

# BUILT WITH PURPOSE

2015 Sustainability Report



**PROLOGIS**

# Table of Contents

OUR APPROACH	02	Our Approach: Built with Purpose
	03	An Enduring Commitment: Message from our CEO
	05	Sustainability's Lasting Value: Letter from our VP of Sustainability
	08	Global Challenges, Local Actions
	10	Materiality and Stakeholder Engagement
	12	Awards and Recognition
TAKING RESPONSIBILITY: Environmental Stewardship	13	Taking Responsibility
	14	Environmental Goals and Objectives
	21	Case Study: Water Conservation
	24	Case Study: Brownfield Development
BUILDING LASTING RELATIONSHIPS: Social Responsibility	29	Building Lasting Relationships
	31	Case Study: Breakthrough Network
	35	Case Study: Prologis UK Green Group
ACTING WITH INTEGRITY: Ethics and Governance	39	Acting with Integrity
	42	Case Study: Ethics Training Globally
	44	Case Study: Transparency
ABOUT THIS REPORT	46	About this Report
	48	External Assurance Statement
	54	GRI G4 Content Index
	59	Engage with Us



## OUR APPROACH

# Built with Purpose

Prologis is committed to logistics real estate for the long term. We strive to do what's right for the communities where we live and work and plan ahead to build a better tomorrow. Our forward-looking approach to sustainable design, development and operations has enabled us to create the industry's leading portfolio of high-quality logistics facilities and deliver long-term value for our stakeholders.

Our employees demonstrate their personal commitment to ensuring a better future—forming relationships with customers and investors that span decades and investing time and effort into the well-being of their communities. The foundation for these achievements is a culture characterized by strong governance and epitomized by six core values that are embraced by all Prologis employees: **Integrity, Mentorship, Passion, Accountability, Courage and Teamwork.**

# An Enduring Commitment

Dear Stakeholders,

Welcome to our 2015 Sustainability Report.

At Prologis, our enduring commitment to logistics real estate goes hand in hand with an equally enduring commitment to the environment, social responsibility and corporate governance.

Logistics real estate is a great business to be in. Across cycles and for the foreseeable future, there are resilient, structural factors driving demand, including:

- **Rising consumption**, which increases the volume of goods flowing through our network of logistics facilities.
- **Burgeoning e-commerce**, which requires three times the logistics space of offline retail to accommodate packages instead of pallets, high inventory turns, wide product variety and returns.
- **Growing emphasis on corporate efficiency**, which drives demand for higher quality, better-located facilities.

In 2015, we delivered our best-ever financial and operating performance.

These results are a testament to the value of our focus on strategic markets, efficient buildings and longstanding partnerships with our customers, employees and investors. Credit for the company's achievements goes to our talented team, who care about each other, our stakeholders, our business and the interconnected world we live in.

## 2015 was also a great year for sustainability at Prologis.

We collaborated with stakeholders across the globe to deliver meaningful, positive impacts benefiting our customers and the communities where we live and work.

More than 70 percent of our operating portfolio now has efficient lighting, and 31 percent has cool roofs. Solar installations in our portfolio ended the year at 149 megawatts (MW), and over the course of the year, we certified 45 projects comprising 15 million square feet, bringing our total sustainable building certifications to 173, representing 68 million square feet. These efforts, which improve operating efficiencies for our customers, enhance the quality and value of our portfolio.



“We collaborate with stakeholders across the globe to deliver meaningful, positive impacts benefiting our customers and the communities where we live and work.”

Hamid R. Moghadam, Chairman and CEO

We ranked among the Global 100 Most Sustainable Corporations in the World for the seventh consecutive year; we won NAREIT's 2015 Leader in the Light Sustainability Award in the Industrial Sector for the fourth consecutive year; we were again a component of the Dow Jones Sustainability Index for North America, and for the first time, we were listed on the Dow Jones Asia Pacific Index. In 2015, for the thirteenth year in a row, Green Street Advisors recognized Prologis as the REIT industry's corporate governance leader. I am pleased by all of our sustainability achievements, but particularly proud of this recognition. Strong corporate governance characterized by ethical and transparent behaviors is in our company's DNA. Throughout my career, I have advocated for integrity, transparency and responsible stewardship of resources in the real estate industry and beyond.

### **We are on track to achieve our sustainability goals.**

We have a strong history of setting ambitious goals and realizing them.

Our renewable energy program is on pace to meet our rooftop solar installation goal of 200 MW by 2020. In response to reduced utility incentive programs, we are exploring opportunities beyond solar, including emerging energy technologies. This may affect our program's rate of growth over the next few years.

All new development has been and will be designed to comply with recognized sustainable certification standards where available—in line with our certification goals. In the Americas, all of our projects are designed to comply with the sustainable features defined in our LEED Volume program with the U.S. Green Building Council. In other regions where volume programs don't exist, certification plans and submissions are made building-by-building at the local level.

We are steadily increasing the percentage of our portfolio with cool roofs and decreasing greenhouse gas emissions from our corporate operations.

Across our portfolio, we install efficient lighting as we deploy new buildings and upgrade existing ones. However, due to portfolio fluctuations from acquisitions and dispositions, achieving 100 percent efficient lighting may continue to be a challenge.

Our Space for Good program provides rent-free space to nonprofits and nongovernmental organizations (NGOs) in times of crisis. Last year, we provided 105 months of rent-free space to 18 nonprofit organizations, totaling \$1 million of in-kind rent. While we doubled our impact in financial terms year-over-year from 2014, I still feel that this program could do more. Occupancy rates are at record levels, but still we have the capacity to provide rent-free space for short time periods to

more organizations in need. The challenge we face is one of quickly and efficiently matching needs with space.

### **We remain vigilant about the future.**

Increasing population, rising consumption and longer supply chains contribute to growing greenhouse gas emissions. In December 2015, we proudly joined 150 major companies in signing the White House's American Business Act for Climate Pledge.

Looking forward, we will continue to find ways to advance our leadership in sustainability. In 2016, we are launching a sustainability roundtable designed to deepen engagement with key customers. We are simultaneously deploying a system for monitoring suppliers' compliance with our supplier code of conduct and working to better align employee engagement with the priorities of the communities where we live and work. We have mechanisms in place for tracking and measuring our progress, and we know that when we measure, we improve. This is exactly what we will do in 2016 and in the years beyond.

Sincerely,



**Hamid R. Moghadam**  
Chairman and Chief Executive Officer



“Being forward-thinking enables us to maintain our leadership position in the industry and ensures our company’s resilience in the face of complex and interrelated challenges.”

**Jeannie Renné-Malone**, Vice President, Sustainability

## Sustainability’s Lasting Value

As I look back on this past year, I am proud of our sustainability accomplishments and inspired by my fellow employees. Their efforts to minimize our environmental impacts, engage with our communities and act with uncompromising integrity are the lifeblood of our sustainability program. There is still a great deal of work ahead of us, but I am confident we are on the right path. Together, we will work diligently to ensure that Prologis is resilient in the face of complex and interrelated global challenges and our sustainability program leaves a lasting positive impact for generations to come.

In 2015, we changed the way we refer to our program: from Corporate Responsibility to Sustainability. We decided that the term “sustainability” is more comprehensive, and therefore better fits our culture, our commitment to protecting the environment and our pledge to being a good neighbor. It also aligns with the language and priorities of many of our stakeholders.

Our program continues to be built on the three dimensions of sustainability: environmental stewardship, social responsibility and governance and ethics (ESG). For more than a

decade, the ESG framework has allowed us to efficiently and transparently track our progress toward meeting our goals through reputable reporting frameworks and surveys organized around ESG issues and topics. There are many reasons we have a sustainability program, but at the core, our purpose is to design initiatives and strategies that result in economic, environmental and social benefits for Prologis and all of our stakeholders.

We have the opportunity—and the responsibility—to work to ensure that our impacts are positive.

Looking ahead into the second half of this decade and beyond, we know that it is critical to monitor global risks and trends that may affect our business. We align with several of the United Nations Sustainable Development Goals (UNSDGs) and work to continuously improve our capacity to achieve our own environmental goals and targets. Being forward-thinking enables us to maintain our leadership position in the industry and to ensure our company’s resilience in the face of complex and interrelated challenges, including

extreme weather events, water scarcity, waste management, pollution control, demand for clean energy, transportation, air quality and health and well-being.

Climate change continues to be the greatest environmental challenge of our time. 2015 was the hottest year in recorded human history, and global atmospheric concentration of carbon dioxide—the primary driver of recent climate change—reached more than 400 parts per million. We are in the process of re-assessing and extending our environmental goals through 2025. As part of that process, we will introduce a science-based GHG emission reduction target for our corporate operations, and we are exploring water and waste reduction goals. We demonstrated our long-term dedication to climate action by signing commitments leading to COP21 in Paris, including the White House’s American Business Act for Climate Pledge and the CDP’s [Commit to Action](#).

Although consumption is a positive driver for our overall business, it has more challenging implications from an environmental perspective. As the worldwide leader in logistics real estate, we have a unique perspective on the interconnectedness of global growth, our business and the health and well-being of our stakeholders. We have the opportunity and the responsibility to work to ensure that our impacts are positive ones.

We have seen many examples of innovative strategies that reduce GHG emissions and water and waste across our corporate operations and portfolio, and we are excited to build upon these successes:

- Turf removal and replacement projects in drought-prone areas have resulted in reduced water consumption and cost savings of more than 50 percent.
- Infill location strategies reduce trucking miles and associated GHG emissions for our customers.
- Efficient lighting improves operational efficiency for our distribution centers and corporate operations.
- For the majority of our new construction, 20-30 percent of building materials are regionally sourced, reducing GHG emissions and boosting local economies.

I am optimistic about our plans moving forward, and know that as the world continues to evolve and change, our sustainability efforts must remain robust and resilient. Collaboration with all of our stakeholders is critical as we continue to make progress on sustainability issues. In 2016, we are determined to focus even more on stakeholder engagement—on communicating and working closely with employees, customers, investors, communities and suppliers to ensure that together our progress is meaningful and ongoing.

I hope you enjoy reading our 2015 Sustainability Report, and I look forward to reporting on our progress next year.

Sincerely,



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

## WE ALIGN WITH SEVERAL U.N. 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

# Three Complementary Lines of Business Drive Enduring Value

<h2>Current Revenue</h2>	<h2>Future Growth</h2>	<h2>Efficient Funding</h2>
<h3>Real Estate Operations</h3> <p>Leading customer service to the world's best brands across 669 million square feet in 20 countries</p>	<h3>Capital Deployment</h3> <p>Expertise and a track-record of excellence in development and value creation</p>	<h3>Strategic Capital</h3> <p>Access to Prologis' world-class capabilities in operations and deployment for institutional investors</p>

<h2>Global Reach Creates Perspective</h2>	<h2>Scale Augments Efficiency</h2>	<h2>Engagement Drives Sustainability</h2>	<h2>Preference Ensures Enduring Value</h2>
<ul style="list-style-type: none"> <li>~1,600 employees in 20 countries working in 14 languages</li> <li>2,403 buildings in the Americas</li> <li>714 buildings in Europe</li> <li>86 buildings in Asia</li> </ul>	<ul style="list-style-type: none"> <li>\$59B in assets under management (AUM) and \$23B in 3rd party AUM</li> <li>670<sub>MSF</sub> owned, managed or under development</li> <li>3,200 industrial properties</li> <li>8,000+ acres</li> </ul>	<ul style="list-style-type: none"> <li>149<sub>MW</sub> of solar energy installations</li> <li>173 sustainable building certifications in 15 countries</li> <li>9,900 volunteer hours</li> <li>105 months of rent-free space to 18 nonprofits</li> </ul>	<ul style="list-style-type: none"> <li>5,200 customers</li> <li>96.9% occupancy rate</li> <li>84.5% customer retention</li> </ul>





Prologis Park Gyal, Budapest, Hungary.

