Framework Overview and Second-Party Opinion

Prologis Green Bond

Prologis refers to Prologis, Inc., Prologis, L.P., its related co-investment ventures and other affiliates (collectively, "Prologis" or the "company") [1]

Evaluation Summary

Sustainalytics is of the opinion that the Prologis Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2017. Some key considerations of the assessment are:

USE OF PROCEEDS The eligible categories for the use of proceeds, green buildings, renewable energy, and energy efficiency are aligned with those recognized by the Green Bond Principles, and have clear positive environmental impact.

PROJECT EVALUTION / SELECTION Prologis has a Green Bond Committee in place that is comprised of members of the company's management as well as members of the company's ESG department, or persons related to the Issuer or a Prologis affiliate supporting the company's ESG department, as applicable. This is in line with market practice.

MANAGEMENT OF PROCEEDS Prologis' disclosure and processes to manage and track proceeds are in line with market practice.

REPORTING Prologis intends to report allocation of net proceeds on an annual basis at a category level. This is in line with market practice. With respect to impact reporting, Prologis is committed to reporting the levels of certification of properties in the portfolio applicable to the outstanding Green Bonds on an annual basis.

Evaluation date	May 15, 2018
Issuer Location	Global

Report Sections

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[1] Please refer to Appendix I for a list of additional Prologis issuers of potential and currently outstanding Green Bonds.

Introduction

Prologis has developed a green bond framework under which it plans to issue green bonds and use the proceeds to finance expenditures related to the construction and refurbishment of green buildings, generation of renewable energy, and energy efficiency. Prologis has engaged Sustainalytics to provide a Second-Party Opinion on its framework and the framework's environmental credentials. As part of this engagement, Sustainalytics held conversations with various members of Prologis' management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of Prologis' framework. Sustainalytics also reviewed relevant public documents and non-public information. Following this engagement between Prologis and Sustainalytics, some elements of the green bond framework were clarified to ensure an alignment with the level of disclosure expected by ICMA's Green Bond Principles 2017[2] (GBP 2017). This document contains two sections: Framework Overview – summary of the Prologis Green Bond Framework; and Sustainalytics' Opinion – an opinion on the framework.

Overview of Issuer

Prologis, including its family of co-investment ventures and related affiliates, is a leading global logistics real estate company. The company leases distribution facilities to customers in the business-to-business and retail/online fulfilment categories. Prologis was founded in 1983 and is headquartered in San Francisco, California.

Prologis manages its business on an owned-and-managed basis, including properties wholly owned by Prologis, L.P. or owned by their co-investment ventures. The company operates properties on an ownership-blind basis, such that the management policies, including those relating to sustainability, apply to all of the properties the company manages whether held by a co-investment venture or directly by Prologis.

Prologis' sustainability strategy has a strong focus on minimizing the negative environmental impacts of its logistics real estate facilities and corporate offices, with a core objective of improving energy efficiency and reducing corporate greenhouse gas (GHG) emissions. Prologis establishes goals, tracks progress and reports outcomes across the company's portfolio through an ESG framework:

- Environmental - impact of the portfolio and operations;
- Social - relationships with employees, customers, investors and communities; and
- Governance - organizational policies, procedures and practices.

Prologis seeks to do the following, in line with the company's operating and development strategies:

- Develop energy-efficient buildings that reduce operating costs;
- Meet recognized sustainable development standards; and
- Reduce the company's environmental footprint.

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[2] The Green Bond Principles 2017, dated 2 June 2017, issued by the International Capital Markets Association (ICMA)

Framework Overview

Prologis Inc., Prologis, L.P., any of its co-investment ventures or other affiliates may from time to time issue Green Bonds in line with the Prologis "Green Bond Framework." Prologis issuers of potential and currently outstanding green bonds are set forth in Appendix I. This Framework may also be used to govern other financings for which proceeds are intended to be allocated to Eligible Green Projects that are defined, selected, tracked and reported on in accordance with this Framework.

This Green Bond Framework follows the GBP 2017 which provides guidelines in four key areas:

1. Use of proceeds;
2. Process for project evaluation and selection;
3. Management of proceeds; and
4. Reporting

Use of Proceeds

The proceeds of the green bond will be allocated towards financing projects that meet the following eligibility criteria.

