Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Prudential Financial, Inc. is a financial wellness leader and premier global investment manager with U.S. and international businesses. Our principal executive offices are located in Newark, New Jersey. Prudential has approximately 41,600 employees worldwide and financial advisors working in more than 40 countries.

With operations in the United States, Asia, Europe and Latin America, we offer a wide array of financial products and services, including life insurance, annuities, retirement-related products and services, mutual funds and investment management. We offer these products and services to individual and institutional customers through proprietary and third-party distribution networks. We strive to create long-term value for our stakeholders through strong business fundamentals, consistent with our mission guided by our vision and directed by our company's core values.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Brazil
Japan

Republic of Korea
Taiwan, Greater China
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?

Investing (Asset manager)
Investing (Asset owner)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	i. Description of the position(s)/committee(s) in the corporate structure and the level of responsibility they have towards climate-related issues: The Corporate Governance and Business Ethics Committee, of Prudential's Board of Directors, oversees Prudential's management of climate-related issues, specifically environmental and sustainability strategy and progress. ii. Explain how the responsibilities of the position(s)/committee(s) are related to climate issues, including at least one example of a climate-related decision made by the person(s)/committee(s): The Corporate Governance and Business Ethics Committee oversee, on behalf of the Board of Directors of Prudential Financial, our overall ethical culture, political contributions, lobbying expenses, and overall political strategy, as well as the company's environmental risk (which includes climate change), sustainability and corporate social responsibility. A dedicated Committee allows for the time and focus to be allocated to these issues and ensures ongoing progress against the company goals. In 2020, the Corporate Governance and Business Ethics Committee reviewed Prudential's progress against the Global Environmental Commitment and decided to create a recorded presentation on climate change for the Board. The chair of the Committee presented the content. In addition, Prudential's VP of Sustainability and the CIO also presented on various sustainability issues, including climate risk and opportunities, as part of educational sessions for all Board members.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain

are a scheduled agenda item			
Scheduled – some meetings	Reviewing and guiding strategy Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related risks and opportunities to our own operations Climate-related risks and opportunities to our investment activities	The Corporate Governance and Business Ethics Committee, of Prudential's Board of Directors, oversees Prudential's environmental and sustainability strategy and progress to minimize reputational risk and focus on future sustainability. The Corporate Governance and Business Ethics Committee performs an assessment of the skills and the experience needed to properly oversee the interests of the company. Generally, the committee reviews both the short- and long-term strategies of the company to determine what current and future skills and experience are required of the Board in exercising its oversight function and in the context of the company's strategic priorities. The committee then compares those skills to the skills of the current directors and potential director candidates. The Committee conducts targeted efforts to identify and recruit individuals who have the qualifications identified through this process, keeping in mind its commitment to diversity. In general, the committee oversees the following risks: the company's overall ethical culture, political contributions, lobbying expenses and overall political strategy, as well as the company's environmental risk (which includes climate risk), sustainability and corporate social responsibility to minimize reputational risk and focus on future sustainability.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues

Other C-Suite Officer, please specify Chief Governance Officer	CEO reporting line	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our own operations	Quarterly
Chief Investment Officer (CIO)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities	Quarterly
Sustainability committee [1]	Other, please specify Vice Chair of Prudential Financial Inc.	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	Half-yearly

[1] Prudential Climate Change Task Force

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Chief Governance Officer:

Description of the responsibilities of the position with regard to the assessment and monitoring of climate-related issues: The individual with full responsibility for assessing and monitoring climate-related issues to inform climate change initiatives is the Chief Governance Officer. In terms of reporting structure, the Vice President of Sustainability position reports to the Chief Governance Officer, who reports to the General Council, who then reports up to the CEO. The Chief Governance Officer / Corporate Secretary update the board quarterly on governance issues. The Vice President of Sustainability reports up to the Chief Governance Officer and supports implementation of climate-related initiatives. The position sits in the Governance group, from which the sustainability budget is allocated. An Environmental Task Force, with representatives from Prudential's businesses and Corporate Centers, supports day to day implementation of the strategy and related initiatives.

Chief Investment Officer:

Description of the responsibilities of the position with regard to the assessment and monitoring of climate-related issues: The individual with full responsibility for assessing and monitoring climate-related issues to inform climate change investments is the Chief Investment Officer (CIO). In terms of reporting structure, the Portfolio Manager from the Chief Investment Office position reports to the Chief Investment Officer, who reports directly to the Vice Chairman. The Vice Chairman is the Executive Sponsor of sustainability and is on the board.

Climate Change Task Force:
Description of the responsibilities of the position with regard to the assessment and monitoring of climate-related issues: Chaired by the VP of External Affairs, the Climate Change Task Force is responsible for overseeing and working towards Prudential's Global Environment Commitment to reduce domestic emissions by 65% by 2050. The Climate Change Task Force includes the Chief Investment Officer and representatives from all Prudential businesses, including Corporate Governance, Corporate Real Estate, Global Technology, Impact Investing, and Prudential's international businesses and operations. The Climate Change Task Force reports to the Vice Chairman.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Management group	Non-monetary reward	Efficiency target	Reviewed during annual performance process.
Environment/Sustainability manager	Non-monetary reward	Emissions reduction target	The Vice President of Sustainability's progress towards Prudential's Emissions Reduction targets are reviewed during the Vice President of Sustainability's annual performance process.

All employees	Non-monetary reward	Behavior change related indicator	Prudential organized virtual Lunch and Learn sessions for all employees on various topics including home solar use and green infrastructure. These programs are supported by messaging in the company's internal web-based homepage. In addition, employees who volunteer to work with community environment improvement projects may receive funds to support the non-profit to which they provide assistance. Nearly all domestic locations have Green Teams to foster behavior change and engage employees.
Management group	Non-monetary reward	Efficiency target	Reviewed during annual performance process.
Facilities manager	Monetary reward	Energy reduction target	Annual bonus target goals include achieving annual energy reduction targets.

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

	We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.	Comment
Row 1	No	

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	7	Life insurance companies by design make long term commitments to policyholders. Therefore, we are focused on the evolution of risk and resources through long periods of time. Many decisions we make today, about the risks that we take and the strategies that we use to mitigate that risk, have impact over 10, 20, 30 years or longer.
Medium-term	7	20	
Long-term	20	100	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

i. A definition of 'substantive financial or strategic impact' when identifying or assessing climate-related risks:

The Company categorizes its risks into tactical and strategic risks. Tactical risks may cause damage to the Company, and are actively managed and mitigated through models, metrics and the overall risk framework. Tactical risks may be further categorized into financial and non-financial risks. The Company's financial tactical risks include investment, market, insurance, and liquidity risk. Non-financial tactical risks include operational and model risk. Strategic risks can cause the Company's fundamental business model to change, either through a shift in business (what we do) or a change in execution (how we do it). A tactical risk may become a strategic risk. For Prudential, impacts of climate change manifest primarily through the tactical risks we manage.

Prudential's risk management framework provides a common approach to identifying and evaluating the risks embedded in and across our businesses, developing risk appetite, managing risks and identifying current and future risk challenges and opportunities. The framework gives us visibility into how risks behave and evolve individually and in aggregate over time, under varying degrees of stress, and allows us to evaluate those risks against available loss absorbing resources.

ii. A description of the quantifiable indicator(s) used to define substantive financial or strategic impact:
The Risk Appetite Framework (RAF) evaluates the company’s exposure under five metrics that our Board and senior Management believe are most impactful in relation to Prudential’s financial soundness and ability to compete effectively in the markets in which it operates; long-term “economic" value, statutory solvency, GAAP equity and leverage, liquidity, and longevity. Relevant metrics are evaluated under three stress severities: Deterministic “Extreme Stress" scenarios, “RAC” Equivalent” (1-in 100) shock-based stress and Cyclical (1-in 10) shock-based stress. By analyzing risks, including those that are climate change related, through the RAF, we can ensure that all risks taken across the company align with the capacity and willingness to take those risks. Imbalance between risks and resources provides an indication of the level of substantive financial or strategic impact.

An assessment of risk capacity demonstrates that PFI has adequate capital under all stresses and as viewed under all lenses, with GAAP under a cyclical stress currently the most constraining metric. These analyses serve to demonstrate that the resources available to the Company are adequate to support the risk profile, giving the Company excess risk capacity on an economic basis, as well as under statutory GAAP measures.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process

i. Description of the process used to determine which risks and/or opportunities could have a substantive financial or strategic:
In 2020, the Company established a Climate Change Task Force, with representatives from Prudential's businesses and Corporate Centers, which supports the corporate climate strategy and policies. A critical element of Prudential's risk management framework is the ability to quantify the risks and understand how they behave individually and in aggregate. The impact of climate change will manifest from a financial perspective through insurance, investment market, operational risks.
Prudential's Risk Appetite Framework (RAF) is designed to reasonably ensure that all risks taken across the company align with the capacity and willingness to take those risks. Using the RAF, the company measures, evaluates, and manages its financial risks. The comprehensive models, metrics, and stress scenarios used enable the company to understand its current risk profile as well as how the risk profile may change, given certain events or potential exposures.

The foundation of Prudential's data-centric risk analysis is stress scenarios. Risk impacts are measured and assessed through a comprehensive and cohesive set of stress scenarios (both hypothetical and historical) using a range of different metrics and varying degrees of severity. This robust stress testing examines the sensitivity of assets and liabilities and how they interact with each other through time to identify places where the company's capacity may be challenged by the risks taken. These analytics enable Prudential to develop strategies to address extreme and unlikely stress scenarios and implement actions to mitigate any identified risks.

Additionally, the Qualitative Risk Appetite Framework helps the company understand and manage risks that are not easily quantifiable. By continuously scanning the internal environment and reporting findings to leadership and the Board on a regular basis, the company can monitor and mitigate operational risks in qualitative areas such as culture; reputation; compliance with laws, regulations, and policies; and decision-making incentives.

