



2021 ESG REPORT

Prudential Financial, Inc.



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Disclosure Statement: Prudential's ESG Report provides an overview of long-term Company goals and efforts in support of those goals. Some material is derived from other Company documents, and links are provided to those documents where appropriate. The report contains goals, commitments, targets, plans, initiatives and aspirational or otherwise forward-looking statements and actual results may differ, possibly materially, and no guarantees are made that goals, commitments and targets will be met or that projects and initiatives will be successfully executed. The report also includes numbers and percentages that are estimates or approximations and that may be based on assumptions. See Index for additional important information about these forward-looking statements.

About Prudential

Prudential Financial is a global financial services leader and premier active global investment manager with more than \$1.62 trillion in assets under management¹, and operations in the United States, Asia, Europe, and Latin America. Through our subsidiaries and affiliates, 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.

Prudential's diverse and talented employees, numbering over 42,000 globally, help to make lives better by solving the financial challenges of a changing world. Prudential's iconic Rock symbol has stood for strength, stability, expertise, and innovation for nearly 150 years.

Our vision is to be a global leader in expanding access to investing, insurance and retirement security. We will serve the diverse needs of a broad range of customers and clients by investing in growth businesses and markets around the world, delivering industry-leading customer and client experiences that blend human touch with advanced technology, and creating the next generation of financial solutions.

The Prudential Insurance Company of America traces its roots to the Prudential Friendly Society established in Newark, New Jersey in 1875. Our Company's founder, John Dryden, said Prudential existed to advance better social and economic conditions for our customers and their families, and that these relationships are built on trust for millions of people in all the varying walks of life. While the world has changed dramatically over the last nearly 150 years, John Dryden's commitment remains the foundation of our culture. The Company's number one priority has always been to protect and support the employees, customers and communities we serve.

**WE MAKE LIVES
BETTER *by***

**SOLVING *the*
FINANCIAL CHALLENGES**

of **CHANGING
our WORLD**

1. As of March 31, 2022

Message from the Chairman



As I reflect on the tumultuous events of the past two years, I'm proud that all of us at Prudential have remained steadfast in our commitment to our Company's purpose—to make lives better by solving the financial challenges of our changing world.

To ensure we continue fulfilling that purpose and delivering on our promises, we are challenging ourselves to evolve, so we can seize new opportunities, reach new customers and deliver increased value to all our stakeholders.

To guide our work, we recently unveiled a new vision: **to become a global leader in expanding access to investing, insurance, and retirement security.**

Employees around the world have embraced this vision for the future of Prudential. We will achieve it by executing a three-pronged strategy:

- Investing in growth businesses and markets around the world.
- Delivering industry-leading customer and client experiences that blend human touch with advanced technology.
- Creating the next generation of financial solutions to serve the diverse needs of a broader range of customers and clients.

Sustainability will remain integral to our ability to fulfill our purpose, achieve our vision and strategy, and deliver on our long-term promises to our customers and other stakeholders.

In 2021, we reinforced our efforts to drive sustainability with significant enhancements to our environmental, social and governance (ESG) practices.

We enacted **new standards and commitments:**

- We announced our intention to achieve net-zero emissions across our primary global home office operations by 2050, with an interim goal of becoming carbon neutral by 2040. In addition, PGIM Real Estate committed to achieve net zero operational carbon by 2050 across all of its managed assets.
- We're assessing the emissions impact of our General Account's investment portfolio and have restricted new direct investments in companies that derive more than 25 percent of their revenues from thermal coal.
- We formed a Climate Change Steering Council, headed by Robert Falzon, Prudential's Vice Chairman, which will work closely with a cross-functional group to develop our climate policy.

- PGIM, our asset management business, appointed a global head of ESG, who is responsible for shaping and coordinating the ESG strategy and approach across its operations.

We celebrated a milestone in our **longstanding work to drive social progress:**

- The Prudential Foundation surpassed \$1 billion in total contributions since its inception in 1978. The foundation works to close the financial divide by creating inclusive workplaces and communities, and accelerating economic mobility for those who need it most. This milestone follows the achievement in 2020 of \$1 billion in assets under management in our impact investing portfolio.

We reinforced our **commitment to transparency and accountability:**

- We continued annual disclosure of our EEO-1 data on U.S. employee representation in addition to the results of a comprehensive analysis on pay equity across our U.S. workforce.
- We expanded our long-term executive compensation plan's diversity goals to reach deeper into the organization with an emphasis on Black and LatinX colleagues.

As a global insurer and investment manager, we recognize the urgent need to play our part in addressing societal issues. I thank our employees around the world for their hard work and unwavering dedication, which enable us to live our purpose and deliver on our promises, every day.

We will continue to take meaningful action to create a more sustainable future for our customers, employees, investors, and communities. I look forward to sharing news of our progress with you.



Charles F. Lowrey

Charles F. Lowrey
Chairman and Chief Executive Officer

2021 Highlights

\$1 Billion Prudential Foundation Milestone

With the aspiration to close the financial divide and accelerate economic mobility for those who need it most, the Prudential Foundation surpassed \$1 billion in total contributions since its inception in 1978.