Eligibility Criteria

1. GREEN BUILDINGS:

Use of proceeds: New or existing investments in or expenditures on properties which meet at least one of the following requirements:

i) New, existing or refurbished buildings which have received at least one of the following classifications:

a. LEED: Platinum, Gold or Silver

b. DGNB: Platinum, Gold, or Silver

c. BREEAM: Outstanding, Excellent, Very Good or Good

d. HQE: Exceptional, Excellent, Very Good (Very Performant) and Good (Performant)[3]

e. CASBEE: S, A or B+

f. DBJ Green Building Certification: 5 or 4

g. BELS: 5 or 4

ii) Refurbishments to properties in order to significantly improve energy efficiency and/or water efficiency of, or make other environmentally beneficial improvements to a building, building subsystem or land, including but not limited to investments in LED and other energy efficient lighting, cool roof and other sustainability-oriented construction materials, smart meters, electric and renewable energy charging stations and batteries, xeriscaping/drought-tolerant landscaping, waste diversion, water and energy-saving technologies and materials and improvements recognized by sustainability rating systems.

[3] Prologis properties that received HQE status prior to 2015 were rated as Performant or Very Performant. HQE has since released a new framework with a rating system of Pass/Good/Very Good/Excellent/Exceptional, and any future Prologis HQE certifications will be under this system. The new framework provides an equivalence between the two ratings systems, where Performant matches up with Good and Very Performant with Very Good.

2. RENEWABLE ENERGY:

Use of Proceeds: New or existing investments in or expenditures on the acquisition, development, construction and/or installation of renewable energy production units. Renewable energy and storage projects can include (but are not limited to):

i) Solar panel installations, including those on rooftops of properties owned and/or managed by the Issuer or one of its affiliates
ii) Wind-related energy projects

3. ENERGY EFFICIENCY:

i) Energy storage systems

Project Evaluation and Selection Process

Projects to which the Green Bond proceeds are intended to be allocated are evaluated and selected based on compliance with the eligibility criteria set forth under the section "Use of Proceeds" by the Issuer's Green Bond Committee, which is comprised of members of Prologis's Environmental, Social and Governance (ESG) department or persons related to the Issuer or a Prologis affiliate supporting the Prologis ESG department together with members of Prologis management as applicable.

Management of Proceeds

The Issuer's Green Bond Committee intends to allocate the proceeds from the issue of Green Bonds to a portfolio of assets (the "Eligible Green Project Portfolio") within the applicable asset portfolio of the Issuer or any of its affiliates. The Issuer will strive, as long as the applicable Green Bonds are outstanding, to achieve a level of allocation for the Eligible Green Project Portfolio which, after adjustments for "Intervening Circumstances" (including, but not limited to, sales, repayments and possible loss of certifications), matches the balance of net proceeds from its outstanding Green Bonds. In the case of Intervening Circumstances, for so long as the applicable Green Bonds are outstanding, the Issuer will strive to add Eligible Green Projects to the Issuer's Eligible Green Project Portfolio to the extent required to ensure that the net proceeds from outstanding Green Bonds will be allocated to Eligible Green Projects. The Issuer will internally track the allocated proceeds on a portfolio basis.

Pending the allocation of the net proceeds of a Green Bond to Eligible Green Projects, all or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities.

Reporting

The Issuer will report on a website for Prologis, a Prologis affiliate or an Issuer, as applicable, the allocation of net proceeds to the Eligible Green Project Portfolio (the "Allocation Reporting") within a year of issuance of the applicable Green Bonds. This reporting will be updated annually until full allocation of the Green Bond net proceeds or until the applicable Green Bonds are no longer outstanding. The Issuer intends to report the allocation of the Use of Proceeds to the Eligible Green Project Portfolio at least at the category level and on an aggregated basis for all of the Issuer's Green Bonds for so long as such Green Bonds remain outstanding.

To the extent practicable, the Issuer will provide information such as:

- The total amount of proceeds allocated;
- The number of eligible projects;
- The balance of unallocated proceeds; and

- For properties in the Eligible Green Project Portfolio: the levels of certification of properties in the portfolio.

For so long as the applicable Green Bonds are outstanding, to the extent the Eligible Green Portfolio has changed in the Allocation Reporting from the prior year's Allocation Reporting, if and as disclosed by the Issuer in applicable Green Bond documentation, the Issuer intends to receive a report from an independent accountant or a Green Bond Committee report attesting to its examination of the Issuer's management's assertion of the allocation of the Green Bond net proceeds to the Eligible Green Project Portfolio.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Prologis Green Bond Framework

Summary

Overall, Sustainalytics is of the opinion that the Prologis Green Bond Framework is credible, robust and aligns with four core components of the Green Bond Principles 2017. In addition, Sustainalytics views the following elements of the Prologis Green Bond Framework positively:

