

An Integrated Approach to Sustainability



Table of Contents

Prologis Overview	3
A Message from our CEO	4
The Year in Review from our Head of Sustainability	6
An Integrated Approach	7
Three Complementary Lines of Business	8
Drive Enduring Value	
Creating Sustainable Value for our Stakeholders	9
Materiality and Stakeholder Engagement	10
Stakeholder Priorities and Engagement	11
Awards and Recognition	12
Environmental Stewardship	13
Environmental Goals and Objectives	14
High-Quality, Resilient Design	15
Innovations in Energy	16
Energy Efficiency	17
Water and Waste	18
Operations and Supply Chain	19
Corporate Carbon Footprint Reporting	20
Social Responsibility	21
People at Prologis	22
Employee Volunteerism and Giving	23
Employee Benefits and Well-Being	24
Ethics and Governance	26
Acting with Integrity	27
GRI Materials	29
Memberships and Associations	30
External Assurance Statement	31
GRI Standards Content Index	32
Data Snapshot	36
Engage With Us	39

All data in this report is as of 12/31/2016.

Cover photo: Prologis team members, Denver, Colorado.
Table of contents: LED light installation



About Prologis

Prologis is the global leader in logistics real estate. We own, manage and develop high-quality properties in the world's most vibrant centers of commerce. Our 3,322 buildings in 20 countries serve 5,200* of the world's best brands and businesses. Customers turn to us because they know an efficient supply chain will make their operations run better and more sustainably, and that a strategic relationship with Prologis will create competitive advantage.

Our platform includes nine private and two public co-investment vehicles which invest in high-quality logistics real estate properties with specific risk profiles. Each vehicle supports the company's sustainability goals, values and initiatives. Prologis is committed to alignment of interests, proactive risk management and unwavering transparency.

We see growth and prosperity for our company in the years ahead. Much of the world's supply chain is poised for modernization. The global consuming class is growing. Long-term trends in urbanization, consumption and e-commerce encourage demand for efficient logistics facilities.

Above all else, Prologis is a place that cares. Teamwork, courage and impact matter. Every day, at every level, we work together to deliver the best possible outcomes for our customers, communities, the environment and our business.



Prologis team members, Denver, Colorado.

A Message from our CEO

Dear Stakeholders,

Welcome to our 2016 Sustainability Report.

Each year, this report reasserts our enduring commitment to sustainability and shows the progress we've made toward our goals. We also share new ways we've learned to improve the environment, the communities where we do business, the well-being of our talented employees and the strength of our corporate governance.

The details of our accomplishments change from year to year as we embrace new technologies and learn from best practices, but our motivations and underlying assumptions are consistent. Regardless of short-term shifts in policy, macroeconomics or industry conditions, sustainability will always be a core component of our long-term business strategy. Our approach to sustainability is holistic and systemic. We build the principles of sustainability and resilience into our buildings, our processes and our organizational DNA.

Over the decades, the team at Prologis has learned that a singular focus on logistics real estate is a smart long-term business decision. Around the world, powerful structural factors are driving demand for our services—among them rising consumption, the rapid growth of e-commerce and an increasing emphasis on supply chain efficiency.

When this consistent demand meets our well-located, modern, highly functional supply, the results are compelling. In 2016, Prologis delivered excellent financial and operating outcomes, which are a testament to the hard work of our employees, whose concern for our customers and our communities is unwavering.

As the industry continues to grow, we will continue to lead by facilitating the movement of even greater volumes of goods to consumers while minimizing impacts on the environment, improving quality of life in the communities in which we operate and promoting the welfare of our employees.

Continuous improvement

In 2016, we continued to collaborate with stakeholders across the globe to make progress toward our ambitious long-term goals.

After adding over 18 megawatts of solar capacity to our roofs, we are on track toward our goal of 200 MW of capacity by 2020. In the Americas, every development project we initiated last year was designed to comply with industry sustainability standards. We continued to transition to our new LED lighting standard and added more cool roofs, which help reduce greenhouse gas (GHG) emissions.

We approach sustainability with the mindset that we can always do better than we did before. As an example, in 2016 our Space for Good program, which helps nonprofits and nongovernmental organizations (NGOs) in times of crisis, provided 82 months of rent-free space to 12 nonprofit organizations totaling \$900,000 of in-kind rent. Although our occupancy rates are at record levels and we have less vacant space than ever before, I believe we still have the capacity to provide short-term help to even more organizations in need.

We are heartened by the many new technologies that enable us to gain a deeper understanding of how our customers use our facilities. We know that if we invest to improve the sustainability and resilience of our operations and then scale those investments, we will deliver greater value for our customers and stronger returns for our shareholders. At Prologis, we are taking steps to become more involved with technologies that can be applied to serve our customers and strengthen our operations.

Sustainability is built into our business strategy. We aim to locate buildings near metropolitan areas to minimize the distances people and goods must travel. We design our offices and employee benefits programs to make our people healthier, more engaged and more productive.



“Our approach to sustainability is holistic and systemic. We build the principles of sustainability and resilience into our buildings, our processes and our organizational DNA.”

Throughout our history, I have advocated for integrity, transparency and responsible stewardship of resources in the real estate industry and beyond. We are deeply grateful for the recognition that industry and third-party groups have given to our efforts. Prologis is a member of the Dow Jones Sustainability Indices in both North America and Asia Pacific. For the 14th straight year, Green Street Advisors named Prologis the REIT industry's corporate governance leader—while I am pleased with our sustainability achievements, I am particularly proud of this recognition.

At Prologis, we are convinced that taking a long-term view on everything we do, from the impact our facilities have on the environment to the quality of our corporate governance, translates into improved long-term financial performance and investor returns. These efforts stand as guideposts to the people who are joining Prologis today and who will lead it tomorrow, ensuring enduring excellence.

Sincerely,



Hamid R. Moghadam

Chairman and Chief Executive Officer



The Year in Review from our Head of Sustainability

I am proud to report that 2016 was another year of significant sustainability accomplishments, both in terms of the progress we made toward our sustainability goals and the continued engagement with our stakeholders. I am humbled by and grateful for the terrific work and dedication of my colleagues at Prologis, who work tirelessly to minimize our impacts and engage in our communities.

Highlights of 2016 include expansion of ISO 14001 certification from Europe to North America, innovative design in rainwater and stormwater harvesting, incorporating beehives into our facilities in France, and a greater number of employees volunteering in their communities. We also expanded our rooftop solar installations, launched an LED mandate and increased building certifications globally.

We have started to place more emphasis on quantifying the economic, social and environmental benefits that result from our sustainability investments and initiatives. We were at the forefront of our industry in the development of a sustainability impact economic model, and we look forward to using the results to communicate with our stakeholders.

Although we have made great progress, there is always more to do. As we work to achieve our goals and commitments, we also need to keep looking for the next innovative technologies and initiatives that will continue to move the needle—for us and for our industry. We envision what the industry will look like in 10 or 20 years, and think systematically about resilience. How will we deal effectively with challenges related to energy, transportation, water and waste? If we want our operations and people to be maximally responsive to changes in the external environment, we must anticipate the future needs of our employees and communities. Then, we must determine the necessary design specifications in our buildings that will allow us to meet the expectations of all stakeholders. As we consider design features, community engagement and wellness programs, we keep the health and well-being of our employees—and of the customers inside our facilities—front and center.

We will continue to monitor global risks and trends that may affect our business and work diligently to ensure our resilience in the face of complex and interrelated challenges such as extreme weather events, water scarcity, waste management, pollution control, demand for clean energy, transportation, air quality and health and well-being.

Our integrated approach to sustainability means that we think broadly about our business and global impacts. Prologis' comprehensive environmental, social and governance (ESG) program exemplifies our efforts and our results.

I hope you enjoy our 2016 Sustainability Report, and I look forward to reporting on our progress next year.

Sincerely,



Jeannie Renné-Malone, LEED AP BD+C,
Vice President, Sustainability



“These efforts and accomplishments reflect our ongoing commitment to sustainability as well as the hard work and collaboration across our departments and regions.”

An Integrated Approach

At Prologis, sustainability is not a box to be checked. Sustainability is embedded into our strategy, our operations and our mindset. It is central to what we do.

Because we invest in logistics real estate for the long term, we consider the impact of our activities on the communities where we do business, the environment, our team members, customers, investors and suppliers. Our global footprint gives us the ability—and the responsibility—to approach sustainability in a systemic manner. Wherever we conduct business, we do so responsibly and sustainably.

Our holistic approach to sustainability builds upon the ESG framework. We integrate environmental, social and governance and ethics goals into our business strategies; this allows us to deliver value for our stakeholders across all ESG dimensions—from conserving energy to boosting human health and wellness, and from building resilient operations to ensuring adherence to the highest ethical standards. We believe our strong long-term performance is directly attributable to our employees' personal commitment to ensuring a better future for their customers, investors, colleagues and communities.



Three Complementary Lines of Business Drive Enduring Value

CURRENT REVENUE	EFFICIENT FUNDING	FUTURE GROWTH
<p>Real Estate Operations</p> <p>Leading customer service to the world's best brands across 676 million square feet in 20 countries</p>	<p>Strategic Capital</p> <p>Access to Prologis' world-class capabilities in operations and deployment for institutional investors</p>	<p>Capital Deployment</p> <p>Expertise and a track record of excellence in development and value creation</p>

Global Reach Creates Perspective

1,582
employees in 20 countries working in 14 languages

2,382
buildings in the Americas

787
buildings in Europe

153
buildings in Asia

Scale Augments Efficiency

\$66_B
in assets under management (AUM) and \$25B in third-party AUM

676_{MSF}
owned, managed or under development

3,322
industrial properties

6,600⁺
acres

Engagement Drives Sustainability

165_{MW}
of solar energy installations

233
sustainable building certifications in 16 countries

10,420
volunteer hours

82
months of rent-free space to 12 nonprofits

Partnership Ensures Enduring Value

5,200⁺
customers

700
multi-site customers

97.1%
occupancy rate (global)

79.8%
customer retention

Creating Sustainable Value for our Stakeholders

Our forward-looking approach to sustainable design, development, operations and culture delivers long-term value for our stakeholders.

