

# Executive Summary: Prologis 2020 Sustainability Report



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Prologis Park Nieuwegein, Nieuwegein, the Netherlands.

# A message from our CEO



“We have demonstrated that we can grow our business while operating with integrity, taking care of our people, staying focused on our customers and doing good in our communities.”

Dear Fellow Stakeholders,

This past year was a challenging one for all of us. I am proud of all our team was able to accomplish under difficult conditions, while maintaining a strong focus on our company’s values and priorities. This includes our longstanding commitment to excellence in Environmental, Social and Governance (ESG) performance, which positioned us to innovate and grow our business in 2020 while we supported our employees, customers, communities and investors through the pandemic. We have a strong history in pushing the boundaries of what is possible—and we must go even further to meet the urgency of today’s environmental and social challenges and the growing objectives of our stakeholders.

During the pandemic, we found unique ways to make a difference and took swift action to ensure the safety and well-being of our employees and their families, such as establishing work-from-home policies, enhancing flex time and caregiver benefits and offering zero-interest loans. We are grateful for our Property Management and Maintenance teams who performed their jobs with new strict safety protocols. Our Customer Experience and Operations teams actively supported customers through regular virtual check-ins to understand needs in real time, sourcing hard-to-find PPE by leveraging our longstanding supplier relationships and creating a toolkit to guide customers through the federal Paycheck Protection Program (PPP) loan process. In our communities, we donated \$9.3 million of in-kind rent to organizations staging frontline COVID-19 response and created a \$5 million global COVID-19 relief fund for nonprofits and community-based relief organizations.

We also made progress on the Prologis 3Cs, our strategic blueprint for driving success and innovation across the organization: Customer Centricity; Change Through Innovation and Operational Excellence; and Culture & Talent. We recently announced two important new goals that demonstrate this innovative spirit and advance our ESG commitment:

- We have committed to achieving third-party certification for all new developments and redevelopments globally, which furthers our 2008 commitment to design all new buildings to specifications that align with leading sustainable building standards.
- In conjunction with our efforts to reduce carbon emissions and reach our science-based targets, we have committed to achieving 100% carbon-neutral construction globally by 2025 and will partner with our customers to decarbonize their operations through our CarbonZero program.

In 2020, we reached many other important milestones. To help address a talent shortage in the logistics industry, we expanded the Prologis Community Workforce Initiative (CWI) with an all-online, mobile-friendly version of our training curriculum, registering nearly 4,000 new participants in key communities within just two months, and we recently announced

our partnership with the Association for Supply Chain Management to create an industry certificate for individuals who complete a comprehensive professional education program. We also made progress toward the three pillars of our Inclusion & Diversity efforts—Infrastructure, Engagement and Community—through initiatives like HiPE, a rotational leadership program targeting diverse candidates.

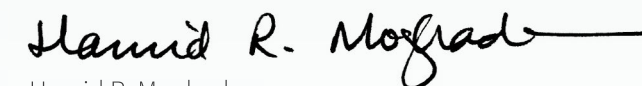
Furthered by our SolarSmart initiative, we partnered with our customers to install 40 megawatts of new rooftop solar capacity at our warehouses, making it one of the program’s most successful years and adding to our onsite solar capacity that already ranks third among U.S. corporations. Our partnerships to install efficient LED lighting were very effective in 2020, expanding our LED coverage by nearly 50%, as we work toward complete coverage at our properties by 2025. Underpinning all of these successes, we stepped up our direct ESG engagement and outreach with customers and investors.

For all these achievements and more, influential organizations have recognized Prologis as a global ESG leader, and I am proud to share a few of those honors:

- First among sector peers in the Americas & Asia: Global Real Estate Sustainability Benchmark (GRESB).
- Twelfth year among the Corporate Knights’ Global 100 Most Sustainable Corporations.
- Top 10% of global sustainable companies recognized by the DJSI World Index 2020.
- CDP climate change disclosure A List.

Our employees have been crucial to making ESG a core part of the Prologis culture. Through their dedication and innovative spirit, we have demonstrated that we can grow our business while operating with integrity, taking care of our people, staying focused on our customers and doing good in our communities. Whether facilitating the global distribution of COVID-19 vaccines through our Space for Good program or helping our customers drive down their carbon footprints, Prologis is uniquely positioned to help advance the well-being of people and the planet. Through times of challenge as well as periods of progress, we will continue to push the boundaries of ESG performance and deliver new avenues of value for our stakeholders.

Sincerely,



Hamid R. Moghadam  
Chairman and CEO, Prologis, Inc.

**\$9.3 M**  
of in-kind rent donated to organizations staging frontline COVID-19 response.

# About Prologis

## \$2.2 T

economic value of goods moves through our warehouses.\*

## 3.5%

of GDP flows through our buildings in the 19 countries where we do business.\*

## 4.4%

of global household consumption flows through our warehouses.\*

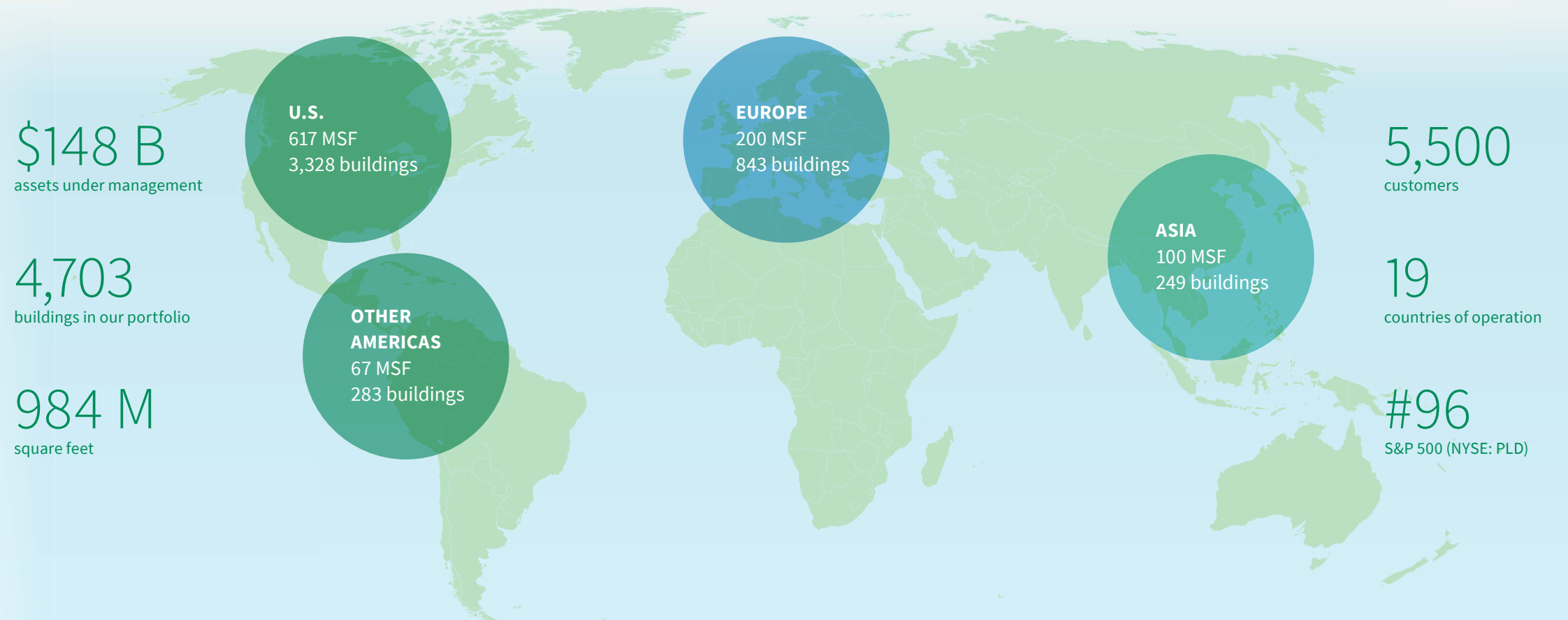
### Prologis, Inc. is the global leader in logistics real estate.