Prudential consistently analyzes the investments in its portfolio to understand the impact of varying degrees of climate changes on the health of the companies and industries in which we invest. Our analysis of climate change risk includes strategic industry and geographic reviews to examine future industry impacts and utilizes those findings to make long-term portfolio decisions. In addition, we have initiated studies of certain potential climate-related events, i.e., rising sea levels and flooding, and their possible impact, on our investment portfolio. Prudential intentionally limits exposure to companies, sectors, asset classes and geographies to protect against idiosyncratic events. The company strengthens its protection through specific analysis, portfolio modelling and deterministic stress tests. Our investment decisions are driven by long-term outcomes and are adjusted as appropriate given the changing priorities.

ii. Physical Risk Case Study: Prudential is subject to business continuation risk, which is the risk that our systems and data may be disrupted. We depend heavily on our telecommunication, information technology and other operational systems and on the integrity and timeliness of data we use to run our businesses and service our customers. With regard to specific weather events, Prudential's Global Crisis management receives weather related reports that track storms, supporting our response planning. While we have not experienced an extreme weather event that caused significant damage in several years, we closely tracked Hurricane Sandy as it approached, securing facilities and ensuring safety by sandbagging to mitigate water rise, responding quickly to damaged windows, as well as planning for employees to work from home as needed. We also extended fuel contacts to our generators to ensure delivery in the midst of a disaster. The experience prompted us to build a LEED Gold certified back-up data center in Minnesota, as well as modifying the building generator setup to ensure backup on location. In 2018, the Global Real Estate Sustainability Benchmark (GRESB) added a resiliency module to their reporting. In preparation for this change, in 2018, PGIM Real Estate: assessed all U.S. assets for rooftop solar; globally assessed assets for water risk and looked at our 12 major utility providers for incentives to further improve energy efficiency.
During 2020, PGIM Real Estate completed 18 submissions to the GRESB Real Estate Assessment representing more than 85% of PGIM Real Estate's global AUM as of December 31, 2019. As of December 31, 2020, PGIM Real Estate managed 25.1 million square feet of ENERGY STAR-certified real estate in the U.S. Globally, PGIM Real Estate managed 33 million square feet of LEED-certified and more than 8.5 million square feet of Fitwel-certified real estate. PGIM Real Estate managed a total of 53.2 million square feet of real estate with GRESB-recognized certifications and 22.0 million square feet with GRESB recognized energy ratings.

iii. Transitional Risk Case Study: Our investment portfolios must react to changing consumer preferences to ensure continued customer satisfaction and investment returns. Studies have shown increasing demand for "responsible investment" products, such as those with climate-related attributes among institutional and retail customers. In response to growing customer interest for more sustainable products, in March 2020, Prudential issued the firm's first green bond, furthering our commitment to sustainable investments which deliver a positive environmental impact. The green bond has a principal amount of $500 million and represents the first green bond issuance of its kind by a major U.S. life insurer. Net proceeds from the green bond will be allocated exclusively to existing or future investments which provide environmental benefits including reduced greenhouse gas emissions and improved resource efficiency.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulatory risks are consistently evaluated and may be informed by climate-related issues, as federal, state and local environmental laws and regulations apply to our ownership and operation of real property. For example, inherent in owning and operating Prudential's real estate property are the risks of hidden environmental liabilities and the costs of any required clean-up. Although unexpected environmental liabilities can always arise, Prudential seeks to minimize this risk by undertaking environmental assessments, among other measures prior to taking title to real estate.
Emerging regulation	Relevant, always included	Emerging regulatory risks are consistently evaluated and may be informed by climate-related issues. For example, Prudential is subject to various federal, state, and local laws and regulations relating to the protection of human health and the environment. If an environmental regulatory agency finds any of our facilities to be in violation of environmental laws, penalties and fines may be imposed for each day of violation and the affected facility could be forced to cease operations. An individual business unit risk team is an example of one risk owner that would consider these regulatory risks as they affect the team's daily operations and strategy for managing facilities.
Technology	Relevant, always included	Technology is often tied to our climate-related risks whereby our ability to respond to those risks is informed by our technological abilities. For example, we are subject to business continuation risk, which is the risk that our systems and data may be disrupted. We depend heavily on our telecommunication, information technology and other operational systems and on the integrity and timeliness of data we use to run our businesses and service our customers. These systems may fail to operate properly or become disabled as a result of extreme weather patterns or other climate change related events or circumstances wholly or partly beyond our control. Further, we face the risk of operational and technology failures by others, including clearing agents, exchanges and other financial intermediaries and of vendors and parties to which we outsource the provision of services or business operations.
Legal	Relevant, always included	As described above regulatory – and thereby legal - risks are consistently evaluated and may be informed by climate-related issues. For example, Prudential is subject to various federal, state, and local laws and regulations relating to the protection of human health and the environment. If an environmental regulatory agency finds any of our facilities to be in violation of environmental laws, penalties and fines may be imposed for each day of violation and the affected facility could be forced to cease operations. Our individual business unit risk teams are an example of one risk owner that would consider these regulatory risks as they affect the team's daily operations and strategy for managing facilities.

Market	Relevant, always included	Financial market risks are consistently evaluated and may be informed by climate-related issues. For example, shifting public opinion on climate change and climate risk could change market demand for climate-related product offerings. Prudential's Environment and Sustainability team is responsible for gathering business intelligence and monitoring megatrends related to the company's environmental risk management and opportunity creation. The team works with a number of subject matter experts embedded in the company's businesses to support their activities and help create direct or indirect business value.
Reputation	Relevant, always included	For Prudential, reputation is often tied to climate-related issues whereby the importance of responding to those risks is informed by potential reputational impacts. Of primary concern is the inherent risks driven by other climate-related developments, which could include shifting public opinion on climate change and climate risk, changing market demand for climate-related products and growing employee interest in environmental stewardship.
Acute physical	Relevant, always included	Operational risks are consistently evaluated and may be informed by climate-related issues. For example, Prudential facilities are located in areas prone to hurricanes. Prudential considers these acute physical risks as they affect the team's daily operations and strategy to mitigate and manage extreme weather events.
Chronic physical	Relevant, always included	Operational risks are consistently evaluated and may be informed by climate-related issues. For example, Prudential facilities are located in areas prone to rising average temperatures. Prudential considers these physical risks as they affect the team's daily operations and strategy to mitigate and manage energy costs required to counteract these climate impacts.

C-FS2.2b

(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Investing (Asset manager)	Yes	PGIM Fixed Income: To evaluate exposure to climate-related risks and opportunities, our analysts source ESG information directly as part of their fundamental analysis, including from direct access to issuers. Analysts' research is supplemented by external ESG providers such as Sustainalytics and MSCI and we find their analysis helpful in highlighting what we may otherwise have considered less impactful credit risks. We have also hired MSCI, which provides us with the added benefit of carbon data availability in Aladdin Research.

		PGIM Real Estate: To evaluate exposure to climate-related risks and opportunities, we integrate a top down investment research approach and highly integrated investment risk philosophy into our strategic vision, portfolio construction and performance attribution, and transaction decision making. Each investment summary presented to the Investment Committee contains a section on ESG issues and also includes a review of social and technology trends potentially impacting an asset. QMA: QMA's approach to integrating and evaluating ESG, including climate-related risks and opportunities, in our investment portfolios is intended to address the challenges facing the responsible investor, without compromising long-term risk mitigation or expected returns. For clients who wish to invest in our "ESG-Aware" portfolios, we employ a quantitative technique that identifies exposure to material ESG attributes based on industry materiality guidelines developed by the Sustainability Accounting Standards Board, (SASB), as well as our own proprietary ESG and carbon emission measures. We can also amplify additional ESG attributes for clients with different sustainable investment goals. Our process reduces exposure to investments with significantly low ESG ratings within permissible risk bounds and investment restrictions and increases exposure to companies that score well. Where emissions data is not available, our proprietary data completion technique can proxy data based on known return patterns and risk factors. Our primary sources for "ESG-Aware" portfolio information include Asset4 and SASB. Our proxy voting advisor also provides QMA access to in-depth research, which can be used when analyzing and deciding how to vote certain proxies. Their research includes ESG issues that may arise, such as controversy data from Sustainalytics.
Investing (Asset owner)	Yes	Prudential's General Account provides an avenue to demonstrate our values via our investments. We have flexibility in our investment approach with internally driven drivers. Investments are always made based on the specific investment objectives of the General Account. We have integrated ESG, including climate-related issues, into security selection and portfolio risk management processes especially when it poses a material or potentially material impact on risk-adjusted returns. In 2020, Prudential engaged Trucost to perform a carbon footprint and climate change analysis on the General Account portfolio covering 70% of portfolio across all asset classes. Trucost also performed a physical and transition risk analysis covering 50-70% of public debt and public equity portfolios.

		Prudential's Impact and Responsible Investing unit commits to invest in companies and projects that promote sustainability and resiliency. Investments will responsibly encourage the proliferation of clean energy (e.g. energy efficiency, biofuels), water protection (e.g. stormwater infrastructure, wastewater treatment) and reduced waste reductions, upcycled products). As part of our Global Environmental Commitment we have goals to cultivate a positive impact: 1) Prudential's Impact and Responsible Investing will commit 10% of its portfolio by 2025 to companies and projects that promote sustainability and resiliency 2) The Prudential Foundation will grant $25 M in support to mitigate, prepare, relieve and recover from natural disasters that are intensified by climate change by 2025. Prudential has found opportunities to help mitigate climate change by pursuing relevant opportunities in a variety of asset classes. Most prominently, the company has invested in renewable energy, "green" bonds and "green" real estate.
Other products and services, please specify		

C-FS2.2c

(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.

	Portfolio coverage	Assessment type	Description
Investing (Asset manager)	Majority of the portfolio	Qualitative and quantitative	i. A clear description of how 'Portfolio coverage' is defined: PGIM Real Estate: As reported in our UN PRI report, we address ESG incorporation into our investment decisions in the following asset classes: Property (>50%), Debt (10%) and Securities (10%). Percentages in brackets represent the breakdown of assets within our portfolio, which falls under CDP's Majority (more than 50%) definition. PGIM Fixed Income and QMA: Various ESG issues, including climate-related risks and opportunities, are also assessed in a majority of our portfolios from these business units (specifically equity only portfolios for QMA). As reported in our UN PRI reports, majority of our assets have undergone a portfolio carbon footprint assessment.