98% of employees completed engagement survey versus external benchmark of 70-80%

100% of employees have access to career training and education

4 business days per employee per year to volunteer with charitable organizations



78% of total operating portfolio has efficient lighting

35% more energy efficient by using LED versus traditional warehouse lighting

36% of total operating portfolio has cool or reflective roofing

165_{MW} of total solar energy generating capacity

18_{MW} of solar installations in 2016

233 building certifications

10,420 volunteer hours to local communities

\$1.6_M in grants and donations to support local causes and nonprofits

82 months of rent-free space provided to local nonprofits

Materiality and Stakeholder Engagement

At Prologis, dialogue is essential to understanding how the complex forces at work in the world today interact with one another and with our business. That's why we actively engage with our stakeholders, seek their input and opinions and address any concerns they raise. Our definition of "stakeholders" is broad: any group that may directly impact the company and its business operations, as well as those who may be affected by our operations and actions.

We connect to our stakeholders through a wide array of channels. The topics we engage on are similarly broad, encompassing the full range of environmental, social and governance issues material to our company.

Prologis team members are meaningfully engaged in sustainability efforts every day—supporting our communities, volunteering for those in need, working to ensure employee engagement and wellness and leading the industry in sustainable design.

Our formal materiality assessment process began in 2013. Material topics were identified through a comprehensive review of guidelines and sector supplements produced by the Global Reporting Initiative's (GRI) industry-related topics and sustainability related surveys. In 2013, we conducted extensive one-on-one interviews with senior leaders to elicit their observations, opinions and insights on material topics. In 2015, we fielded a two-part materiality assessment survey to refine the focus of our sustainability initiatives. We combined results from these surveys with input gathered from other stakeholder groups and engagement methods to update our material topics lists. Our 2016 report focuses on these four topics:

- Energy
- Emissions
- Training and education
- Anti-competitive behavior

Our materiality assessment process takes place every two years. We plan to conduct our next assessment in 2017.

GRI Principles for Defining Report Content

GRI Principles for Defining Report Content guided our decisions about what to include in this report. GRI provides guidance on selecting material aspects and defining boundaries to ensure our report includes the environmental, social and governance impacts most relevant to our business and stakeholders.

For each of our four material topics, we cover business operations, development activities and relevant stakeholders. We manage these topics through commitments and organizational memberships, internal HR, ethics and sustainability policies, goal-setting, and instilling in our employees a sense of personal and professional responsibility toward the communities where they live and work. To maximize positive impact, we focus on creating an energy-efficient, low-emissions property portfolio, providing a positive work environment and on-the-job-training for our employees, and acting with integrity in all our business transactions. We capture data annually to measure changes and implement corrections as needed.

The basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can affect period-over-period comparability is detailed in our 2016 Annual Report and in our Form 10-K, which is filed with the U.S. Securities and Exchange Commission.

As part of the Carbon Disclosure Project (CDP) Commit to Action campaign, Prologis committed to the following:

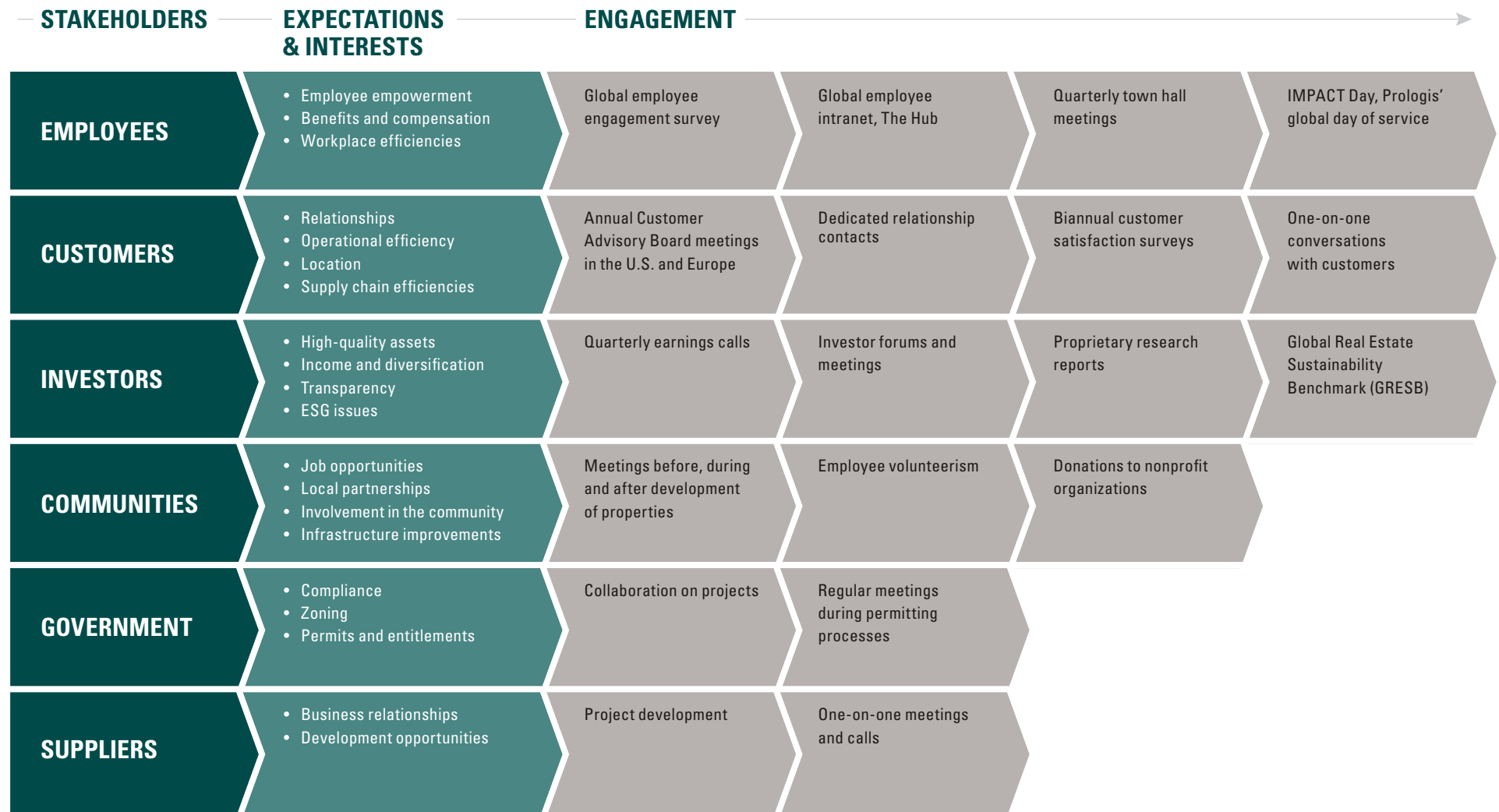
- Set a science-based target for corporate offices in 2018
- Set up audit processes for all activities that influence climate policy
- Implement strategic projects consistent with commitment
- Communicate with stakeholders



Prologis team members, Denver, Colorado.

Stakeholder Priorities and Engagement

We actively engage with our stakeholders to define priorities and establish modes of engagement that ensure alignment. Priorities listed encompass material topics identified during our 2015 Materiality Assessment.



Awards and Recognition

Prologis has been widely recognized for our achievements and for the way we do business. For the sixth straight year, Prologis was selected as a component of the Dow Jones Sustainability Index (DJSI), which tracks the leading sustainability-driven companies worldwide. We are listed on both the North America and Asia Pacific indices. The company was ranked as one of Corporate Knights' Global 100 Most Sustainable Corporations in the World for the eighth straight year and also received the National Association of Real Estate Investment Trusts (NAREIT) Industrial Leader in the Light Award for the fifth year running.

In the 2016 Global Real Estate Sustainability Benchmark (GRESB) survey, each of our nine entries—for Prologis, Nippon Prologis REIT (NPR) and our funds in Europe and the United States—earned a Green Star, the highest distinction. Prologis was recognized for outstanding performance in the areas of environmental stewardship, social responsibility and governance. We were also named the sector leader in all the regions where we operate.

2016 GRESB INDUSTRIAL SECTOR LEADER IN ALL OPERATING REGIONS

Fund	Region	Rank and number of peers
NPR	Global Industrial	1 st out of 51*
PEPFII	Europe	1 st out of 17
Prologis	North America	1 st out of 11
NAIF	United States	1 st out of 8
NPR	Asia	1 st out of 6
ELV1	Europe	2 nd out of 17
USLV	United States	3 rd out of 8
PTELF	Europe	4 th out of 17
USLF	United States	4 th out of 8
PELP	Europe	5 th out of 17

*NPR ranked first among all industrial respondents globally

2016 AWARDS

- Colorado Environmental Leadership Program: Gold Level
- Corporate Knights Global 100 Most Sustainable Corporations in the World
- CR Magazine: Top 10 Industry Sector Best Corporate Citizens for the Financials/Insurance/Real Estate Sector
- Dow Jones Sustainability Indices: North America and Asia Pacific
- FTSE4Good Constituent
- Green Street Advisors: REIT Industry's Corporate Governance Leader
- GRESB Green Stars: Sector leader in North America, Asia and Europe
- Harvard Business Review: Best-Performing CEOs in the World – Hamid R. Moghadam
- Inbound Logistics: G76 Green Supply Chain Partner
- NAREIT: Industrial Leader in the Light Award
- Newsweek: Top Green Companies in the U.S.
- WorldatWork: Work-Life Seal of Distinction

Environmental Stewardship

Sustainable by design

At Prologis, we understand that the logistics real estate industry has a meaningful impact on the environment and can contribute to a more sustainable global distribution system. We design our properties and business processes to minimize our environmental impacts. Our buildings enable our customers to operate more efficiently and cost-effectively.

We establish goals and objectives, focus on resilient design, invest in renewable energy and energy-efficient projects, and work to reduce water usage. We use our scale to drive environmental stewardship through our supply chain. Then, we share our successes and the areas in which we still need to make progress by reporting our carbon footprint in a timely and transparent manner.



Environmental Goals and Objectives

Prologis sets environmental goals and objectives based on a combination of careful planning and thorough understanding of the latest developments in technology and climate science. We link our environmental goals and objectives with our broader business goals and objectives, focusing on high-quality, resilient design, innovations in energy, energy efficiency, reducing water and waste, working with our supply chains and measuring our carbon footprint.

By December 31, 2016, we had made significant progress toward our sustainability goals:

- We added 18 MW of solar installations, pushing our total to 165 MW of total generating capacity and keeping us on track to achieve 200 MW of solar capacity by 2020.
- 78 percent of our operating portfolio had energy-efficient lighting as of the end of 2016, moving us closer to our goal of 100 percent.
- We achieved our corporate GHG reduction goal of 20 percent by 2020 four years ahead of schedule.

We demonstrated our long-term dedication to climate action by signing the CDP's Commit to Action. In addition, we align with several of the UN Sustainable Development Goals.