## Global Challenges, Local Actions

We are the world's leader in logistics real estate with properties on the front lines of global commerce. Our well-located facilities enable our customers to operate more efficiently.

We connect makers to markets, and the products that flow through our distribution centers every day—from food to pharmaceuticals, apparel to electronics, industrial equipment to building supplies—make modern life possible.

The effects of global logistics reach far beyond the movement of goods. Activities associated

with constructing and operating buildings have lasting effects on local communities and ecosystems. At Prologis, we see this as a strategic opportunity, and we embed sustainability into our operating model to create a legacy of good.

Our forward-looking approach to sustainable design and development—employing innovative solutions in such areas as solar energy, efficient lighting and brownfield development—helps us to minimize environmental impacts. We strive to be a good neighbor, strengthening local communities by sourcing building materials and hiring

locally wherever possible. Our employees volunteer their time and donate resources to local causes that contribute to the well-being of the communities in which they live and work. Throughout, we commit to transparent communication and the highest level of integrity in all of our business dealings.

By embedding sustainability into our actions, we deliver value to our customers, investors and communities while helping to build a stronger future for all.

# Creating Sustainable Value for Our Stakeholders

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

**86%** of employees are proud of Prologis' involvement in the community and social causes

**14** hours of training per employee per year on average

**3** business days per employee per year to volunteer with charitable organizations

**149<sub>MW</sub>** of total solar energy generating capacity

**30<sub>MW</sub>** of solar installations in 2015

**173** total sustainable building certifications



**73%** of total operating portfolio has efficient lighting

**22%** more efficient lighting per operating hour than prevailing U.S. energy codes

**31%** of total operating portfolio has cool roofs

**9,900** volunteer hours to local communities

**\$1.5 million** in grants and donations to support local causes and nonprofits

**105** months of rent-free space provided to local nonprofits

# Materiality and Stakeholder Engagement

Open dialogue is essential to our decision-making process and vital to our success. We actively engage with our stakeholders and seek their input and opinions. We use “stakeholders” broadly to include any group that may directly impact Prologis and its business operations, as well as those that may be affected by us. The topics we engage on are similarly broad, encompassing the full range of environmental, social and governance issues.

Our formal materiality assessment process began in 2013 when we conducted extensive, one-on-one interviews with senior leaders to elicit their observations, opinions and insights on material topics. Topics were identified by a review of guidelines and sector supplements produced by GRI (Global Reporting Initiative), industry-related topics and sustainability-related surveys. In 2015, we updated our material topics list, added several new items and performed a two-part materiality assessment survey to refine the focus of our sustainability initiatives.



The Prologis team, Solihull, UK.

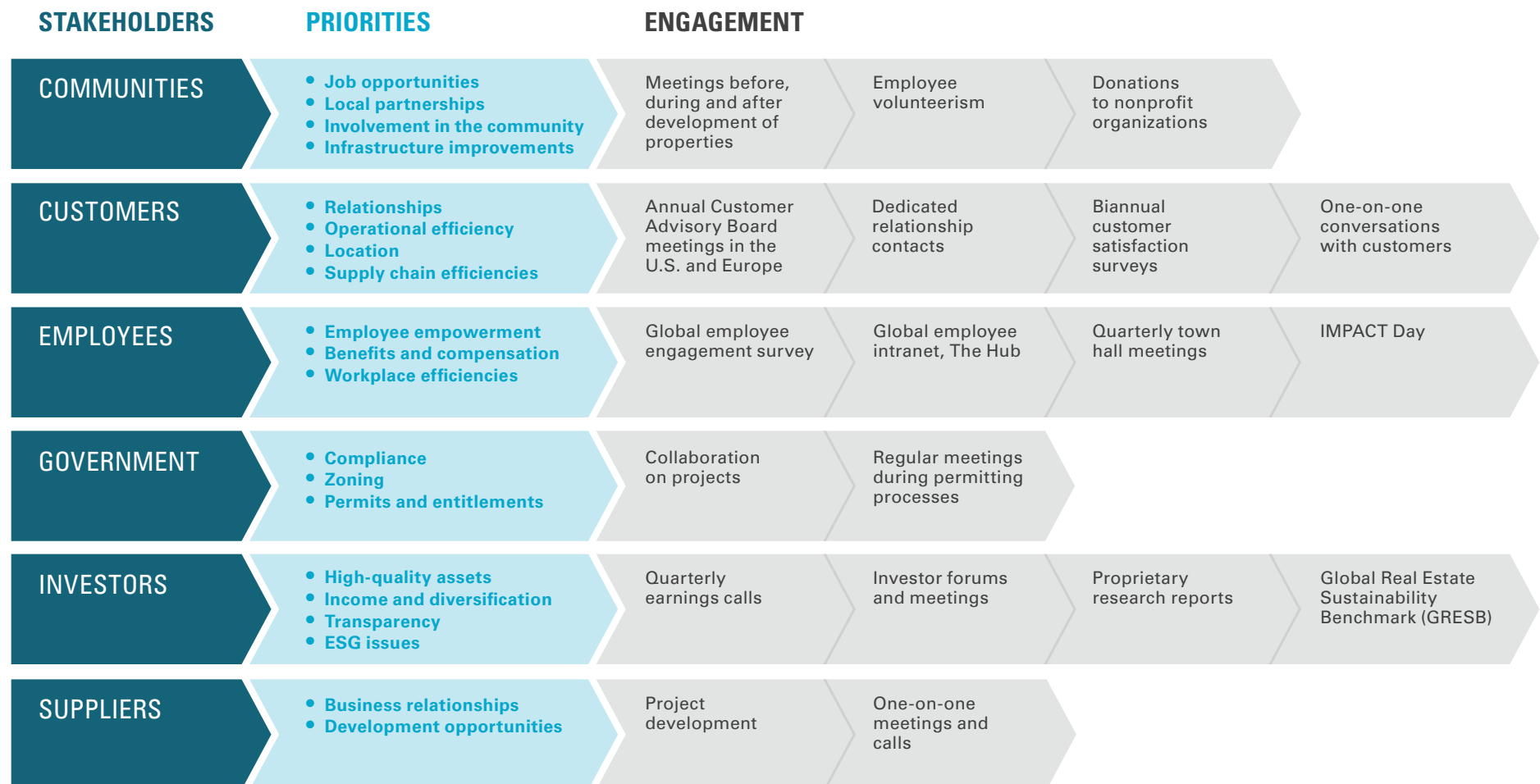
We actively engage with our stakeholders and seek their input and opinions.

The first survey group consisted of approximately 100 mid- to senior-level employees. These employees, who regularly interact with key Prologis stakeholders, were asked to rank the relative importance of each material topic to their stakeholders. A second round of surveys went to a select group of

senior Prologis leaders, who ranked each item based on the level of control Prologis has over the topic, as well as the impact of that topic on our business. We combined the results of these surveys with the input we gained through other stakeholder groups and engagement methods to create a list of the most material topics for our business, as shown in our Stakeholder Priorities and Engagement image found on page 11. These priorities guide our sustainability initiatives and commitments.

# Stakeholder Priorities and Engagement

We actively engage with our stakeholders to define priorities and establish modes of engagement that ensure alignment and respond to their concerns. 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. The 2015 Global Real Estate Sustainability Benchmark (GRESB) Survey recognized Prologis, Inc., Nippon Prologis REIT, Inc. (NPR) and five Prologis funds (ELV1, NAIF, PELP, PEPFII and PTELF) with the Green Star, the highest award bestowed by the organization. Prologis earned this distinction for outstanding performance in the areas of environmental stewardship, social responsibility and governance.

For the fifth year running, Prologis is a component of the 2015 Dow Jones Sustainability Indices (DJSI), which track the leading sustainability-driven companies worldwide. We are listed on both the North America and Asia Pacific indices. The company also received the National Association of Real Estate Investment Trusts (NAREIT) Industrial Leader in the Light Award for the fourth year in a row and was ranked as one of the Global 100 Most Sustainable Corporations in the World for seven consecutive years.

## 2015 Awards

- 2015 Corporate Responsibility Award from the China Logistics & Supply Chain Association
- 2015 Dow Jones Sustainability Indices: North America and Asia/Pacific
- Corporate Knights: Global 100 Most Sustainable Corporations in the World
- CR Magazine 2015 Responsible CEO of the Year Award Finalist—Hamid Moghadam
- CSR Best Practice Award from the China Association of Enterprises with Foreign Investment
- Denver Business Journal's 2015 Partners in Philanthropy Award
- FTSE4 Good Constituent
- GRESB Green Star 2015
- Inbound Logistics 2015 G75 Green Supply Chain Partner
- NAREIT: 2015 Industrial Leader in the Light Award
- Newsweek: Top Green Companies in the U.S. 2015
- San Francisco Business Times Most Influential Women—Tracy Ward



ENVIRONMENTAL STEWARDSHIP

# Taking Responsibility

At Prologis, we are committed to environmental stewardship. We understand the long-lasting impacts that our buildings and development activities can have on the environment. As the global leader in logistics real estate, we develop solutions that allow our business, development and operations—and those of our customers—to grow and thrive while minimizing our impacts on the planet. Sustainable real estate is not only the right thing to do, it's how we do business. Read on to learn more about our approach and activities.



# Environmental Goals and Objectives

Prologis' environmental goals and objectives are linked with our strategic business goals and objectives. As of December 31, 2015, we made significant progress toward our sustainability goals. We will continue to set challenging sustainability goals for ourselves, and track and report our performance against those goals.

As the completeness and accuracy of our data continues to improve, we have better sightlines for establishing our sustainability goals. Consequently, we are in the process of evaluating and recalibrating our current baseline and existing goals based on improvements in our data collection and reporting processes. We are working toward creating science-based targets that build upon our strong foundation of previous accomplishments.



Prologis Park Pineham, Northampton, UK.

GOAL	PROGRESS	RESULTS
100% of new development designed with a goal of certification where recognized sustainability rating systems are available	100%	45 new projects comprising 15 MSF resulting in 68 MSF across 173 projects in 15 countries
100% energy-efficient lighting across our operating portfolio	73%	73% of our operating portfolio has energy-efficient lighting (based on 96% surveyed)
200 MW of solar in our portfolio by 2020	74.5%	30 MW of solar installations resulting in 149 MW of total generating capacity



LEFT: Prologis Park Dunstable, Dunstable, UK. RIGHT: Stapleton Business Center North, Denver, Colorado.

## High-Quality Facilities

Prologis is logistics real estate’s leading operator, with more than 3,200 buildings comprising 669 million square feet (MSF) (62 million square meters (MM<sup>2</sup>)) of high-quality facilities in the world’s most vibrant centers of commerce.

Sustainability works best and most seamlessly when it is incorporated into initial project design. We take a long-term view and believe in the lasting value of high-quality real estate. Buildings built to the highest sustainability standards are more efficient to operate, reducing costs for tenants and encouraging extended occupancy. Over time, efficient buildings are better for customers, investors and communities.

### Sustainable Building Certifications

We continue to add sustainable building certifications to our portfolio, in alignment with United Nations Sustainable Development Goal 9 (build resilient infrastructure and promote sustainable industrialization). In 2015, we added 15 MSF (1.3 MM<sup>2</sup>) of building certifications across 45 projects in 12 countries. This brings our total sustainable building certifications to 173 projects in 15 countries comprising 68 MSF (6.3 MM<sup>2</sup>) certified in accordance

with internationally recognized building certification ratings systems.