			ii. A description of the tools used to assess the portfolio's exposure to climate-related risks and opportunities: PGIM Fixed Income: Our analysts source ESG information directly as part of their fundamental analysis, including from direct access to issuers. Analysts look beyond stated ESG policies, which may be well articulated by larger issuers or those in ESG sensitive industries, but nonetheless may still represent significant ESG risk (outstanding ESG-related company litigations). In terms of tools used to assess exposure, analysts' own research is supplemented by external ESG providers such as Sustainalytics and MSCI and we find their analysis helpful in highlighting what we may otherwise have considered less impactful credit risks (e.g. controversies in minor markets or the issuers' supply chains). We have also hired MSCI, which provides us with the added benefit of carbon data availability in Aladdin Research. We are now capable of providing further analysis on carbon data as well as other data of our portfolios. PGIM Real Estate: Uses both qualitative (encouraging portfolio managers) and quantitative tools (target setting, carbon footprinting) or both (overall phasing out of fossil fuels). The PGIM Real Estate portfolio has reduced exposure to carbon intensive assets through improved energy efficiency and operations, reducing onsite use of fossil fuels and increasing investment in green certified assets. Furthermore, a number of assets have on-site renewable energy and we continue to seek additional opportunities for renewable energy production. QMA: QMA's approach to integrating ESG in our investment portfolios is intended to address the challenges facing the responsible investor, without compromising long-term risk mitigation or expected returns. For clients who wish to invest in our "ESG-Aware" portfolios, we employ a quantitative technique that identifies exposure to material ESG attributes based on industry materiality guidelines developed by the Sustainability Accounting Standards Board, (SASB), as well as our own proprietary ESG and carbon emission measures. We can also amplify additional/alternate ESG attributes for clients with different sustainable investment goals. Our process reduces exposure to investments with significantly low ESG ratings within permissible risk bounds and investment restrictions and increases exposure to companies that score well. Where emissions data is not available, our proprietary data completion technique can use proxy data based on known return patterns and risk factors. Our primary sources for "ESG-Aware" portfolio information include Asset4 and SASB. We also make use of both SASB and MSCI industry classifications. Our proxy voting advisor also provides QMA access to in-depth research, which can be used when analyzing and deciding

			how to vote certain proxies. Their research includes financial data, as well as data regarding ESG issues that may arise, such as controversy data from Sustainalytics.
Investing (Asset owner)	Minority of the portfolio	Qualitative and quantitative	i. A clear description of how 'Portfolio coverage' is defined: Approximately $400 billion (or 72%) of the General Account's assets have some form of ESG identifier, either a rating from an external source or classified according to an internal rating approach. This is an increase from $183 billion (or 34%) in 2019. ii. A description of the tools used to assess the portfolio's exposure to climate-related risks and opportunities: Prudential has developed the Prudential Green Bond Framework (the "Framework") under which it intends to issue green bonds and use the proceeds toward existing or future investments that finance assets, businesses or projects that reduce emissions and improve resource efficiency. The Framework defines eligibility criteria in seven areas: 1. Renewable Energy 2. Green Buildings 3. Environmentally Sustainable Management of Living Natural Resources and Land Use 4. Energy Efficiency 5. Clean Transportation 6. Sustainable Water and Wastewater Management 7. Pollution Prevention and Control Prudential engaged Sustainalytics to review the Prudential Green Bond Framework and a positive Second-Party Opinion was obtained on the Framework's environmental credentials and its alignment with the Green Bond Principles (GBP) 2018. As part of this engagement, Sustainalytics held conversations with various members of Prudential's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of Prudential's Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

C-FS2.2d

(C-FS2.2d) Do you assess your portfolio's exposure to water-related risks and opportunities?

	We assess the portfolio's exposure	Portfolio coverage	Please explain
Investing (Asset manager)	Yes	Majority of the portfolio	PGIM Real Estate has identified physical and transitional climate-related risks and incorporated the analysis into the investment decision-making process for acquisitions and developments. We strive to incorporate sustainability into all facets of building operations, including our acquisitions process. As part of our risk assessment framework, PGIM Real Estate includes criteria which allows us to better understand the ESG risks and performance of our assets. This criterion helps us appropriately evaluate potential capital investments to improve both the performance and marketability of the asset. During the operational phase, we have reviewed our global water risks using the World Resource Institute's Aqueduct tool. In addition to evaluating new acquisitions, we also perform periodic environmental and social due diligence for our standing assets. The sustainability issues covered by this process include energy and water efficiency, waste management, flooding, transportation and communications systems, life systems and societal function, and other emerging climate change risks. The results of these due diligence assessments help our management teams prioritize needed improvements and upgrades where needed.
Investing (Asset owner)	Yes	Minority of the portfolio	Prudential's Impact and Responsible Investing unit commits to invest in companies and projects that promote sustainability and resiliency. Investments will responsibly encourage the proliferation of clean energy (e.g. energy efficiency, biofuels), water protection (e.g. storm water infrastructure, wastewater treatment) and reduced waste reductions, upcycled products). Prudential formalized its Impact Investing unit more than 40 years ago and, in that time, the team has made more than $2.6 billion in investments as of December 31, 2019. As of December 31, 2020, Impact Investments has $61 million, or 6% of its fair market value of investments in companies and projects promoting sustainability and resiliency, including a first of its kind investment to support the implementation of a cutting-edge storm water retention technology that will reduce the harmful effects storm water pollution around the Chesapeake Bay in the United States.

Other products and services, please specify	Not applicable		

C-FS2.2e

(C-FS2.2e) Do you assess your portfolio's exposure to forests-related risks and opportunities?

	We assess the portfolio's exposure	Please explain
Investing (Asset manager)	No, we don't assess this	Prudential's General Account does not currently assess exposure to forests-related risks and opportunities but intends to stay informed of developments in this area.
Investing (Asset owner)	No, we don't assess this	Prudential's General Account does not currently assess exposure to forests-related risks and opportunities but intends to stay informed of developments in this area.
Other products and services, please specify		

C-FS2.2f

(C-FS2.2f) Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

	We request climate-related information	Please explain
Investing (Asset manager)	Yes, for some	Our clients' Environmental, Social and Governance (ESG) goals and objectives inform the integration of ESG factors (part of which is climate-related) in our investment decisions. Recognizing the increasing demand for ESG investment capabilities, we use both a qualitative and quantitative approach to meet the evolving expectations of our clients. When actively integrating ESG factors in our decision-

		making process, we collaborate with clients to navigate the screening process and prioritize areas of focus. Experts from each of our businesses are uniquely positioned to invest responsibly across asset classes, while paying close attention to relevant ESG factors.
Investing (Asset owner)	Yes, for some	As an asset owner the General Account does not engage directly with any portfolio companies. Instead, we delegate that responsibility to our asset managers. Our ESG Investment Policy Statement requires our asset managers to incorporate ESG considerations into all investment decisions made on behalf of the General Account. This means assessing all relevant and material information related to future risks including, but not limited to, climate related risks from investees.
Other products and services, please specify		

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

The company’s business continuation plans outline recovery strategies in the event of severe natural disasters or pandemics that may arise in association with climate change. The company also examines geographic concentrations of risk that may affect businesses in the event of either set of cataclysms. PGIM Real Estate has also begun mapping water risks against location of investments in the portfolio.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,900,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Financial implications include costs associated with business interruption. As Prudential has not experienced a severe weather event with significant impacts in several years, the specific costs associated with these events have not been evaluated. Prudential maintains commercial property insurance program for its US home office portfolio of owned, leased and occupied locations. In terms of potential financial impact for failing to respond to this risk, for 2020, Prudential has over $3.9B of total US insured value reported to its insurers. The insurance program provides $800mm of coverage per occurrence for wide spectrum of loss perils (e.g., fire, water, hurricane, earthquake). This $800mm limit is higher than the probable maximum loss from modelling of Prudential's concentrated property in Newark, NJ. Outside of NJ, the largest weather-related exposure would be Prudential's Jacksonville, FL location. Following a loss, Prudential would pay a deductible of $1mm for most loss scenarios (up to $5mm for hurricane losses at Jacksonville). These exposures, program limits and deductibles are reviewed annually and authorized by our Chief Risk Officer. Our last large loss to the US office portfolio was the August 2007 flooding of Wash/Plaza, with insured losses of over $5mm. Should an extreme weather event occur and completely destroy Prudential's facilities, in a worst-case scenario, the potential financial impact would be $3,900,000,000 USD.

Cost of response to risk

0

Description of response and explanation of cost calculation

Business continuation planning at Prudential assumes that the severe events will prevent the company's ability to do business across a wide range of ongoing activities. We conduct a Regional Tabletop exercise each year to understand the ability of our businesses to recover from a regional issue such as extreme weather. We review the impacts on our offices, our technology, and the ability of employees to work from home. For example, Prudential's Global Crisis management receives weather related reports that track storms, supporting our response planning. While we have not experienced an extreme weather event that caused significant damage in several years, we closely tracked Hurricane Sandy as it approached, securing facilities and ensuring safety by sandbagging to mitigate water rise, responding quickly to damaged windows, as well as planning for employees to work from home as needed. We also extended fuel contacts to our generators to ensure delivery in the midst of a disaster.

In 2018, GRESB added a resiliency section to their reporting. In preparation for this change, in 2018, PGIM Real Estate: assessed all U.S. assets for rooftop solar; globally assessed assets for water risk and looked at our 12 major utility providers for incentives to further improve

energy efficiency.
During 2020, PGIM Real Estate completed 18 submissions to the GRESB Real Estate Assessment representing more than 85% of PGIM Real Estate's global AUM as of December 31, 2019. As of December 31, 2020, PGIM Real Estate managed 18.4 million square feet of ENERGY STAR-certified real estate in the U.S. Globally, PGIM Real Estate managed 33.9 million square feet of LEED-certified and 6.9 million square feet of Fitwel-certified real estate. PGIM Real Estate managed a total of 53.2 million square feet of real estate with GRESB-recognized certifications and 22.0 million square feet with GRESB-recognized energy ratings.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

Reputational risk

Company-specific description

Inherent risks driven by other climate-related developments could include shifting public opinion on climate change and climate risk, changing market demand for Prudential’s climate-related products (such as our green bonds and alternative energy investment portfolios) and growing employee interest in environmental stewardship.

Time horizon

Short-term

Likelihood

Unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

875,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

As part of Prudential’s business continuity program, business units are required annually to perform a business impact analysis to help identify the potential effects of an interruption to a business process. Each business impact analysis looks at operational and financial impacts to help determine the criticality of the process and what recovery strategies are needed to sustain the business process. In 2019, total financial impact for business processes under 72 hours in the US North Eastern Region (CT, Maine, Mass, Maryland, NJ, NY, PA, and Virginia) equaled over $875,000,000. This figure disclosed in the ‘Potential financial impact figure’ column is based on a historical estimate. Such an event is extremely unlikely and business continuation plans and technology redundancies are in place to further reduce the likelihood and significantly reduce associated impacts.

Cost of response to risk

0

Description of response and explanation of cost calculation

Prudential's reputation as a trusted provider of financial services is rooted in a wide variety of factors, including, but not limited to being respected for our Environmental Commitment. Prudential's Environment and Sustainability team is responsible for gathering business intelligence and monitoring megatrends related to the company's environmental risk management and opportunity creation. For example, the team works with a number of subject matter experts embedded in the company's businesses to support their activities and help create direct or indirect business value. These subject matter experts provided input on our Global Environmental Commitment update process to ensure different areas of the business were aligned on expectations, addressed customer and stakeholder concerns, and upheld our public commitments. This process will help maintain Prudential’s reputation as a trusted provider of financial services. No incremental costs are associated with the issues monitoring function. To help ensure we meet or exceed the expectations of our customers, in early 2020 we issued our first green bond, furthering our commitment to sustainable investments which deliver a positive environmental impact. Our green bond has a principal amount of $500 million, representing the first green bond issuance of its kind by a major U.S. life insurer. There are no additional incremental costs associated with these actions, therefore our cost of response is reported as $0 (zero).