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 13: Take urgent action to combat climate change and its impacts

We will continue to set challenging and meaningful sustainability goals for Prologis beyond 2020, and track and report our performance.

Goal	Progress	Results								
<p>100% of new development is designed with a goal of certification where recognized sustainability rating systems are available</p>	<table border="1"> <tr><th>Year</th><th>MSF</th></tr> <tr><td>2014*</td><td>54</td></tr> <tr><td>2015</td><td>70</td></tr> <tr><td>2016</td><td>87</td></tr> </table>	Year	MSF	2014*	54	2015	70	2016	87	<p>87^{MSF} of sustainable building certifications</p> <p>233 projects</p> <p>16 countries</p>
Year	MSF									
2014*	54									
2015	70									
2016	87									
<p>100% energy-efficient lighting across our operating portfolio</p>	<p>78%</p>	<p>78% of our operating portfolio has energy efficient lighting (based on 97% of the portfolio surveyed)</p>								
<p>200^{MW} solar by 2020</p>	<p>82.5%</p>	<p>165^{MW} of total solar generating capacity</p>								
<p>20% reduction of corporate GHG emissions by 2020 from a 2011 baseline</p>	<table border="1"> <tr><th>Year</th><th>MtCO₂e</th></tr> <tr><td>2014*</td><td>7,822</td></tr> <tr><td>2015</td><td>7,018</td></tr> <tr><td>2016</td><td>6,588</td></tr> </table>	Year	MtCO ₂ e	2014*	7,822	2015	7,018	2016	6,588	<p>22% reduction in Scope 1 and 2 GHG emissions since 2011</p>
Year	MtCO ₂ e									
2014*	7,822									
2015	7,018									
2016	6,588									

*Chart shows 3 years of data; refer to prior reports for additional data.

High-Quality, Resilient Design

							TOTAL
Added in 2016	SF	3.3M	2.4M	41,555	-	11.4M	17.3M
	SQM	308,592	227,401	3,861	-	1.06M	1.6M
	PROJECTS	18	3	4	-	29	54
Cumulative since 2006	MSF	19.9	26.4	1.3	0.93	38.8	87.3
	SQM	1.85M	2.46M	122,171	85,968	3.6M	8.1M
	PROJECTS	75	37	10	3	108	233

Prologis is the global leader in logistics real estate, with 3,322 buildings comprising 676 million square feet (62.8 million square meters) of high-quality facilities in the world’s most vibrant centers of commerce. Given the scale and scope of our operations, we have an opportunity to lead the industry in planning, designing and constructing our buildings in a sustainable way. We’ve seized that opportunity by pursuing sustainable building certifications, designing resilient buildings and placing new construction on brownfield sites and infill land in dense urban areas.

Buildings constructed to the highest sustainability standards are more efficient to operate, reducing costs for customers and encouraging extended occupancy.

Prologis has established an Environmental Management System (EMS) for its European and North American development management activities that is implemented, maintained and continually improved in accordance with the requirements of ISO 14001:2004. Prologis’ UK and European development management activities have been certified under ISO 14001 since 2008, and in 2016, Prologis completed ISO certification for its North American development management activities. Starting in 2017, Japan will be included in the global EMS and ISO 14001 certification.

In 2016, we added 17 MSF (1.6 MSQM) of building certifications in accordance with internationally recognized ratings systems across 54 projects; this brought our total sustainable building certifications to 233 projects totaling 87 MSF (8.1 MSQM) in 16 countries.

Notable certifications in 2016 include:

- Nippon Prologis REIT, Inc. received Development Bank of Japan’s highest commendation, a Five Star Green Building Certification for three properties—Prologis Park Ichikawa 1, Prologis Park Zama 1 and Prologis Park Zama 2.
- Prologis CCP Cajamar 1 near São Paulo became the first logistics park in Brazil to receive the Nucleo de Real Estate’s coveted AAA rating. The facility also achieved LEED Gold certification.
- All four buildings in Prologis Huizhou Huiyang Logistics Center Phase 1 in Huizhou, China were granted LEED Silver certification.
- Several projects in Mexico received LEED certification, including Prologis Park Izcalli Building 4 in Cuautitlán, which achieved LEED Silver.

Resilient buildings

We recognize the potential impact of severe weather and seismic activity on our facilities. To ensure we are a consistently reliable link in our customers’ global supply chains, Prologis has led the industry in innovation designed to ensure the resilience of our buildings. In addition to being able to withstand traumatic events more effectively, resilient facilities reduce the cost and waste associated with damage and reconstruction.

When severe hail storms caused extensive damage to roofs in Juárez and San Antonio in 2015 and 2016, our teams’ swift response minimized operational downtime for our customers. From our experiences in Juárez and San Antonio, we gained new insights into roof performance, which we have applied to our construction specifications.

We maintain detailed emergency response and communications plans for each building in our global portfolio, and we have construction crews and supplies on standby in areas prone to natural hazards. In Japan, our buildings have seismic isolation systems that function as shock absorbers during earthquakes. In addition, our Japan buildings include early-warning systems and backup energy and water supplies.

Brownfield and infill

Our location decisions are driven primarily by whether they can help our customers streamline their supply chains and run their businesses more efficiently. This often leads us to build on brownfield and infill locations, which can shorten delivery routes and help drive local economic development. We target buildings and development opportunities in locations close to major transportation hubs, such as ports, airports, railways and highways, and seek sites in busy centers of commerce and consumption. We are focused on remediating environmental contamination, putting abandoned land to higher and better use and enhancing and/or building new infrastructure.

Innovations in Energy

The technological revolution surrounding the production, consumption, storage and measurement of energy gives Prologis opportunities to innovate and scale sustainable solutions. We continue to assess technologies to measure our consumption, explore battery storage opportunities and install solar panels on our rooftops around the world.

Consumption monitoring

Where we have access to whole-building data, we enter and track energy, GHG emissions and water and waste through the Urban Land Institute (ULI) Greenprint Center for Building Performance's environmental management platform: Measurabl. We monitor energy consumption to better understand our energy-related GHG emissions and to work toward our goal of minimizing our impacts on climate change. Prologis reported 2016 energy data for 743 properties, including 416 properties for which we had consistent year-over-year information. Energy use increased 4.9 percent, which in turn increased emissions by 2.1 percent from 361,988 to 369,645 MtCO₂e. Increases in occupancy from 95.6 percent in 2015 to 97.4 percent in 2016, and a change in customer mix, likely led to this increase. (Data extracted May 1, 2017, from the Measurabl Environmental Management Platform.)

Battery storage

An established leader in rooftop solar, Prologis continues to look for ways to use our properties and resources to help contribute to a low-carbon future. Most recently, Prologis has been investigating battery storage systems as a promising clean energy innovation. Battery storage systems have the potential to deliver substantial benefits to our customers, investors and the environment. We are targeting 2017 to implement our first battery storage project.

Solar power

As the price of solar installations continues to fall, Prologis is demonstrating that clean, renewable power can be an important component of an efficient business focused on serving customers and communities. In 2016, Prologis added 18 megawatts of solar capacity to our portfolio, bringing the total to 165 MW in nine countries. Together, these installations produce enough emissions-free energy to power approximately 24,500 average-sized homes annually. Our efforts have put us on track to meet—and surpass—our goal of 200 MW of solar across our portfolio by 2020.

Region	Solar footprint	Equivalent homes powered per region per year*
North America	112MW	11,836
Asia	32MW	6,294
Europe	21MW	6,354
Total	165MW	24,484

18MW

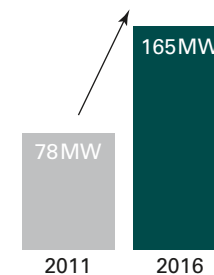
increase in solar footprint from 2015 to 2016

112%

increase in generating capacity from 2011-2016

83MW

increase in generating capacity from 2011-2016



Energy Efficiency

Efficient lighting

A principal driver of electricity consumption in a warehouse comes from lighting. That means the advent of affordable, highly efficient LED bulbs gives us an opportunity to drive sustainability at scale. While most of our facilities already have efficient fluorescent lighting, in early 2016 Prologis made LED lighting standard in all new development projects and lighting retrofits. By the end of the year, 78 percent of our global operating portfolio had efficient lighting, up from 73 percent at the end of 2015. We estimate our global portfolio to be 20 percent more lighting-efficient per operating hour than prevailing U.S. codes dictate, and we pass associated savings on to our customers. These efforts improve operational efficiency for our customers and diminish environmental impacts and the effects of climate change.