Notable sustainable building certifications added in 2015:

- Stapleton North, Denver: the first industrial building certified to LEED C&S 2009 in Colorado.
- DC1, Dunstable, UK: secured a final BREEAM “Outstanding” accreditation, and was a runner-up at the BREEAM awards in 2015 based on our design stage rating.

173 TOTAL

sustainable building certifications

68 MILLION SF

(6.3 million m<sup>2</sup>)

15 COUNTRIES



# Renewable Energy

Beyond identifying ways to consume less energy, Prologis is contributing to a low-carbon future by using our properties as a platform to generate large volumes of clean electricity. Over the past decade, Prologis has emerged as a leader in corporate solar deployment.

## 149 MW

Enough clean energy to power  
22,000 average homes in  
9 countries each year

In 2015, Prologis' solar footprint increased by 30 megawatts (MW), bringing the total to 149 MW in nine countries. That equates to enough clean energy to power approximately 22,000 average homes each year in the nine countries where these projects are located. Per the Solar Energy Industries Association, among non-solar companies in the U.S., only Walmart has more solar energy-generating capacity on its rooftops.



Solar panels at a Prologis property in Redlands, California.

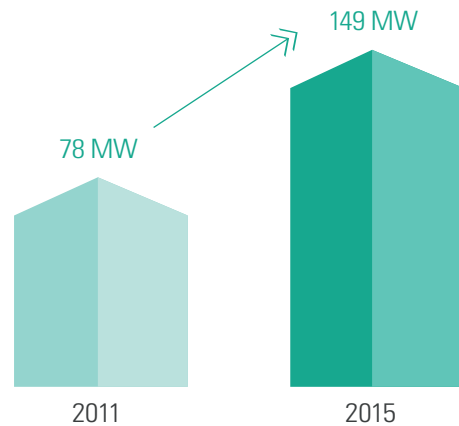
Our goal is to surpass 200 MW of solar in our portfolio by 2020. We continue to monitor our portfolio for energy opportunities beyond solar, such as battery storage, to better serve our customers and communities. Our emphasis on renewable energy puts us in alignment with United Nations Sustainable Development

Goal 7 (affordable and clean energy). Our focus on solar and emerging energy technologies is a testament to our commitment to sustainability. These projects make our electric grids cleaner while bringing improved economic and environmental results that add incremental value by harnessing previously underused resources, such as roofs.

# A Growing Solar Footprint

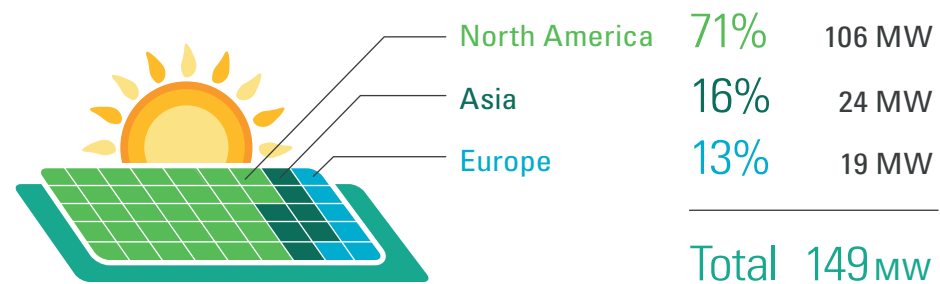
Prologis is a leader in distributed generation projects. We contribute to a low-carbon future by using our properties as a platform to generate large volumes of clean electricity.

**30MW**  
increase in solar footprint  
from 2014 to 2015

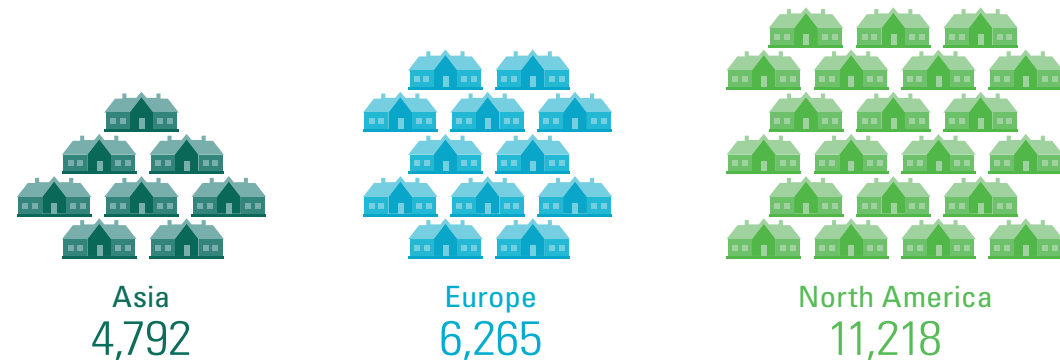


**91%**  
increase in generating  
capacity from 2011-2015

Total solar footprint of 149 MW, broken down by region as follows:



Equivalent number of homes powered per region per year\*:



\*Home equivalencies based on average household power consumption by country in the World Energy Council's Energy Efficiency Indicators (2014 values).

# Efficient Lighting

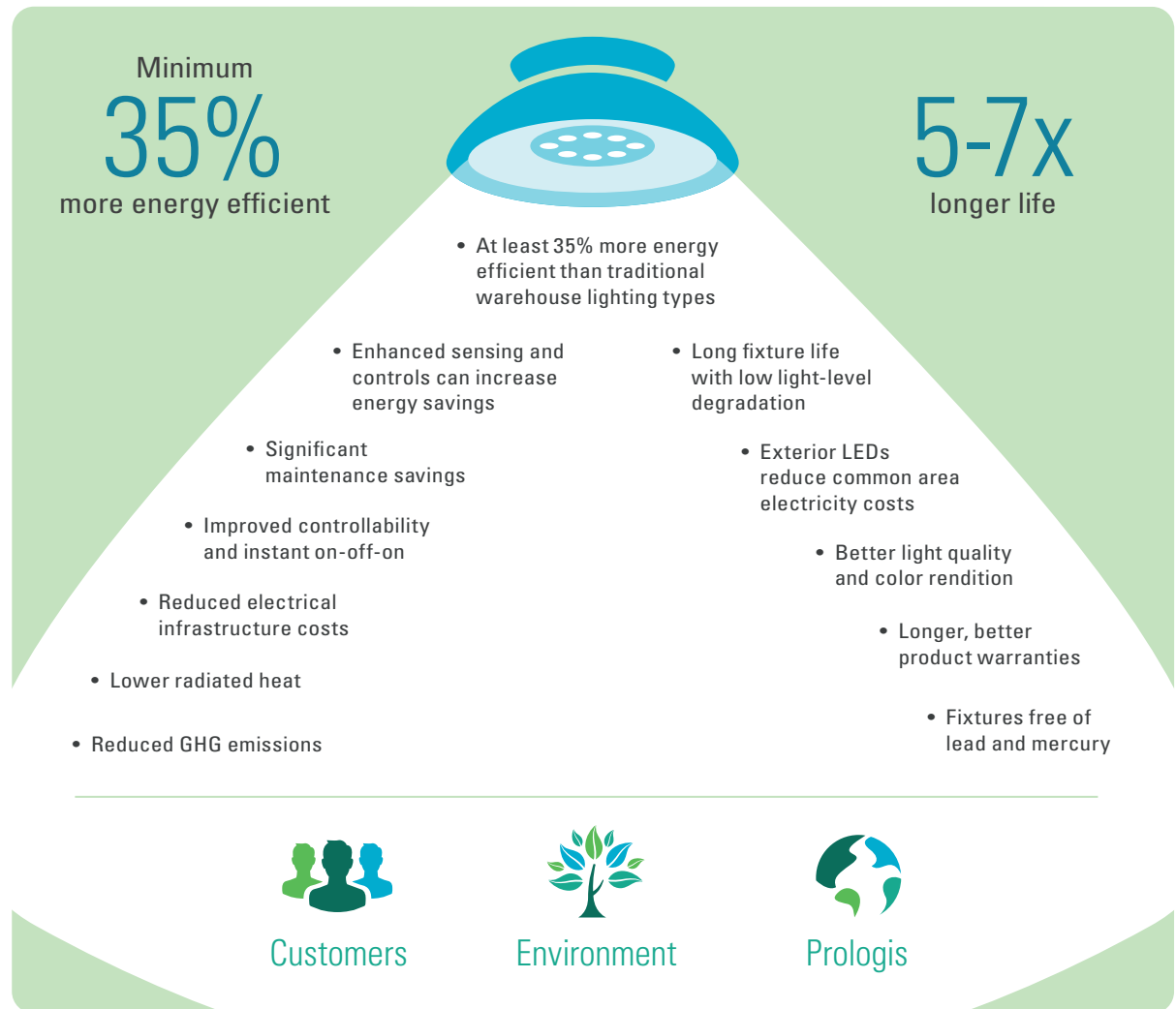
Lighting is typically the largest electrical load in a distribution center, accounting for up to two-thirds of electricity use. While most of our facilities already have efficient fluorescent lighting, in early 2016 Prologis made LED lighting standard in all new development projects and lighting retrofits in the Americas, the UK and Japan.

This industry-leading move complements past progress in efficient lighting, with 73 percent of our global operating portfolio by area using energy-efficient fixtures at year-end 2015 (up from 68 percent in 2014). We estimate our global portfolio to be 22 percent more lighting-efficient per operating hour than prevailing U.S. codes, translating into cost savings for our customers.

**73%**  
of our global operating portfolio has efficient lighting

# LED Standard: A Competitive Advantage

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



# Energy Efficiency

## Cool Roofs

We continue to install reflective roofing (cool roofs) on our buildings. A cool roof is one that has been designed to reflect more sunlight and absorb less heat than a standard roof through its white, reflective surface. Cool roofs can reduce roof surface temperatures significantly, which in turn reduces a building's indoor air temperature.

Cool roofs also 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. With nearly half of the world's population living in urban areas, cool roofs benefit communities by helping to lower regional temperatures.

# 31%

of our total operating portfolio  
has reflective roofing



Prologis Suzhou Xuguan Logistics Center, Suzhou, China.

## Consumption Monitoring

Ideally, we would have full and open access to our customers' energy consumption data for all of the buildings across our global portfolio. In Europe and Asia, we typically have access to our customers' energy usage data as landlords normally hold the main utility accounts and reconcile consumption by customer. However, in the U.S., the majority of our leases are triple net—this means that our customers are responsible for paying their own energy bills, making it more difficult for us to obtain this information. We continue to explore opportunities to improve our access to energy consumption data, as it will allow us to better benchmark our performance and inform our retrofit investment decisions.

Where we have access to whole-building data, we enter and track energy, GHG emissions and water and waste data through the Urban Land Institute (ULI) Greenprint Center for Building Performance's environmental management platform. Prologis reported 2014 energy data for 611 properties to Greenprint, including 447 properties for which we had consistent year-over-year information. Energy usage decreased 7.6 percent, while emissions decreased 3.7 percent from 2013 to 2014 on a like-for-like basis. When normalized for occupancy, the energy use intensity is 72.2 KWh/m<sup>2</sup> in 2013 and 67.3 KWh/m<sup>2</sup> in 2014. For these properties, 2014 building energy intensity was 76 kWh/m<sup>2</sup>/year and GHG emissions intensity was 28 kg CO<sub>2</sub>e/m<sup>2</sup>/year.



Prologis Park Ichikawa, Chiba, Japan.



## Resilient Buildings

Prologis leads the industry in innovative design and technology solutions that increase the resilience of our buildings in areas with severe weather hazards and high seismic activity. Resilient facilities can reduce cleanup waste associated with damage or loss following a natural disaster, as well as the environmental costs associated with making repairs to or rebuilding a damaged facility. A good example is Japan's Prologis Park Koga 1, which came online in 2015. This building uses a seismic isolation system to reduce the roll effect during an earthquake. The system ensures the safety of people working in the facility, as well as the protection of stored goods.

