none"> Throughout the year, our Development and Property Management teams continuously monitors our buildings for any health and safety risks, as well as potential exposure to climate-related risks. Furthermore our teams pursue opportunities in improving the energy efficiency of our buildings through programs like Prologis Essentials LED. <p>Ask investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) to integrates ESG factors into evolving research and analysis</p> <ul style="list-style-type: none"> Prologis responds to numerous third-party ESG evaluators (e.g. GRESB, DJSI, CDP, MSCI, Sustainalytics, etc.), helping them to understand how we integrate ESG into our business strategy. <p>Encourage academic and other research on this theme</p> <ul style="list-style-type: none"> Prologis’ research team conducts studies on numerous topics related to ESG, including recent research on the availability of logistics labor and the environmental impacts of e-commerce compared to more traditional retail supply chains. <p>Advocate ESG training for investment professionals</p> <ul style="list-style-type: none"> As an industry leader in ESG, Prologis actively participates in webinars and other engagement forums with investment professionals to educate them on how ESG is engrained in our business. The engagement activities help investment professionals understand how ESG is part of our business and what are the leading ESG business practices in the real estate industry.

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<p>2. We will be active owners and incorporate ESG issues into our ownership policies and practices.</p>	<p>Develop and disclose an active ownership policy consistent with the Principles</p> <ul style="list-style-type: none"> Prologis has a comprehensive approach to ESG, as documented on the Sustainability section of the Prologis website, and in Prologis' annual ESG Report. Prologis' ESG policy can be found on the Sustainability page of our website: <p>Statement of Purpose</p> <p>We strive to be a trusted, long-term partner that maximizes return to our stakeholders while minimizing environmental impacts.</p> <p>Our Approach to ESG</p> <ul style="list-style-type: none"> Define and advance ESG thought leadership <ul style="list-style-type: none"> Ensure the resilience and long-term preservation of value for our business through evaluation of future risks, including those associated with climate change Integrate the fundamental principles of ESG to ensure responsible investment and business decisions Research and develop programs focused on impact reduction and stakeholder benefit <ul style="list-style-type: none"> Reduce energy and water use, and waste within our offices, as well as our real estate portfolio Invest in our employees and communities and provide a safe, healthy, inclusive and diverse work environment Partner with our stakeholders to implement solutions that solve ESG pain points <ul style="list-style-type: none"> Position our portfolio with modern, efficient logistics real estate assets in locations that benefit our communities and meet our customers' business needs Invest in training and growth opportunities for logistics workforce development, health, safety, and productivity <p>Participate in the development of policy, regulation, and standard setting (such as promoting and protecting shareholder rights)</p> <ul style="list-style-type: none"> Prologis' 2020 Proxy Statement outlines the company's strong stockholder rights. <p>Engage with companies on ESG issues / Participate in collaborative engagement initiatives</p> <ul style="list-style-type: none"> Prologis engages in many professional affiliations and real estate industry organizations around ESG and other real estate topics, including: the Urban Land Institute (ULI), NAIOP, NAREIT, NAREIM, APRE, AIRE, Council of Foundations, DGNB,GRESB, UK Green Building Council, IREM, The Real Estate Roundtable and RILA.
<p>3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.</p>	<p>Ask for standardized reporting on ESG issues (using tools such as the Global Reporting Initiative)</p> <ul style="list-style-type: none"> Since 2006, Prologis has issued an annual ESG report that is aligned with the Global Reporting Initiative (GRI) Standards. Prologis participates as a member of the GRI Community to help in developing updates and new reporting standards. <p>Ask for ESG issues to be integrated within annual financial reports</p> <ul style="list-style-type: none"> Within Prologis' annual ESG report, there are disclosures regarding the company's alignment with the Sustainable Accounting Standards Board (SASB). In the 2019 ESG Impact Report there is disclosure around the company's alignment with the Task Force on Climate-related Financial Disclosures (TCFD). Alignment with these frameworks is also demonstrated in the responses to CDP,GRESB, DJSI and other third-party assessments. Prologis includes ESG information in both its annual proxy statement as well as its Annual Report and 10-K. <p>Ask for information from companies regarding adoption of/adherence to relevant norms, standards, codes of conduct or international initiatives (such as the UN Global Compact)</p> <ul style="list-style-type: none"> Prologis has aligned its ESG goals with the UN Sustainable Development Goals (UN SDGs): Goal 7 <i>Affordable and Clean Energy</i>; Goal 8 <i>Decent Work and Economic Growth</i>; Goal 9 <i>Industry, Innovation and Infrastructure</i>; Goal 13 <i>Climate Action</i>; Goal 17 <i>Partnerships for the Goals</i>. Prologis maintains a robust Supplier Code of Conduct that details expectations around adherence with anti-corruption practices, labor regulations, safety performance, as well as environmental regulations. All suppliers go through a pre-qualification evaluation where they must report on insurance coverage, safety programs, financial stability, quality systems, terms and conditions, sustainability, Supplier Code of Conduct and regulatory compliance.