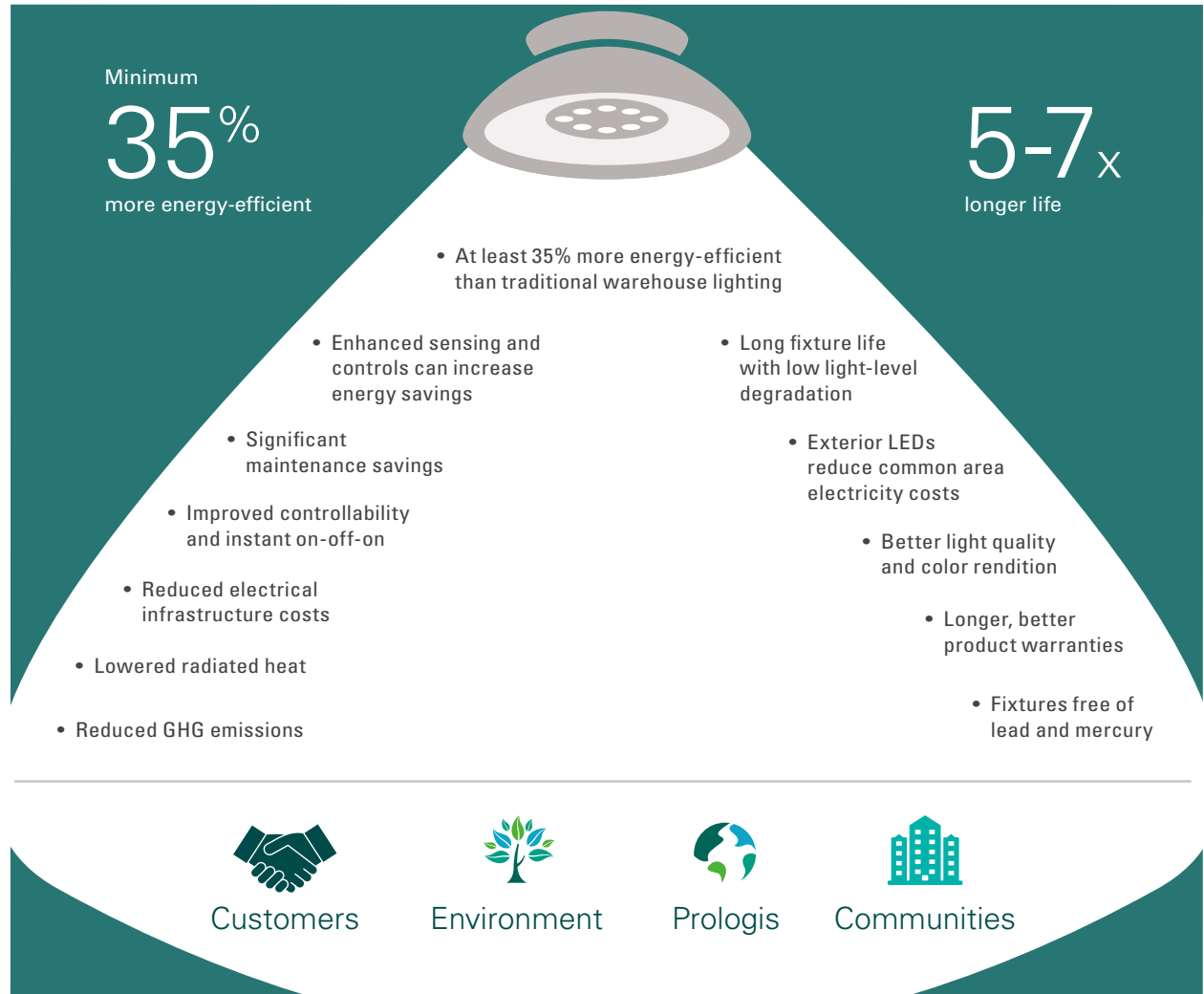
Our LED specification and procurement program delivers high-quality, flexible lighting solutions for Prologis and our customers that materially reduce electricity and maintenance costs. We leverage Prologis' scale to secure favorable pricing from suppliers, making efficient lighting even more sustainable.

Cool roofs

Installing reflective roofing materials, known as cool roofs, is a proven way to reduce energy consumption inside buildings. The white, reflective surface of a cool roof is designed to reflect more sunlight and absorb less heat than a standard roof. Because cool roofs lessen the intensity of the urban heat island effect—the warming of the air that occurs as the sun's heat is absorbed by roads, buildings and rooftops—they benefit the communities in which we operate by helping to lower ambient temperatures.

LED STANDARD: A COMPETITIVE ADVANTAGE

By moving to an LED standard, Prologis is leading the industry and providing the benefits enumerated below.



Water and Waste

Logistics facilities do not consume much water compared with many other types of buildings. Nor do they produce large streams of waste. Even so, we recognize the environmental and business gains that can be realized by adopting an integrated approach to how we use and manage resources. Where possible, we design landscaping that doesn't require much water or which captures and recycles run-off. Many of our buildings are equipped with water-saving features like low-flow toilets, motion-activated faucets and systems to capture rainwater for irrigation.

Minimizing our use of materials and maximizing the quantity of materials we recycle is an important part of our culture. During construction, we set up dedicated areas for collection and storage of recyclable materials and divert waste from landfills. We aim to use materials that are either recycled or which contain a high level of recycled content.

On average, our LEED-certified projects have a water reduction rate of 35 percent and a waste diversion rate of 75 percent. These projects diverted more than 125 tons of waste from landfills in 2016.



Prologis Park Hamburg Hausbruch, Hamburg, Germany.

Operations and Supply Chain

Large global organizations like Prologis can use their scale to drive efficiencies. We apply that logic to integrating sustainability into our operations and supply chain. When we develop new facilities, we take care to ensure that the materials and methods used produce buildings that are functional and visually appealing to our customers and exemplify our commitment to sustainability. Whether we are using locally sourced materials in construction or promoting sustainable behaviors in our offices, Prologis drives sustainability best practices across our entire organization and through our vendor and supplier networks.

Buying local

We typically ensure that the two largest components of our new facilities, concrete and steel, are purchased from local suppliers. Whether we are building in China, Brazil or Belgium, we strive to work with local and regional contractors. Partnering with local businesses not only enables us to invest in the communities in which we operate but also reduces shipping and transportation costs and their associated environmental impacts.

Office sustainability programs

We are implementing strategies for reducing GHG emissions across our business operations—from the energy consumed in our offices to the way we travel to work. We take many of our cues from our employees. Our sustainability programs are designed to engage employees in sustainable practices through the course of their daily work. Employees representing each of our offices globally interact regularly with our sustainability team to propagate best practices and make environmental stewardship an everyday event.

Prologis' supply chain comprises professionals, contractors and suppliers who support our development and operations.

CASE STUDY: LUXEMBOURG

Employees engage to improve environmental impacts

The actions of our Luxembourg team highlight the positive impact of our approach. In November 2016, the team finished replacing all the lights in the Luxembourg office with LEDs, reducing electricity consumption by 20 percent. A coffee machine that used individual plastic pods was swapped out for one that grinds whole beans, eliminating waste and saving money. Several older printers were replaced by a single machine that can print on both sides of the paper. Employees are encouraged to use public transportation when traveling from the Luxembourg office to the airport. While each of these efforts is small, they add up to make a difference. If they can be replicated at scale, like our LED lighting initiative, they will make a difference globally.



Corporate Carbon Footprint Reporting

In 2016, we exceeded our corporate GHG reduction goal ahead of the 2020 deadline.

Prologis has been reporting our corporate GHG inventory annually since 2006 to The Climate Registry and to CDP. These widely recognized, voluntary and leading GHG registries help businesses measure, track and report annual GHG emissions. We understand our impacts in the broader context of sustainability and their direct causal impact on climate change. We have made several climate change related commitments, including our goal to reduce our corporate GHG emissions 20 percent by 2020 from a 2011 baseline. In addition, we are a signatory to CDP's Commit to Action.

In 2016, we met and exceeded our GHG reduction goal ahead of the 2020 deadline. Our 2011 baseline included fewer emission sources, and therefore we track our emission reduction goal based on the most complete data since that year (Scope 1 and Scope 2).

To measure our progress, we calculate annual GHG emissions for our corporate and regional offices as defined by the GHG Protocol:

1. Natural gas
 2. Refrigerants
 3. Vehicle fleet
 4. Purchased electricity
 5. Business travel
 6. Employee commute
 7. Electricity consumption from data centers
- Scope 1: Direct emissions from sources owned or controlled by Prologis
 - Scope 2: Indirect emissions associated with consumption of purchased electricity and gas
 - Scope 3: All other indirect emissions not included in Scope 2

We turn to carbon offset projects and Renewable Energy Credits (RECs) only after we have done everything we can to reduce our GHG emissions. We recognize the importance of these programs to make up for impacts we cannot currently mitigate. Therefore, we offset 100 percent of our 2016 Scope 1 GHG emissions with carbon offsets from the JB Hunt carbon offset project, which is industry-relevant because its mandate is to improve the efficiency of intermodal freight transport. We also purchased RECs through our partner, Renewable Choice Energy, to offset 97 percent of our 2016 purchased electricity from locally sourced projects in each region where our corporate offices are located. It should be noted that market-based emissions take into account purchased RECs, while location-based emissions do not.

For the past two years, we have partnered with Anthesis Mosaic to calculate our carbon footprint and track annual data. The results of our 2016 GHG Inventory reveal a 0.22 percent increase in location-based emissions from 2015 to 2016. Scope 1 emissions increased 10 percent, while Scope 2 emissions decreased 14 percent. In 2016, Scope 3 emissions increased due to addition of data center emissions to our inventory and variability of response to our employee commute survey from the previous year.

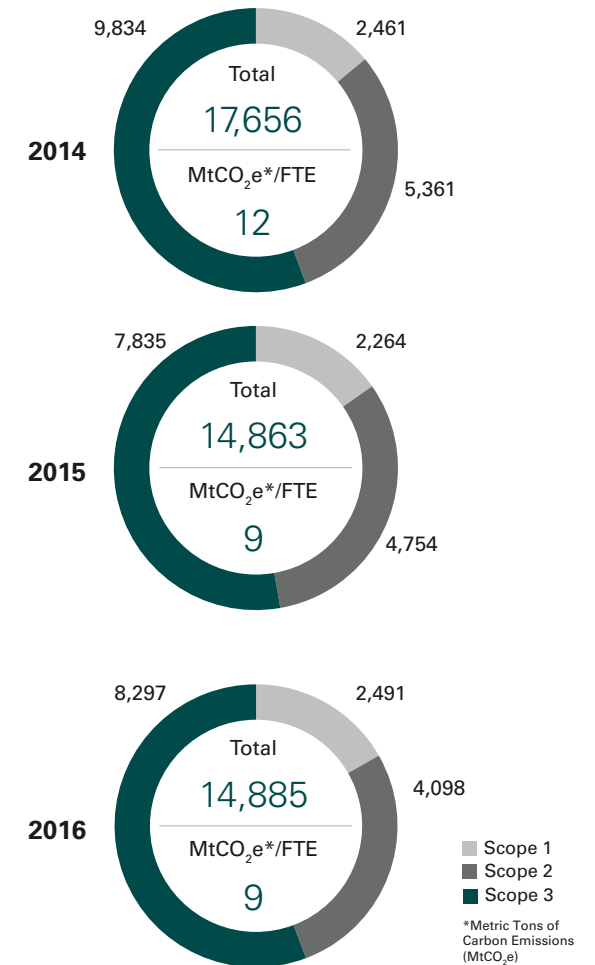
GHG CHANGES

	2014-2015 MtCO ₂ e	2015-2016 MtCO ₂ e
Scope 1	-197	+227
Scope 2	-607	MB: -1970 LB: -656
Scope 3	-1,999	MB: +340 LB: +461
Total	-2,803	MB: -1402 LB: +32
MtCO ₂ e*/FTE	-3	0

MB=market-based, LB=location-based

We report our operational carbon footprint to the CDP, and our Scope 1, 2 and 3 emissions are verified independently by LRQA. See page 31 for our Assurance Statement.

GHG EMISSIONS SUMMARY





Social Responsibility

At Prologis, our vision of social responsibility extends beyond the four walls of our buildings. While our primary business is helping our customers move goods around the world, we don't lose sight of the fact that we are consistently interacting with people. Our commitment to social responsibility extends to all our stakeholders—employees, customers, communities, suppliers and investors. We strive to be a good neighbor and endeavor to strengthen the communities where we work and live. Our employees demonstrate their personal commitment by putting time and resources into organizations that promote educational, environmental and social well-being.