- Green Buildings, Renewable Energy, and Energy Efficiency are recognized by the Green Bond Principles as project categories with clear environmental benefits, and Sustainalytics views the projects set forth in the use of proceeds of the Prologis Green Bond Framework as having a positive impact (for additional information on impact see Section 3)
- The eligibility criterion of Prologis' certified buildings is based on third-party certification standards, specifically LEED, DGNB, BREEAM, HQE, CASBEE, DBJ Green Building Certification, and BELS. Sustainalytics has conducted an evaluation of the certifications, and views the properties meeting such certification standards as having a positive impact (see Appendix III for additional details on the certification schemes).
- Sustainalytics recognizes that the top two levels within the certification schemes above are generally preferred by some investors as a benchmark for green bond eligibility, as they provide a higher level of assurance of positive impact. Nonetheless, given the nature of Prologis' building portfolio (which includes large, potentially energy-intensive buildings), Sustainalytics is of the view that the inclusion in Prologis' Green Bond Framework of green buildings that achieve certification levels ranging from good to excellent performance will have a clear positive environmental impact.
- Prologis has a Green Bond Committee in place that is comprised of members of the company's management as well as members of the company's ESG department, or persons related to the Issuer or a Prologis affiliate supporting the company's ESG department, as applicable. The committee evaluates and selects projects funded by bond proceeds based on the defined eligibility criteria. This is in line with market practice.
- Prologis' disclosure and processes with respect to the management of proceeds are in line with market practice.
- The company has committed to reporting on an annual basis, yearly allocation amounts to the "Eligible Green Project Portfolio" at a portfolio level. This will include total amounts allocated, number of eligible projects, and the balance of unallocated proceeds This is in line with market practice. Through extensive discussions with Prologis' sustainability team, it has become clear that sustainable building practices at Prologis are integrated and owned at the field level across a substantial portfolio across 19 countries and various restraints on tenant data collection exist. Sustainalytics acknowledges that obtaining environmental impact data from leased properties is reasonably limited by the size, global scale and structure of the company. Given this context the commitment to report on the certification levels of green buildings is in Sustainalytics view, acceptable.

Alignment with Green Bond Principles 2017:

Sustainalytics has determined that the Prologis Green Bond Framework aligns to the four core components of the Green Bond Principles 2017. For detailed information please refer to Appendix IV: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of the proceeds of the green bonds to Prologis' sustainability strategy

Prologis has embedded sustainability into its global business strategy and pursues ambitious targets that further advance its sustainability objectives. Some notable aspects of the company's sustainability strategy include:

- The company's approach to sustainability is holistic and a clear commitment from senior executives to advance the company's sustainability goals is evident.
- Prologis produces an annual sustainability report in accordance with the GRI Standards - Core option, further demonstrating the company's commitment to transparency and sustainability. In addition, the company's 2016 report was assured by an independent auditor, which in Sustainalytics view demonstrates leading practice.
- Prologis has reported its GHG inventory to the Carbon Disclosure Project (CDP) on an annual basis since 2006 and is a signatory to the CDP's Commit to Action. In Sustainalytics view, this demonstrates a clear commitment to reduce the company's impacts on climate change. In addition, the company states that it aims to align its business practices with the advancement of three UN Sustainable Development Goals: Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all, Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation and Goal 13: Take urgent action to combat climate change and its impacts.
- The company has established a comprehensive set of strategic environmental and energy targets. For example, the company aims to increase its overall solar generating capacity to 200 MW by 2020 and, in 2016, Prologis reported that it had installed 165 MW and was on track to achieve this goal.
- Prologis demonstrates an ongoing commitment to the sustainability of its logistics facilities by obtaining sustainable buildings certification for 233 projects across 16 countries as of year-end 2016, with the goal of obtaining certification for 100% of new developments (where appropriate and rating systems are available) going forward.
- Prologis' environmental stewardship policies extend to its suppliers, which is outlined in its Supplier Code of Conduct.[4] Sustainalytics views this as evidence of Prologis' commitment to sustainability across its value chain.

Overall, Sustainalytics considers Prologis to be well positioned to issue green bonds given its leading sustainability practices and commitments. Furthermore, the issuance of green bonds aligns with the company's sustainability strategy and will contribute to the realization of its environmental and energy targets.

Well positioned to address common environmental and social risks associated with the projects

As a global real estate company, Prologis is exposed to certain environmental and social risks such as worker health and safety and environmental degradation and water pollution risk surrounding its facilities.