We maintain detailed emergency response and communications plans for every building in our global portfolio, as well as construction crews on standby and a supply of building materials for emergency repairs in areas subject to natural hazards. We make every effort to relocate our customers to temporary spaces at other Prologis buildings as needed. Our disaster recovery plans were put to the test when Hurricane Patricia hit the West Coast of Mexico in October 2015, but with advance planning and rapid post-storm deployment, Prologis' operations came through without serious damage or interruption.

“Sustainability for us entails thinking about and planning for the longer term. Resilient buildings are a great example of how we work to align with the needs and considerations of our customers, our communities and the environment.”

**Jack Rizzo**, Managing Director, Global Construction and Development Services



## A Master Gardener's Passion for the Environment Saves Water at Work and in her Community

San Antonio, Texas, is suffering from a record-breaking five-year drought. Formerly lush river-irrigated lands surrounding the city are now dry. The situation is so severe that the San Antonio Water System posts aquifer levels and water restrictions daily.

Prologis works across its operations to minimize environmental impacts. Low-water operational solutions, including drought-tolerant landscaping and xeriscaping, balance positive visual impact on the community with conservation of limited and precious fresh water resources.

Cappy Bird, Prologis senior property manager, faced personal and professional challenges as a consequence of the drought. Bird is a member of the Bexar County Master Gardeners Association and a Master Gardener—a distinction she earned by virtue of her training in horticulture. She volunteers to educate others in her community, a role that became more critical as gardens and vegetation all but disappeared. Bird also manages 12 Prologis properties in drought-stricken San Antonio. »

“Every drop of water counts. You start with that, make it work and keep your focus on it.”

**Cappy Bird**, Prologis Senior Property Manager



Senior Property Manager Cappy Bird walks the landscaped grounds at a Prologis property in San Antonio, Texas.

Bird is determined to learn everything she can about water conservation and put that knowledge to work on the job and in her community. Says Bird, “Water conservation is about more than reacting. It’s finding and making ongoing changes for long-term solutions.”

Bird took the initiative to complete a three-day Irrigation Efficiency Training course, and she has applied her newfound skills at work. She is conducting seminars for Prologis property managers, maintenance techs and landscaping and irrigation vendors in the San Antonio area to ensure they are conserving every drop of water they can. The training teaches participants how to determine if irrigation controllers are set properly, if water heads for properties with landscaping are appropriate and how to check for and fix leaks.

Working with Texas A&M, Bird has been involved in a drought sustainability study project that evaluated 1,600 native plants using four

variable amounts of water to determine which plants have the best ability to survive drought conditions when daily temperatures reach 100 degrees or more during central Texas’ steamy summers.

As part of her training, Bird has committed to contribute 20 hours of community service. Prologis supports her in this endeavor through the Employee Volunteer Program, which gives employees one day per year to volunteer during regular business hours with the nonprofit of their choice.

For one of the Prologis properties that Bird oversees, Prologis Park Perrin Creek, the right materials for landscaping turned out to be rocks—and no vegetation whatsoever—to reduce water usage. “I want to conserve every drop possible,” Bird said. The property comprises eight buildings totaling 482,020 square feet.

**Bird’s innovative, sustainable and beautiful rockscape saves the company and the community more than 1.4 million gallons of water annually.**

Bird is currently working with a landscape designer to deploy rockscaping for a new Prologis property. “Of course, it’s nice to have things look pretty for new buildings, but trees and plants might die and are very expensive to replace,” she says. “It’s about maintaining a long-term perspective to conserve water for other purposes.” 🌱



Prologis Pulaski Distribution Center, Jersey City, New Jersey.



## Location Strategy: Brownfield and Infill

Our forward-looking approach to development means that we are where the action is today and where it's going tomorrow. Our location strategies are purposeful. We are continuously assessing markets and facilities to ensure that we are in the best possible position to help our customers streamline their supply chains and run their businesses more efficiently.

Our brownfield redevelopment and infill strategies help customers meet their business needs while sparing costs and minimizing GHG emissions. We target buildings and development opportunities in locations close to major transportation hubs, such as ports, airports, railways and highways.

We also look for locations in vibrant centers of global commerce, close to our customers' customers.

Often, the development of urban infill properties involves the cleanup of brownfield sites with a legacy of environmental contamination. We see the long-term value in these sites and work closely with local communities, investing in plans and taking the steps necessary to return environmentally impaired properties to productive use. Our brownfield and infill strategies complement the needs and requirements of communities by providing infrastructure improvements such as roads, wastewater treatment, and other upgrades.

“Our infill locations ensure efficient delivery while helping to reduce environmental impacts for urban communities. At the same time, changing demographics and supply constraints may also lead to value-added conversion opportunities.”

**Mark Hansen**, Managing Director, Investment Officer, Value Added Investments





## Sustainable Values Applied to new Development

“Prologis Park Moissy 2, well-located to serve metropolitan Paris, is the first logistics building in France to combine so many sustainable features.”

**Olivier Barge**, Vice President, Head of Regional Development, Prologis France, and Regional Head, Project Management, for Prologis Southern Europe

Prologis Park Moissy 2 has two buildings comprising 1.2 MSF (113,000 square meters) under development. At full build-out, the park will include up to five buildings comprising 240,000 square meters of Class-A logistics space. The park, one of France's first single-owner, master-planned parks, is located in the city of Moissy-Cramayel in Seine-et-Marne just south of Paris with easy access to the city's outer ring road. Moissy 2 is well-positioned to serve metropolitan Paris, as well as the newer towns and emerging developments surrounding the city.

### Brownfield Development and Recycling

Prologis Park Moissy 2 is a brownfield development previously owned by Peugeot. The car manufacturer used the facility as a storage center for replacement auto parts. According to Olivier Barge, “Most of the original buildings have been demolished to make room for new Class-A logistics facilities. Old concrete, metal and other materials were recycled and reused for new construction and roads.” »

Prologis Park Moissy 2 sits above a protected water table. Barge explains, “One of the challenges we faced during development was a municipal requirement that our property not add to the already over-burdened public storm water run-off system. Flood risk was simply too high.”

The project is designed to improve the surrounding environment through the installation of hives for bees and shelters for local fauna.

The development team took an integrated approach to minimizing the new park’s impact on the surrounding ecosystem. According to Barge, “We collaborated with the Water Agency of Seine Normandie to ensure that our presence wouldn’t negatively impact the area.” The team defined two objectives for storm water management: maximizing the retention of storm water within park boundaries and filtering storm water to reduce pollutants and deliver it to the water table with contaminants minimized. Prologis ultimately implemented a storm water management system that directs storm water to ditches and green hollows near water-resistant areas such as parking lots and roads.

Biodiversity is another important aspect of the project. Prologis is a member of Conseil International Biodiversité et Immobilier (CIBI), an organization committed to enhancing urban biodiversity. Prologis Park Moissy 2 is designed to improve the surrounding environment through the installation of hives for bees and shelters for various local fauna, as well as eco-friendly landscaping in accordance with CIBI criteria.



Olivier Barge discusses sustainability services with François Comaita, Head of Leasing for France, in the company’s Paris office.

During the park’s design phase, the Prologis team used the Dynamic Energy Simulation Model—an innovative process that allows customers to proactively reduce future energy consumption and associated costs by about 25 to 35 percent. “We are currently the only logistics real estate company in France to use this system,” says Barge. “Customers are surprised and pleased by the efficiency and cost savings they can achieve.”

This new Prologis building will be BREEAM “Very Good” accredited. 



A Prologis employee bikes to work at our Solihull, UK, office.

## Commitment to Sustainability in Our Operations

Our commitment to sustainability is equally strong for our own operations. We address climate change proactively. Prologis is firmly aligned with United Nations Sustainable Development Goal 13 (taking urgent action to combat climate change and its impacts), and we are proud to be one of 150 major companies to sign the White House's American Business Act for Climate Pledge in December 2015. We intend to lead our industry as we move toward a net-zero carbon world. We have identified and are

implementing a number of strategies to reduce GHG emissions across our business operations, from the energy consumed in our offices to the way we travel to work. We endeavor to use locally sourced materials and local contractors in our own supply chain, thereby decreasing transportation and shipping distances and further diminishing our impacts.

Our employees are key partners in these efforts. We encourage and support our team members around the world to champion

energy, waste and water-use reductions to save costs and reduce our carbon footprint. Prologis Green Path, our internal sustainability program, is designed to engage employees in sustainable practices through the course of their daily work. Green Path members represent every office globally and interact regularly with our Sustainability team, helping to make environmental stewardship an everyday event.

# Corporate Carbon Footprint Reporting

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.

Prologis exceeded our CDP Industry Group Average of 87 by 11 points. We also improved our CDP Disclosure Score by 12 points year-over-year, moving from 86 to 98. The Disclosure Score measures a company's level of transparency in its response. Our improved score demonstrates our commitment to transparency and disclosure in quantifying impacts related to our corporate operations and real estate portfolio.

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. Carbon offsets invest in real, on-the-ground projects that would not move forward without

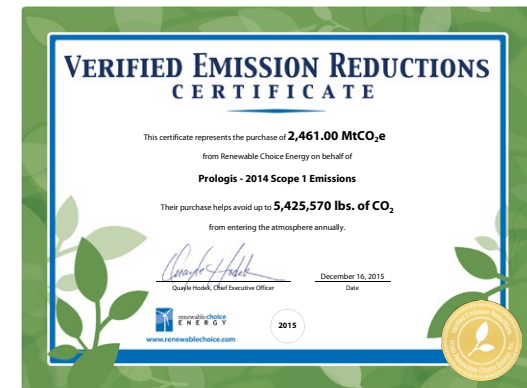


Prologis Park Terra Francesco, Ontario, California.

carbon financing. Typically, these projects have sustainability benefits beyond reducing GHG emissions, such as improving air quality, human health, energy consumption and more. RECs are a mechanism for purchasing renewable energy that is either added to or pulled from the grid.

In 2015, we offset 100 percent of our 2014 Scope 1 GHG emissions with carbon offsets from the JB Hunt Intermodal carbon offset project, which is industry-relevant because its mandate is to improve the efficiency of intermodal freight transport. In 2015, we purchased RECs through our partner, Renewable Choice Energy, to offset 100 percent of our 2014 purchased electricity for our Denver and San Francisco offices.

**100%**  
of 2014 headquarter offices' Scope 1 GHG emissions and purchased electricity offset by the purchase of carbon offsets and Renewable Energy Credits



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

- Scope 1: Direct emissions from sources owned or controlled by Prologis, such as natural gas used to heat our offices, fugitive emissions from refrigerants and the gasoline used in our vehicle fleet
- Scope 2: Indirect emissions associated with consumption of purchased electricity and gas
- Scope 3: All other indirect emissions not included in Scope 2, such as business travel (air travel, rental cars, hotels and public transportation), personal vehicle use for business travel and employee commute

In 2015, we partnered with Anthesis Mosaic to calculate our carbon footprint and track data annually in their web-based platform. The platform performs all of the conversions and calculations necessary to turn our raw data into a GHG inventory that is compliant with international protocols. As part of our process to develop the 2015 inventory, we assessed each methodology and calculation and made several changes to make the entire process more efficient going forward.