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<p>4. We will promote acceptance and implementation of the Principles within the investment industry.</p>	<p>Include Principles related requirements in requests for proposals (RFPs)</p> <ul style="list-style-type: none"> Prologis maintains a robust Supplier Code of Conduct that details expectations around adherence with anti-corruption practices, labor regulations, safety performance, as well as environmental regulations. <p>Revisit relationships with service providers that fail to meet ESG expectations</p> <ul style="list-style-type: none"> In 2019, Prologis' HR department evaluated its third-party service providers and partners to ensure they have goals that support and meet Prologis' commitment to promoting inclusion and diversity in our business and the real estate industry. <p>Align investment mandates, monitoring procedures, performance indicators and incentive structures accordingly (for example, ensure investment management processes reflect long-term time horizons when appropriate)</p> <ul style="list-style-type: none"> All Prologis employees have inclusion and diversity considered as part of their annual bonus metric. Other employees that are more directly engaged in activities related to ESG KPIs have other ESG-related targets tied to their performance-based bonus metrics. <p>Support the development of tools for benchmarking ESG integration</p> <ul style="list-style-type: none"> Prologis has been a contributor to the GRESB assessment since it was established. GRESB serves as one of the most commonly used and effective tools for benchmarking among real estate companies the ESG management and governance, as well as asset-level performance relative to ESG metrics. <p>Support regulatory or policy developments that enable implementation of the Principles</p> <ul style="list-style-type: none"> Prologis promotes ESG by participating in and leading various industry trade groups, such as the Urban Land Institute (ULI), NAIOP, NAREIT, NAREIM, APRE, AIRE, Council of Foundations, DGNB, GRESB, UK Green Building Council, IREM, The Real Estate Roundtable and RILA.
<p>5. We will work together to enhance our effectiveness in implementing the Principles.</p>	<p>Support/participate in networks and information platforms to share tools, pool resources and make use of investor reporting as a source of learning / Develop or support appropriate collaborative initiatives</p> <ul style="list-style-type: none"> Prologis participates in a number of third party evaluation platforms on the topic of ESG, including GRESB, DJSI, CDP, the Corporate Knights Global 100 Most Sustainable Corporations, and others. Additionally, Prologis directly engages with other real estate owners on the topic of ESG in NAREIT's Real Estate Sustainability Committee (RESC), the Urban Land Institute's (ULI's) Greenprint Performance Committee, and the Real Estate Roundtable's Sustainability Policy Advisory Committee (SPAC), among others. Since 2006, Prologis has issued an annual ESG/sustainability report that is aligned with the Global Reporting Initiative (GRI) framework and Standards. Prologis participates as a member of the GRI Community to help in developing updates and new reporting standards. Within Prologis' annual ESG report, there are disclosures regarding the company's alignment with the Sustainable Accounting Standards Board (SASB). In the 2019 ESG Impact Report there is disclosure around the company's alignment with the Task Force on Climate-related Financial Disclosures (TCFD). Alignment with these frameworks is also demonstrated in the responses to CDP, GRESB, DJSI and other third-party assessments.

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<p>6. We will each report on our activities and progress towards implementing the Principles.</p>	<p>Disclose how ESG issues are integrated within investment practices</p> <ul style="list-style-type: none"> As it pertains to Prologis' assets, all developments are designed to sustainable design standards with a goal of achieving certification where available and aligned with customer interests. All investments—including developments, acquisitions and dispositions—go through a rigorous evaluation process led by Prologis' Investment Committee. The Investment Committee is continuously refreshed with a subset of senior leaders to ensure that diverse perspectives from across the business are integrated in our investment decision making process. Through the Investment Committee evaluation, assets are considered for risks such as flood, extreme weather or earthquakes, as well for opportunities such as the potential to install solar, to upgrade to efficient lighting within existing assets, and for proximity to available labor that would benefit our customers, just to name a few. This rigorous process, along with our dedication to ESG, embody our responsible investment policy. <p>Disclose what is required from service providers in relation to the Principles</p> <ul style="list-style-type: none"> Prologis maintains a robust Supplier Code of Conduct that details expectations around adherence with anti-corruption practices, labor regulations, safety performance, as well as environmental regulations. <p>Communicate with beneficiaries about ESG issues and the Principles</p> <ul style="list-style-type: none"> Prologis' strategic capital and investor relations groups have regular meetings with private and public investors where ESG is a common theme. Furthermore, we respond to due diligence questionnaires that increasingly have ESG as a topic for evaluation. <p>Make use of reporting to raise awareness among a broader group of stakeholders</p> <ul style="list-style-type: none"> Prologis primarily uses its annual ESG report to communicate and raise awareness on ESG topics with a variety of stakeholders. Additionally, Prologis includes ESG discussions in its proxy statement, Annual Report and 10-K. Finally, Prologis also responds to a number of other third-party evaluators and benchmarks of ESG governance and performance, including GRESB, DJSI, CDP, MSCI, Sustainalytics, ISS, FTSE4Good, and others.