We develop, own and operate real estate to generate income, and many of the world's largest companies lease our space for their logistics operations. Our properties facilitate the distribution of goods globally, including many of the products people rely on every day.

Prologis operates a variety of separate investment vehicles, including 8 private funds and 2 public co-investment vehicles—FIBRA Prologis and Nippon Prologis REIT, Inc. (NPR).

We are more than four walls and a roof. We deliver value beyond real estate.

- **Community Workforce Initiative** partners with our local communities to open and reinvigorate career pathways in the growing field of logistics.
- **Customer Experience Teams** allow us to proactively and promptly respond to our customers' needs.
- **Prologis Essentials Marketplace** offers our customers curated products and services conveniently online and on mobile devices for quick setup and smooth operation.
- **Prologis Labs** partners with customers to test new technologies, product ideas and services in our warehouse laboratory.
- **Prologis Research** shares opportunities and trends with customers, investors and other parties.
- **Prologis Ventures** invests in innovative companies developing solutions to address our customers' needs.



\*Source: Oxford Economics, IMF, Prologis Research as of June 30, 2020.

This report describes the significant achievements and relevant initiatives that have furthered our progress toward our ESG ambitions and targets in 2020. Unless otherwise stated, data covers the time period from January 1, 2020, through December 31, 2020.

# Our ESG approach

Prologis' longstanding commitment to ESG began with leading-edge governance dating back to our founding almost 40 years ago. Our deep commitment to environmental stewardship, social responsibility and good governance (ESG) has made us a leader in our industry and beyond.

Customers, investors, communities and employees are increasingly focused on ESG challenges such as climate change and opportunities for dignified work, raising the stakes for ESG as critical

to business success. We are leading the way to a more sustainable future by catalyzing the adoption of efficient and renewable energy technology, innovating new sustainable building practices and unlocking jobs and economic growth. These efforts create value for our business by driving innovation, deepening relationships, reducing our capital costs, expanding our value proposition and strengthening our position as an employer of choice.

## A FOCUS ON FOUR HIGH-LEVERAGE STRATEGIC APPROACHES

### Business integration

ESG informs decision-making from the boardroom to all corners of our global operation. Our commitment to ESG is strengthened by its inherent alignment with the strategic blueprint of the company, the business imperatives we call the 3Cs: Customer Centricity; Change Through Innovation and Operational Excellence; and Culture & Talent.

Our Investment Committee considers ESG factors such as climate and weather-related risks. ESG-related metrics such as inclusion and diversity, solar and LED lighting inform the pay of all Prologis executives.

### Customer-focused solutions

Aligned with our sustainability efforts, seven of our top ten customers are pursuing progress toward the U.N. Sustainable Development Goals (SDGs). As a sustainability leader with global reach and scale, we are ideally positioned to partner with our customers to enhance their sustainability performance, both efficiently and cost-effectively.

Prologis' ESG solutions like SolarSmart, Essentials LED and the Community Workforce Initiative create value for our customers and society.

### Innovation

The world needs new ideas to accelerate progress toward a sustainable future and our business will benefit by bringing them to our customers first. Our size and expertise allow us to develop and scale the next breakthrough.

Through Prologis Labs, we create and test new technologies and ideas like EV charging stations and smart sensors so that we can continue to pioneer innovation.

### Culture & talent

Our people have always been the driving force behind our success. To attract and retain top talent, we are focused on delivering a world-class employee experience by fostering an inclusive culture and supporting the health and well-being of our workforce.

Prologis took meaningful steps to support our employees through the COVID-19 pandemic, such as offering zero-interest loans to non-management employees.

# Goals and progress

ESG represents a long-term investment that strengthens our operations, enhances our competitive positioning, improves risk management and attracts and engages top talent. We have made significant progress toward our ESG commitments and are on track to accomplish more.

## ENVIRONMENTAL SUSTAINABILITY

SDG	GOAL/TARGET YEAR	PROGRESS
	Install 200 Megawatts (MW) of solar capacity on our buildings 2020	● Achieved in 2019
	Install 400 MW of solar capacity on our buildings 2025	● 252 MW through the end of 2020 <i>Equivalent to the energy use of 42,250 homes</i>
	100% of new development/redevelopment achieve sustainable certification Recurring annually	● New goal established We will begin reporting with 2021 performance
	Install 100% LED lighting across our entire portfolio (by area) 2025	● 42% through the end of 2020 <i>Equivalent to 4,291 soccer fields</i>
	Reduce total Scope 1 & 2 greenhouse gas (GHG) emissions by 21% (2016 baseline) 2025	● 40% increase <sup>1</sup> 2016–2020 Scope 1 & 2 only represent 0.1% of our total emissions
	Reduce total Scope 3 GHG emissions <sup>2</sup> by 15% (2016 baseline) 2025	● 37% reduction 2016–2020 Scope 3 represents 99.9% of our total emissions
	Achieve 100% carbon-neutral construction globally 2025	● New goal established We will begin reporting with 2021 performance

● Completed ● On track ● Behind schedule but have a plan to recover

## SOCIAL RESPONSIBILITY

SDG	GOAL/TARGET YEAR	PROGRESS
	Spend 75,000 hours supporting our local communities around the globe 2025	● 22,417 hours 2019–2020
	Train 25,000 participants through our Community Workforce Initiative (CWI) 2025	● 5,672 trained through the end of 2020 <i>Enough people to staff over 30 warehouses</i>