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Rising mean temperatures

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

Operational risk

Company-specific description

Prudential facilities (e.g., Jacksonville, Florida and Newark, New Jersey) are located in regions that may experience rising temperature and other chronic climate change impacts such as rising sea levels and increased risk of hurricanes & floods that may increase operating costs associated with maintaining comfortable working environments.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

675,950

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

During pre-COVID-19 times, the annual energy cost savings associated with energy efficiency installations and upgrades to cooling processes for our facilities totalled $675,950 in 2018 and 2019 combined. Pre-COVID-19 data was used as an indication of potential financial impact in this year's CDP response to represent times of normal capital spend.

Cost of response to risk

1,238,250

Description of response and explanation of cost calculation

Our LED lighting upgrades are an annual investment. Wherever Prudential can save in energy dollars we look to perform the installation and or upgrade. These are items of "low hanging fruit" and save substantial energy expenditure as well as making our current systems more efficient, dependable, reliable and better operating. For example, in 2019 we implemented LED lighting in approximately 225,000 square feet of office space. This included six full floors, two partial floors and two new state of the art conference centers. All build outs followed the energy code and included installing LED lighting, lighting control systems and replacing inefficient supplemental HVAC with high efficiency units and low water flow fixtures. Costs associated with energy efficiency and cooling of our facilities totaled $1,238,250 in 2019.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of supportive policy incentives

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

When Prudential was evaluating if renewable energy was a viable and economic endeavor to pursue for its office spaces in Newark NJ, Scranton PA, Dresher PA, Plymouth MN and Jacksonville Fl, then rebates and grants offered by the Federal government and utility companies made the decision more attractive.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

561,500

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Prudential experiences lower electrical annual costs at all sites where solar PV renewable energy was installed.

For example, our solar sites in PV canopies over two parking garages at the PGIM Real Estate facility in Santa Clara, CA will generate 2.203 MWh/year, reducing operating costs by approximately $61,500 annually. Further, PGIM Real Estate's rooftop solar PV program receives about $500,000 annually from roofs leased to third party solar developers. In some cases, energy purchased from third party on-site production is also at a lower cost than the local utility, further reducing operating expenses. In 2019, PGIM Real Estate installed rooftop solar PV panels on four buildings in Melbourne, Australia. Additional rooftop solar PV projects planned in Mexico and the United States.

Cost to realize opportunity

4,200,000

Strategy to realize opportunity and explanation of cost calculation

Prudential has explored renewable energy opportunities supported by policy incentives. For example, we are currently saving electrical energy costs annually through the use of solar PV renewable energy as well as SREC sales and Federal rebate grants. Programmatically, in 2018, PGIM Real Estate evaluated all US assets for their rooftop solar PV program. $4.2 million investment by a third party solar developer who was able to leverage in rebate, grant and investment tax credits money supported the installation of the solar PV canopies over two parking garages at PGIM Real Estate facility in Santa Clara, CA. Creating and executing this initiative occurred with only soft costs for engineering reviews (seismic, structural and electrical). This asset receives approximately $60,000 annually in roof rent without a capital investment. In 2019 no additional solar installations took place. An audit is underway at all our locations for the suitability of solar besides the two current sites where solar panels are installed. Pre-COVID-19 data was used as an indication of potential financial impact in this year's CDP response to represent times of normal capital spend.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Reputational benefits resulting in increased demand for goods/services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Prudential's Impact Investing team manages a stand-alone impact investment portfolio. This team also provides consultative services to the rest of the firm on responsible investments and perspectives on under-served markets including the PGIM Real Estate Impact Venture fund.

Prudential formalized its Impact Investing unit more than 40 years ago. In 2014 Prudential set a bold goal to invest $1 billion in assets under management by 2020 and has successfully achieved this goal.
In 2020, $58.41 million in new authorizations were made as part of Prudential's $1 billion in impact investment portfolio focused on equity and inclusion.

Prudential has found opportunities to help mitigate climate change and support resilience in a variety of asset classes. Most prominently, the company has invested in renewable energy, green bonds and green real estate. The market value of Prudential's portfolio of renewable energy generation investments was $4.2 billion at the end of 2019. PGIM Fixed Income began investing in green bonds in 2013. "Green bonds" are

debt instruments used to finance environmental initiatives like energy efficiency or renewable energy projects. In early 2020 we issued our first green bond, furthering our commitment to sustainable investments which delivers a positive environmental impact. The green bond has a principal amount of $500 million and represents the first green bond issuance of its kind by a major U.S. life insurer. The total proceeds allocated to projects in the renewable energy category was $104.2 million representing a combined total generation capacity of 1,034 megawatts (AC) installed capacity across all renewable energy projects.
The total proceeds allocated to projects in the green building category was $395.8 million across 4 LEED Gold projects representing 1,729,217 square feet.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Prudential's investment portfolios provide capital to the company to meet Prudential's obligations. They also offer attractive opportunities to clients of PGIM (Prudential's asset management business).

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Prudential's skilled investment professionals and analysts continually evaluate the business models in which the company invests, the duration of those businesses and the placement of capital. Informed decision-making considers the speed to relevance and suitability for emerging businesses, such as renewable energy, and other investments declining in relevance, such as coal. The cost is integrated into existing budgets.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

PGIM Real Estate aims to reduce resource consumption while delivering attractive risk-adjusted returns for our investors. We see collaboration as an opportunity to scale sustainability solutions across portfolios to increase adoption while realizing a return on investment.

In 2020, PGIM Real Estate participated in the Global Real Estate Sustainability Benchmark (GRESB) and 50% of Prudential's ranked funds earned a 5-Star, 4-Star or Sector Leader distinction.

To further this success, PGIM Real Estate hired a resilience consultant to further evaluate resilience opportunities to mitigate risk and add value. This includes strengthening our due diligence process to include climate risk within the investment decision making process.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

47,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The energy savings associated with this opportunity are difficult to quantify in total, however one opportunity resulted in an estimated 70% reduction in kWh energy usage or savings of $47K annually.

Cost to realize opportunity

96,000

Strategy to realize opportunity and explanation of cost calculation

PGIM Real Estate's property management company, The Morgan Group, engaged GreenLogic, a lighting and retrofit consultant, to develop, implement, and install an energy-efficient LED solution to reduce energy costs at our property in Houston, TX, while improving appearance and safety of the community. GreenLogic also used their local knowledge to research potential rebates and incentives offered by energy companies and state/city programs. Our net investment in the project was calculated by subtracting approximately $27,000 in rebates and incentives from our initial investment of $123,000 into the program. PGIM Real Estate's resiliency program may help attract and retain tenants when considering our tenant's business continuity programs while potentially reducing insurance costs. While too early to quantify, we believe the value will be material to the investment performance of the asset and the portfolio.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS RCP 2.6	i. Prudential recently initiated a high-level analysis of science-based target setting methods to inform an update to our Global Environmental Commitment. The SBT methodologies considered include CDP criteria, which utilizes the RCP 2.6 scenario, as well as SBTi criteria utilizing 2DS, SDA, and C-Fact methodologies. Company-specific growth trajectories including financial indicators and employees were applied to historical GHG emissions trends to determine a business-as-usual (BAU) scenario. In 2020, Prudential engaged Trucost to perform carbon footprint and climate change analysis covering 70% of full portfolio across all asset classes. ii. Prudential evaluated both medium- and long-term time horizons, as we endeavor to evaluate the range of possible criteria for setting our goals in the absence of specific SBTi guidance for financial institutions. iii. The SBT assessment applies to our US domestic sites. iv. We completed our analysis in 2019, which led to the announcement of our new emissions reduction goal to reduce domestic emissions by 65% by 2050. We will use these results to determine an appropriate path forward given the current lack of approved methodologies for financial institutions. v. The analysis impacts our objectives and strategy by providing us with reference points to determine the appropriate plans of action to achieve emissions reductions, such as energy efficiency measures and renewable energy investments.

	vi. A specific example of how the analysis has influenced and will continue to influence Prudential's strategy relates to our work to update our global environmental commitment. Released in 2019, our Global Environmental Commitment includes a quantitative greenhouse gas reduction goal (for U.S. domestic sites initially), that will be based on historical GHG data and modelled around a science-based approach to help embed rigor and align with best practice. Our new emissions reduction goal is to reduce domestic emissions by 65% by 2050. The SBT assessment helped inform this goal and set the tone for a more ambitious approach to our environmental management. In 2020, Prudential reduced domestic emissions by 19% from the 2017 base year; Prudential is now 30% towards its goal.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	i. A description of how your strategy in this area has been influenced by climate-related risks and opportunities AND the time horizon(s) it covers: The identified risks and opportunities reported in 2.3a and 2.4a have impacted Prudential's approach to designing or administering products and services. Studies have shown increasing demand for "responsible investment" products, such as those with climate-related attributes among institutional and retail customers, which will likely cause an increase in demand for our products and services. Though Prudential's investment processes inherently consider sustainability to ensure long-term returns for our clients, we have specifically pursued renewable energy investments and green bonds. Time horizons covered for this risk are short-term (0-7 years). ii. A case study of the most substantial strategic decision(s) made in this area to date that have been influenced by the climate-related risks and opportunities: Studies have shown increasing demand for "responsible investment" products, such as those with climate-related attributes among institutional and retail customers. In response to growing customer interest for more sustainable products, we began developing a new offering in 2019 and in March 2020, issued the firm's first green bond, furthering our

		commitment to sustainable investments which deliver a positive environmental impact. The principal amount of $500 million, represents the first green bond issuance of its kind by a major U.S. life insurer. Net proceeds from the green bond will be allocated exclusively to existing or future investments which provide environmental benefits including reduced greenhouse gas emissions and improved resource efficiency.
Supply chain and/or value chain	Yes	i. Physical climate risks and opportunities as described in 2.3a and 2.4a have affected our supply/value chain activities, particularly understanding our supply chain carbon footprint. Prudential's Environment and Sustainability team is responsible for gathering business intelligence and monitoring megatrends related to the company's environmental risk management and opportunity creation. The team works with subject matter experts embedded in the company's businesses to support their activities and help create direct or indirect business value. Time horizons covered for this risk are short-term (0-7 years). ii. Prudential's Environment and Sustainability team is responsible for gathering business intelligence and monitoring megatrends related to the company's environmental risk management and opportunity creation. In order to reduce the impact of our supply chain carbon footprint, in 2019, Prudential expanded its Education and Engagement goals to include our vendors: - Engaging 100 percent of our Top Suppliers in supporting the commitment - Inviting 100 percent of our Top Suppliers to report climate change KPIs by 2022 In early 2020 Prudential joined CDP's supply chain program to enhance our supply chain data and better understand environmental impacts of our supply chain in order to meet the KPI reporting goal. In addition, Prudential joined the Sustainable Purchasing Leadership Council (SPLC) and created a long-term vision, action plans, and measurable goals supporting achievement of the Global Environmental Commitment and continuing the partnership with vendors on ESG components of the value chain. Our two new goals around Supplier Engagement were announced in 2019, and as such we will have more concrete information on the impact of this engagement in the 2020 reporting year. We measure success as reaching these goals to engage 100 percent of our Top Suppliers in supporting our Global Environmental Commitment and 100 percent of our Top Suppliers reporting climate change KPIs by 2022.