People at Prologis

Our employees are the key to our success. Every employee at every level in every location plays a vital role in creating value for our stakeholders. The actions of each of these individuals bring our sustainability goals to fruition.

We promote diversity and reward and recognize employees for their skills, commitment and performance. Around the world, we invest in programs and initiatives that encourage our team members not only to develop but also to thrive—personally and professionally.

Prologis is a global company. Our workplaces are inclusive, open and diverse. We seek to create an environment in which every employee feels they can contribute freely to the success of the organization. As an equal opportunity employer, our goal is consistent and fair policies that respect cultural differences, recognize performance based on merit and reward team members for their contributions.

Diversity and inclusion

To ensure enduring excellence, Prologis is focused on creating an environment that attracts, develops and retains the best available talent.

In 2014, Prologis launched Breakthrough, an internal network designed to attract, advance and retain women across the globe with leadership training, mentoring,

networking and talent development. Since Breakthrough’s launch, Prologis has updated its parental leave policy in the U.S. and deployed unconscious bias training globally. In 2016, the San Francisco Department on the Status of Women, through its Gender Equality Challenge, recognized Breakthrough as a promising practice demonstrating positive impact.

Building on Breakthrough’s strength, Prologis has expanded its diversity and inclusion efforts to focus on building a culture of belonging in which all employees are engaged and comfortable expressing their individuality regardless of race, ethnicity, gender, age, sexual orientation, socio-economic status, religious beliefs or physical ability, and talent employed mirrors the communities we serve. Actions include broadening organization-wide understanding of the business case for diversity and inclusion, ensuring a diverse slate and interview panel for every open position, and increasing internal mobility to develop existing talent.

To build a more diverse talent pipeline, Prologis partners with Urban Land Institute’s Women’s Leadership Initiative; the Forte Foundation, a non-profit consortium of leading companies and business schools; Direct Employers Association, a non-profit that connects employers with diverse talent, and the Professional Diversity Network, which pairs diverse members with prospective employers.

GLOBAL WORKFORCE IN 2016

	By Region			By Category (Permanent)		Total Employees
	Americas	Europe	Asia	Full-Time	Part-Time	
Women	475	201	115	772	19	791
Men	456	176	159	789	2	791
						1582

*Data has been compiled by Human Resources. Please note that interns are not included in this count to be consistent with other annual reports/surveys

CASE STUDY: JAPAN

Japan culture initiative

In June 2016, 117 associates in Japan gathered at a newly completed facility as the culmination of a two-year effort to redefine and interpret the company’s core values in a way that would align and resonate with Japanese language and culture.



Prologis team members, Japan.

Employee Volunteerism and Corporate Giving

A spirit of volunteerism and corporate giving is deeply engrained in Prologis' culture.

Employee volunteer program

Every year, each employee is allocated four business days to volunteer: two at company-sponsored events, one at an organization of the employee's choice and one at IMPACT Day. IMPACT Day has evolved into a signature event. Every year, on a Friday in May, the entire Prologis community spends a full day volunteering with charities in our local communities. From Shanghai to Denver, from Mexico City to Prague, our team members look forward to this day dedicated to giving back.

Prologis Foundation

The Prologis Foundation, established in 2001, provides financial support to charitable organizations focused on education, the environment and human welfare. The foundation has a Matching Gift program to match employee contributions to 501(c)(3) nonprofit organizations, schools and universities, and a Dollars for Doers program to match employees' personal donations of time with funds from the Prologis Foundation.

Space for Good

Prologis developed Space for Good to provide temporary space in our distribution facilities rent-free to help charitable organizations address seasonal and short-term needs and provide disaster relief. Space for Good demonstrates Prologis' commitment to corporate citizenship and willingness to form meaningful public/private partnerships on behalf of our local communities.

Highlights for 2016

- Prologis and the Prologis Foundation made \$1.6 million in donations and matching gifts to nonprofit organizations working in the areas of education, human welfare and disaster relief.
- On IMPACT Day, Prologis employees volunteered 7,000 hours to benefit 60 different nonprofit organizations. Employees volunteered an additional 3,420 hours to various organizations throughout the year.
- Our Space for Good program, which provides warehouse space at a free or reduced rental rate to nonprofits and nongovernmental organizations (NGOs), gave 82 months of rent-free space to 12 nonprofits, totaling \$900,000 in donated rent.

IMPACT DAY: GLOBAL DAY OF SERVICE

1,400

Employees
volunteered

7,000

Total
volunteer hours

60

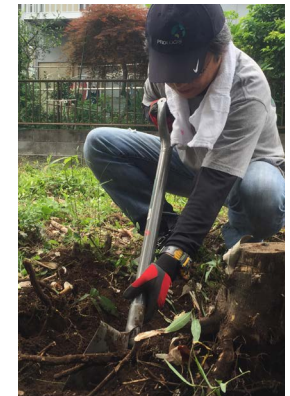
Nonprofit
organizations
benefited



Denver team builds hiking trails for Outdoor Colorado.



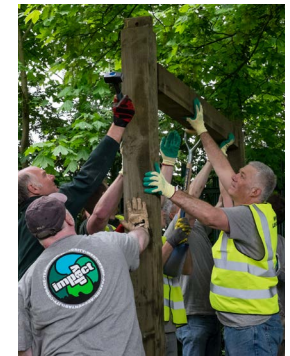
New Jersey team paints the US map for kids at Patterson, New Jersey Public School #8.



Tokyo team member plants a tree at a local nature preserve.



San Antonio team member makes a friend at the Mitchell Lake Audubon Center.



UK Solihull team works on a playground at Exhall Grange School.



San Antonio team landscaping at the Mitchell Audubon Center.



Las Vegas team cleans up at Red Rock Canyon National Conservation Area.

Employee Benefits and Well-Being

At Prologis, we encourage our employees to bring their whole selves to work, and to view the office as a place where they can develop as people and professionals. To that end, we invest in initiatives that encourage learning and development, offer competitive and progressive pay and benefits, and support employee wellness programs. Our culture promotes diversity of thought, and we are committed to developing an engaged and resilient workforce that is well-positioned to ensure our continued growth.

We are proud that WorldatWork awarded Prologis its Work-Life 2016 Seal of Distinction in recognition of our comprehensive human resources efforts.

Learning and development

We believe that investing in our employees' education and development isn't just a good human resources policy, it's a good business policy. When employees are equipped with deeper and broader skills and have access to learning opportunities, they are more in tune with the complex and interconnected issues affecting our business and the greater community. Our lifelong learning programs offer courses of interest and benefit to our employees, including career enrichment, talent management, leadership development and real estate and technical training. We encourage employees to pursue lateral assignments so they can gain broader exposure to the business. Employees are encouraged to seek out formal mentoring relationships and external training, for which they have an annual budget.

Prologis is committed to the professional growth of all employees. In collaboration with employees, managers and human resources business partners, Prologis' Learning and Development team has developed an extensive curriculum focused on five areas:

- 1. Career enrichment:**
Helps all employees build basic business competencies critical to success, such as presentation skills, effective communication and time management.
- 2. HR and talent management:**
Focuses on topics that include performance management, compliance with local laws and onboarding.
- 3. Leadership development:**
Prepares future leaders, expands overall leadership capacity and cultivates leadership skills in high-potential employees.
- 4. Real estate training:**
Gives all employees the opportunity to better understand our industry and ensures ongoing enrichment for those involved in real estate operations.
- 5. Systems and technical:**
Facilitates understanding of core systems such as Microsoft Office, SuccessFactors and PeopleSoft.

Training is delivered through a mix of live face-to-face classes hosted at Prologis offices around the world, live virtual classes and a library of self-paced online classes available anytime and anywhere.

Prologis uses an outplacement firm to provide transition assistance to help ensure the continued employability and manage career endings for retiring or terminated employees. These services include but are not limited to job search essentials, career coaching, job leads, market connections and interviewing and networking techniques.

Compensation and equal pay

Prologis employees receive a benefits package that includes time off and holiday pay, health coverage, retirement savings plans, life and disability insurance, continuing education opportunities and wellness programs. Compensation for women and men in comparable roles at Prologis is consistent.

Benefits

Our comprehensive benefits package is designed to improve quality of life, financial security and the balance of work/home responsibilities.

Standard benefits, which may vary by region, include:

- Medical, dental and vision insurance
- Paid time off
- Flexible spending accounts
- Health savings account
- Adoption assistance
- Wellness program
- Telemedicine
- Parental leave
- Life and disability benefits
- Retirement plan with employer matching
- Continuing education and reimbursement
- Employee assistance program



Wellness initiatives

Prologis believes that promoting health and well-being encourages higher productivity at work while maintaining a happy, healthy lifestyle outside the office. We incorporate wellness into the design and operations of our facilities with features such as workout rooms, ergonomic desks, acoustical and indoor air quality comfort controls, green cleaning supplies and healthy snacks.

Prologis sponsors and participates in charitable events and holds company-wide health challenges. The annual Healthy Steps Challenge encourages colleagues across the globe to compete to take 10,000 steps per day. Pedometers are distributed to every participant to track progress, and prizes are awarded to the team with the most steps.

