



Corporate Responsibility

ProLogis' Journey

Michael Englhard, Senior Vice President

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A Global Leader in Distribution Facilities



Asia

- 11.3 msf
- 2 countries
- 7 markets

North America

- 349.1 msf
- 3 countries
- 54 markets

Europe

- 126.5 msf
- 13 countries
- 44 markets

World's largest industrial REIT

More than 475 million square feet owned, managed or under construction

4,400 customers and 2,500 industrial properties across
North America, Europe, and Asia

ProLogis Mission Statement

“Our mission is to be the leading global provider of sustainable distribution facilities to the world’s largest users of distribution space and to maximize shareholder value through customer service, organizational excellence and our commitment to corporate social responsibility.”



**Environmental
Stewardship**



Social Responsibility



Ethics & Governance

Why Corporate Responsibility?

**Global Warming
Top Public Policy
Issue**

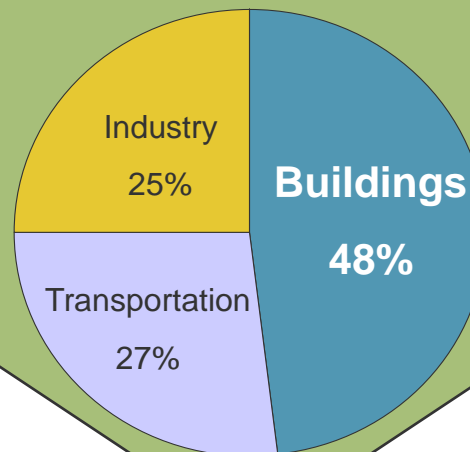
**Governments
Enacting Tougher
Envtl. Standards**

Customer Priority
- Public Image
- CSR Programs

Employee Pride
- 88% employees want
to work for green
company

**Simply the Right
Thing To Do**

CO2 Emissions in the U.S. :



BUSINESS OPPORTUNITY

Sustainability Beginnings: Testing the LEED Waters

- Mid 2000s: Customers began to talk about sustainability and “green building”
- Europe driven
- We saw a business opportunity

- Test case: ProLogis Headquarters Building
- Completed 2006
- LEED Certified
- 89,000 square feet / approx. 300 employees
- Sustainable features:
 - Extensive use of local and regional construction materials
 - Extensive recycling of construction waste
 - Energy-efficient lighting control systems including natural light harvesting
 - High-performance glass that reduces energy consumption while allowing for a high degree of light transmittance
 - Water-efficient landscaping
 - On-site showers and locker facilities that promote biking to work



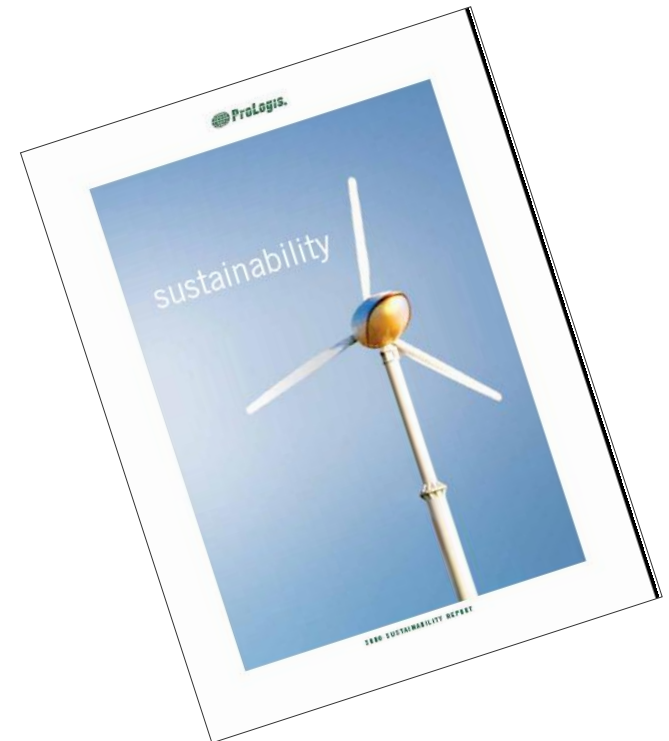
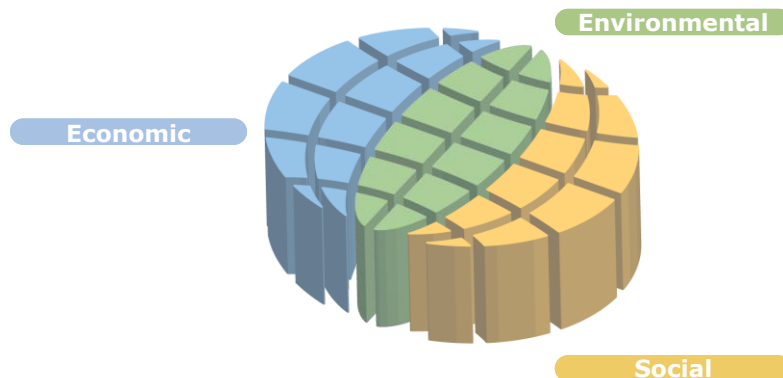
Sustainability: Building the Culture