## GOVERNANCE

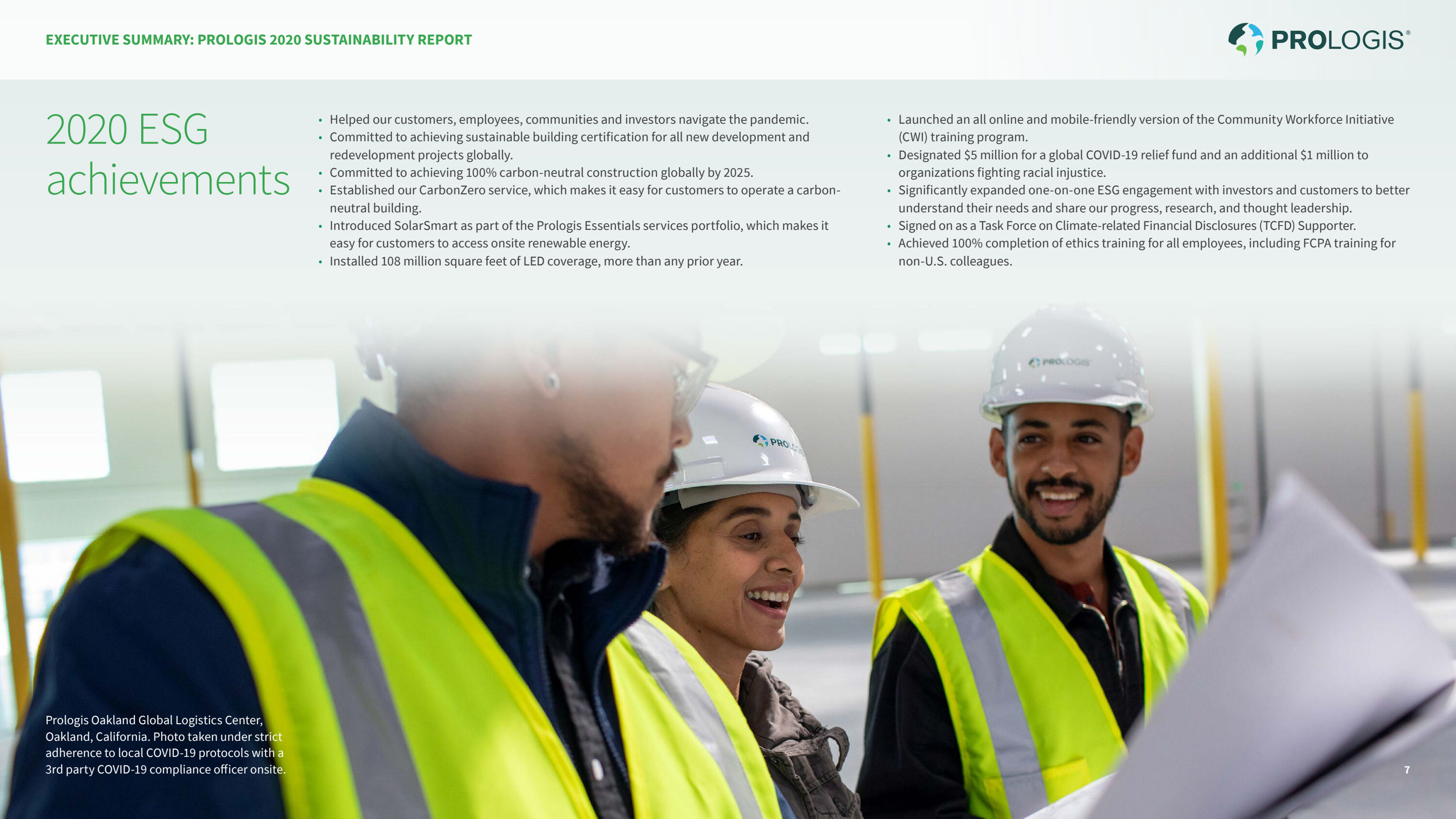
SDG	GOAL/TARGET YEAR	PROGRESS
	Ensure 100% of employees complete ethics training Recurring annually	● 100% in 2020

1. Scope 1 & 2 emissions combined represent only 0.1% of our total carbon emissions. The 40% increase in combined Scope 1 & 2 emissions equate to an increase of 1,106 MTCO<sub>2</sub>e which is from stationary combustion and purchased heat and steam. Meanwhile, our Scope 3 emissions have reduced by 2,200,000 MTCO<sub>2</sub>e. Between 2016 and 2020 we have achieved a 37% reduction in Scopes 1, 2 & 3 emissions. We continue to seek opportunities to drive reductions towards our science-based target.
2. Scope 3 emissions account for 99.9% of Prologis' total Scope 1, 2 and 3 carbon footprint.

Note: We are retiring our cool roofs goal due to methodological challenges. However, we remain committed to installing cool roofs wherever they provide energy savings, and by year-end 2020, 44% of our global portfolio had cool or reflective roofing.

## 2020 ESG achievements

- Helped our customers, employees, communities and investors navigate the pandemic.
- Committed to achieving sustainable building certification for all new development and redevelopment projects globally.
- Committed to achieving 100% carbon-neutral construction globally by 2025.
- Established our CarbonZero service, which makes it easy for customers to operate a carbon-neutral building.
- Introduced SolarSmart as part of the Prologis Essentials services portfolio, which makes it easy for customers to access onsite renewable energy.
- Installed 108 million square feet of LED coverage, more than any prior year.
- Launched an all online and mobile-friendly version of the Community Workforce Initiative (CWI) training program.
- Designated \$5 million for a global COVID-19 relief fund and an additional \$1 million to organizations fighting racial injustice.
- Significantly expanded one-on-one ESG engagement with investors and customers to better understand their needs and share our progress, research, and thought leadership.
- Signed on as a Task Force on Climate-related Financial Disclosures (TCFD) Supporter.
- Achieved 100% completion of ethics training for all employees, including FCPA training for non-U.S. colleagues.



Prologis Oakland Global Logistics Center, Oakland, California. Photo taken under strict adherence to local COVID-19 protocols with a 3rd party COVID-19 compliance officer onsite.

# Responding to COVID-19

The COVID-19 pandemic has impacted every part of the world and nearly every aspect of our organization.

We have worked tirelessly to help our employees, customers and communities navigate the pandemic.