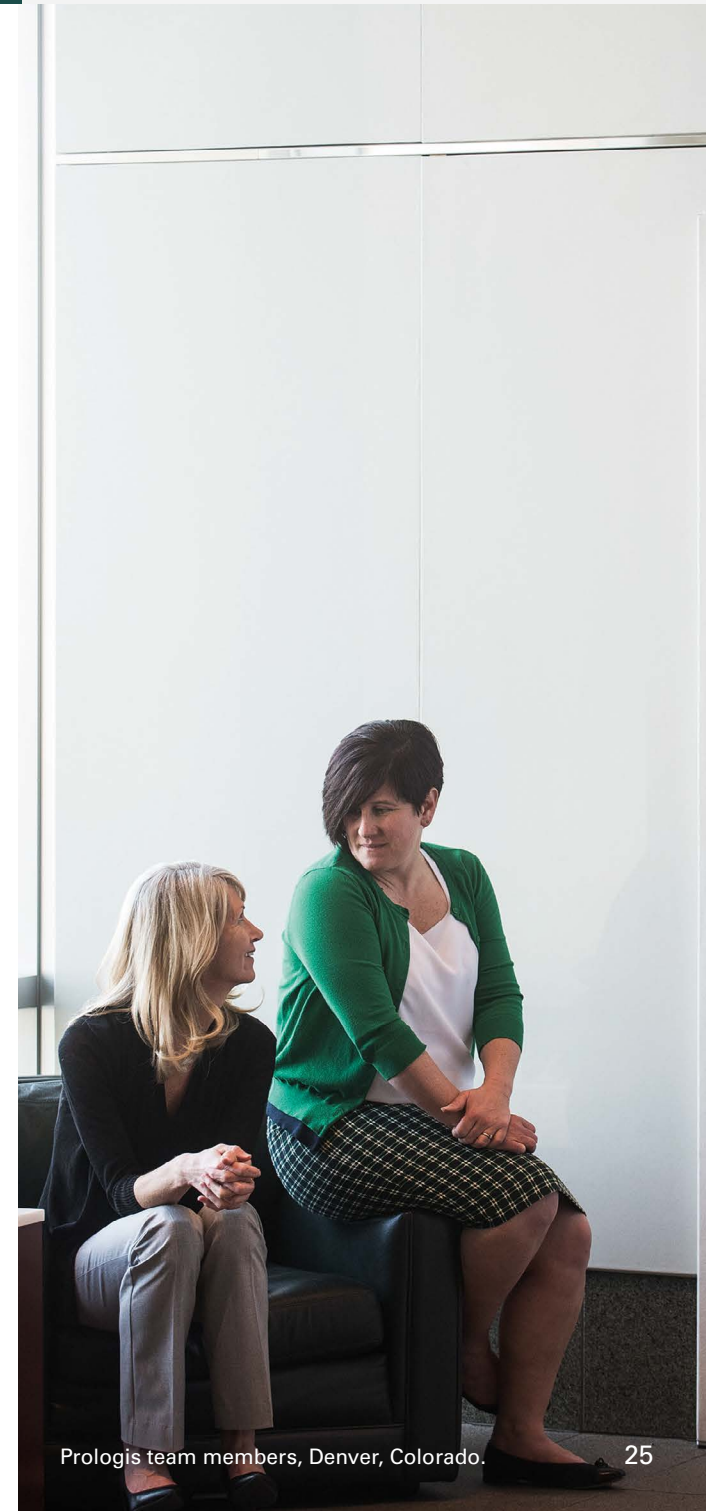
Prologis partners with Viverae, a leading health management services provider, to give employees the latest health and wellness content, educational programs and an online community for motivation. A health assessment and biometric screening assess participating employees' lifestyle and potential health risks. Individual counselors help employees maintain or improve health and well-being. Whether an employee's goal is an improved health score, more energy, weight loss, stress reduction or an improved diet, Activate, the Prologis wellness program, has options that can help.

In 2016, Global Real Estate Sustainability Benchmark (GRESB) piloted a module that measures real estate companies on their leadership and actions related to the health and well-being of their employees, customers and surrounding communities. Prologis ranked first among industrial real estate respondents.



303M
steps walked by 515 Prologis employees during
the company's 2016 Healthy Steps Challenge

10,506
average number of steps walked per day by
employees during the eight-week Healthy
Steps Challenge in 2016



Ethics and Governance

At Prologis, building an organization that has consistent character and integrity everywhere we operate is a bedrock principle. Prologis is committed to upholding the highest ethical standards and compliance in all business dealings. Our governance structure includes built-in checks and balances to ensure accountability and transparency. The following sections describe how we ensure transparency and openness of reporting, and manage risks associated with corruption, bribery and non-compliance.



Prologis team members, Denver, Colorado.

Acting with Integrity

Our corporate governance practices create a culture of enduring and uncompromising integrity. We maintain strong oversight, collect and share vital information with external stakeholders and devote significant resources to ensure we comply with all relevant laws, regulations and standards. We take a comprehensive and proactive approach to risk management, and are grateful that our efforts have been recognized by third parties.

Risk management

At Prologis, risk management isn't simply a corporate function. It's a mentality that is woven into every aspect of our operations. We proactively manage financial, operational, organizational, external and macroeconomic risks through a comprehensive risk oversight framework, which includes:

- Board engagement with executive and risk management teams including risk assessment mapping and one-on-one interviews between each director and our risk management team.
- Executive management committee meetings focused on strategic risks.
- A structured approach to capital deployment vetted through weekly investment committee meetings.
- One of the strongest balance sheets in the REIT industry, achieved by lowering our financial risk and foreign currency exposure.
- Rigorous internal and third-party audits that assess the company's controls and procedures.
- Centralized team dedicated to managing risk globally and closely engaged with Prologis teams at the individual market level.

Board oversight

Our board comprises 10 annually elected members, nine of whom are independent, including our lead director. Oversight of sustainability resides with the board's Governance and Nomination Committee.

For a complete description of Prologis' corporate governance practices and approach to risk management, please refer to our [2016 Proxy Statement](#) and [10-K](#) or visit the [Investor Relations](#) page on our corporate website.

Proxy access

We balance the interests of shareholders, directors and management, ensuring that shareholders' considerations are fully and consistently represented. In 2016, we adopted proxy access which gives shareholders the right to propose director candidates alongside those nominated by the board. We are using the 3/3/20/20 market standard wherein a group of up to 20 shareholders who have held three percent of Prologis stock for three years or more may nominate up to 20 percent of the board, which is two directors.

Proxy recognition

Prologis was a finalist for the best proxy statement at the ninth annual Corporate Secretary Corporate Governance Awards in November of 2016. This national recognition for strong governance was the culmination of an initiative that started with outreach to Prologis shareholders and resulted in carefully orchestrated improvements that further strengthened the Prologis proxy statement.

Executive compensation

We continue our focus on industry-leading and responsible compensation practices, assessing and strengthening our programs in response to shareholder feedback. In 2016, we amended our outperformance plan to make its performance hurdles even more rigorous. We also added a provision to restrict the sale of all equity received under our Prologis Outperformance Plan for three years after the end of the applicable three-year performance period. These adjustments serve to further strengthen alignment of management and shareholder interests.

External reporting

We report regularly on environmental, social and governance issues to a number of widely recognized sustainability reporting organizations, including CDP (for

our carbon footprint), the Dow Jones Sustainability Indices (DJSI) and the Global Real Estate Sustainability Benchmark (GRESB). In addition, we provide comprehensive public disclosures through our annual Sustainability Report.

Global compliance

We conduct business fairly, in an ethical manner that is in full compliance with all laws and regulations. The Prologis board of directors has adopted a Code of Ethics and Business Conduct and a Global Anti-Corruption and Foreign Corrupt Practices Act (FCPA) Policy, which is applicable to all employees and the board. When each new employee joins Prologis, they read and sign their acknowledgment and acceptance of our Code of Ethics and Business Conduct. Our Code of Ethics and Business Conduct and our [Global Anti-Corruption and FCPA](#) policies have been translated into 16 languages and posted on our intranet to ensure that these documents are well-understood by Prologis employees around the world. For more information, see the [2016 Prologis Annual Report](#) and [2016 Prologis Proxy Statement](#).

Top Marks

In 2016, for the 14th straight year, Green Street Advisors, the leading independent REIT research and advisory firm, recognized Prologis' corporate governance efforts. In every year of its published rankings, Green Street has placed Prologis at the top of its list for best corporate governance in the industry.

Standards and integrity

Corruption is an obstacle to trade and undermines fair business practices. Prologis has a zero-tolerance policy for bribery and corruption. We act with professionalism, fairness and integrity in all our business dealings and relationships. Our employees and board members receive regular training on our Code of Ethics and Business Conduct, information security, global fraud prevention and the Global Anti-Corruption and FCPA policy to ensure they remain current on ethical issues and corporate expectations.

In 2016, Prologis received three inquiries directly through our internal Ethics Helpline, a confidential third-party-administered hotline for reporting suspected Code of Ethics and Business Conduct violations. Prologis received an additional 11 inquiries for suspected violations through regular communication channels with management. Of these 14 inquires, eight were unsubstantiated. For each of the six substantiated inquiries, appropriate action was taken and the matters are considered largely resolved. We had no breaches of antitrust in 2016.

Human rights, affirmative action and equal opportunity

Prologis is committed to protecting human rights within the company's sphere of influence. To that end, Prologis has adopted responsible workplace practices and endeavors to conduct its business operations in a manner that is free from complicity in human rights abuses. In particular, Prologis' core values and culture of integrity (I), mentorship (M), passion (P), accountability (A), courage (C) and teamwork (T)—IMPACT—embody a commitment to ethical business practices and strong corporate citizenship. It is Prologis' policy and practice to provide equal employment opportunities to all individuals free of discrimination regardless of race, color, creed, religion, sexual orientation, marital status, national origin or ancestry, sex, age, physical or mental disability, medical condition or veteran status.

Supply chain integrity

Prologis practices vigilant environmental stewardship and commits to providing employees a safe and healthy working environment. We expect our suppliers to adhere to these same principles. In 2013, we launched our Supplier Code of Conduct, which has been translated into four languages. We will continue to develop systems for monitoring and reviewing supplier adherence to the code of conduct and report our findings.

Prologis general contractors globally are required to provide accident and incident data, plus reports on any workplace safety or environmental violations as part of the prequalification process for working with Prologis. We plan to improve our processes in the future by automating prequalification documentation for easier access to data and more consistent tracking of suppliers.

Prologis works with Avetta, a global supply chain risk management auditor. This partnership is designed to ensure our suppliers meet all of Prologis' requirements, including insurance coverage, safety programs, financial stability, quality systems, terms and conditions, sustainability, Supplier Code of Conduct and regulatory compliance. The Avetta platform ensures transparent, effective supply chain management through a rigorous prequalification process to improve supplier performance, validate safety data, increase operational efficiencies and reduce risk.

On Climate Change

The effects of climate change are already evident in many of our regions and communities. For Prologis, the effects aren't theoretical. Extreme weather events, including storms, floods, droughts and wildfires, have the potential to impact our facilities and disrupt the global supply chains of which we are a crucial component.

We must be prepared not only to ensure the long-term viability of our facilities, but also to comply with and anticipate changing standards, rules and regulations in the many jurisdictions in which we operate. As part of our holistic, systemic efforts to measure, anticipate and reduce risk across our operations, we proactively assess and mitigate the impact of climate change.



GRI Materials

About this report

Prologis' 2016 Sustainability Report provides an overview of our company's environmental, social and governance initiatives and summarizes the progress we've made toward meeting our goals and commitments across our portfolio and operations. The report is global in scope and addresses our 2016 activities in the Americas, Europe and Asia.