- In addition to high-level corporate initiatives, we also wanted to develop a culture of sustainability
- Sustainability Champions
 - Volunteers in all ProLogis offices
 - Quarterly conference calls with HQ to discuss sustainability efforts
 - Raise awareness of sustainability and improve communication
- ProLogis Green Path
 - Developed by Sustainability Champions
 - Road map for greening internal operations
 - Energy
 - Waste
 - Procurement
 - Water



2007: First Sustainability Report

- Global Reporting Initiative (GRI)
 - International framework for communicating corporate responsibility efforts
- Transparency for stakeholders
- Accountability and focus
 - Triple bottom line framework for communicating and managing our economic, environmental, and social impacts
 - Set goals and baseline



2008: Second Sustainability Report

Progress:

- GRI Indicators
 - 2007: 10
 - 2008: 32
- High Efficiency Lighting
 - 2007: 2.5 Million SF
 - 2008: 11.8 Million SF
- Certified or Registered Green Buildings
 - 2007: HQ + 2 warehouses
 - 2008: 18 warehouses



2009: Third Sustainability Report

Progress:

- Climate change
 - Goal: Install renewable energy systems with annual generation capacity of 25 million kWh by 2010
 - Progress: 5.2 million kWh
- Sustainable development
 - By end of 2010, all new warehouses:
 - Utilize 20% recycled content
 - Reduce potable water usage for landscape irrigation by 50%
 - Divert 75% of construction debris from disposal in landfills and incinerators
 - Progress:
 - North America: Achieved in over three-quarters of developments
 - Europe and Asia: Developing tracking systems



Reassessing “Sustainability”