To mitigate these risks, Prologis has a comprehensive risk management framework in place that proactively manages risk through weekly investment committee meetings and a centralized team that is dedicated to managing risk globally and is closely engaged with Prologis' teams at the individual market level. The company also ensures that rigorous internal and third-party audits are performed that assess the company's controls and procedures.[5]

Furthermore, the company certifies real estate projects under globally recognized green building certifications (see Appendix III for comparison table). For example, the company's HQE- and BREEAM-certified projects increase the scope of this assessment as they require:

- An impact assessment on local populations (neighborhood)

[4] Prologis Supplier Code of Conduct https://www.prologis.com/docs/Prologis%20Supplier%20Code%20of%20Conduct.pdf
[5] Prologis Sustainability Report https://prologis.getbynder.com/m/0a6fa29618a465f4/original/Prologis_2016_SustainabilityReport.pdf

- An impact assessment on noise and visual negative impacts;
- Air, water and electromagnetic quality studies;
- Waste management practices and use of local materials;
- Biodiversity protection.

It should also be noted that Prologis rates as one of the outperforming companies in the Real Estate industry in terms of ESG performance, according to Sustainalytics' ESG research.[6] Given the company's strong ESG performance, comprehensive risk mitigation framework, and commitment to ensure 100% of new developments achieve recognized green building certifications, Sustainalytics is of the opinion that the company is well positioned to address common environmental and social risks associated with its real estate developments.

[6] Information as of September 2017; For further details please refer to Appendix II

Section 3: Impact of Use of Proceeds

Impact of green building certifications for logistics buildings

The commercial and residential real estate sector continues to have a sizeable environmental footprint due to considerable GHG emissions and as a result has emerged as a significant contributor to climate change globally. In 2015, the direct GHG emissions from the US commercial and residential real estate sector accounted for approximately 12% of total emissions.[7] In Europe a similar situation exists. In France, for example, the real estate sector accounts for 43% of final energy consumption[8] and 25% of GHG emissions. Additionally, in Japan, CO2 emissions generated by the commercial and residential real estate sector account for over 30% of total emissions[9].

In light of this substantial footprint, it is Sustainalytics' view that the allocation of green bond proceeds towards buildings that have achieved LEED, BREEAM, HQE, DGNB, CASBEE, DBJ Green Building Certification, and BELS certifications will achieve positive environmental impact. It will reduce energy, materials and water use and increase the overall sustainability of the company's logistics buildings, thereby reducing the negative impacts of the commercial real estate sector on climate change.

Overall Sustainalytics considers these certification schemes to be credible schemes that ensure an integration of social and environmental considerations during all stages of a building's life cycle. Appendix III shows a comparison between these certification schemes. Sustainalytics recognizes that the top two levels within the certification schemes above are generally preferred by some investors as a benchmark for green bond eligibility, as they provide a higher level of assurance of positive impact. Nonetheless, given the nature of Prologis' building portfolio (which includes large, potentially energy-intensive buildings), Sustainalytics is of the view that the inclusion in Prologis' Green Bond Framework of green buildings that achieve certification levels ranging from good to excellent performance will have a clear positive environmental impact.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation, and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
Renewable Energy Energy Efficiency	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency.

[7] EPA Sources of Greenhouse gas emissions; https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions#commercial-and-residential
[8] Policy measure fact sheet – France, European Construction Sector Observatory, European Commission, September 2016
[9] Ministry of Land, Infrastructure, Transport and Tourism (Japanese); http://www.mlit.go.jp/common/000023285.pdf

Conclusion

Prologis, one of the leading companies in the Real Estate Industry in terms of ESG performance, according to Sustainalytics' ESG research, has developed a Green Bond Framework for the future issuance of Green Bonds. Proceeds of the bonds will be used to finance or refinance projects intended to improve the environmental performance of the company's property holdings. Specifically, proceeds will be allocated to projects relating to: (i) Green Buildings; (ii) Renewable Energy; and (iii) Energy Efficiency, all categories recognized by the Green Bond Principles as having positive environmental impacts.

Sustainalytics is of the opinion that the use of third-party green building certification schemes ensures the integration of environmental and social considerations and that the good-to-excellent levels of green buildings certification to be achieved by eligible Prologis buildings will result in clear positive environmental impacts. In addition, Prologis Green Bond Framework fully aligns with the company's sustainability strategy and will support Prologis in achieving several environmental and energy reduction goals and help advance two SDGs.

Regarding impact reporting, Sustainalytics acknowledges that obtaining environmental impact data from leased properties is reasonably limited by the size, global scale and structure of the company. Given this context, Prologis' commitment to report on the certification levels of green buildings is, in Sustainalytics view, acceptable.