### Greenhouse Gas Emissions Summary

	2013	2014	2015	Change from 2014 to 2015
<b>Scope 1</b>	2,159	2,461	2,264	-197
<b>Scope 2</b>	5,796	5,361	4,754	-607
<b>Scope 3</b>	8,231	9,834	7,835	-1,999
<b>Total</b>	16,186	17,656	14,853	-2,803
<b>MTCO<sub>2</sub>e* / FTE</b>	11	12	9	-3

\*Metric Tons of Carbon Emissions (MTCO<sub>2</sub>e)

Given the confidence in our 2015 inventory in terms of accuracy and completeness, and that we are quickly approaching 2020, we plan to change our baseline year to 2015 and extend our goal to 2025. Over the next few months we will conduct an in-depth assessment of our emissions and reduction trends and possibly set a science-based target. We will also recalculate all previous inventories to ensure consistency looking back and going forward and to help in setting a more meaningful goal for 2025. To meet our new goal, we will continue to identify and implement sustainable business practices and further engage our employees in our sustainability initiatives and emissions reduction strategies.

The results of our 2015 GHG inventory, without the recalculation of the previous

inventories, reveal a 16-percent decrease in emissions from 2014 to 2015. Scope 1 emissions decreased 8 percent, while Scope 2 emissions decreased 11 percent. Revised methodologies play a significant role in these reductions and will be better assessed after our recalculation. Scope 2 emissions reductions related to office electricity can be attributed partly to completion of our data center consolidation project and the positive effects of employees taking simple steps to save energy, such as turning off lights and monitoring building temperatures.

We report our operational carbon footprint to the CDP, and our Scope 1, 2 and 3 emissions are verified independently by DNV GL. See page 48 for our Assurance Statement.

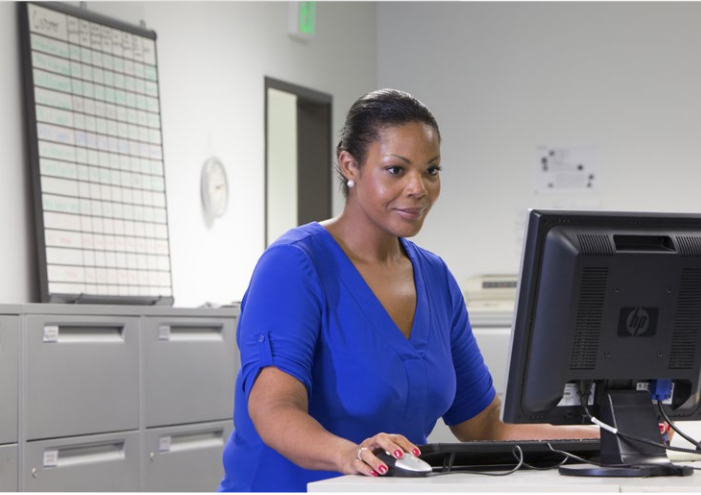
SOCIAL RESPONSIBILITY

# Building Lasting Relationships

At Prologis, social responsibility means setting expectations for excellence in how we interact with people. Our commitment to social responsibility extends to all of our stakeholders—employees, customers, communities, suppliers and investors.

We strive to be a good neighbor and work 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.





# Our Employees

At Prologis, our employees are the key to our success. Every day, our employees work together to turn focused strategy into market-leading performance, collaborating across all levels of the organization to make the best possible decisions for our customers, our communities and our business. Every employee plays an essential role in ensuring the enduring value of our company. Ours is an inclusive workplace where every employee contributes, every employee is valued, and every employee belongs.

Prologis' dedicated employees are powerful ambassadors for sustainability. Through their efforts—whether finding innovative solutions to technical energy challenges, tackling wasteful operational practices or volunteering within their communities—Prologis employees embody the forward-looking spirit of our company.

We believe that hiring employees with a broad range of experiences and perspectives gives us an advantage in understanding and meeting the needs of customers and other stakeholders. We want the best talent, wherever we can find it, and through a culture of accountability and empowerment, seek to create an environment where every employee feels they can contribute freely to the overall success of the organization. As an equal opportunity employer, our goal is consistent and fair policies that recognize and respect cultural differences.

Gender diversity continues to be an important area of focus for Prologis. We know that talent is distributed equally between women and men. Our Breakthrough network, launched in 2014, is designed to move the needle for gender diversity through core human resources processes, training programs, coaching, mentoring and culture changes designed to ensure that inclusive practices are the norm.

	Employees	Americas	Europe	Asia
Men	800	457	181	162
Women	798	499	195	104

**38.9% of men** and  
**25.9% of women**  
have supervisory roles

TOP: Property Administrator Neely Johnson analyzing data in the company's San Antonio, Texas, office. MIDDLE: Employees at the Prologis corporate headquarters in San Francisco, California. BOTTOM: Lele Tang, Transaction Analyst for Prologis China, presents the regional portfolio in the company's Shanghai, China, office.



“Together, we are striving for excellence.”

Grace Leung, Vice President, Development, Prologis China

## Women Leaders Find Support and Opportunity at Prologis

Logistics real estate has long been male-dominated. Breakthrough, a Prologis network designed to promote gender diversity and ensure gender equity within the company and across the industry, was founded on a simple premise. “Women represent half the population and half the talent pool,” says Ed Nekritz, Prologis’ chief legal officer and general counsel and Breakthrough board member.

According to Tracy Ward, SVP, Investor Relations, Breakthrough co-founder and current board member, “For the companies that are here to stay, the companies of enduring excellence, attracting and developing female leaders is a key business strategy.”

Grace Leung is succeeding in one of the most male-dominated of all real estate disciplines—development. Leung graduated from UC Berkeley in 1985 with a degree in architecture. Her undergraduate design work on an Oakland, California, community center won her a job straight out of school. »






Despite Leung’s strong career start, she did not always feel that the wind was at her back. Early in her career, during a stint at an architecture firm, a particularly demanding client expressed doubt about Leung’s ability to handle an important project. Says Leung, “That experience taught me that people who aren’t familiar with your work may have reservations. However, once they work with you and see that you deliver, their concerns are erased really fast.”

Leung balances her commitment to serve customers and deliver strong returns to investors with equal emphasis on all dimensions of sustainability. Her focus on problem-solving and accomplishment has served her well in her career. She is the driving force behind Prologis’ first LEED certification in China, at Huiyang. In Huiyang and again in Beijing, she deployed LED exterior lighting. For Prologis’ new office in China, she reduced energy use with a combination of LED and T5 lighting, and she sourced furnishings and finished materials free of volatile organic compounds—doing right by her coworkers and the environment. Leung collaborates with local planning authorities to improve the aesthetic impact of her projects on surrounding neighborhoods. In all that she does, she ensures that her work is of the highest caliber and that her employees are fully engaged.

“My major accomplishment is finding the right talent and coaching my best performers,” says Leung. “Without capable professionals who are passionate team players, we will not be able to deliver quality projects and meet our goals.”

Leung is currently guiding her team up the learning curve to master designing for resilience and sustainability in China.

“Together, we are striving for excellence,” she says. “Our goal is to be the best in our business.” 

TOP: Huizhou Huiyang Logistics Center, Huizhou, China.

BOTTOM: Grace Leung engages with a colleague in our Shanghai, China, office.



Employees from Mexico City after another successful IMPACT Day project.



## Employee Engagement

Employee engagement is a widely used measure of the commitment employees feel toward their organization. This is an important area of focus at Prologis. It is essential to our culture and success that our employees care about their work and are excited by the company’s mission, values and strategies. Results from our latest employee engagement survey, conducted in June 2015, show Prologis employees are highly engaged compared to benchmarks and peers.

Among the company’s top strengths are our involvement in community service and our commitment to environmental responsibility. These findings reinforce our belief that our dedication to sustainability is an important contributor both to employee engagement and to attracting top talent. We will continue to assess employee engagement and commit to working to improve areas where we have the opportunity to do better.

“Corporate responsibility and commitment are very important to our ability to recruit, engage and retain great employees.”

Diana Scott, Prologis Chief Human Resources Officer

### PERCENTAGE OF EMPLOYEES WHO AGREE OR STRONGLY AGREE

It is important to me to work for an environmentally responsible company.

86%

I am proud of Prologis’ involvement in the community and social causes.

86%

It is important to me to volunteer and participate in community service.

75%



Employees participate in the company's annual IMPACT Day, a full day for all employees to volunteer at local charities.

# Employee Volunteerism and Giving

A spirit of volunteerism and giving is deeply ingrained in Prologis' culture. It is one of the attributes of which we are most proud. We encourage our employees to volunteer, giving them company and personal time to devote to nonprofit and charitable organizations. The Prologis Foundation, founded in 2001, seeks to improve the well-being of communities around the world through a wide range of vehicles, such as financial grants and donations, matching gifts, Dollars for Doers and disaster relief.

## IMPACT DAY: OUR GLOBAL DAY OF SERVICE

1,400  
Employees volunteered

7,000  
Total volunteer hours

65  
Nonprofit organizations benefited

### Employee volunteerism

- Every year, each employee is given two business days to volunteer at company-sponsored events and one business day to volunteer at the organization of the employee's choice

### Charitable donations

- More than \$1.5 million in grants, donations and matching gifts donated by Prologis

and the Prologis Foundation to nonprofit organizations in support of educational, environmental and social causes

- 105 months of rent-free space to 18 nonprofits, totaling more than \$1 million in donated rent as part of our Space for Good program
- \$100,000 to Mercy Corps to help with disaster relief efforts after the April 2015 Nepal earthquake

## UK Office Manager Brings Carbon Footprint Focus to the Office

Prologis' office in Solihull, UK, is not new, and it doesn't have the latest state-of-the-art sustainable design features. Nonetheless, one visionary employee from that office is leading a team of fellow employees to identify and implement strategies to reduce the office's carbon footprint.

Prologis UK has a strong history of taking action on climate change. The team formed a partnership with the environmental charity Cool Earth which has resulted in offsetting embodied carbon emissions from more than 20 UK developments and protecting more than 6,000 acres of South American rainforest. Closer to home, Prologis UK promotes sustainability through educational workshops and a unique sustainability curriculum delivered at more than 30 schools in areas where it has operations.

According to Julie Bunce, "Extending our sustainability mindset into the Solihull office represented the next step in a natural progression." Bunce has championed corporate responsibility and sustainability ever since she started with Prologis more than 10 years ago. "You see so much waste in an office environment. There must be some things we can do." »

“You’ve got to be seen doing the right thing in your own offices as well as those you’re building for other people.”

**Julie Bunce**, Prologis Office Manager and Green Group champion




Julie Bunce meets with colleagues in Solihull, UK.

Prologis' network of site-based teams, known as Sustainability Champions, or Green Group Champions in the UK, advance environmental stewardship and social responsibility efforts by engaging their fellow employees in projects and programs that advance locally relevant goals and strategies. Julie Bunce is one of Prologis UK's Green Group Champions.

Bunce commissioned an employee survey to gauge interest in sustainability. She was pleasantly surprised to discover that Solihull employees demonstrated strong interest—almost twice the national average compared to similar surveys conducted in the UK. Bunce created a Green Group and hosted the group's first meeting in late 2015 with a workshop to explore simple, low-cost ways to reduce the office's waste and carbon footprint. The team came up with many ideas that are poised to begin in mid-2016.

## Green Group Champions

engage fellow employees in advancing environmental stewardship and social responsibility projects.

Bunce describes her gratification in working with fellow Green Group employees: "It's quite exciting to see so many people, when it used to be just me. Having a group helps us do so much more." As to what motivates her to take on the extra work, she says, "We're lucky here—we can look out our windows and see trees and fields. And it's up to us to look after that properly." 

# Learning and Development

Our learning and development program offers all employees the opportunity for lifelong learning. Focus areas include career enrichment, talent management, leadership development and real estate and technical training. We actively pursue a policy of lateral role changes to respond to employees interested in broader exposure to the business. We believe the value generated by these programs goes beyond the individual. It is in the company's best business interest to build skills and aptitude for learning in our workforce. Better educated employees are better equipped to ensure the future growth and value of our company. Further, developing skills and talents allows individuals to thrive, leading to better opportunities and greater disposable income—thereby benefiting the communities where they live and work.