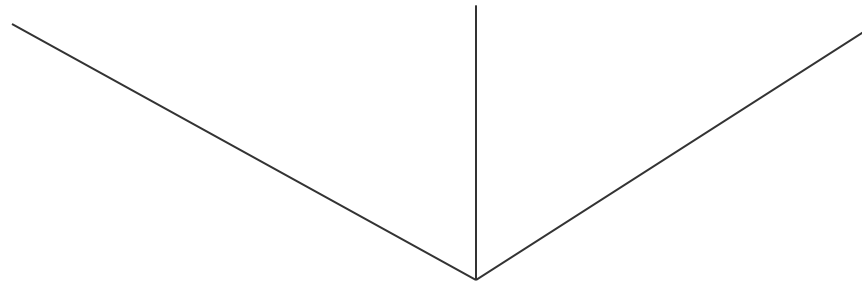
**Environmental
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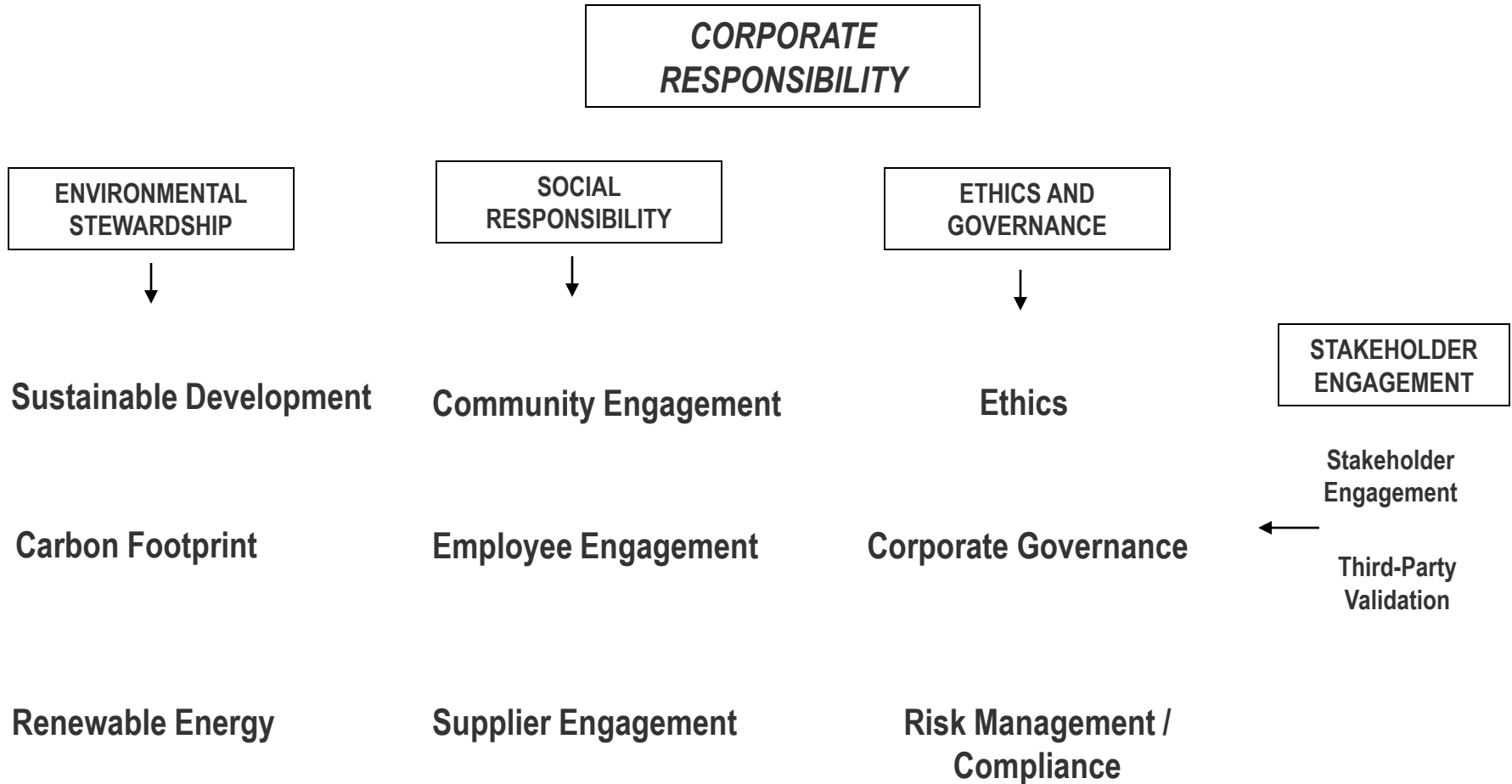


Ethics & Governance



CORPORATE RESPONSIBILITY

Corporate Responsibility Program Structure



Stakeholder Engagement Gets Coordinated

Customers

Investors

Employees

Communities



Suppliers

**Government
Agencies**

**Non-
Governmental
Organizations**

Brokers

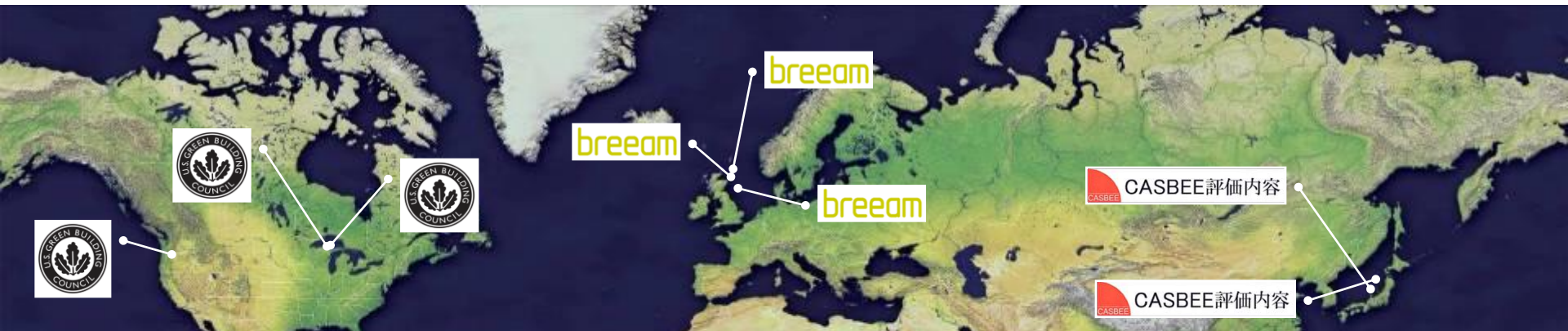
Environmental Certification for our Warehouses