## Employees

Our investments in technology and systems infrastructure positioned us to quickly institute a work-from-home policy. We also introduced new safety measures and resources for onsite workers and made packages of essential goods available to all U.S. employees. Our leadership team increased the cadence of communications and we rolled out a suite of benefits and support to meet the evolving needs of our employees and their families, including:

- Interest free loans for employees whose spouses or family members had lost their jobs.
- COVID-19 care packages for all U.S. employees.
- Free COVID-19 testing.
- Expanded telehealth and Teladoc services, with a focus on mental health.
- Quarantine pay for employees forced to isolate.
- Monthly stipend to assist parents with childcare and homeschooling.
- Virtual ergonomic assessments of home offices.
- Virtual wellness courses, such as yoga and mindfulness.

## Customers

We used our procurement leverage to source hard-to-get personal protective equipment (PPE) and other essentials, implemented rigorous COVID-19 protocols in the common areas of our parks and sought out opportunities to help our customers navigate the upheaval and uncertainty.

In the U.S., we provided our customers with PPE and other essentials free of charge during the early days of the pandemic. We responded immediately to the creation of the federal Paycheck Protection Program (PPP) by creating a PPP Toolkit to ensure our customers understood the process of applying for a loan. We also offered rent deferrals to customers demonstrating legitimate need.

## Communities

The Prologis Foundation launched a \$5 million global relief fund to provide financial support to nonprofits and community-based organizations on the frontlines of the COVID-19 response.\* Moreover, \$10.2 million of in-kind rent was donated through our Space for Good program, of which \$9.3 million was allocated to global government agencies, hospitals and relief organizations worldwide taking action against COVID-19.

\*Funds designated for donation in 2020, though not all funds were allocated during this calendar year. The remaining funds will be allocated after calendar year 2020.



# Innovation— ahead of what's next

A spirit of innovation is core to Prologis.

By identifying cutting-edge technologies and strategies, we help our customers evolve their logistics operations to meet the rapidly changing demands of global commerce.

Our focus on new materials, technologies and construction techniques keeps us ahead of our industry and offers our customers a unique value proposition.

Prologis Ventures and Prologis Labs embrace innovation and enable us to stay ahead of what's next.

## Prologis Ventures

Our venture capital arm invests in Series A through growth stage companies innovating across the logistics space, with a focus on supply chain and transportation, digital buildings and infrastructure, and real estate and construction. Dedicated to solving our customers' most critical pain points, Prologis Ventures often explores technologies and business models that drive environmental and social benefits such as operational efficiency, smart infrastructure to support vehicle electrification, circular economy, safety and wellness.

## Prologis Labs

Our innovation incubator offers a sandbox environment for hands-on testing of new technologies, product ideas and services, and performs applied technical research and development. The Lab is designed to connect our employees and customers with new and emerging technologies that are revolutionizing logistics. Ideas and projects developed internally or in collaboration with our customers can be tested in a real-life warehouse environment to deliver insights, surface potential business opportunities and drive sustainability benefits.

## INNOVATIVE TECHNOLOGIES AROUND THE WORLD

### Global

- **Low-carbon building materials** – Products and techniques that reduce the embodied carbon footprint of some typically carbon-intensive materials and components. We plan to begin incorporating low-carbon alternative materials into future developments.

### Japan

- **Unified LED/motion sensor solution** – Motion sensors switch energy-efficient LED lighting on and off as workers move through the space, resulting in a 53% power reduction from conventional LEDs and capturing data on how the space is being used.

### France

- **Borehole thermal energy storage** – Stores heat underground during warm months and pumps it back into the building during winter months to meet heating demands.
- **Dynamic energy simulation** – Evaluates a building's total intrinsic characteristics and manner of operation/occupancy to enable energy optimization, GHG footprint reduction and evaluation of future operating expenses.

### Netherlands

- **Circular building design** – Buildings designed to incorporate recycled/recyclable materials and to be easily disassembled at end-of-life and repurposed to new applications.
- **Electric heat pumps** – Uses electricity to move ambient heat energy into or out of a building's interior, enabling HVAC systems to operate without burning fossil fuels.



Prologis Park Waalwijk, Waalwijk, the Netherlands.

Prologis Park Tsukuba, Ibaraki, Japan.

# Customer-centric building design

Our customers' needs drive our building designs. Efficient buildings help our customers meet their business and sustainability objectives. By optimizing indoor air quality and lighting and providing services and amenities that enhance workers' well-being and satisfaction, we make it easier for customers to attract and retain talent. Through webinars, one-on-one outreach and our Customer Sustainability Advisory Committee, we create cutting-edge development and future-proof our investments.

## Sustainable Building Certification Goal

Since 2008, Prologis has integrated leading sustainable building standards into the design and construction of our facilities. In 2020, we made the commitment to achieve 100% sustainable building certification for all new development and redevelopment projects globally. As of year-end 2020, Prologis had 171 million square feet of sustainably certified space.

This commitment holds us accountable for building in line with best-in-class frameworks such as LEED, BREEAM, WELL, CASBEE, DGNB and HQE, whose principles provide tangible benefits to the environment and our customers. Our top 25 customers have chosen sustainably certified space for over half of the square footage they lease from us.

### Goal

# 100%

sustainably certified buildings in our global portfolio.

### Progress

# 477

sustainably certified buildings in our global portfolio.\*

\*As of year-end 2020

## WELL Certification

The WELL Building Standard™ is an evidence-based framework for creating workspaces that advance human health and well-being in tandem with worker motivation and productivity. WELL enumerates strategies for driving optimization through building design, operational policies and a corporate commitment to health and wellness. In 2021, Prologis' logistics facility in Datteln, featuring attributes such as special lighting and ventilation, an outdoor relaxation area and an herb bed, is on track to become the first logistics facility in Germany (and second in the EU) to achieve WELL certification. We expect Datteln will become at least WELL Gold certified.

## PARKlife

Unique to Prologis, PARKlife is a philosophy that challenges us to improve the services and facilities we provide for our stakeholders—from park security and other supports to multi-use gaming areas, employee gyms, walking trails and green spaces where workers and the local community can socialize and exercise. Through PARKlife, we are creating the spaces and places where our customers' businesses can thrive, employees enjoy coming to work, and communities and nature can flourish.

## Certification Benefits

Buildings constructed to sustainable design standards operate with greater efficiency. Compared to a market base case (per LEED certification methodology), data from across our LEED certified developments show high average savings over a five-year period (2016–2020):

- 46% lower carbon emissions.
- 43% less energy cost.
- 33% less indoor water consumed.

Employees' health, well-being and productivity increase in buildings that deliver specific sustainability attributes, including:

- Indoor air quality and ventilation.
- Thermal comfort.
- Lighting and views of nature.
- Reduced noise and better acoustics.

# Carbon management

By leading the way on carbon reduction across our full value chain, we will meet the imperative to rapidly address climate change and create added value for our customers and communities.