Onsite learning opportunities help employees broaden their skills.

## TRAINING

14 hours

of training per employee per year on average

500 COURSES

available to our employees

100%

of employees receive regular performance and career development feedback



# Employee Benefits and Well-Being

## 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. Relative compensation among women and men in comparable roles at Prologis is consistent. We plan to continue to develop our analytical capabilities so that in the future we can provide more detailed breakdowns of relative compensation that take into account factors such as tenure, career experience and more.

As part of the Prologis culture of caring, we are committed to providing a safe and healthy working environment for every employee.

## Wellness Initiatives

We are committed to the total well-being of our employees. Prologis' wellness programs support and motivate our colleagues across the globe in their pursuit of a healthy lifestyle.

In 2015, we held our annual Healthy Steps challenge, wherein global teams compete for prizes based on a goal of walking 10,000 steps per day. In 2016, we will launch Activate, a new individualized wellness initiative for our U.S.-based employees.

**20,350** STEPS

per day walked by 24 employees during the eight-week Healthy Steps challenge

**320 million**

steps walked by 567 Prologis employees during the company's 2015 Healthy Steps challenge

TOP: Prologis employees review property blueprints in the Columbus, Ohio, office.

BOTTOM: A comprehensive benefits program assists employees with health, well-being and financial security.

ETHICS AND GOVERNANCE

# Acting with Integrity

Integrity in all business matters is our promise. Prologis is committed to upholding the strictest 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; manage corruption, bribery and non-compliance risks; and safeguard the integrity of our supply chain.





# Transparency and Reporting

Our corporate governance practices create a culture of enduring and uncompromising integrity. The board of directors has established high standards for employees, officers and directors. 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. This committee receives a comprehensive annual update on Prologis' sustainability program.

For a complete description of Prologis' corporate governance practices and our approach to risk management, please refer to our 2016 Proxy Statement and our 2015 Form 10-K, or visit the Investor Relations page on our corporate website.

Our goal is transparent communication on sustainability-related issues, programs, goals, data and progress. We regularly report on environmental, social and governance issues to a number of widely recognized sustainability reporting organizations such as CDP for our carbon footprint, the



Prologis Park Pineham, North Hampton, UK.

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.

employees. Employees will not engage in conduct or activity that would raise questions about the company's honesty, impartiality or reputation or otherwise cause embarrassment to the company.

## Competitive Behavior and Noncompliance

Prologis' reputation is our most critical asset. As a company known for integrity and high ethical standards, we conduct business fairly, in an ethical manner that is in full compliance with all laws and regulations. Integrity is the foundation for all company relationships, including those with customers, suppliers and communities as well as those among

The Prologis board of directors has adopted a Code of Ethics and Business Conduct and an Anti-Corruption Policy, which is applicable to all employees and the board. The Code can be viewed on our website and is available on our company's intranet. When they join Prologis, each employee reads and signs 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 Foreign Corrupt Practices Act Policies have been translated into 16 languages to ensure that these documents are well-understood by Prologis employees around the world. For more information, see the [2015 Prologis Annual Report](#) and [2016 Prologis Proxy Statement](#).

# Anti-Corruption and Bribery

Acting responsibly is integral to our company culture. It is one of the tenets that ensures Prologis' continued success by strengthening the relationships we have with our stakeholders and making Prologis a better place to work. A culture of responsible behavior fosters goodwill in the communities in which we operate and generates the foundation of trust upon which we will build a better tomorrow.

Prologis has a zero-tolerance policy for bribery and corruption.

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 globally. Our employees, officers and board members receive regular training on our Code of Ethics and Business Conduct, information security, global fraud prevention and the Global Anti-

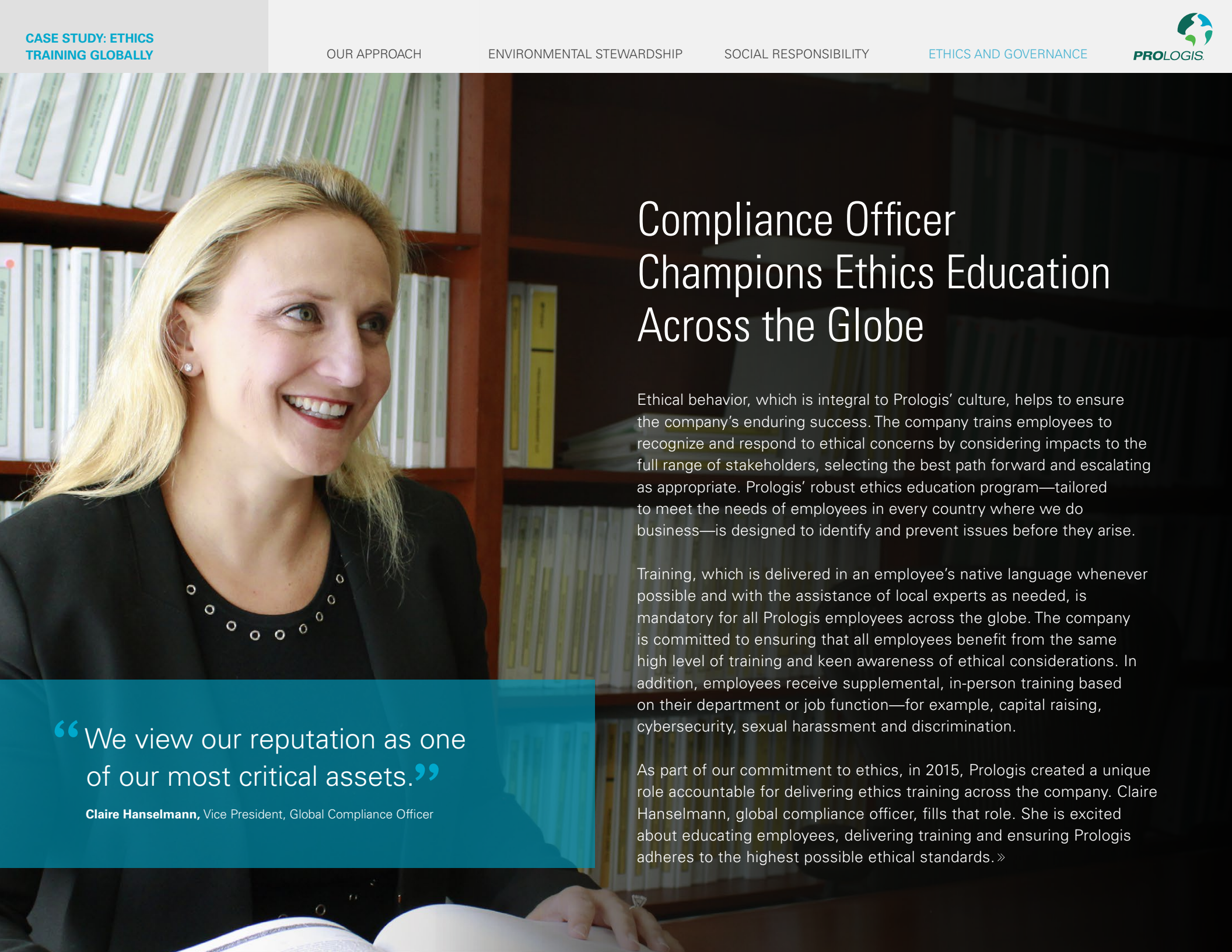


Ethics training ensures professionalism across all relationships and business interactions globally.

Corruption and Foreign Corrupt Practices Act to ensure they remain current on ethical issues and corporate expectations.

In 2015, Prologis did not receive any inquiries directly through our internal Ethics Helpline, a confidential third-party-administered hotline for reporting suspected Code of Conduct violations. Prologis received 18 inquiries

for suspected Code of Conduct violations through regular communication channels with management. Of these, 12 were unsubstantiated inquiries. 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 2015.



## Compliance Officer Champions Ethics Education Across the Globe

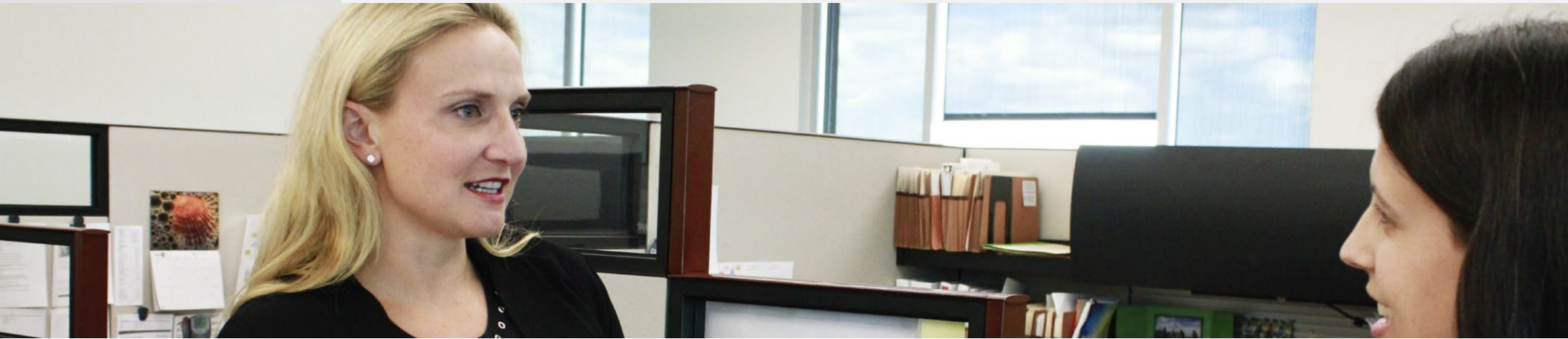
Ethical behavior, which is integral to Prologis' culture, helps to ensure the company's enduring success. The company trains employees to recognize and respond to ethical concerns by considering impacts to the full range of stakeholders, selecting the best path forward and escalating as appropriate. Prologis' robust ethics education program—tailored to meet the needs of employees in every country where we do business—is designed to identify and prevent issues before they arise.

Training, which is delivered in an employee's native language whenever possible and with the assistance of local experts as needed, is mandatory for all Prologis employees across the globe. The company is committed to ensuring that all employees benefit from the same high level of training and keen awareness of ethical considerations. In addition, employees receive supplemental, in-person training based on their department or job function—for example, capital raising, cybersecurity, sexual harassment and discrimination.

As part of our commitment to ethics, in 2015, Prologis created a unique role accountable for delivering ethics training across the company. Claire Hanselmann, global compliance officer, fills that role. She is excited about educating employees, delivering training and ensuring Prologis adheres to the highest possible ethical standards. »

“We view our reputation as one of our most critical assets.”

**Claire Hanselmann**, Vice President, Global Compliance Officer



Claire Hanselmann, Global Compliance Officer, speaks with a colleague at the company's operations headquarters in Denver, Colorado.

One of Hanselmann's 2015 projects was delivering in-person ethics training focused on anti-corruption measures to more than 100 employees in Mexico City. Attendees included employees in roles that ranged from maintenance technician to accountant to senior executive. Hanselmann presented hypothetical situations using real-world examples for the group to deliberate.


According to Hanselmann, "The discussion was robust and interactive. We looked at appropriate, ethical ways for employees to respond to red flags and difficult situations."

She also pointed out that having a co-trainer who spoke Spanish made a big difference to the level of engagement in group discussions. Similar in-person training with in-language co-facilitation was delivered to 38 employees in São Paulo, Brazil.