- North America: 
- Europe: **breeam**
- Japan: **CASBEE**
- Best practices in design and construction
 - Air-tight building construction
 - Intelligent lighting
 - Sky-lighting
 - Absorbent solar walls
 - Recycled and locally sourced materials
 - High-reflectance roofing
 - Low-usage water systems and landscaping



Warehouses: A Bigger Commitment

- Additional green building certifications on three continents
- Customer loyalty
- 1-3% cost premium
- 1/1/08: In U.S. will register all new warehouses with USGBC for LEED certification
- 4/1/08: In U.K. will achieve BREEAM certification for all new warehouses



North America

3 LEED Certified Projects
8 More Registered

Europe

3 BREEAM Certified Projects
3 More Registered

Asia

2 CASBEE Certified Projects
1 More Registered

Climate Change – Our Warehouses

- Over 450 million square feet of roof space and 10,000 acres of land = opportunity to host renewable energy systems
- Installed wind turbines in Japan and solar panels in France and Spain



Thinking Big: Renewable Energy

- ProLogis Global Renewable Energy Group
 - A dedicated group of ProLogis employees works full time on these efforts.
- We have capabilities and expertise in the following areas of renewable energy:
 - Engineering, Design, and Procurement
 - Permitting and Construction Management
 - Contract Negotiation, Site Leasing, and Financial Structuring
- PV projects (completed or under construction) include:
 - USA 6.0 MW dc
 - Europe 6.4 MW dc
 - Japan 1.0 MW dc
 - Estimated generation:
 - Over 15,000,000 kWh per year
 - Electricity consumed by more than 1,385 homes per year



Thinking Big: Department of Energy Program

- Goal: Identify and remove market barriers to significantly improving energy efficiency in the commercial real estate sector
- Commitment:
 - One new building: reduce energy use by 50%
 - One existing building: reduce energy use by 30%
 - Share knowledge with DOE so they can understand what works, what doesn't and promote strategies and technologies that are proven effective at significantly reducing energy consumption

The screenshot shows the NREL website's 'Buildings Research' section. At the top, the NREL logo and name are displayed, along with the tagline 'Innovation for Our Energy Future'. A navigation bar includes links for 'ABOUT NREL', 'ENERGY ANALYSIS', 'SCIENCE & TECHNOLOGY', 'TECHNOLOGY TRANSFER', and 'APPLYING TECHNOLOGIES'. The main header for the page is 'Buildings Research'. Below this, there is a search bar and a 'Printable Version' link. The main content area features a section titled 'Commercial Building Partnerships' with a detailed description of the project, which is a DOE-sponsored collaborative research project involving retailers, commercial real estate management companies, and a distribution facility provider. The text explains that NREL and PNNL support the project by assisting commercial building partners in reducing energy use. A sidebar on the left contains a navigation menu with categories like 'Capabilities', 'Projects', and 'Residential'.

What is the Business Value Proposition?



Environmental Stewardship

- Increased customer loyalty
- Reduced operating costs
- Improved government relations



Social Responsibility

- Improved community relations
- Enhanced corporate brand
- Better employee attraction and retention



Ethics & Governance

- Reduced legal risk
- Reduced operational risk
- More efficient processes

Investors Take Notice

- Socially Responsible Investment indexes screen companies based on environmental, social, and governance programs
- Exposes ProLogis to new set of investors who might not otherwise invest in the company