## Measure, Reduce and Invest

We continue to evolve our carbon management approach and have developed a three-pronged framework:

- **Measure** – Consolidating a clear view of our current state and progress is critical to managing our carbon footprint. We maintain processes for measuring Scope 1, 2 and 3 emissions and pursue continuous improvement in our data collection practices.
- **Reduce** – Our main efforts focus on reducing emissions from our own operations and from the use of our buildings through energy-efficient building design and upgrades, renewable onsite generating capacity and the purchase of renewable power.
- **Invest** – We are investing in carbon reduction breakthroughs that will help us further reduce our emissions and address climate change. We are also investing in high-quality renewable energy credits (RECs) and offsets to neutralize the carbon emissions that cannot currently be reduced while simultaneously benefiting local communities.

## Science-Based Targets

At the heart of our carbon approach are two reduction goals approved by the Science-Based Targets initiative (SBTi) in 2018. These targets set the benchmark for the absolute emissions reductions we must achieve across our operations and property portfolio to do our part in combatting climate change.

40 MW

of new rooftop generating capacity installed in 2020.

We recently invested in offsets from Carbon Cure, a company that introduces recycled CO<sub>2</sub> into fresh concrete to reduce its carbon footprint.

## GREENHOUSE GAS (GHG) GOALS

21%

reduction in Scope 1 and 2 GHG emissions by 2025 and 56% by 2040 (2016 baseline).

15%

reduction in total Scope 3 GHG emissions by 2025 and 40% by 2040 (2016 baseline).

99.9%

of Prologis' carbon footprint is Scope 3 emissions.

37%

reduction in Scope 3 emissions compared to our 2016 baseline, far exceeding our 15% reduction by 2025 target.

28%

reduction in Scope 3 emissions from 2019 to 2020.

21%

reduction in our Scope 1 & 2 emissions from 2019 to 2020.

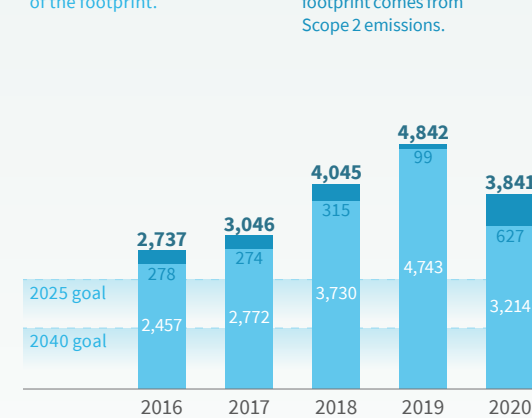
## PROLOGIS CARBON FOOTPRINT (SCOPES 1, 2, & 3)



**Scope 1**  
Direct emissions from our own operations account for only 0.085% of the footprint.

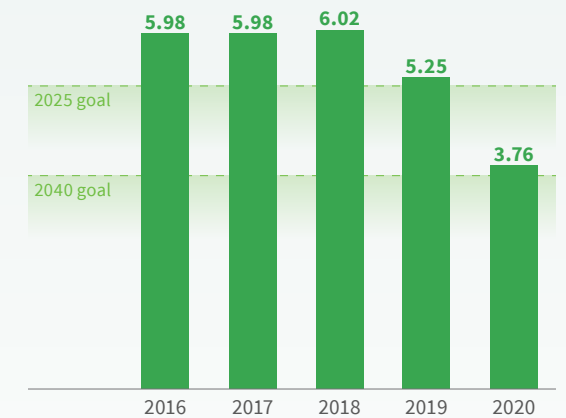
**Scope 2**  
Thanks to our purchase of renewable energy credits (RECs) only 0.017% of the footprint comes from Scope 2 emissions.

**Scope 3** (all green boxes)  
Emissions outside our own operations account for 99.9% of total emissions.



## Scope 1 & 2 Emissions

Metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>e)



## Scope 3 Emissions

millions, MTCO<sub>2</sub>e

# Accelerating carbon reductions

Prologis works constantly to reduce the carbon footprint of our buildings, simultaneously shrinking our value-chain impacts and delivering efficiency benefits to our customers. Our carbon-reduction activities include:

- Sustainable building certifications.
- Renewable energy procurement and installations.
- Energy-efficient technologies (LED, cool roofing, etc.).
- Innovative sustainable technologies (heat pumps, borehole thermal energy storage, etc.).

Two customer-facing programs are particularly noteworthy in driving significant carbon emissions reductions:

- **Prologis SolarSmart** – In 2020, we launched Prologis SolarSmart. Part of our turnkey Prologis Essentials services portfolio, SolarSmart helps our customers access the financial,

operational and sustainability benefits of solar without upfront capital costs, long-term financial commitments or distraction and disruption. Thanks in part to this new program, we installed 40 MW of new rooftop generating capacity in 2020—one of our most active installation years to date. Customers pay only for the energy they use and the solar agreement ends with their property lease.

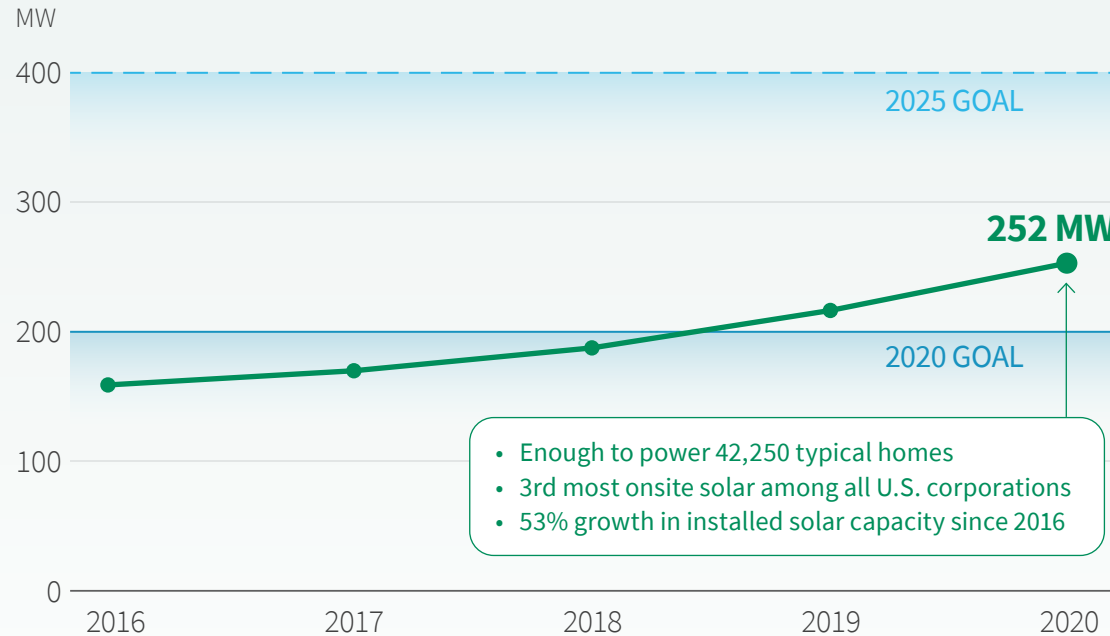
- **Prologis Essentials LED** – 2020 was our most active year for LED installations to date, with 108 million square feet of LED coverage added across our portfolio. Lighting typically accounts for 40–60% of energy consumption and cost for our customers, but upgrading through our efficient Prologis Essentials LED solution helps our customers realize 60–80% savings on both metrics. Customers face no upfront capital or continuing maintenance costs, pay monthly fees of one cent per square foot, retain 100% of the energy cost savings, and benefit from gains in safety, productivity and employee satisfaction.