This report marks our tenth consecutive year of reporting to Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines and the Construction and Real Estate (CRE) Sector Disclosures. This is our first year reporting in accordance with the GRI Standards—Core option. A GRI Standards Content Index is included on page 32, and specific disclosures are included throughout the report. Information and data for years prior to 2016 have been included where available and relevant.

Prologis has applied GRI's Reporting Principles for Defining Report Content. These principles include GRI's guidance on defining material aspects and boundaries to identify the most relevant environmental, social and governance impacts as they pertain to our business and stakeholders. The basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can affect period-over-period comparability is detailed in our 2016 Annual Report and in our Form 10-K, which is filed with the U.S. Securities and Exchange Commission and is also available in the SEC Filings section of Prologis' website at <http://ir.prologis.com/financial-results/sec-filings>.

We provide data for our corporate operations and for the facilities we own and lease to our customers. Limitations include occupant operations on Prologis properties. Although we strive to work with our customers to enhance their sustainability measures, their business activities fall outside the scope of Prologis' operational control and thus beyond the boundary of our performance-data reporting. In addition, we do not report on the business activities of entities over which we do not exercise direct operational control, including our co-investment and joint venture partners, service providers, customers, contractors, suppliers and vendors.

This report has been externally assured by Lloyd's Register Quality Assurance, Inc. (LRQA) using the AA1000 Assurance Standard (2008). LRQA interviewed members of the Prologis executive committee and senior management to ensure that this report complies with the principles of inclusivity, materiality and responsiveness. LRQA also assessed the reliability of specified sustainability performance information and verified our 2016 GHG inventory using the World Resource Institute and World Business Council on Sustainable Development Greenhouse Gas Protocol. Our Assurance Statement is found on page 31.



Prologis team members, Denver, Colorado.

Memberships and Associations

- Asia Pacific Real Estate Association (APREA)
- Association of Industrial Real Estate Brokers (AIRE)
- Boston College Center for Corporate Citizenship (BCCCC)
- Building Owners and Managers Association (BOMA)
- Council on Foundations (COF)
- German Association for Sustainable Construction (DGNB)
- Global Real Estate Sustainability Benchmark (GRESB)
- Global Reporting Initiative (GRI) Organizational Stakeholder
- Institute for Sustainability UK Green Building Council (UKGBC)
- Institute of Real Estate Management (IREM)
- International Facility Management Association (IFMA)
- Japan Institution of Logistics Systems
- National Association of Industrial & Office Parks (NAIOP)
- National Association of Real Estate Investment Trusts (NAREIT)
- National Brownfield Association
- Pension Real Estate Association (PREA)
- Real Estate Roundtable (RER)
- Retail Industry Leaders Association (RILA)
- Society of Industrial & Office Realtors (SIOR)
- The European Association for Investors in Non-Listed Real Estate Vehicles (INREV)
- U.S. Department of Energy’s Better Buildings Challenge International Facility
- U.S. Green Building Council (USGBC)
- ULI Greenprint Center for Building Performance
- Urban Land Institute (ULI)



External Assurance Statement

This report has been externally assured by Lloyd's Register Quality Assurance, Inc. (LRQA). Conclusions and observations can be found in the full [Report Assurance Statement](#) and [Greenhouse Gas Emissions Assurance Statement](#) on Prologis' website.

Report verification - LRQA's approach summary

Lloyd's Register Quality Assurance (LRQA) was commissioned by Prologis to provide independent assurance on its 2016 Sustainability Report to a moderate level of assurance and materiality of the professional judgment of the verifier using AccountAbility's AA1000AS (2008).

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

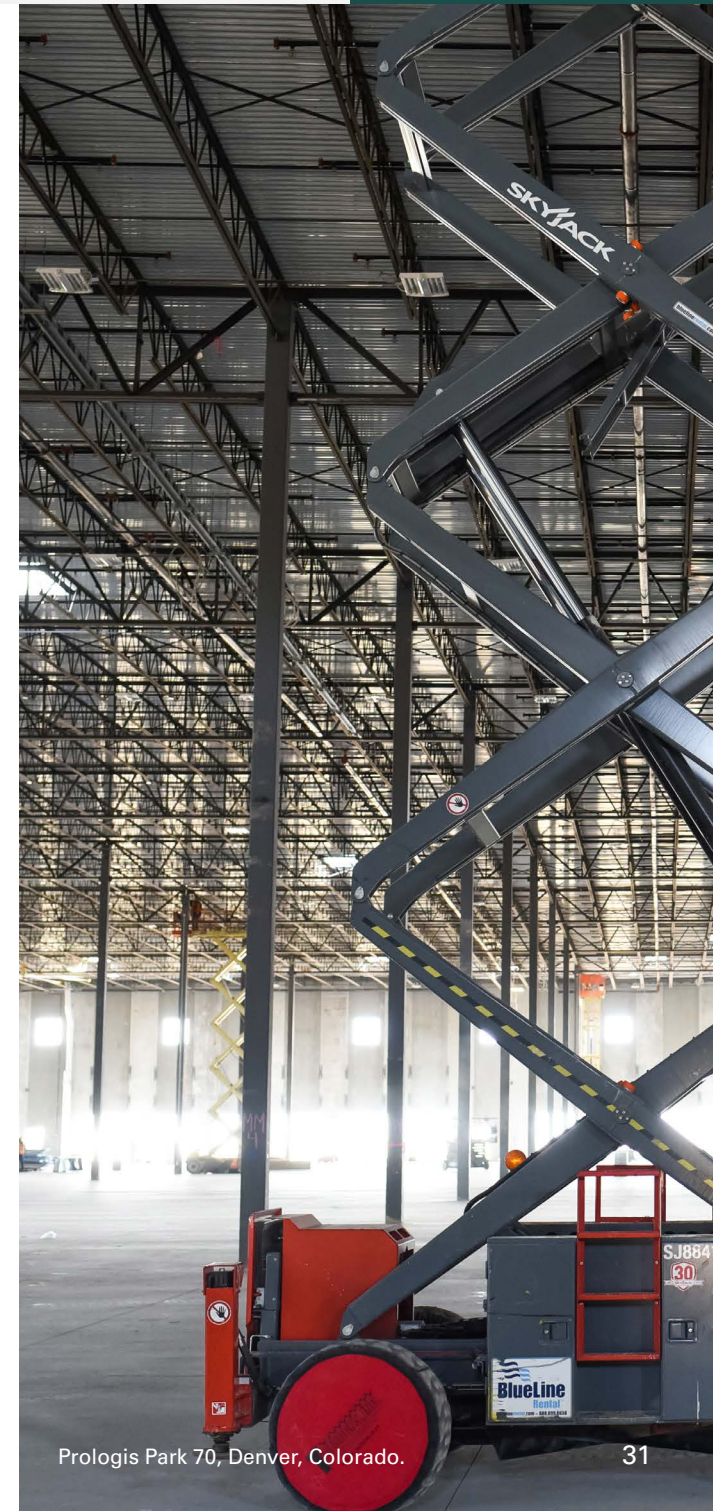
- Assessing Prologis' approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly.
- Reviewing Prologis' process for identifying and determining material issues to confirm that the right issues were included in their Report.
- Auditing Prologis' data management systems to confirm that there were no significant errors, omissions or mis-statements in the Report.
- Visiting Prologis' operational headquarters in Denver, Colorado, United States, and the Solihull office and Ryton Warehouse buildings, United Kingdom.
- Interviewing members of the executive committee and senior management in charge of Human Resources, Investor Relations, Risk Management, Energy, Design, and Supply Chain Management.
- Sampling specific source and aggregated data points referenced in the Report.

GHG verification - LRQA's approach summary

Our verification has been conducted in accordance with ISO 14064-3:2006, 'Specification with guidance for validation and verification of GHG assertions' to provide reasonable assurance that direct and indirect GHG emissions data and limited assurance for the other indirect GHG emissions data as presented in the Report have been prepared in conformance with the World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD Protocol).

The following tasks were undertaken as part of the evidence gathering process for this verification engagement:

- Visiting Prologis' operational headquarters in Denver, Colorado, United States, and the Solihull office, United Kingdom, and reviewing processes related to the control of GHG emissions data and record.
- Interviewing relevant staff of the organization responsible for managing GHG emissions data and records.
- Verifying direct and indirect GHG emissions data and records back to source for the calendar year 2016.
- Verifying other indirect GHG emissions at an aggregated level for the calendar year 2016.



GRI Standards Content Index

GRI 102: General Disclosures 2016

Disclosure	Location in Report or URL	External Assurance	Page	Omission
Disclosure 102-1 Name of the organization	Prologis, Inc.	31		
Disclosure 102-2 Activities, brands, products, and services	Three Complementary Lines of Business Drive Enduring Value	31	8	
Disclosure 102-3 Location of Headquarters	San Francisco, CA	31		
Disclosure 102-4 Location of Operations	Three Complementary Lines of Business Drive Enduring Value	31	8	
Disclosure 102-5 Ownership and legal form	2016 Form 10-K	31		
Disclosure 102-6 Markets Served	Three Complementary Lines of Business Drive Enduring Value	31	8	
Disclosure 102-7 Scale of the Organization	2016 Form 10-K	31		
Disclosure 102-8 Information on employees and other workers	People at Prologis	31	22	
Disclosure 102-9 Supply Chain	Operations and Supply Chain	31	19	
Disclosure 102-10 Significant changes to the organization and its supply chain	We had no significant changes to the organization's size, structure, ownership, or supply chain in 2016.	31		
Disclosure 102-11 Precautionary Principle or approach	Ethics and Governance	31	26	
Disclosure 102-12 External Initiatives	CDP, CDP Commit to Action, DJSI, GRESB	31		
Disclosure 102-13 Membership of associations	Memberships and Associations	31	30	
Disclosure 102-14 Statement from senior decision-maker	A Message from our CEO	31	4	
Disclosure 102-15 Key impacts, risks, and opportunities	A Message from our CEO	31	4	
Disclosure 102-16 Values, principles, standards, and norms of behavior	Ethics and Governance	31	26	
Disclosure 102-18 Governance Structure	Ethics and Governance, 2016 Proxy Statement	31	26	
Disclosure 102-40 List of stakeholder groups	Materiality and Stakeholder Engagement Stakeholder Priorities and Engagement	31	10 11	
Disclosure 102-41 Collective Bargaining Agreement	Our employees are not represented by collective bargaining agreements with the exception of those in France, where the country's workforce falls under a collective labor agreement and in Brazil, where employees are covered under a collective bargaining agreement. Our employees in France and Brazil account for approximately 3 percent of our global workforce.	31		
Disclosure 102-42 Identifying and selecting stakeholders	Materiality and Stakeholder Engagement Stakeholder Priorities and Engagement	31	10 11	