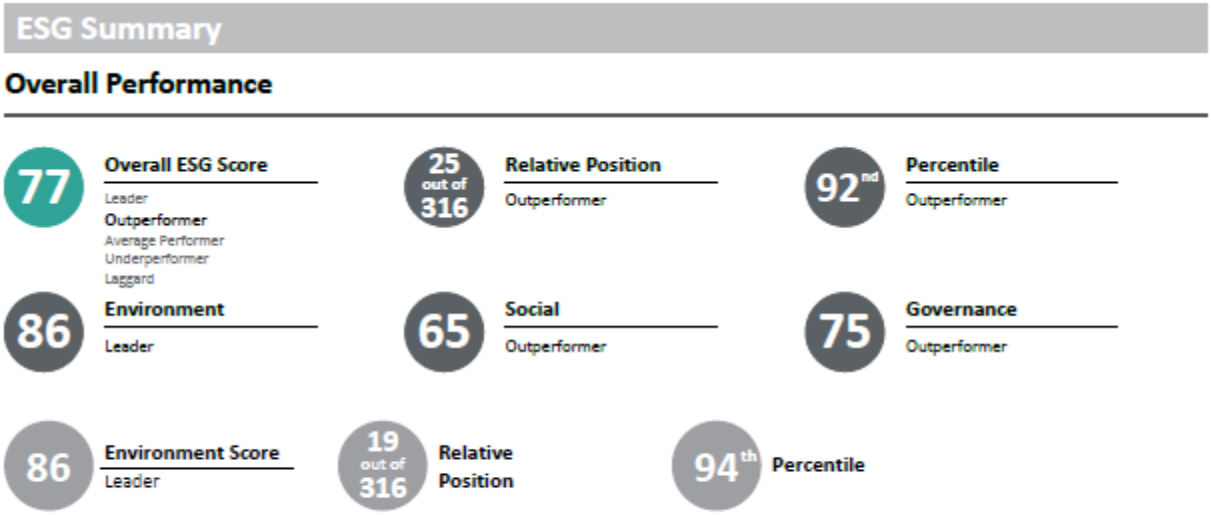
Overall, Sustainalytics is confident that Prologis is well positioned to issue a Green Bond and that Prologis' Green Bond Framework is transparent, credible, and in alignment with the four core components of ICMA's Green Bond Principles 2017.

Appendices

Appendix I: List of Current or Potential Prologis Issuers

- Prologis, L.P.
- Prologis Euro Finance LLC
- Prologis Yen Finance LLC
- Prologis Sterling Finance LLC
- Prologis European Logistics Fund, FCP-FIS (Guarantor) and
- Prologis International Funding II SA (Issuer and subsidiary of Prologis European Logistics Fund, FCP-FIS)
- Nippon Prologis REIT, Inc.

Appendix II: Sustainalytics' ESG Assessment of Prologis



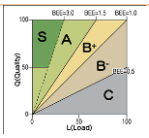
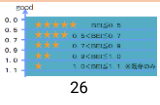
Appendix III: Overview and Comparison of Real Estate Certification Schemes

	LEED[10]	BREEAM[11]	HQE[12]	DGNB[13]	CASBEE[14]	DBJ Green Building Certification [15] [16]	BELS[17]
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	The Haute Qualité Environnemental or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.	The German Green Building Certification or DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.	CASBEE (Comprehensive Assessment System for Built Environment Efficiency) represents a green building management system from Japan, evaluating and rating the environmental performance of buildings and the built environment. CASBEE is formed of four assessment tools tailored to different scales: housing, building, district and city.	DBJ Green Building Certification Programme was launched by Development Bank of Japan in 2011 and is operated together with Japan Real Estate Institute (JREI). The programme is recognized as one of regional standards. The certification is available for office buildings, logistics, residential & retail facilities.	BELS (Building-Housing Energy-efficiency Labelling System), which is the third-party verification, assesses and labels energy conservation performances of non-residential buildings and houses. BELS was established by the Ministry of Land, Infrastructure, Transport and Tourism, based on Article 7 of the Act on the Improvement of Energy Consumption Performance of Buildings.
Certification levels	Certified Silver Gold Platinum	Pass Good Very Good Excellent Outstanding	Pass Good Very good Excellent Exceptional	Bronze Silver Gold Platinum	C (Poor) B- (Slightly Poor) B+ (Good) A (Very Good) S (Excellent)	1 Star 2 Stars 3 Stars 4 Stars 5 Stars	1 Star 2 Stars 3 Stars 4 Stars 5 Starts
Areas of Assessment: Environmental Project Management	Integrative process, which requires, from the beginning of the design process, the	Management (Man) addresses various aspects: project management,	Global management system	Technically, any project can be applied anywhere in the world through a tailored	CASBEE assesses two main factors: inside and outside the building site, which	Evaluation of DBJ Green Building Certification includes construction specifications,	BELS evaluate energy saving performance of buildings based on the value of BEI