Goal

# 400 MW

of solar capacity on our buildings by 2025.

## GROWTH OF SOLAR CAPACITY

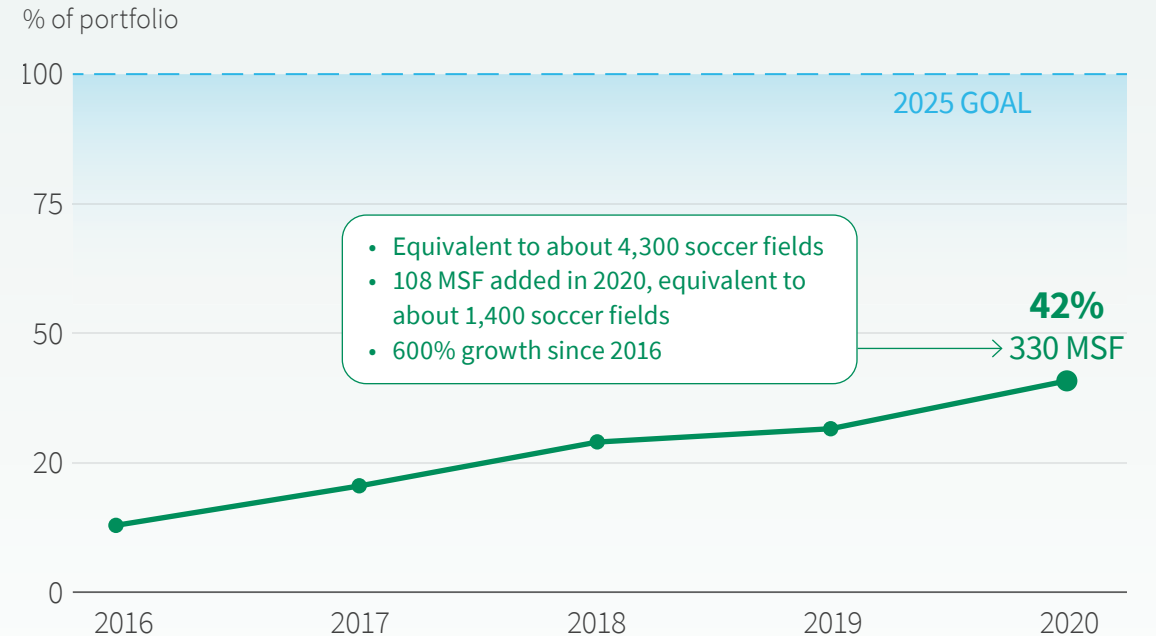


Goal

# 100%

LED lighting installed across our entire portfolio (by area) by 2025.

## LED LIGHTING INSTALLED



# Carbon-neutral solutions

Goal

# 100%

carbon-neutral construction globally by 2025.

With our newly announced goal to achieve 100% carbon-neutral construction by 2025, Prologis is taking a leadership role to address one of the largest sources of global carbon emissions: the embodied carbon of buildings.

Approximately 11% of global emissions are associated with embodied carbon in construction, the next frontier in carbon reduction. We are employing innovative smart design strategies, making investments in new building technologies and materials, using recycled materials, minimizing construction waste and recycling or repurposing waste that cannot be avoided. Through these efforts, we aim to catalyze new sustainable solutions and inspire other companies to address embodied carbon in the construction industry.

To meet our carbon-neutral construction commitment, we will also invest in high-quality, certified carbon offsets to neutralize all as-yet unavoidable embodied carbon associated with new Prologis building construction. For example, one of the offsets we've selected is the Envira project in Brazil's Amazon, which protects tropical forests from logging while fostering economic opportunities for local communities through the sustainable farming of açai berries and medicinal plants.

## Customer-Centric CarbonZero Program

Prologis already works closely with customers to implement efficiency improvements and install onsite renewable energy with no upfront costs. With CarbonZero, we will make it easy for customers to operate a carbon-neutral building. Supplementing our carbon-neutral construction commitment, Prologis will help customers address remaining GHG emissions from operations by offering a simplified purchasing program from a portfolio of carefully vetted, high-quality carbon offsets and RECs from leading providers. When a customer leases a Prologis facility and uses the CarbonZero program, they join forces with us to contribute to a cleaner, healthier planet.



LEED Platinum-certified Prologis Park Dutra RJ, Rio de Janeiro, Brazil.

# Labor solutions

Goal  
**25,000**  
 people trained through  
 CWI by 2025 globally.

Our customers consistently tell us that attracting and retaining qualified logistics talent is one of their biggest pain points. Prologis helps solve this problem by leveraging our scale, reach and future-oriented thinking to drive innovative new solutions that strengthen our position as a valued partner and benefit our people, customers and communities.

Our talent solutions focus on three areas:

1. **Sustainable buildings** that enhance employee well-being.
2. Logistics training and education.
3. Technology solutions for the logistics workforce.

## Logistics Training Through Our Community Workforce Initiative

Prologis created the Community Workforce Initiative (CWI) to help our customers access talent and open up fulfilling logistics careers for people in our communities. The program leverages technology to train individuals for the rapidly expanding logistics industry, which is experiencing a critical shortage of qualified labor. The trainings have traditionally run through an in-person format, but in 2020 we launched cutting-edge digital training technology that is all online and mobile-friendly. To expand our reach, we have embedded CWI in communities through partnerships with government-sponsored jobs programs and local organizations focused on labor.

The program differentiates our value proposition for customers by offering a pipeline of diverse, qualified and engaged talent. It also builds goodwill with communities and municipalities by unlocking economic opportunities.

### New Industry Certification

In early 2021, we announced a partnership with the Association for Supply Chain Management (ASCM) to create a new industry certificate as part of the global Prologis Community Workforce Initiative.

## CWI'S IMPACT

**~4,000**

people enrolled for digital training within the first two months.

**10 markets**

around the world benefiting from the initiative as of May 2021.

## Workforce Technology Solutions

Our Prologis Ventures team seeks out and invests in breakthrough solutions that help our customers better manage their labor challenges.