Disclosure	Location in Report or URL	External Assurance	Page	Omission
Disclosure 102-43 Approach to stakeholder engagement	Materiality and Stakeholder Engagement	31	10	
Disclosure 102-44 Key topics and concerns raised	Materiality and Stakeholder Engagement	31	10	
Disclosure 102-45 Entities included in the consolidated financial statements	Prologis, Inc.	31		
Disclosure 102-46 Defining report content and topic boundaries	Materiality and Stakeholder Engagement About this Report	31	10 29	
Disclosure 102-47 List of material topics	Materiality and Stakeholder Engagement Material Topics: <ul style="list-style-type: none"> • Anti-Competitive Behavior • Energy • Emissions • Training and Education 	31	10	
Disclosure 102-48 Restatements of information	There are no restatements of information from previous reports.	31		
Disclosure 102-49 Changes in reporting	We transitioned from G4 to GRI Standards	31		
Disclosure 102-50 Reporting period	January 1, 2016 – December 31, 2016	31		
Disclosure 102-51 Date of most recent report	July 2016	31		
Disclosure 102-52 Reporting cycle	Annual	31		
Disclosure 102-53 Contact point for questions regarding the report	sustainability@prologis.com	31		
Disclosure 102-54 Claims of reporting in accordance with GRI standards	This report has been prepared in accordance with the GRI Standards: Core option.	31		
Disclosure 102-55 GRI Content Index	GRI Content Index	31	32-35	
Disclosure 102-56 External Assurance	External Assurance Statement	31	31	

GRI 206: Anti-Competitive Behavior 2016

GRI 103: Management Approach 2016

Disclosure 103-1 Explanation of the material topic and its boundary	Materiality and Stakeholder Engagement Acting with Integrity	31	10 27	
Disclosure 103-2 The management approach and its components	Materiality and Stakeholder Engagement Acting with Integrity	31	10 27	
Disclosure 103-3 Evaluation of the management approach	Materiality and Stakeholder Engagement Acting with Integrity	31	10 27	
Disclosure 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions in 2016, pending or completed, and therefore no outcomes to report.	31		

GRI 302: Energy 2016

GRI 103: Management Approach 2016

Disclosure	Location in Report or URL	External Assurance	Page	Omission
Disclosure 103-1 Explanation of the material topic and its boundary	Materiality and Stakeholder Engagement Energy Efficiency Innovations in Energy Corporate Carbon Footprint Reporting	31	10 17 16 20	
Disclosure 103-2 The management approach and its components	Materiality and Stakeholder Engagement Energy Efficiency Innovations in Energy Corporate Carbon Footprint Reporting	31	10 17 16 20	
Disclosure 103-3 Evaluation of the management approach	Materiality and Stakeholder Engagement Energy Efficiency Innovations in Energy Corporate Carbon Footprint Reporting	31	10 17 16 20	
Disclosure 302-1 Energy consumption within the organization	Corporate Carbon Footprint Reporting Data Snapshot Source of the conversion factors used: The Greenhouse Gas Protocol and IPCC Fifth Assessment Report	31	20 36-38	
Disclosure 302-2 Energy consumption outside of the organization	Innovations in Energy Energy Efficiency Data Snapshot Source of the conversion factors used: The Greenhouse Gas Protocol and IPCC Fifth Assessment Report	31	16 17 36-38	
Disclosure 302-3 Energy Intensity	Data Snapshot Organization-Specific Metric for Ratio: MtCO ₂ e/FTE	31	36-38	

GRI 305: Emissions 2016

GRI 103: Management Approach 2016

Disclosure 103-1 Explanation of the material topic and its boundary	Materiality and Stakeholder Engagement Energy Efficiency Innovations in Energy Corporate Carbon Footprint	31	10 17 16 20	
Disclosure 103-2 The management approach and its components	Materiality and Stakeholder Engagement	31	10	
Disclosure 103-3 Evaluation of the management approach	Materiality and Stakeholder Engagement	31	10	

Disclosure	Location in Report or URL	External Assurance	Page	Omission
Disclosure 305-1 Direct (Scope1) GHG emissions	Corporate Carbon Footprint Reporting Data Snapshot GWP Source: IPCC Fifth Assessment Report	31	20 36-38	305-1c Biogenic CO2 emissions not applicable to Prologis' business (business operations do not use or combust biomass)
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	Corporate Carbon Footprint Reporting Data Snapshot GWP Source: IPCC Fifth Assessment Report	31	20 36-38	
Disclosure 305-3 Other indirect (Scope 3) GHG emissions	Corporate Carbon Footprint Reporting Data Snapshot GWP Source: IPCC Fifth Assessment Report	31	20 36-38	305-3c Biogenic CO2 emissions not applicable to Prologis' business (business operations do not use or combust biomass)
Disclosure 305-4 GHG emissions intensity	Corporate Carbon Footprint Data Snapshot	31	20 36-38	

GRI 404: Training and Education 2016

GRI 103: Management Approach

Disclosure 103-1 Explanation of the material topic and its boundary	Materiality and Stakeholder Engagement Employee Benefits and Well-Being	31	10 24	
Disclosure 103-2 The management approach and its components	Materiality and Stakeholder Engagement Employee Benefits and Well-Being	31	10 24	
Disclosure 103-3 Evaluation of the management approach	Materiality and Stakeholder Engagement Employee Benefits and Well-Being	31	10 24	
Disclosure 404-1 Average hours of training per year per employee	Employee Benefits and Well-Being Data Snapshot	31	24 36-38	
Disclosure 404-2 Programs for upgrading employees' skills and transition assistance programs	Employee Benefits and Well-Being Data Snapshot	31	24 36-38	

Data Snapshot

January 1, 2016 - December 31, 2016

Environmental

General

Topic	Data
Sustainable Building Certifications	<ul style="list-style-type: none"> • 87 Million SF • 233 projects in 16 countries
Energy Efficient Lighting	78% of portfolio (based on 97% surveyed)
Solar Energy	165 MW of generating capacity in 9 countries
Cool Roofs	36% of portfolio has reflective roofing
Office Water Use	14 Prologis corporate offices reported total water usage of 5.26 million gallons
Office Waste and Recycling	5 Prologis corporate offices reported 376,000 total pounds of waste and recycling
LEED Waste Diversion	Our LEED certified projects have an average waste diversion rate of 75%, diverting more than 125 tons of waste from landfill in 2016
LEED Water Reduction	Our LEED certified projects have an average water reduction rate of 35%

GRI 302: Energy 2016

Topic	Question	Data
302-1	Total fuel consumption within the organization from non-renewable sources, in Megajoules.* Fuel types used: Natural Gas, Propane, Motor Gasoline, Distillate Fuel Oil No. 2/Diesel Fuel	36,901,888
302-1	Total fuel consumption within the organization from renewable sources, in Megajoules. *	0
302-1	In Megawatt hours, the total*: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption	i. 7,246 ii. 721 iii. 0 iv. 169
302-1	In Megawatt hours, the total*: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold	i. 0 ii. 0 iii. 0 iv. 0

Topic	Question	Data
302-1	Total energy consumption within the organization, in Megajoules.*	66,194,568
302-2	Energy consumption outside of the organization, in Gigajoules. **	13,500,000
302-3	Energy intensity ratio for total energy consumption inside the organization in Megajoules. *	41,842 Megajoules/FTE

*Anthesis Mosaic tool used for calculations/emission factors and EPA Ap 42: Appendix A used for conversions

**Data extracted May 1, 2017 out of Measurable Environmental Management Platform and using EPA Ap 42: Appendix for conversions

GRI 305: Emissions 2016

305-1	2016 Gross direct (Scope 1) GHG emissions under operational control in metric tons of CO ₂ equivalent (CO ₂ , CH ₄ , HFCs, PFCs included). ***	2,491 MtCO ₂ e
305-2	2016 Gross location-based**** energy indirect (Scope 2) GHG emissions under operational control in metric tons of CO ₂ equivalent. (CO ₂ , CH ₄ , HFCs, PFCs included). ***	4,098 MtCO ₂ e
305-2	2016 Gross market-based**** energy indirect (Scope 2) GHG emissions under operational control in metric tons of CO ₂ equivalent. (CO ₂ , CH ₄ , HFCs, PFCs included). ***	278 MtCO ₂ e
305-3	2016 Gross location-based other indirect (Scope 3) GHG emissions under operational control in metric tons of CO ₂ equivalent. (CO ₂ , CH ₄ , HFCs, PFCs included). ***	8,297 MtCO ₂ e
305-4	2016 GHG emissions intensity ratio for the organization (under operational control). (CO ₂ , CH ₄ , HFCs, PFCs included). ***	7 MtCO ₂ e/FTE (market-based) 9 MtCO ₂ e/FTE (location-based)

***Anthesis Mosaic tool used for calculations/emission factors

****Location-based uses emission factors based on the local grid. Market-based uses emission factors based on the market (including RECs)

Social

Topic	Data
Volunteer Hours to Various Organizations	Over 10,400 hours, including 7,000 hours on IMPACT Day that benefited 60 non-profits working in the areas of education, human welfare and the environment
Space for Good (warehouse space donation to charitable organizations)	<ul style="list-style-type: none"> • 82 months of rent-free space • 12 non-profits benefited • \$900,000 in in-kind rent
Charitable Donations	\$1.6 million

Employee Breakdown

Topic	Question	Data		
102-8	Total number of employees by employment contract, by gender.	Permanent	Male 791	Female 791
102-8	Total number of employees by employment contract, by region.	Americas	Male 456	Female 475
		Europe	176	201
		Asia	159	115
		Total	791	791
102-8	Total number of employees by employment type (full-time and part-time), by gender.	Permanent Full-Time	Male 789	Female 772
		Permanent Part-Time	2	19
		Total	791	791

GRI 404: Training and Education 2016

404-1	Average hours of online training through Prologis' Learning and Development program by gender and employee category.	Employee Category	Male	Female
		Top Management	10.0	5.6
		Middle Management	10.1	3.3
		Managers	8.3	6.6
		Non-Management	4.6	6.0
		Total	7.9	6.8

Governance

GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no legal actions in 2016, pending or completed, and therefore no outcomes to report
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We value your feedback, and welcome any questions, comments or suggestions on this report and our performance.

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