Ethics education is provided in every country in which Prologis does business. In addition, there is a strong local focus on ethics awareness and behavior in all Prologis offices. Some training is completed via video conference. For example, 110 China employees were trained with Claire leading the session via video conference and one of the Prologis lawyers for the country supporting her in-person to ease facilitation and ensure local understanding.

Nearly 500 employees have participated in video conference training in the Netherlands, the UK, Romania, Spain, France, Germany, Poland, Hungary, Italy and the Czech Republic.

1,589 employees certified to the Code of Ethics and Business Conduct


In addition, all new employees receive ethics training designed to ensure that they are aware of and understand the policies set forth in the company's Code of Conduct and Business Ethics and know how best to respond to any ethical issues that might arise in the course of their everyday work. Employees also receive quarterly reminders pertinent to relevant ethical topics, including insider trading, gifts and entertainment, avenues for reporting potential issues and more. 



## Dialogue Drives Risk Management

Jeff Bray, Prologis senior vice president of Global Risk Management, benchmarks Prologis' risk culture and framework every year. In 2015, he moved away from traditional surveys and informal discussions, scheduling formal, one-on-one conversations with senior leaders. Bray wanted to understand key risks from each leader's unique vantage point on the business. From these conversations, areas of progress within the company and emerging trends across the industry became apparent. When Bray presented his findings to the board, they requested that he interview them as well. This resulted in further hours of conversation with board members.

Bray's conversations with senior leaders and board members told a consistent story: "Protecting our reputation as a leading real estate company and trusted investment partner drives risk awareness throughout the company." Bray adds, "Being a key component of our customers' supply chain and upholding our fiduciary obligation to our investors have created a strong risk culture here at Prologis. Our strong risk culture ensures a resilient platform."

Swapping surveys for interviews provided risk management with clearer sightlines on both current state and future possibilities and ensures a current view of the risk landscape. Says Bray, "We continue to improve relevance and transparency in our dialogue, and we make sure that our findings are actionable." 

“We’re looking beyond today’s risks to what could come at us tomorrow.”

Jeff Bray, Senior Vice President, Global Risk Management

# 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. We work closely with and depend on the work of general contractors and other suppliers to achieve our business aims, and we take this opportunity to leverage our culture and values to ensure a greater good.

In 2013, we launched our Supplier Code of Conduct. It is now translated into four languages and written into all of the contracts that we sign with our suppliers. Prologis 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 OSHA or environmental violations as part of the prequalification process for working with Prologis. Data is collected annually, and this information is taken into consideration, along with factors such as cost and prior project experience, to assess



Prologis Park Pineham, Northampton, UK.

contractor performance in procurement and contracting decisions. We plan to improve our processes in the future by automating prequalification documentation for easier access to data and more consistent tracking of suppliers.

Beginning in 2016, Prologis will work with PICS Auditing (now Avetta) to ensure our suppliers meet all of Prologis' requirements: insurance

coverage, safety programs, financial stability, quality systems, terms and conditions, sustainability, Supplier Code of Conduct and regulatory compliance. The PICS platform allows us to ensure transparent, effective supply chain management through a rigorous prequalification process to improve supplier performance, validate safety data, increase operational efficiencies and reduce risk.

# About This Report



Prologis Kaiser Distribution Center, Inland Empire, California.

Prologis' 2015 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 2015 activities in the Americas, Europe and Asia.

This report marks our ninth consecutive year of reporting to GRI's Sustainability Reporting Guidelines and the Construction and Real Estate (CRE) Sector Disclosures. This is our third year reporting in accordance with the GRI G4 Guidelines—Core option. A GRI G4 Content Index is included on page 54, and specific disclosures are included throughout the report. Information and data for years prior to 2015 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 2015 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 DNV GL using the AA1000 Assurance Standard (2008). DNV GL interviewed members of the Prologis executive committee and senior management to ensure that this report complies with the principles of inclusivity, materiality and responsiveness. DNV GL also assessed the reliability of specified sustainability performance information and verified our 2015 GHG inventory using the World Resource Institute and World Business Council on Sustainable Development Greenhouse Gas Protocol. Our complete Assurance Statement is found on page 48.

# Memberships and Associations

## 2015 Memberships

- 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)
- Solar Electric Power Association (SEPA)
- 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)







Employees in our Columbus, Ohio, office.

## External Assurance Statement

### Scope and Objectives

DNV GL Business Assurance USA, Inc. (DNV GL) was commissioned by Prologis Inc. (Prologis) to conduct independent assurance of its 2015 Sustainability Report ('the Report'), as published on the company's website at <http://www.prologis.com/docs/Prologis2015SustainabilityReport.pdf>.

Our assurance engagement was planned and carried out in accordance with AA1000AS (2008), using DNVGL's VeriSustain methodology. VeriSustain is based on our professional experience, international assurance best practice including AA1000 Assurance Standard, and the Global Reporting Initiative (GRI) Sustainability Reporting

Guidelines. We understand that the reported financial data and information are based on data from Prologis' 2015 Annual Report, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We were engaged to provide Type 2 moderate level assurance, with the exception of GHG emissions which were verified to a reasonable level of assurance. Our scope covered:

- Evaluation of adherence to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness (the Principles); and

- The reliability of specified sustainability performance information and related claims in the report for:
  - » Risk management
  - » Employee satisfaction, engagement, benefits and compensation
  - » Ethics and ethical behavior
  - » Building energy efficiency
  - » Impact of development on local community
  - » 2015 greenhouse gas (GHG) inventory assertions for Scope 1, 2 and 3 (category 6 and 7) for reporting to the CDP in 2016



A 'high level' of assurance would have required additional work at the headquarters and site level to gain further evidence to support the basis of our assurance opinion. We evaluated the performance data using the reliability principle as defined below.

We followed the procedures as outlined in the VeriSustain protocol found at, <https://www.dnvgl.co.uk/assurance/reporting/index.html>, to complete the project. We used the Global Reporting Initiative (GRI) Quality of Information Principles (Balance, Clarity, Accuracy, Reliability, Timeliness and Comparability) as criteria for evaluating performance information, together with Prologis' data protocols for how the data are measured, recorded, and reported. The verification of GHG emissions were verified to a reasonable level of assurance using the World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) greenhouse gas protocol and the organizational boundaries are all global sites under Prologis' operational control. All data were verified for the period between 1 January 2015 to 31 December 2015.

### Responsibilities of Prologis Inc. and of the Assurance Providers

Prologis has sole responsibility for preparation of the Report. In performing our

assurance work, our responsibility is to the management of Prologis. Our statement, however, represents our independent opinion and is intended to inform all of Prologis' stakeholders.

DNV GL was not involved in the preparation of any statements or data included in the Report, except for this assurance statement. This is our tenth year of providing assurance for Prologis. We adopt a balanced approach towards all stakeholders when performing our evaluation.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

### Basis of our opinion

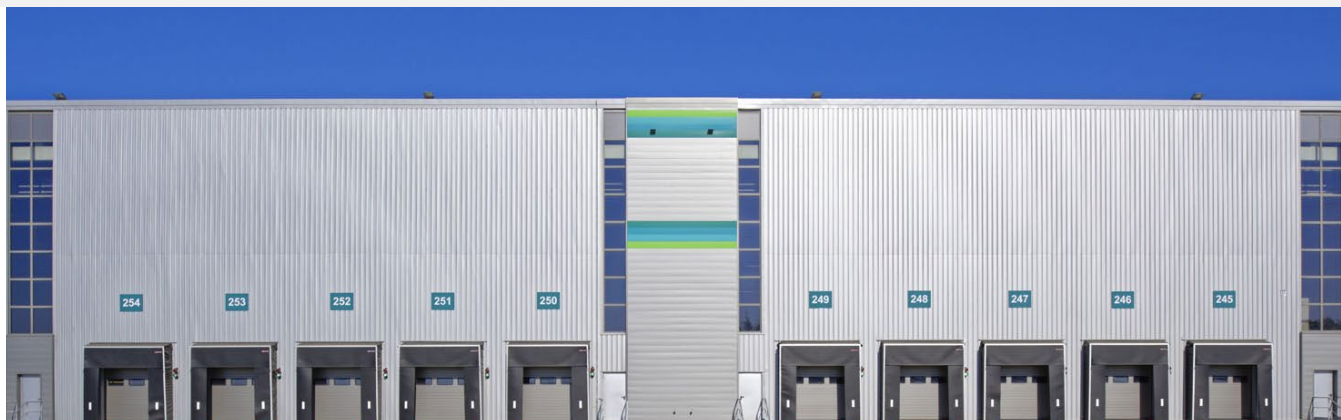
A multi-disciplinary team of sustainability and assurance specialists performed work at headquarters and site level. We undertook the following activities:

- Review of the current sustainability issues that could affect Prologis and are of interest to stakeholders;

TOP: Prologis office in Columbus, Ohio.

BOTTOM: Prologis corporate headquarters in San Francisco, California.

- Review of Prologis’s approach to stakeholder engagement and recent outputs;
- Review of information provided to us by Prologis on its reporting and management processes relating to the Principles;
- We conducted interviews with a selection of the senior officers and managers based in San Francisco, California; Denver, Colorado; Seattle, Washington; Boston, Massachusetts; and Tokyo, Japan who are responsible for areas of management and stakeholder relationships covered by the Report. The objective of these discussions was to understand top level commitment and strategy related to sustainability and Prologis’ governance arrangements, stakeholder engagement activity, management priorities, and systems;
- We visited one site in development in Tokyo, Japan. During the site visit, we met with the Senior Vice President, Construction Management; Senior Vice President, General Counsel & Compliance Officer; Vice President, Human Resources & Administration; Managing Director, Head of Investor & Public Relations, Human Resources & Administration, IT; Director, Operations; Vice President, Global Energy & Development; Representative of the Primary Service Contractor responsible for construction management at the site;



Prologis Meaux Distribution Center, Paris, France.

- We reviewed the specified data collated at the corporate level, including that gathered by other parties, and statements made in the Report. We interviewed managers responsible for internal data validation, reviewed their work processes, and undertook sample-based audits of the processes for generating, gathering, and managing the quantitative and qualitative sustainability data;
  - We assessed documentation and evidence that supported and substantiated claims made in the Report;
  - We provided feedback on a draft of the Report based on our assurance scope.
- » Selection and management of all relevant GHG data and information;
  - » Processes for collecting, processing, consolidation and report GHG data and information;
  - » Systems and processes that ensure the accuracy of GHG data and information;
  - » Design and maintenance of the GHG information system;
  - » Systems and processes that support the GHG information system;
- We examined the GHG data and information to develop evidence for the assessment of the GHG assertions
  - We evaluated whether the evidence and data are sufficient and support Prologis’ GHG inventory assertions.

**Additional activities related to verification of GHG Scope 1, 2 and 3 (Category 6 and 7) Emissions**

- We assessed GHG data information systems and controls, including:

Our team included: Tom Andresen Gosselin, Stephanie Alderson, Kim Bach Vu, Natasha D’Silva and Barbara Toole O’Neil.

## Findings

On the basis of the work conducted, nothing came to our attention to suggest that the Report does not properly describe Prologis' adherence to the Principles of Inclusivity, Materiality, and Responsiveness. In terms of the reliability of performance data, nothing came to our attention to suggest that these data and claims have not been properly collated from information reported at operational level, nor that the assumptions used were inappropriate.

Prologis' reported GHG emissions are 14,853 metric tons of CO<sub>2</sub>e for Scope 1, 2 and 3 (Business Travel and Employee Commute) were emitted in 2015 from its global operations. Based on the processes and procedures conducted we found that Prologis' reported GHG emissions are materially correct and are a fair representation of GHG data and information, and have been prepared in accordance with the World Business Council for Sustainable Development (WBCSD)/ World Resources Institute (WRI) greenhouse gas protocol, as referenced above.