[10] LEED, Green Building Council; https://new.usgbc.org/
[11] BREEAM, Building Research Establishment Ltd; https://www.breeam.com/
[12] HQE, Cerway; http://www.behqe.com/
[13] DGNB, DGNB GmbH; http://www.dgnb-system.de/en/
[14] CASBEE, BASBEE; http://www.ibec.or.jp/CASBEE/english/
[15] Certification Overview, Development Bank of Japan; http://www.dbj.jp/en/service/finance/g_building/outline.html
[16] DBJ Green Building Certification (Japanese), Development Bank of Japan; http://www.dbj.jp/service/finance/g_building/outline.html
[17] BELS, Association for Housing Performance Evaluation & Labeling; https://www.hyoukakyoukai.or.jp/bels/bels.html

	identification and creation of synergies between the various project stakeholders regarding the construction choices and the technical systems.	deployment, minimal environmental disturbance worksite and stakeholder engagement.		process of making appropriate local adaptations on a case-by-case basis.	translate into Q (Built Environment Quality) and, respectively, L (Built Environment Load).	environmental features as well as social factors.	(Building Energy Index).
Areas of Assessment: Environmental Performance of the Building	• Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority	• Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation	• Energy • Environment (Site, Components, Worksite, Water, Waste, Maintenance) • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality) • Principles of Equivalence	• Environment • Economic • Sociocultural and functional aspects • Technology • Processes • Site	• Energy Efficiency • Resource efficiency • Local environment • Indoor environment	Assessment includes three areas. Each area includes additional subcategories: • Ecology • Risk management & amenities/ diversity • Community & partnership	• Energy conservation performance • Building envelop thermal insulation performance
Requirements	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification There are several different	Prerequisites depending on the levels of certification + Credits with associated points This number of points is then weighted by item[18] and gives a BREEAM level of certification, which is based on the overall score	Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing The Prerequisite level is obtained when all the minimum requirements	Percentage-based performance index The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment. The environmental, economic, socio-cultural	Score-based performance level CASBEE uses the BEE (Built Environment Efficiency) as its assessment indicator, which is calculated from Q (Built Environment Quality) as the numerator and L (Built Environment	Score-based performance level There are three main areas is composed of additional subcategories a full score of 100 points. In addition to the regular points, an additional point system is employed.	Performance index BELS uses on the value of BEI (Building Energy Index) as its assessment indicator. BEI is calculated by dividing the design primary energy consumption by the standard

[18] BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

	rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).	obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility. Based on the total number of stars obtained per area, an overall HQE level is then given. Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.	and functional aspects and technical quality each account for 22.5% of the total, process accounts for 10% and the site quality is given a separate grade. Depending on the total performance index, a DGNB award will be given to the project, starting from Silver (at least 50%), then Gold (at least 65%) and finally Platinum (at least 80%). Bronze is awarded for already existing buildings and is conferred as the lowest rank with a total performance index of at least 35%.	Load) as the denominator. Q and L are obtained through the classification and rearrangement of the four areas of assessment. Buildings may receive ranks ranging from C (poor) to S (excellent), in order of increasing BEE value. For authorization, a building must receive a report from the CASBEE Certification system, which is afterwards assessed by the local government.	In the final process, JREI will conduct on the ground review of building performance on the indicators above, and a committee set in JREI will decide the result of certification rank. [19]	primary energy consumption.
Performance display	 20	 21	 22	 23	 24	 25	 26
Accreditation	LEED AP BD+C LEED AP O+M	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor	HQE Construction Certification Referent HQE Operations	DGNB Auditor DGNB Compliance Testing Team	CASBEE Accredited Professional	JREI 's Certification Assessment Committee	BELS Registered Agencies

[19] Process of certification (Japanese), DBJ Green Buildings; http://igb.jp/flow.html
[20] LEED, Green Building Council; https://new.usgbc.org/
[21] BREEAM, Building Research Establishment Ltd; https://www.breeam.com/
[22] HQE, Cerway; http://www.behqe.com/
[23] DGNB, DGNB GmbH; http://www.dgnb-system.de/en/
[24] Built Environment Efficiency, CASBEE; http://www.ibec.or.jp/CASBEE/english/beeE.htm
[25] DBJ Green Building, Development Bank of Japan; http://www.dbj.jp/en/pdf/service/finance/g_building/gb_presentation.pdf
[26] Guideline for labelling Building Energy Efficiency Performance (Japanese), Ministry of Land, Infrastructure, Transport and Tourism; http://www.mlit.go.jp/common/001031559.pdf