- **WorkStep** – A talent platform for U.S. warehousing, trucking and/or production operations providing a faster and more cost-effective way to hire and retain high-quality labor.
- **Timee** – An on-demand staffing platform that quickly and cost-effectively connects Japanese businesses with temporary workers.
- **Kinetic** – Wearable technology that monitors workers' movements to avoid workplace injuries.
- **Strivr** – A virtual reality (VR)-enabled workforce training platform, Strivr helps enterprises upskill their workforce through an interactive VR interface that improves training impact, safety and attrition.
- **Kurando** – The Logimeter Warehouse Performance Management System monitors progress of operations and productivity, as well as profits and losses. This visualization helps users to improve productivity, resource planning and profitability in their warehousing operations.



Strivr VR Training, San Leandro, California. Photo taken under strict adherence to local COVID-19 protocols with a 3rd party COVID-19 compliance officer onsite.

# Delivering a world-class employee experience

50%  
of our total workforce is women.

41%  
of all management positions are held by women.

3 of 11  
Directors self-identify as an ethnic minority.

## Inclusion & Diversity

Inclusion & Diversity (I&D) is the foundation of our human capital program, and our goal is to use our size, scale and deeply held values to lead our company, industry and communities into a more inclusive, diverse and equitable future.

We are changing the systems that can perpetuate bias. Our three-pronged approach focuses on building an equitable infrastructure to engage with our employees in an inclusive environment and expand partnerships and investments that benefit diverse communities.

We create opportunities in the logistics industry for minority and underserved populations through our Community Workforce Initiative (discussed on page 14), scholarships for under-represented students, a rotational leadership program for diverse candidates and partnerships with charitable organizations.

63% of CWI's online learners identify as Black, African-American, Hispanic, Latino or Spanish.

INFRASTRUCTURE	ENGAGEMENT	COMMUNITY
<p><b>POLICIES</b></p> <ul style="list-style-type: none"> <li>• Ensure policies enable an environment focused on inclusion and diversity.</li> </ul> <p><b>PRACTICES</b></p> <ul style="list-style-type: none"> <li>• Establish a consistent equitable framework for recruitment, promotion and pay to ensure we hire and develop diverse talent.</li> </ul>	<p><b>LEARNING &amp; DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Develop skills to foster a more inclusive environment.</li> </ul> <p><b>INTERACTION</b></p> <ul style="list-style-type: none"> <li>• Develop programs that allow people to connect (ERGs, mentoring program).</li> </ul> <p><b>MEASUREMENT</b></p> <ul style="list-style-type: none"> <li>• Implement inclusion as a KPI.</li> </ul>	<p><b>PARTNERSHIPS</b></p> <ul style="list-style-type: none"> <li>• Expand partnerships to include organizations with ties to diverse communities.</li> </ul> <p><b>INVEST</b></p> <ul style="list-style-type: none"> <li>• Support social justice and other causes aligned with Prologis values.</li> </ul> <p><b>ALIGNMENT</b></p> <ul style="list-style-type: none"> <li>• Work with vendors committed to diversity.</li> </ul>

## Talent Development

To help our people reach their full potential, we have an extensive Learning & Development curriculum focused on six key areas:

1. Prologis core competencies & traits.
2. Real estate training.
3. Leadership development.
4. Prologis business 101.
5. Career enrichment.
6. HR & talent management.

Our HiPE (High Potential Employee) rotational leadership program gives diverse candidates with STEM degrees broad exposure to our business and looks to fast-track them into leadership positions.

## Employee Well-Being and Benefits

We provide a range of wellness-oriented offerings and an attractive benefits package. For example, with the onset of the pandemic, we established enhanced safety procedures for our employees who could not work from home. At the same time, we tailored our benefits and well-being efforts to better support those employees who found themselves doing most of their work from home.

## Health & Safety

Our Global Safety Committee, led by senior executives, takes a risk-based approach to establishing the guidelines, policies and procedures that keep our people and contractors safe. These include:

- Construction project manager training plus OSHA certification.
- Safety features incorporated into building designs.
- Mandated safety standards at all construction sites.
- Heightened safety awareness through project signage and dedicated safety inspectors.
- Safety helpline to report unsafe practices.

\*Funds designated for donation in 2020, though not all funds were allocated during this calendar year. The remaining funds will be allocated after calendar year 2020.

# Volunteering and philanthropy

Prologis is a valuable partner to the communities in which we operate.

Our philanthropic and volunteer initiatives draw on our organization’s capabilities and our people’s dedication to make a difference.

## IMPACT Day

Once a year, all Prologis employees step out of the office for a day of volunteering and community support. With COVID-19 disrupting our normal approach in 2020, we adapted by giving Prologis colleagues around the globe a 45-day window to safely demonstrate IMPACT’s eponymous values of Integrity, Mentorship, Passion, Accountability, Courage and Teamwork. From North America to South America and Europe to Asia, our global employees found ways to give back via virtual volunteering and our Community Acts of Kindness program.

## Space for Good

Prologis’ global Space for Good program donates temporary rent-free space in our buildings to organizations providing disaster relief or addressing urgent community needs. At the onset of the pandemic, we expanded the program to provide essential support for the global response, offering space to governments, hospitals, NGOs and others providing relief around the world. By year-end, total donations reached 1.8 million square feet in 15 markets, representing \$10.2 million in in-kind rent—representing \$10.2 million in in-kind rent (\$9.3 million of which went to organizations fighting the impacts of COVID-19).

## Prologis Foundation

The Prologis Foundation supports numerous charitable organizations. In 2020, the Foundation stepped up to meet the year’s major challenges and assist communities in need. See details on our Foundation’s giving to the left.

Prologis Foundation Giving

# \$11.2 million

designated for donation in 2020, including:

- \$5 million global COVID-19 relief fund to support frontline organizations.\*
- \$1 million to support organizations fighting for racial justice.\*

## IMPACT DAY AROUND THE WORLD

### U.S.

Employees held food drives, delivered meals to the elderly and sick, sewed masks for hospitals and schools, tutored students, cleaned up parks and helped neighbors in need.



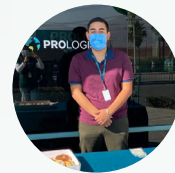
### UK

Our annual Dock Doors of Giving campaign in the UK expanded to all of Europe, delivering €275,000 as well as food, toys, PPE, hand sanitizer and other items to 91 charities and community groups.



### MEXICO

Prologis employees donated food to 10,000 families affected by COVID-19.



### U.S.

Prologis colleagues raised nearly \$25,000 for Easter Seals of North Georgia’s “Toys for Tots” drive, funding the purchase of holiday gifts for over 1,700 children of low-income families.