## Observations

Without affecting our assurance opinion, we also provide the following observations.

### **Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.**

Based on our review, Prologis has exhibited proactive engagement both with internal and external stakeholders by encouraging feedback through multiple avenues, such as the Employee Engagement Survey, Customer Experience Initiative, and Customer Sustainability Roundtable. There is opportunity to explore a deeper level of engagement with suppliers beyond current practices. For example, Prologis has incorporated the Supplier Code of Conduct into all supplier contracts and has also integrated a new supply chain management software system to

ensure compliance to Prologis' requirements; however, there is opportunity to continue to investigate ways in which they can proactively interact with suppliers around sustainability. For example, Prologis can consider periodically convening suppliers to increase awareness of Prologis' sustainability priorities in the region, provide a refresh Prologis' Code of Conduct and health and safety reporting requirements, and share best practices between suppliers.

Prologis underwent a materiality assessment refresh in 2015 and expanded the assessment to include a wider range of topics and a more varied group of internal stakeholders. In order to capture external stakeholder sentiments, employees who interact with key stakeholders were surveyed about the topics



Prologis Park Chanteloup, Moissy-Cramayel, France.



Prologis Stapleton Business Center, Denver, Colorado.

that most concerned those stakeholders. While this does effectively expand the scope of the assessment, best practice in materiality includes direct engagement with external stakeholders. We continue to recommend that the materiality assessment include external stakeholders directly as this would provide precise insights from an external perspective and would increase the credibility of the identified material issues.

**Materiality: identification of those issues which are necessary for stakeholders to make informed judgments concerning the organization and its impacts.**

The report addresses the most material environmental and social issues facing the company and its stakeholders. Prologis has taken a strategic and forward-looking approach towards addressing most of the

identified material topics. For example, Prologis' focused energy strategy has not only made them leaders in energy efficiency in their industry by focusing on energy-efficient lighting, but they also demonstrate leadership in the renewable energy arena with their active incorporation of solar on their buildings. Solar allows them to leverage their space as a mechanism for producing clean energy.

We recommend that Prologis consider integrating the materiality and risk management assessment exercises to ensure alignment of sustainability objectives with business processes.

**Responsiveness: the extent to which the organization responds to stakeholder issues**

Prologis systematically engages stakeholders throughout the year in order to gain feedback

on the company's own performance as well as insight into stakeholder's sustainability priorities. The company uses data gathered through engagement activities to inform decision-making and enhance the effectiveness of the sustainability initiatives pursued. From our review, DNV GL noted that Prologis responds to the information gathered through its engagement efforts to help stakeholders, such as its customers, achieve their own sustainability objectives and help drive their own sustainability performance forward.

We also noted that Prologis engages with local communities from the onset, starting with impact assessments for planned development projects. In order to build on assessing impact on local communities, Prologis should consider implementing a company-wide database system that retains the community stakeholder issues raised from various mechanisms in order to establish



trends, assess impacts and help manage stakeholder concerns in the future. This would include engaging with suppliers and contractors on the issues raised.

### Performance Information

Prologis' reporting of goals and performance including the disclosure of data is presented in a clear manner. They continue to progressively move towards increased sustainability performance by identifying and pursuing more challenging sustainability objectives. In future reports, we recommend that Prologis go into more detail about the challenges they face with their sustainability goals.

Prologis has been recognized for their sustainability performance as evident through the numerous sustainability awards won many years in a row. There is clear alignment of their environmental goals with their overall business strategy, which further integrates sustainability into their business objectives.

For the data within the scope of our assurance engagement, we found that minimal technical errors have been identified based on the sampling. Prologis continues to take actions to improve data collection and accuracy, such

as the recent implementation of a supplier management software system which will increase the reliability of their supply chain management data. The tone of the Report is broadly neutral with no obvious and deliberate intent to unduly influence the reader.

**DNV GL Business Assurance USA Inc.**  
**Oakland, California**  
**June 6<sup>th</sup>, 2016**

**Tom Gosselin**  
 Project Director

**Stephanie Alderson**  
 Project Consultant

**Jon Woodhead**  
 Technical Reviewer

The purpose of the DNV GL group of companies is to promote safe and sustainable futures. The USA & Canada Sustainability team is part of DNV GL Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnvgl.com](http://www.dnvgl.com)



TOP: A Prologis build-to-suit project (customer office) in Denver, Colorado.  
 BOTTOM: Employees in our Paris, France, office.

# GRI G4 Content Index

	Indicator	Description	Location in Report	External Assurance	Page
<b>GENERAL STANDARD DISCLOSURES</b>					
Strategy and Analysis	G4-1	Statement from the most senior decision maker in the organization about the relevance of sustainability to the organization and its strategy	Message from Hamid Moghadam		3-4
	G4-2	Key impacts on sustainability and effects on stakeholders	Message from Jeannie Renne-Malone, VP of Sustainability		5-6
Organizational Profile	G4-3	Organization name	Prologis, Inc.		
	G4-4	Primary brands, products, and services	Three Complementary Lines of Business Drive Enduring Value		7
	G4-5	Headquarters location	San Francisco, CA		
	G4-6	Organization operations	Three Complementary Lines of Business Drive Enduring Value		7
	G4-7	Nature of ownership and legal form	2015 Form 10-K		
	G4-8	Markets served	Three Complementary Lines of Business Drive Enduring Value		7
	G4-9	Scale of the organization	2015 Form 10-K		
	G4-10	Total number of employees by type	Building Lasting Relationships		30
	G4-11	Collective bargaining agreements	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. Our employees in France account for approximately 3 percent of our global workforce.		

	Indicator	Description	Location in Report	External Assurance	Page
Organizational Profile	G4-13	Organizational changes during the report	The Prologis portfolio of industrial real estate facilities grew by 347 properties in 2015. Employee count grew by 100.		
	G4-14	Precautionary principle	Case Study: Transparency	Yes, pages 48-53	44
	G4-15	External charters, principles or other initiatives	GRI Organizational Stakeholder		
	G4-16	Membership associations	Memberships and Associations		47
Identified Material Aspects And Boundaries	G4-17	Entities included in financial statements	Prologis, Inc.		
	G4-18	Process for defining report boundaries and content	Materiality and Stakeholder Engagement About this Report	Yes, pages 48-53	10-11 46
	G4-19	Material aspects included in the report	Materiality and Stakeholder Engagement	Yes, pages 48-53	11
	G4-20	Descriptions of material aspect boundaries within the organization	Materiality and Stakeholder Engagement	Yes, pages 48-53	
	G4-21	Descriptions of material aspects outside the organization	Materiality and Stakeholder Engagement	Yes, pages 48-53	
	G4-22	Restatements	In our 2014 report we stated our average training hours as 33 per employee. A re-evaluation of hours determined the correct number to be 3.3 average hours per employee.		
	G4-23	Significant changes	None		
Stakeholder Engagement	G4-24	Stakeholder groups	Materiality and Stakeholder Engagement	Yes, pages 48-53	10-11
	G4-25	How stakeholders were identified	Materiality and Stakeholder Engagement	Yes, pages 48-53	10-11



	Indicator	Description	Location in Report	External Assurance	Page
Stakeholder Engagement	G4-26	Approach to stakeholder engagement	Materiality and Stakeholder Engagement	Yes, pages 48-53	10-11
	G4-27	Topics raised during stakeholder engagements	Materiality and Stakeholder Engagement	Yes, pages 48-53	10-11
Report Profile	G4-28	Reporting period	January 1, 2015 – December 31, 2015		
	G4-29	Date of most recent report	August 2015		
	G4-30	Reporting cycle	Annual		
	G4-31	Report contact	<a href="mailto:sustainability@prologis.com">sustainability@prologis.com</a>		
	G4-32	“In accordance” option, GRI Index and report assurance	About this Report 46		
	G4-33	Policy regarding report assurance	About this Report 46		
Governance	G4-34	Governance structure of the organization	Acting with Integrity 40		
	G4-38	Composition of the board and its committees	<a href="#">2016 Proxy Statement</a>		
	G4-39	Whether the chair of the board is also an executive officer	Yes		
	G4-40	Nomination and selection process for the board and its committees	<a href="#">2016 Proxy Statement</a>		
	G4-46	Board role in reviewing risk management processes for sustainability topics	Acting with Integrity 40		
	G4-47	Frequency of the board’s review of sustainability impacts, risks and opportunities	Annual		
	G4-48	Highest committee or position that formally reviews and approves the organization’s sustainability report	Acting with Integrity 40		

	Indicator	Description	Location in Report	External Assurance	Page
Ethics and Integrity	G4-51	Remuneration policies for the board and senior executives	2016 Proxy Statement		
	G4-52	Process for determining remuneration	2016 Proxy Statement		
	G4-56	Code of conduct	Acting with Integrity	Yes, pages 48-53	40-41
	G4-57	Helplines or advice lines for employees	Acting with Integrity	Yes, pages 48-53	40-41
	G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior	Acting with Integrity	Yes, pages 48-53	40-41
<b>ECONOMIC</b>					
Specific Standard Disclosures	G4-EC1	Economic value	2015 Form 10-K		
	G4-EC2	Climate change risks	VP of Sustainability Letter 2015 Form 10-K		5-6
<b>ENVIRONMENTAL</b>					
Specific Standard Disclosures	G4-EN6	Energy reductions	Taking Responsibility		28
	G4-EN7	Energy reductions in products and services	Taking Responsibility		19
	G4-EN8	Water withdrawals	Total water withdrawal for the Denver office (commercial and recycled) – 2,439,000 gallons, a 9% decrease from 2014 usage. The Denver office accounts for 20% of our total FTE across the company.		
	G4-CRE1	Building energy intensity	Taking Responsibility	Yes, pages 48-53	19
	G4E-EN15	GHG emissions (Scope 1)	Taking Responsibility	Yes, pages 48-53	27-28

	Indicator	Description	Location in Report	External Assurance	Page
Specific Standard Disclosures	G4-EN16	GHG emissions (Scope 2)	Taking Responsibility	Yes, pages 48-53	27-28
	G4-EN17	GHG emissions (Scope 3)	Taking Responsibility	Yes, pages 48-53	27-28
	G4-EN18	GHG emissions intensity	Taking Responsibility		19
	G4-EN19	Reduction of GHG emissions	Taking Responsibility		28
	G4-CRE3	Building GHG intensity	Taking Responsibility		19
	G4-EN30	Environmental impacts from product distribution and employee travel	Taking Responsibility – Corporate Carbon Footprint		28
<b>SOCIAL</b>					
Specific Standard Disclosures	G4-LA1	Number and rate of new employee hires and turnover	344 new employee hires 6% turnover rate		
	G4-LA2	Benefits provided to full-time employees	Building Lasting Relationships	Yes, pages 48-53	38
	G4-LA6	Lost days and absenteeism	U.S. 6.37 lost work days		
	G4-LA59	Average hours of training for employees	Building Lasting Relationships		37
	G4-SO1	Local community engagement, impact assessments and development programs	Taking Responsibility Building Lasting Relationships	Yes, pages 48-53	23 34
	G4-SO4	Communications and training on anticorruption	Acting with Integrity		42-43
	G4-CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Taking Responsibility	Yes, pages 48-53	15

# Engage with Us

We value your feedback, and welcome any questions, comments or suggestions on this report and our performance. Please send your feedback to:  
**[sustainability@prologis.com](mailto:sustainability@prologis.com)**.

Stay up to date or for more information contact us at:  
**[www.prologis.com](http://www.prologis.com)**  
**[www.linkedin.com/company/prologis](https://www.linkedin.com/company/prologis)**  
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