			Certification Advisor	DGNB Certification Committee			
Qualitative considerations	Widely recognised internationally, and strong assurance of overall quality.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.	HQE certification has the most number of targets concerning individuals. The "Comfort" and "Health" related themes are the most developed in this scheme. The HQE scheme recognises European and international standards (in particular the ISO and ASHRAE standards).	DGNB certification is based on current European Union standards and norms and is being recommended by the German Federal Ministry of Transport, Building and Urban Development. DGNB System has partnerships in a number of countries, among which Bulgaria, Denmark, Austria, Thailand and Switzerland.	In Japan, many local governments have made CASBEE assessment results mandatory for building permits. Compared to similar tools available internationally, CASBEE displays a unique and simple structure.	In addition to LEED and CASBEE, DBJ Green Buildings Certification Programme is considered as one of the green building standards in Japan.[27] According to its website, as of Feb 2018, 499 properties in Japan are certifed by the programme.	BELS is widely used in Japan and recognized by the Japanese as a third party certification system based on Guidelines for Labelling Building Energy Efficiency Performance, which was introduced in 2016 as part of Article 7.

[27] Japan sharpens its green building focus, Read Views; https://www.jllrealviews.com/places/japan-sharpens-its-green-building-focus/

Appendix IV: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Prologis, Inc., Prologis, L.P., related co-investment ventures and other affiliates (together, "Prologis")
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Prologis Inc. Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 15, 2018
Publication date of review publication (Effective date of this second-party opinion):	June 26, 2018

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

☒	Use of Proceeds	☒	Process for Project Evaluation and Selection
☒	Management of Proceeds	☒	Reporting

ROLE(S) OF REVIEW PROVIDER

☒	Consultancy (incl. 2nd opinion)	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Green Bond Framework and Second-Party Opinion Document above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The issuer of the applicable Green Bonds (the "Issuer") intends to allocate an amount equal to the net proceeds of any Green Bonds to a portfolio of eligible green projects (the "Eligible Green Projects") in the following categories:

a) Green buildings

Use of proceeds: New or existing investments in or expenditures on properties which meet at least one of the following requirements:

i) New, existing or refurbished buildings which have received at least one of the following classifications:

a. LEED: Platinum, Gold or Silver
b. DGNB: Platinum, Gold, or Silver
c. BREEAM: Outstanding, Excellent, Very Good or Good
d. HQE: Exceptional, Excellent, Very Good (Very Performant) and Good (Performant)[3]
e. CASBEE: S, A or B+
f. DBJ Green Building Certification: 5 or 4
g. BELS: 5 or 4

ii) Refurbishments to properties in order to significantly improve energy efficiency and/or water efficiency of, or make other environmentally beneficial improvements to, a building, building subsystem or land, including but not limited to investments in LED and other energy efficient lighting, cool roof and other sustainability-oriented construction materials, smart meters, electric and renewable energy charging stations and batteries, xeriscaping/drought-tolerant landscaping, waste diversion, water and energy-saving technologies and materials and improvements recognized by sustainability rating systems.

b) Renewable energy projects

Use of Proceeds: New or existing investments in or expenditures on the acquisition, development, construction and/or installation of renewable energy production units. Renewable energy projects can include (but are not limited to):

i) Solar panel installations, including those on rooftops of properties owned and/or managed by the Issuer or one of its affiliates
ii)Wind-related energy projects

c) Energy Efficiency
i) Energy storage systems

Use of proceeds categories as per GBP:

☒ Renewable energy	☒ Energy efficiency
☐ Pollution prevention and control	☐ Environmentally sustainable management of living natural resources and land use
☐ Terrestrial and aquatic biodiversity conservation	☐ Clean transportation
☐ Sustainable water and wastewater management	☐ Climate change adaptation
☐ Eco-efficient and/or circular economy adapted products, production technologies and processes	☒ Green buildings
☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs	☐ Other *(please specify)*:

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Projects to which the Green Bond proceeds are intended to be allocated are evaluated and selected based on compliance with the eligibility criteria set forth under the section "Use of Proceeds" by the Issuer's Green Bond Committee, which is comprised of members of Prologis's Environmental, Social and Governance (ESG) department or persons related to the Issuer or a Prologis affiliate supporting the Prologis ESG department together with members of Prologis management as applicable.