Investment in R&D	No	As Prudential mainly offers life insurance, annuities, retirement-related products and services, mutual funds and investment management, we consider development of these products and services to require general operating costs and do not report any investment toward developing our products in the 10-K as R&D.
Operations	Yes	i. Physical climate risks and opportunities as described in 2.3a and 2.4a impact our operations, particularly implementing projects that support our progress toward achieving sustainability goals while saving on operational costs. Time horizons covered for this risk are short-term (0-7 years) and medium-term (7-20 years). ii. Maintaining the strength of our business requires ongoing education around climate change and the use of natural resources. We must ensure the long-term value of both our operations and investments by acknowledging the risk of global climate change, meeting the challenges and opportunities that climate change presents for our business, and reducing our own environmental impacts. Recognizing the challenge of reducing our overall operational climate impact, in late 2019, we issued our refreshed Global Environmental Commitment which has operational and investment targets around environmental reporting, responsible use of natural resources, resiliency preparation and education and engagement. Each individual business will be responsible for implementing our environmental commitment, with the support of the Environmental Task Force, Sustainability Council and Vice Chairman. The Corporate Governance and Business Ethics Committee of our Board of Directors will review this environmental commitment and its progress against goals annually.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs	i. Transitional climate risks as described in 2.3a have influenced our capital allocation strategy. For example, shifting public opinion on climate change and climate risk could change market demand for climate-related product offerings. Though Prudential's investment processes inherently consider sustainability to ensure long-term returns for our clients, we have specifically pursued renewable energy investments and green bonds. In March 2020, Prudential issued the

	Capital expenditures Capital allocation Assets Liabilities	firm's first green bond, furthering our commitment to sustainable investments which deliver a positive environmental impact. The green bond has a principal amount of $500 million and represents the first green bond issuance of its kind by a major U.S. life insurer. Net proceeds from the green bond will be allocated exclusively to existing or future investments, including potential capital investments, which provide environmental benefits including reduced greenhouse gas emissions and improved resource efficiency, subject to completing the issuance as planned. The eligible categories for the use of the net proceeds include renewable energy, green buildings, environmentally sustainable management of living natural resources and land use, energy efficiency, clean transport, sustainable water and wastewater management, and pollution prevention and control. The Green Bond Council will be responsible for reviewing and validating eligible projects as well as relevant reporting to investors. ii. Time horizons impacted: Short and Medium Term.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

N/A

C-FS3.6

(C-FS3.6) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

C-FS3.6a

(C-FS3.6a) In which policies are climate-related issues integrated?

	Type of policy	Portfolio coverage of policy	Description
Investing (Asset manager)	Sustainable/Responsible Investment Policy	Majority of the portfolio	i. Climate-related risks are integrated into our (PGIM RE + PGIM Real Estate Finance) general policy framework, specifically PGIM Real Estate's ESG Policy. Furthermore,

	Investment policy/strategy		climate-related risks are considered within our investment decision-making processes. As part of our risk assessment framework, PGIM Real Estate includes criteria which allows us to better understand the ESG risks and performance of our assets. This criterion helps us appropriately evaluate potential capital investments to improve both the performance and marketability of the asset. PGIM Fixed Income: Climate-related issues are integrated into our general policy framework that relates to our financing activities. At PGIM Fixed Income our analysts perform in-depth bottom up fundamental research with a view towards long term sustainability. The Principles of the UN Global Compact and the UN Sustainable Development Goals are a part of the lens through which we analyse all issuers and industries. We measure all our companies (especially those who operate with higher carbon footprints) in terms of their long run business plans and we try to determine if those plans are credible and achievable. We measure their progress against their plans to determine if management is reliable. When we think about long run sustainability, we take into consideration the carbon footprint and whether or not a company's plans will ensure that they are a viable enterprise for the long run. QMA has the following policies in place: ESG Policy, Statement on Responsible Investment and Approach to Active Ownership. These outline how we address climate-related issues, among others. QMA supports the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). From an investment standpoint, we use insights from the TCFD regarding transition climate-related risks to develop metrics for carbon emissions in our client-directed ESG portfolios. Carbon is part of our proprietary ESG scoring system. We can also amplify additional ESG attributes for investors with alternate sustainable investment goals. QMA also manages investment mandates that exclude certain securities, sectors etc. at the client’s request. ii. PGIM Fixed Income: PGIM RE: As reported in our UN PRI report, we address ESG incorporation into our investment decisions in the following asset classes: Property (>50%), Debt (10%) and Securities (10%). Percentages in brackets represent the breakdown of

			assets within our portfolio, which falls under CDP's Majority (more than 50%) definition. PGIM Fixed Income and QMA: Climate-related risks and opportunities are also assessed in a majority of our portfolios from these business units. As reported in our UN PRI reports, majority of our assets have undergone a portfolio carbon footprint assessment.
Investing (Asset owner)	Sustainable/Responsible Investment Policy	Minority of the portfolio	i. Climate-related issues are integrated into our general policy framework that relates to our financing activities. For the General Account, we have instituted a stand-alone ESG Policy as of this year. Prudential utilizes informed decision-making, which considers the speed to relevance for emerging businesses, such as renewable energy, and other investments declining in relevance, such as coal. Their analysis of climate change risk includes strategic industry and geographic reviews to examine future impacts and utilizes the findings to make long-term portfolio decisions. ii. Approximately $400 billion (or 72%) of the General Account's assets have some form of ESG identifier. This is an increase from $183 billion (or 34%) in 2019.
Other products and services, please specify			

C-FS3.6b

(C-FS3.6b) Describe your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.

Type of exclusion policy	Portfolio	Application	Description
All fossil fuels	Investing (Asset manager)	Other, please specify We have client restrictions for securities in the area of all fossil fuels and coal investments	Certain clients have general investment policies that restrict our ability to invest in industry classifications and company exposures to all fossil fuels and coal.

C-FS3.7

(C-FS3.7) Are climate-related issues factored into your external asset manager selection process?

Yes, for some assets managed externally

C-FS3.7a

(C-FS3.7a) How are climate-related issues factored into your external asset manager selection process?

	Process for factoring climate-related issues into external asset management selection	Comment
Row 1	Review asset manager's climate-related policies Preference for asset managers with an offering of low-carbon products Assessment of asset manager's climate-related performance (e.g. active ownership, proxy voting records, under-weighting in high impact activities)	

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2019

Target coverage

Country/region

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2017

Covered emissions in base year (metric tons CO2e)

80,192

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

90

Target year

2050

Targeted reduction from base year (%)

65

Covered emissions in target year (metric tons CO2e) [auto-calculated]

28,067.2

Covered emissions in reporting year (metric tons CO2e)

51,454

% of target achieved [auto-calculated]

55.1330652588

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

Please explain (including target coverage)

As a financial services company, the technical guidance to accurately understand our indirect footprint was only recently released. We set a target where our data is most robust: that of our domestic operations. The SBT methodologies considered include CDP criteria, which utilizes the RCP 2.6 scenario, as well as SBTi criteria utilizing 2DS, SDA, and C-Fact methodologies. Prudential evaluated both medium- and long-term time horizons to evaluate the range of possible criteria for setting our goals in the absence of specific SBTi guidance for financial institutions. Our target reflects an annual 1.97% linear reduction from our base year. We will continue to explore opportunities to expand the scope of our target and align with updated climate science.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2019

Target coverage

Country/region

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management

Percentage of total waste generated that is recycled

Target denominator (intensity targets only)

Base year

2019

Figure or percentage in base year

41

Target year

2025

Figure or percentage in target year

65

Figure or percentage in reporting year

87

% of target achieved [auto-calculated]

191.6666666667

Target status in reporting year

Achieved

Is this target part of an emissions target?

No

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

We have set a target to address waste diversion in the United States, Brazil, Taiwan, and Korea, where our data integrity is most robust. For locations not addressed by this goal, including Japan, we will strengthen our data collection while simultaneously continuing to streamline operations to reduce waste and move toward including them in our corporate goal.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	7	486.23
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

22.71

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

7,689

Investment required (unit currency – as specified in C0.4)

480,000

Payback period

>25 years

Estimated lifetime of the initiative

16-20 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

22.71

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

7,689

Investment required (unit currency – as specified in C0.4)

480,000

Payback period

>25 years

Estimated lifetime of the initiative

16-20 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
5.68

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1,922

Investment required (unit currency – as specified in C0.4)
48,000

Payback period
21-25 years

Estimated lifetime of the initiative
16-20 years

Comment

Initiative category & Initiative type
Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

5.68

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,922

Investment required (unit currency – as specified in C0.4)

47,000

Payback period

21-25 years

Estimated lifetime of the initiative

16-20 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings

Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

209.81

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
71,040

Investment required (unit currency – as specified in C0.4)
294,000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment

Initiative category & Initiative type
Energy efficiency in buildings
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
193.7

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

74,308

Investment required (unit currency – as specified in C0.4)

45,000

Payback period

<1 year

Estimated lifetime of the initiative

16-20 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

25.95

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

8,785

Investment required (unit currency – as specified in C0.4)

250,000

Payback period

>25 years

Estimated lifetime of the initiative

16-20 years

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	Emissions reductions activities are driven through an annual capital budget allocation. Each year, Prudential dedicates capital dollars for priority energy and carbon footprint reduction projects and initiatives. This occurs for all our operationally controlled owned and or leased domestic portfolio. Capital spending varies from year to year, as the energy related projects are diverse. For example, the annual energy cost savings associated with energy efficiency installations and upgrades to cooling processes for our facilities totaled $675,950 in 2018 and 2019 combined.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

Green bonds

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Green Bond Principles (ICMA)

% revenue from low carbon product(s) in the reporting year

21.67

% of total portfolio value

Asset classes/ product types

Comment

“Green bonds” are debt instruments used to finance environmental initiatives like energy efficiency or renewable energy projects. The market value of Prudential’s green bonds totalled $3.9B ($876M for General Account) at the end of 2020. The figure reported in ‘% revenue from low carbon products’ is a percentage of the approximately $18B in investments made to mitigate climate change.