### JAPAN

Employees raised approximately \$28,000 for local communities, sewed cleaning cloths for community centers and made face shields for nursing home residents.



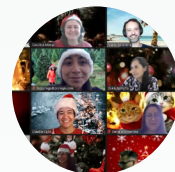
### CHINA

Prologis colleagues went “plogging” (picking up trash while jogging).



### BRAZIL

Prologis employees made blood donations which supported local medical systems.



### GLOBAL

Prologis employees worldwide came together virtually to attend multiple map-a-thons for the Red Cross Missing Map Project, supporting disaster relief efforts in vulnerable communities.

\*Funds designated for donation in 2020, though not all funds were allocated during this calendar year. The remaining funds will be allocated after calendar year 2020.



# Integrity at our core

Our long-standing commitment to governance.

## 18 years

consecutively as a leading REIT in corporate governance per Green Street.

Goal achieved:

# 100%

of employees completed ethics training in 2020.

Since our founding, Prologis has maintained a deeply held commitment to good governance, which drives resilience, reliability and integrity throughout our organization. Through strong oversight, we protect and grow our business, fulfill our ESG commitments and deliver results for our stakeholders.

### Business Ethics

Integrity forms the bedrock of our business relationships and interactions. As a public company, our long-term success relies on stakeholders knowing that we will always conduct business fairly and ethically.

Our key tools for promoting strong business ethics include:

- Newly refreshed and reader-friendly [Code of Ethics and Business Conduct](#), which details key principles of ethical conduct expected of our employees, officers and directors.
- Due diligence reviews—conducted through a new and enhanced technology platform—to ensure we do business with reputable organizations.
- A training program that enumerates employee obligations and reinforces the importance of ethical practices to our business.
- 24-hour ethics helpline, managed by a third party to allow confidential, anonymous reporting of concerns.



Team members at our office in Denver, Colorado. Photo taken before the COVID-19 pandemic.

# Managing for the long term

## Risk and Resiliency

Through strong, integrated oversight at every level of our company, Prologis implements practices that build our financial and operational resilience and strengthen our reputation. We protect business value by anticipating and adapting to market, regulatory and environmental changes.

Our corporate risk management team works with regional counterparts to continuously assess global and local risks. On the sustainability front, this includes the following:

- Environmental and climate-related risk assessments associated with flooding, sea level rise and extreme weather events, as well as risks from seismic activity.
- Risks associated with significant new capital decisions are subject to evaluation by our Investment Committee, composed of our CEO, CFO and other executive team members. ESG considerations such as climate- and weather-related risks, solar opportunities and workforce proximity are formally embedded in the process.
- Rigorous internal and third-party audits assure the controls and procedures for our sustainability metrics.
- Our Customer Sustainability Advisory Council provides a third-party view on existing and emerging risks.
- The Global Safety Committee establishes policies and practices to protect our employees and contractors.

## Preparedness for Natural Disasters and Climate Change

Our efforts to ensure we maintain a resilient real estate portfolio focus both on acute, near-term risks (e.g., hurricanes and flooding) and risks posed by longer-term trends resulting from climate change.

We develop assets with a long-term ownership horizon in mind and have preparedness plans in place that differentiate our response and allow us to deliver business continuity to our customers.

Prologis also assesses climate-related transition risks, such as increased disclosure requirements, building retrofit requirements and energy use intensity requirements.

As these risks continue to emerge, Prologis takes a proactive approach to mitigating our exposure to both physical and transition risks. Our proactive approach lessens the material impact of any single risk while also helping us to deliver sustainability solutions and opportunities for our customers. Our latest TCFD disclosure is available on our 2020 Data and Disclosures [microsite](#).

## CLEAR ESG GOVERNANCE CREATES ACCOUNTABILITY AND DRIVES ACTION



## DELIVERING ON OUR ESG ASPIRATIONS IS EVERYONE'S BUSINESS



### Cross-Functional Leaders

- Global leaders from business functions such as HR, Prologis Ventures, IT, Corporate Communications, and Construction and Development.
- Integrate ESG principles into their functions and set ESG goals to be deployed by our teams in the field.



### Regional ESG Committees

- Drive and coordinate ESG programs across regions.



### Employees

- Bring energy, dedication and creativity to implement our activities across our global platform.

# Awards and recognition

Recognition for our leading ESG performance in 2020.



## DOW JONES SUSTAINABILITY INDICES

- World Index (Top 10% globally)
  - Prologis
  - Nippon Prologis REIT (NPR)
- MILA Pacific Index
  - FIBRA Prologis
- Asia Pacific Index
  - Nippon Prologis REIT (NPR)



## GRESB

- #1 Public Industrial Fund in the Americas
- #1 Private Industrial Fund in the United Kingdom
- #1 Private Industrial Fund in Brazil
- #1 Private Industrial Fund in China



## CORPORATE KNIGHTS

- Global 100 Most Sustainable Corporations



## CDP

- 2020 Climate Change A List for Prologis, NPR and FIBRA



## SEIA

- Third most onsite installed solar capacity among U.S. corporations



## INSTITUTIONAL INVESTOR

- #1 CEO, Hamid Moghadam
- #1 CFO, Tom Olinger
- #1 Investor Relations Professional, Tracy Ward
- #1 Investor Relations Team
- #1 Financially Material ESG Disclosures
- #1 Communication of Strategy and Risk Management Amid COVID-19



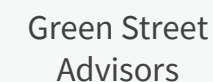
## MSCI

- AA Rating; among the top 24% of Real Estate Management & Services constituents within the ACWI Index



## NAREIT

- Industrial Leader in the Light Award for 9th consecutive year



## GREEN STREET

- 18 consecutive years as a leading REIT in corporate governance



## GREAT PLACE TO WORK

- 5th consecutive year Prologis Japan named as a Best Workplace

# About this report

This document is the Executive Summary for the Prologis 2020 Sustainability Report and accompanying Data and Disclosures microsite. These disclosures describe the significant achievements and relevant initiatives that have furthered our progress toward our ESG ambitions and targets from January 1, 2020, through December 31, 2020. They represent efforts from across our global portfolio of \$148 billion in assets under management in 19 countries.

For additional information about Prologis' ESG activities during calendar year 2020, please see the full Prologis 2020 Sustainability Report as well as the accompanying [Data and Disclosures microsite](#), which contains:

- Global Reporting Initiative (GRI) content index.
- Third-Party Report Assurance and GHG Verification statements.
- Performance data and metrics.
- PRI mapping.
- Sustainability Accounting Standards Board (SASB) disclosures.
- Task Force on Climate-related Financial Disclosures (TCFD) disclosures.
- Memberships & associations.



Tilt wall construction at Prologis Park I-17, Phoenix, Arizona.

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 "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.