Evaluation and selection

☒ Credentials on the issuer's environmental sustainability objectives	☒ Documented process to determine that projects fit within defined categories
☒ Defined and transparent criteria for projects eligible for Green Bond proceeds	☒ Documented process to identify and manage potential ESG risks associated with the project
☒ Summary criteria for project evaluation and selection publicly available	☐ Other *(please specify):*

Information on Responsibilities and Accountability

☒ Evaluation / Selection criteria subject to external advice or verification

☐ In-house assessment

☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

The Issuer's Green Bond Committee intends to allocate the proceeds from the issue of Green Bonds to a portfolio of assets (the "Eligible Green Project Portfolio") within the applicable asset portfolio of the Issuer or any of its affiliates. The Issuer will strive for so long as the applicable Green Bonds are outstanding to achieve a level of allocation for the Eligible Green Project Portfolio which, after adjustments for intervening circumstances (the "Intervening Circumstances") including, but not limited to, sales, repayments and possible loss of certifications, matches the balance of net proceeds from its outstanding Green Bonds. In the case of Intervening Circumstances, for so long as the applicable Green Bonds are outstanding, the Issuer will strive to add Eligible Green Projects to the Issuer's Eligible Green Project Portfolio to the extent required to ensure that the net proceeds from outstanding Green Bonds will be allocated to Eligible Green Projects.

Pending the allocation of the net proceeds of a Green Bond to Eligible Green Projects, all or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities.

Tracking of proceeds:

☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner

☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds

☐ Other *(please specify)*:

Additional disclosure:

☐ Allocations to future investments only

☒ Allocations to both existing and future investments

☐ Allocation to individual disbursements

☒ Allocation to a portfolio of disbursements

☒ Disclosure of portfolio balance of unallocated proceeds

☐ Other *(please specify)*:

4. REPORTING

Overall comment on section (if applicable):

The Issuer will report on a website for Prologis, a Prologis affiliate or an Issuer, as applicable, the allocation of net proceeds to the Eligible Green Project Portfolio within a year of issuance of the applicable Green Bonds, to be renewed annually (the "Allocation Reporting") until full allocation of the Green Bond net proceeds or until the applicable Green Bonds are no longer outstanding. The Issuer intends to report the allocation of the Use of Proceeds to the Eligible Green Project Portfolio at least at the category level and on an aggregated basis for all of the Issuer's Green Bonds for so long as such Green Bonds remain outstanding.

To the extent practicable, the Issuer will provide information such as:
- The total amount of proceeds allocated;
- The number of eligible projects;
- The balance of unallocated proceeds; and
- For properties in the Eligible Green Project Portfolio: the levels of certification of properties in the portfolio.

For so long as the applicable Green Bonds are outstanding, to the extent the Eligible Green Portfolio has changed in the Allocation Reporting from the prior year's Allocation Reporting, if and as disclosed by the Issuer in applicable Green Bond documentation, the Issuer intends to receive a report from an independent accountant or a Green Bond Committee report attesting to its examination of the Issuer's management's assertion of the allocation of the Green Bond net proceeds to the Eligible Green Project Portfolio.

Use of proceeds reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other *(please specify):*

Information reported:

☒ Allocated amounts

☒ Green Bond financed share of total investment

☒ Other *(please specify):*

Frequency:

☒ Annual

☐ Semi-annual

☐ Other (please specify):

Impact reporting:

☐ Project-by-project
☐ On a project portfolio basis
☐ Linkage to individual bond(s)
☒ Other (please specify): Eligible Green Projects in the Green Building category: the levels of certification on the properties in the portfolio

Frequency:

☐ Annual
☐ Semi-annual
☐ Other (please specify):

Information reported (expected or ex-post):

☐ GHG Emissions / Savings
☐ Energy Savings
☐ Decrease in water use
☒ Other ESG indicators (please specify):

levels of certification of properties in the portfolio.

Means of Disclosure

☐ Information published in financial report
☐ Information published in sustainability report
☐ Information published in ad hoc documents
☒ Other (please specify): On company, company affiliate or Issuer website
☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

☒ Consultancy (incl. 2nd opinion)
☐ Certification
☒ Verification / Audit
☐ Rating
☐ Other *(please specify):*

Review provider(s):

Sustainalytics

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

i. Consultant Review: An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second Party Opinions" may fall into this category.

ii. Verification: An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.

iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.

iv. Rating: An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

Disclaimer

The Opinion was drawn up with the aim to explain why the analyzed bond is considered sustainable and responsible. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

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The client is fully responsible for certifying and ensuring its commitments` compliance, implementation and monitoring.

Sustainalytics

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For more information, visit www.sustainalytics.com

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