Level of aggregation

Product

Description of product/Group of products

Alternative energy investments

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Internal methods

% revenue from low carbon product(s) in the reporting year

23

% of total portfolio value

Asset classes/ product types

Comment

PGIM Investments continued to invest in a diverse portfolio of "green" investments in 2020, which included Alternative Energy Investments. Prudential's portfolio of renewable energy generation investments totalled $4.27B in 2020 compared to $4.2B in 2019. The figure reported in '% revenue from low carbon products' is a percentage of the approximately $18B in investments made to mitigate climate change.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

7,188

Comment

2016 GHG emissions were refreshed post CDP 2017 to include GHG emissions from Prudential's operationally-controlled home offices facilities in Brazil, Japan, South Korea and Taiwan. Prior to this only Prudential's domestic US facilities were included in CDP disclosures. Base and historical year emissions were restated during the development of Prudential's 2019 GHG inventory to correct an inaccuracy in reported actual consumption data for two of Prudential's international facilities.

Scope 2 (location-based)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

58,123

Comment

2016 GHG emissions were refreshed post CDP 2017 to include GHG emissions from Prudential's operationally-controlled home offices facilities in Brazil, Japan, South Korea and Taiwan. Prior to this only Prudential's domestic US facilities were included in CDP disclosures. Base and historical year emissions were restated during the development of Prudential's 2019 GHG inventory to correct an inaccuracy in reported actual consumption data for two of Prudential's international facilities.

Scope 2 (market-based)

Base year start

January 1, 2016

Base year end

December 31, 2016

Base year emissions (metric tons CO2e)

76,839

Comment

2016 GHG emissions were refreshed post CDP 2017 to include GHG emissions from Prudential's operationally-controlled home offices facilities in Brazil, Japan, South Korea and Taiwan. Prior to this only Prudential's domestic US facilities were included in CDP disclosures. Base and historical year emissions were restated during the development of Prudential's 2019 GHG inventory to correct an inaccuracy in reported actual consumption data for two of Prudential's international facilities.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

12,953

Comment

C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
43,824

Scope 2, market-based (if applicable)
46,061

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Diesel from emergency generators for international sites

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

While we have included emissions from diesel powered emergency generators for all US operations and Taiwan, we have not yet been able to fully identify which buildings internationally use similar emergency generators and obtain either actual data or sufficient information to develop an estimate. Prudential hopes to include this in future inventories.

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

267,623

Emissions calculation methodology

GHG emissions from Prudential's purchased goods and services were estimated using actual spend for 2020 and Environmentally-Extended Input-Output (EE I/O) emission factors to convert the dollar values to GHG impacts: US$ spent on (purchased goods and services) x EE I/O emission factor (metric tonne CO2e/US$) = GHG emissions (metric tonne CO2e)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This EE I/O generated estimate was an initial step to identify spend categories and individual vendors or vendor groups with the most significant GHG impacts for Prudential and as input for driving further action by Prudential within an vendor engagement strategy. Part of this strategy will seek to obtain vendors' Scope 1 & 2 GHG emissions associated with business services provided to Prudential. The strategy will eventually focus engagement on potential reduction activities in Prudential's supply chain.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

While Prudential has calculated emissions associated with purchased goods and services, capital goods was deemed as "not relevant" from an initial Scope 3 screening exercise. This however will be revisited in the future. Currently, Prudential is revising its vendor management and vendor governance activities which makes further assessment at this time. As Prudential continues to identify and prioritize emissions based on annual spend, it will reassess the relevance of this category and if relevant will gather the appropriate data and include estimates in future inventories.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

12,948

Emissions calculation methodology

Emissions were calculated for fuel-and-energy-related activities (not included in Scope 1 or 2) by totalling activity data for each Scope 1 fuel type and electricity consumption by country. These totals were multiplied by their relevant emission factors as appropriate: International Energy Agency 2019 emission factors, Green-e Residual Mix factors and UK DEFRA / BEIS 2019 Conversion Factors for Company Reporting.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Data for Scope 1 and 2 and for this FERA Scope 3 emissions came directly from energy or utility vendor invoices. Note: the location-based FERA emissions are reported here, however Prudential also calculated the market-based FERA emissions which were 9,612 MT CO2e.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

338

Emissions calculation methodology

GHG emissions from Prudential's upstream transportation and distribution were estimated using actual spend for 2020 and Environmentally-Extended Input-Output (EE I/O) emission factors to convert the dollar values to GHG impacts:

US$ spent on (upstream transportation and distribution) x EE I/O emission factor (metric tonne CO2e/US$) = GHG emissions (metric tonne CO2e)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Generally speaking, as a financial services firm, Prudential does not ship good nor products, however there were some relevant costs from 2020 spend data that was allocated to this Scope 3 category. This EE I/O generated estimate was an initial step to identify spend categories and individual vendors or vendor groups with the most significant GHG impacts for Prudential and as input for driving further action by Prudential within an vendor engagement strategy. Part of this strategy will seek to obtain vendors' Scope 1 & 2 GHG emissions associated with business services provided to Prudential. The strategy will eventually focus engagement on potential reduction activities in Prudential's supply chain.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

427

Emissions calculation methodology

This waste figure represents partial global emissions from recycled and mixed solid waste for 2020 from a subset of Prudential's businesses. Data quality is considered to be consistent with inputs from our global database on sustainability metrics. Data on waste quantity are obtained and reported from US and International sites. Emissions from waste are calculated using methodologies and emission factors from the EPA's Waste Reduction Model (WARM), version 15, May 2019. Landfill emissions factors are used directly from WARM. This model bases its emissions calculations on a life-cycle analysis, including emissions from the long-term decomposition of waste in a landfill and upstream sources/sinks. GWPs are from the IPCC (2007) Fourth Assessment Report. For incineration, the WARM method has been adjusted to align with the GHG Protocol's Corporate Value Chain (Scope 3) Standard, based on emissions for transport to the incinerator and processing of materials prior to incineration.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Prudential used actual mass of waste generated by final disposal stream (i.e., recycle, landfill, incineration, etc.) that is already published in its annual Sustainability Report.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

4,541

Emissions calculation methodology

Employee air mileage, rental car mileage & fuel consumption, taxi/livery mileage, public transit (incl. rail, bus, ferry) mileage and hotel stay data related to business travel mileage are obtained from Prudential's various travel vendors and other service providers. Employee mileage reimbursement data is provided by Prudential. Following DBEIS' 2020 guidance accompanying its conversion factors, air mileage is categorized by short, medium and long haul distances (i.e., <300 miles, between 300 and <2,300 miles or > or equal 2,300 miles, respectively). Flights were also categorized by seat class (i.e., business, first, premium economy, economy and average).

Appropriate DBEIS Conversion Factors for Business Travel are applied to each distance type to calculate MT CO2e for air travel emissions. All travel data were summed and multiplied by a relevant DBEIS Emission Factors to calculate MT CO2e. Resultant travel emissions are summed to provide a total for Business Travel emissions. Specifics on each business travel data aspect is detailed below:

Air Travel Emissions: [(short haul selected class air mileage x DBEIS' 2020 short haul selected class emission factor)+(medium haul selected class air mileage x DBEIS' 2020 medium haul selected class emission factor)+(long haul selected class air mileage x DBEIS' 2020 long haul selected class emission factor)]

Employee Mileage Emissions: (vehicle-miles reimbursed x Passenger car vehicle-miles emission factor)

Public Transit Emissions: [(bus passenger miles x DBEIS' 2020 bus passenger miles emission factor)+(intercity rail passenger miles x DBEIS' 2020 intercity rail passenger miles emission factor)+(ferry passenger miles x DBEIS' 2020 ferry passenger miles emission factor)]

Rental Cars Emissions: (rental car gasoline consumed x DBEIS' 2020 gasoline consumption emission factor)

Taxi/Livery Emissions: (vehicle-miles reimbursed x Passenger car vehicle-miles emission factor)

Hotel Stay Emissions: (number of hotel night within specific region x DBEIS' 2020 for regional hotel night emission factor)

Total Business Travel Emissions: Total Air Travel Emissions (MT CO2e) +Total Employee Mileage Travel Emissions (MT CO2e) + Total Public Transit Travel Emissions (MT CO2e) + Total Rental Car Travel Emissions (MT CO2e) + Total Taxi/Livery Travel Emissions (MT CO2e) + Total Hotel Emissions (MT CO2e)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Prudential currently collects data for and quantifies business travel for its US business but not for its international businesses. Prudential will include these other business travel related emissions in future inventories.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
8,604

Emissions calculation methodology
Remote working emissions were estimated using headcount per country and multiplying these by appropriate energy intensities to estimate specific electricity and natural gas consumption. These energy intensities are published by the International Energy Agency (IEA). The estimated consumption were then multiplied by appropriate emissions factors for electricity and natural gas (as were used in Scopes 1 and 2 location and market based emission calculations). These calculations use Anthesis Group's methodology (Whitepaper: Estimating Energy Consumption & GHG Emissions for Remote Workers) for these calculations published here: https://www.anthesisgroup.com/whitepaper-estimating-energy-consumption-ghg-emissions-for-remote-workers/

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
During 2020 Prudential estimated the remote working emissions since the majority of its employees worked from home during the COVID-19 pandemic mandatory lockdowns. The reported emissions here only include those from remote working.

Note: the location-based emissions are reported here, however Prudential also calculated the market-based FERA emissions which were 8,843 MT CO2e

Prudential has not yet estimated employee commuting emissions but will do so in future inventories.

Prudential has a flexible tele-commuting program for employees which makes calculating these numbers difficult. However, Prudential is actively seeing how to best quantify data (e.g., via periodic employee surveys) in order to include employee commuting emissions in future inventories.

Upstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO2e

182

Emissions calculation methodology

GHG emissions from Prudential's upstream leased asset were estimated using actual spend for 2020 and Environmentally-Extended Input-Output (EE I/O) emission factors to convert the dollar values to GHG impacts:

US$ spent on (upstream leased assets) x EE I/O emission factor (metric tonne CO2e/US$) = GHG emissions (metric tonne CO2e

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This EE I/O generated estimate was an initial step to identify spend categories and individual vendors or vendor groups with the most significant GHG impacts for Prudential and as input for driving further action by Prudential within a vendor engagement strategy. Part of this strategy will seek to obtain vendors' Scope 1 & 2 GHG emissions associated with business services provided to Prudential. The strategy will eventually focus engagement on potential reduction activities in Prudential's supply chain. Prudential does not lease assets on a material scale and more of these emissions may already be included within Scope 1 and Scope 2.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

As a life insurance and financial services company, Prudential does not produce a physical product and therefore would not have emissions associated with this category.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

As a life insurance and financial services company, Prudential does not produce a physical product and therefore would not have emissions associated with this category.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

As a life insurance and financial services company, Prudential does not produce a physical product and therefore would not have emissions associated with this category.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

As a life insurance and financial services company, Prudential does not produce a physical product and therefore would not have emissions associated with this category.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Please explain
Prudential does not lease assets on a material scale

Franchises

Evaluation status
Not relevant, explanation provided

Please explain
Prudential does not operate franchise companies.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Please explain
There are no other relevant upstream emissions to Prudential in addition to what is already included above.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Please explain
There are no other relevant downstream emissions to Prudential in addition to what is already included above.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000001

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

56,777

Metric denominator

unit total revenue

Metric denominator: Unit total

57,033,000,000

Scope 2 figure used

Location-based

% change from previous year

10.3

Direction of change

Decreased

Reason for change

This 10.3% decrease was due to a corresponding 21.0 % decrease in location-based emissions, facilitated by energy efficiency initiatives implemented during the year, and 12% decrease in total revenues between 2019 and 2020.

Intensity figure
0.000001

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
59,014

Metric denominator
unit total revenue

Metric denominator: Unit total
57,033,000,000

Scope 2 figure used
Market-based

% change from previous year
9.8

Direction of change
Decreased

Reason for change
This 9.8% decrease was due to a corresponding 20.6% decrease in market-based emissions, facilitated by energy efficiency initiatives implemented during the year, and 12% decrease in total revenues between 2019 and 2020.

Intensity figure
2.4920774

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
56,777

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

22,783

Scope 2 figure used

Location-based

% change from previous year

78.5

Direction of change

Increased

Reason for change

This 78.4% increase was due to a corresponding 21.0% increase in location-based emissions, facilitated by energy efficiency initiatives implemented during the year, and 55.8% decrease in total full-time equivalent employees between 2019 and 2020.

Intensity figure

2.5902517

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

59,014

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

22,783

Scope 2 figure used

Market-based

% change from previous year

79.4

Direction of change

Increased

Reason for change

This 79.4% increase was due to a corresponding 20.6% decrease in market-based emissions, facilitated by energy efficiency initiatives implemented during the year, and 55.8% decrease in total full-time equivalent employees between 2019 and 2020.

Intensity figure

0.0068244

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

56,777

Metric denominator

square foot

Metric denominator: Unit total

8,319,649

Scope 2 figure used

Location-based

% change from previous year

21.2

Direction of change

Decreased

Reason for change

This 21.2% decrease was due to a corresponding 21.0% decrease in location-based emissions, facilitated by energy efficiency initiatives implemented during the year, and a 0.2% increase in total floor area between 2019 and 2020.

Intensity figure

0.0070933

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

59,014

Metric denominator

square foot

Metric denominator: Unit total

8,319,649

Scope 2 figure used

Market-based

% change from previous year

20.8

Direction of change

Decreased

Reason for change

This 20.8% decrease was due to a corresponding 20.6% decrease in market-based emissions, facilitated by energy efficiency initiatives implemented during the year, and a 0.2% increase in total floor area between 2019 and 2020.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	There were no changes in renewable energy consumption in 2020.
Other emissions reduction activities	486	Decreased	1	Seven energy efficiency projects were implemented at four key domestic US sites (incl. upgrades to efficient HVAC equipment and LED retrofits), resulting in approx. 1.5 million kWh reduction electricity consumption annually which corresponds to about 486 MT CO2e savings annually. The “emissions value” column was calculated by dividing the total amount of estimated annual CO2e savings in metric tons CO2e by Prudential’s 2020 Scope 1 and 2 emissions.
Divestment	0	No change	0	There were no divestments in 2020.

Acquisitions	0	No change	0	There were no acquisitions in 2020.
Mergers	0	No change	0	There were no mergers in 2020.
Change in output	0	No change	0	There were no changes in output in 2020.
Change in methodology	0	No change	0	There were no changes to methodology in 2020.
Change in boundary	0	No change	0	There were no changes to boundary in 2020.
Change in physical operating conditions	15,121	Decreased	21	Significantly reduced building activity due to 2020 COVID-19 mandatory lockdowns. We also migrated our data center operation out of one facility (ROSE 1) into another existing facility (Ft. WASH) With the onset of the COVID-19 pandemic and mandatory lockdowns from mid-March 2020, like other businesses globally, Prudential Financial's staff worked remotely for most of the year (approx. 9 months). Energy use from remote working consequently shifted (i.e., decreasing) GHG emissions from Scopes 1 and 2 (within Prudential's operationally controlled Home Office properties) into Scope 3 (individual homes of its employees which are not under Prudential's control). While compared with previous years, there was a significant decrease in energy consumed and related Scope 1 and 2 emissions from Prudential's operations globally, there was still the need to light and heat/cool office buildings for any staff or personnel that were required to be onsite. In complying with health and safety protocols (e.g., Center for Disease Control guidance) to mitigate transmission of the novel COVID-19 virus, Prudential retrofitted air filters within its HVAC systems, increased air flow and daily refreshed the circulated air within its buildings. These activities required "higher than normal" energy use from the HVAC motors to accommodate these enhancements.
Unidentified	0	No change	0	There were no unidentified changes in 2020.

Other	0	No change	0	There were no other changes in 2020.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Unable to confirm heating value	0	11,467.64	11,467.64
Consumption of purchased or acquired electricity		0	42,658.28	42,658.28
Consumption of purchased or acquired heat		0	1,165.94	1,165.94
Total energy consumption		0	55,291.86	55,291.86

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status

Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CY2020 LR Assurance Statement for Prudential Financial (2).pdf

Page/ section reference

Table 1. Summary of Prudential's GHG Emissions for CY2020, page 2.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CY2020 LR Assurance Statement for Prudential Financial (2).pdf

Page/ section reference

Table 1. Summary of Prudential’s GHG Emissions for CY2020, page 2.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

CY2020 LR Assurance Statement for Prudential Financial (2).pdf

Page/ section reference

Table 1. Summary of Prudential's GHG Emissions for CY2020, page 2.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

CY2020 LR Assurance Statement for Prudential Financial (2).pdf

Page/section reference
Table 1. Summary of Prudential’s GHG Emissions for CY2020, page 2.

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO14064-3	This is the second year that we had our Scope 1 & 2 year on year emissions verified. Please see Table 2, page 2 of the attached Assurance Statement [1]

[1]CY2020 LR Assurance Statement for Prudential Financial (2).pdf

C11. Carbon pricing

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism
Code of conduct featuring climate change KPIs
Climate change is integrated into supplier evaluation processes

% of suppliers by number

17

% total procurement spend (direct and indirect)

35

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Prudential recognizes that our environmental impacts extend beyond our direct operations to our supply chain. By engaging our significant vendors to comply with the environmental portion of our Vendor Code of Conduct, we hope to educate as well as learn from these suppliers that comprise much of our spending.

Impact of engagement, including measures of success

We measure success by receiving commitment from our vendors that they agree to the requirements set out in our vendor code of conduct. One of the conditions of doing business with Prudential is compliance with the environmental portion of the Vendor Code of Conduct and Terms of Engagement. Once an agreement or contract is signed, significant vendors are asked to attest to their compliance to various portions of the agreement annually. By engaging our significant vendors to comply with the Environmental portion of our Vendor Code of Conduct, we hope to educate as well as learn from these suppliers that comprise much of our spending. In addition, if material issues are identified that would indicate lack of compliance, these would be addressed in either routine or ad hoc vendor engagements.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

5

% total procurement spend (direct and indirect)

54

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

In 2019, Prudential expanded its Education and Engagement goals to include our vendors:

- Engaging 100 percent of our Top Suppliers in supporting the commitment
- Inviting 100 percent of our Top Suppliers to report climate change KPIs by 2022

In 2020, Prudential engaged 100% of top vendors to complete the CDP Supply Chain survey. In addition, Prudential joined the Sustainable Purchasing Leadership Council (SPLC) and created a long-term vision, action plans, and measurable goals supporting achievement of the Global Environmental Commitment and continuing the partnership with vendors on ESG components of the value chain.

Impact of engagement, including measures of success

Our two new goals around Supplier Engagement were announced in 2019. We measure success as reaching these goals to engage 100 percent of our Top Suppliers in supporting our Global Environmental Commitment and 100 percent of our Top Suppliers reporting climate change KPIs by 2022.

We consider improving our response rate on a year over year basis a measure of success.

We got a 58% response rate for this year. We consider 60% to be a good rate of response.

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Prudential's Environmental Task Force, with representatives from Prudential's businesses and Corporate Centers, supports day to day implementation of our sustainability strategy, employee engagement and related initiatives. Our employees are key partners in the value chain for promoting and implementing climate-related initiatives. We continue to build a network of "sustainability ambassadors" between the Environmental Task Force, Sustainability Council and Prudential's Global Communications group, by engaging more employees in programs that integrate sustainability with corporate programs, like Green Teams and Lunch and Learns.

For example, the Environmental Task force organizes Lunch and Learn sessions for all employees on various topics including renewable energy, home solar use, energy savings initiatives, impact investing and scenario analysis. Seven locations have Green Teams to foster behavior change and engage employees. The Green Teams have organized community initiatives, such as park clean-ups, adopt-a-highway clean up, recycling drives, and Lunch & Learn Sessions. These programs are supported by messaging in the company's internal web-based homepage. Prudential Financial, Inc. also produces a monthly newsletter called Environmental and Climate Change eNews available to all employees. This newsletter is a curated summary of industry related articles to help keep investment professionals and other internal stakeholders current with ESG-related activities. Similarly, PGIM Real Estate has posted more than two dozen ESG related articles and announcements on the company intranet to help inform our associates of ESG topics such as resource efficiency, regulatory updates, industry trends, awards, etc. They have also produced several case studies demonstrating the benefits of incorporating ESG related issues into the ownership cycle and have shared those internally and with outside stakeholders. In 2020, PGIM published a white paper titled “Weathering Climate Change”, focused on climate change’s global impact the long-term effects on the broader economy.

Our communication efforts have raised awareness of ESG issues including the risks and opportunities and as a result, we are witnessing an increase in the number of green projects deployed across our portfolio to improve building performance. Furthermore, LEED Green Associate training, such as sustainability management best-practice webinars and LEED Green Associate exam training by PGIM Real Estate’s ESG consultant, is offered to associates to help incorporate sustainability into real estate processes. Investment analysts, asset managers, portfolio managers and consultants have participated. 75+ internal professionals have been trained since 2013 and more than 100 external stakeholders have been trained.
offers.

A sustainability (ESG) overview is also presented to all new employees attending the New Hire Training program, including investment and non-investment professionals. Since 2010, more than 200 new hires received this sustainability overview. Additional 2020 training activities included: Earth Day E-blasts; Global Newsletters (PGIM Real Estate ESG, Environmental and Climate Change eNews, etc.); Environmental Data Management training; sustainable gardening webinars and One-on-one Portfolio meetings.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations
Funding research organizations
Other

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

The Geneva Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association’s position

The socioeconomic risks associated with weather-related events and other natural catastrophes are on the rise, exacerbated by climate change and urban development patterns. The adoption of the Sendai Framework for Disaster Risk Reduction, the Agenda for Sustainable Development and the COP21 Paris Agreement promotes the need for a comprehensive approach to managing extreme events and climate risk.

The (re)insurance industry can play a key role in public-private partnerships that take these commitments forward as integral components of national to local development planning.

How have you influenced, or are you attempting to influence their position?

Prudential’s President and CEO sits on the Board of Directors for the Geneva Association. The Geneva Association conducts research focused on two key pillars: (i) building resilience to extreme events and climate risk; and (ii) the transition to a low-carbon economy. It also facilitates high-level dialogue engaging C-level executives of the insurance industry and authorities from policymakers, standard-setting and regulatory bodies, governments, the United Nations and development organisations. Prudential has participated in these C-level dialogues. In 2020, Prudential also contributed to the Geneva Association’s first report on Climate Change Risk Assessment for the Insurance Industry (to be published in 2021).

Trade association

Urban Land Institute

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association’s position

ULI is the oldest and largest network of cross-disciplinary real estate and land use experts in the world. The mission of the Urban Land Institute is to shape the future of the built environment for transformative impact in communities worldwide.

How have you influenced, or are you attempting to influence their position?

In 2020, PGIM participated in the Urban Land Institute’s Singapore Annual Conference, Australia 2020 Summit and APAC Summit 2020 in Tokyo. PGIM has also partnered with the Urban Land Institute on its Asia Pacific Women in Leadership initiative program to raise the visibility of woman leaders and develop female leadership.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Prudential engagement activities include involvement with a range of organizations like membership in the Ceres Business Network and Ceres Investor Network. Prudential has sponsored conferences with both organizations at which important issues around climate change -- both domestically and internationally -- are discussed. Prudential was also a signatory for the Business Round Table Climate RESOLVE (Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts) initiative in 2018. Climate RESOLVE is the only broad-based business initiative dedicated to helping its members reduce their GHG emissions through one-on-one counselling, learning sessions, workshops, networking opportunities and exposure to member company best practices.

In 2020, Prudential conducted its second sustainability materiality assessment to identify the company’s most significant environmental, social and governance risks and opportunities. To identify and prioritize sustainability topics, Prudential and its consultant reviewed industry trends, sustainability frameworks and best practices; conducted peer benchmarking; and engaged key internal and external stakeholders and experts. Topics were ranked and prioritized according to significance of impact and importance to stakeholders to ensure a focus on the most strategic and impactful issues and meaningfully contributing to the United Nations Sustainable Development Goals (SDGs). Stakeholder outreach, feedback and integration follows this section.

Furthermore, PGIM, Prudential's investment management division, is issuing long-term views on the investment implications of global megatrends around Climate Change. The PGIM thematic research group examines secular macro trend that unfolds over years and provides multi-asset investment implications. Most recently The Future Means Business, disruptive forces leading to the emergence of three new business models that are radically changing the investment calculus for institutional investors. Past research includes The Technology Frontier, End of Sovereignty, Emerging Markets at the Crossroads. In 2020, PGIM focused on climate change's global impact the long-term effects on the broader economy and developed a white paper titled "Weathering Climate Change".

In addition, staff in Prudential businesses participate in discussions with organizations related to their line of business. For example, the sustainability lead for PGIM Real Estate is active with the U.S. Green Building Council and the Urban Land Institute's Greenpoint Center for Building Performance. Also, four PGIM arms are signatories to the Principles for Responsible Investment.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Coordination of direct and indirect activities is the responsibility of Prudential's Vice President, Sustainability. This position is charged with guiding and assisting subject matter experts in Prudential's corporate functions and businesses, ensuring that all direct and indirect activities and positions undertaken are consistent with the company's environmental commitment and its overall climate change strategy. The Vice President then oversees engagement via our Sustainability Council/Environmental Task Force and interaction with Green Teams.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Prudential Financial 2020 ESG Report.pdf

Page/Section reference

Governance – Page 15 Strategy – Page 51 Risks & Opportunities – Page 19 Emissions figures – Page 48, 53 Emission target - Page 51

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In mainstream reports

Status

Complete

Attach the document

Prudential Financial 2020 Annual Report.pdf

Page/Section reference

Strategy – Pages 1-3 Governance and Risks & Opportunities – Pages 12-15

Content elements

Governance

Strategy

Risks & opportunities

Comment

C-FS12.5

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

	Industry collaboration	Comment
Reporting framework	Principles for Responsible Investment (PRI) Task Force on Climate-related Financial Disclosures (TCFD) Other, please specify SASB	
Industry initiative	Principles for Responsible Investment (PRI) Ceres Other, please specify The Geneva Association, 2 Degree Investing, New York State Department of Financial Services (NYDFS)	
Commitment		

C14. Portfolio Impact

C-FS14.1

(C-FS14.1) Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Comment
Investing (Asset manager)	Yes	Category 15 "Investment" total absolute emissions	Prudential engaged Trucost to perform a carbon footprint and climate change analysis on the General Account portfolio covering 70% of our portfolio across all asset classes.
Investing (Asset owner)	No, but we plan to do so in the next two years		Prudential’s asset management does not currently conduct scope 3 portfolio impact analysis but intends to stay informed of developments in this area to respond to CDP within the next two years.
Other products and services, please specify	Not applicable		

C-FS14.1a

(C-FS14.1a) What are your organization’s Scope 3 portfolio emissions? (Category 15 “Investments” total emissions)

Category 15 (Investments)

Evaluation status

Relevant, calculated

Scope 3 portfolio emissions (metric tons CO2e)

0

Portfolio coverage

More than 60% but less than or equal to 70%

Percentage calculated using data obtained from client/investees

0

Emissions calculation methodology

Prudential engaged Trucost to perform a carbon footprint and climate change analysis on the General Account portfolio covering 70% of our portfolio across all asset classes.

Please explain

Prudential intends to disclose its Scope 3 portfolio emissions in its next CDP report.

C-FS14.1c

(C-FS14.1c) Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 "Investments" emissions or alternative carbon footprinting and/or exposure metrics)

i. An explanation as to why climate-related portfolio analysis has not been undertaken: Prudential's asset management has not currently conducted scope 3 analysis on its investments. We have completed ESG analysis on the general account (asset owner) and Prudential's Chief Investment Office conducted a carbon foot printing and climate-scenario analysis of the portfolio in 2020.

ii. A description of plans to implement climate-related portfolio analysis in the future:
We currently only have plans to build on our ESG analysis for the general account (asset owner) by including ESG information in our portfolio climate change assessment. For certain portfolios, depending on climate mandate, we use Sustainalytic's Carbon Risk Assessment to calculate the temperature of our third party assets and their impact on climate to determine if portfolios are at or below 2-degrees. We plan to continue building this process in order to provide quantitative metrics going forward.

C-FS14.2

(C-FS14.2) Are you able to provide a breakdown of your organization's Scope 3 portfolio impact?

	Scope 3 breakdown	Comment
Row 1	None of the above, but we plan to do this in the next 2 years	Prudential intends to disclose its Scope 3 portfolio emissions in its next CDP report.

C-FS14.3

(C-FS14.3) Are you taking actions to align your portfolio to a well below 2-degree world?

	We are taking actions to align our portfolio to a well below 2-degree world	Please explain
Investing (Asset manager)	Yes	PGIM Private Capital committed $300 million to the Sustainable Power mandate. The Mandate includes investments in projects, portfolios, platforms and companies that develop, own or operate wind, solar, hydro, geothermal, biomass generation, energy storage, and transmissions infrastructure in the US and Canada.
Investing (Asset owner)	Yes	Prudential engaged Trucost to perform a carbon footprint and climate change analysis on the General Account portfolio covering 70% of our portfolio across all asset classes. Trucost also performed a physical and transition risk analysis covering 50-70% of public debt and public equity portfolios (metric dependent). The transition risk analysis included an assessment of our public debt and equity portfolios alignment with a 2-degree warming trajectory and the biggest contributors within those portfolios to any misalignment. We plan to build on this analysis and continue complementing climate related information into our investment strategy. Prudential has also implemented an ESG Investment Policy Statement ("IPS") requiring all asset managers to incorporate ESG considerations into their investment decisions. We continue to refine our ESG IPS to incorporate emerging best practices for asset owners. PGIM Private Capital committed $300 million to the Sustainable Power mandate. The Mandate includes investments in projects, portfolios, platforms and companies that develop, own or operate wind, solar, hydro, geothermal, biomass generation, energy storage, and transmissions infrastructure in the US and Canada.
Other products and services, please specify	Not applicable	

C-FS14.3a

(C-FS14.3a) Do you assess if your clients/investees' business strategies are aligned to a well below 2-degree world?

	We assess alignment	Please explain
Investing (Asset manager)	Yes, for some	PGIM committed to the ULI Greenprint Net Zero Goal, which aligns with the Paris Agreements and IRCC recommendations to lower global warming to 1.5 Degrees pathway. While our commitments such as Net Zero are firm-level, our strategy for achieving them do trickle down to investment strategies for the funds. In addition, PGIM Fixed Income has developed proprietary ESG Impact Ratings across all asset classes, PGIM Private Capital has launched a proprietary ESG risk factor checklist into the underwriting of all new deals, and QMA has developed a proprietary ESG scoring methodology.
Investing (Asset owner)	Yes, for some	Where data is available, we have used Trucost to measure the alignment of our investment portfolio with a well below 2-degree world. We were able to measure the alignment for a majority of our public corporate and listed equity investments, but even within these asset classes coverage is less than 100%. Based on this analysis, our public corporate portfolio is aligned with 2 to 3 degrees of warming and our listed equity portfolio is aligned with greater than 3 degrees of warming. Our Trucost analysis allowed us to understand how aligned the issuers in our public bond and equity portfolios are with a 2-degree world. Prudential has also implemented an ESG Investment Policy Statement ("IPS") requiring all asset managers to incorporate ESG considerations into their investment decisions. We continue to refine our ESG IPS to incorporate emerging best practices for asset owners.

C-FS14.3b

(C-FS14.3b) Do you encourage your clients/investees to set a science-based target?

	We encourage clients/investees to set a science-based target	Please explain
Investing (Asset manager)	No	The General Account is in the process of developing a new Responsible Investment policy which will set engagement requirements for our asset managers. Given the diversified nature of Prudential's General

		Account portfolio, science-based targets may not be appropriate for investees in all asset classes that Prudential invests in.
Investing (Asset owner)	No	The General Account is in the process of developing a new Responsible Investment policy which will set engagement requirements for our asset managers. Given the diversified nature of Prudential's General Account portfolio, science-based targets may not be appropriate for investees in all asset classes that Prudential invests in.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

N/A

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)