Diversity, Equity and Inclusion

Public disclosure of our EEO-1 data and pay equity results for U.S. employees reflect our commitment to and accountability for our diversity, equity and inclusion efforts.

Cultivating Talent

Prudential launched Talent Marketplace, an online career development platform, that offers all employees free courses, skilling programs, and matches an employee's skills with internal open positions.

Addressing Climate Change

Prudential commits to achieve net-zero emissions across its primary global home office operations by 2050, with an interim goal of becoming carbon neutral by 2040. The General Account restricts new direct investments in companies that derive a material portion of their revenues from thermal coal.

Sustainable Finance

Prudential integrates its environmental and social commitments into the Company's liquidity framework through the renewal of its five-year, \$4 billion credit facility, linking the Company's borrowing costs to its sustainability targets.

Awards and Recognitions

- **FORTUNE® Magazine** The World's Most Admired Companies®
- **Ethisphere** World's Most Ethical Companies®
- **Points of Light** The Civic 50
- **Barron's** 100 Most Sustainable Companies in America
- **Human Rights Campaign** Corporate Equality Index
- **FTSE** FTSE4Good Index Series
- **Working Mother** 100 Best Companies
- **Military Times** Best for Vets Employers
- **3BL Media** 100 Best Corporate Citizens
- **Hispanic Association of Corporate Responsibility** Corporate Inclusion Index
- **National Organization on Disability** Leading Disability Employer Seal™
- **Forbes** America's Best Employers for New Graduates

Governing our Business

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Highlights

Prudential achieves an A- CDP Supplier Engagement rating

Corporate Governance and Board Oversight

Prudential’s Board of Directors is committed to sound and effective corporate governance practices on behalf of our employees, shareholders, customers and society. The Board’s oversight extends to Prudential’s corporate strategy, environmental sustainability, human capital and corporate culture. In addition, three of our Board members sit on the Company’s Corporate Social Responsibility Oversight Committee. These Directors inform the Company’s social responsibility efforts in investing for financial and social returns, strategic philanthropy, employee engagement and corporate community involvement.

Board Structure

As reflected in our Corporate Governance Principles and Practices, our Board believes that strong, independent leadership is a critical aspect of effective corporate governance. Eleven of our 13 board members are

independent. With oversight by the Corporate Governance and Business Ethics Committee, the Board’s current composition is the result of a thoughtful process informed by the Board’s annual self-evaluation, which is conducted by an independent third party, and feedback received from the Company’s engagement with shareholders and other stakeholders. Over the last seven years, the Board has undergone significant Director refreshment, and added five directors—all diverse. When evaluating qualified Board candidates, the Corporate Governance and Business Ethics Committee considers individuals who possess skills that align with Prudential’s current and long-term global business strategy. The Corporate Governance and Business Ethics Committee also considers the Board’s composition in the context of the diverse communities and geographies we serve. We require a diverse candidate pool for all Director searches and evaluate a nominee’s experience, education, skills, gender, race, ethnicity and other qualities in the context of the entire Board.

BOARD DIVERSITY



4
have worked outside the U.S.

2
are African-American

1
is Asian-American

2
are Hispanic

4
are Women

1
is LGBTQ+

Board Oversight

Environmental Sustainability

Environmental Sustainability is overseen by the Corporate Governance and Ethics Committee and Prudential's Board of Directors. The Company's sustainability strategy is led by Prudential's senior leaders including Prudential's Vice Chairman, who leads the Company's Climate Change Steering Council that guides climate policy for the enterprise. The Corporate Governance and Business Ethics Committee discusses environmental sustainability, climate objectives and strategy at least quarterly. This regular engagement gives the Board insight into the Company's climate change strategy and environmental stewardship initiatives. In addition, the full Board receives periodic briefings and education on core concepts and trends that impact our businesses and society as well as regular discussions in the Investment and Risk Committees.

Human Capital Management

The Board believes that human capital management and succession planning, including inclusion and diversity, are paramount to the Company's success and are central to our long-term strategy. Our Company's Corporate Social Responsibility Oversight Committee, composed of Board members and Prudential senior executives, in addition to the full Board, evaluates the Company's commitment to inclusion and diversity and actively suggests policy enhancements. The Board reviews the Company's "people strategy" in support of its business strategy at least annually and frequently discusses talent issues at its meetings. This includes a detailed discussion of the Company's global leadership bench and succession plans with a focus on key positions at the senior officer levels. More broadly, the Board is regularly updated on key talent indicators for the overall workforce, including diversity, recruiting and development programs.

Strategic Risk

The Board oversees the Company's risk profile and management's processes for assessing and managing risk, through both the full Board and its committees. At least annually, the Board reviews strategic risks and opportunities facing the Company and its businesses.

The Board's Risk Committee includes the chairs of each of the other Board committees as well as another independent director who serves as Chair of the Committee. The Risk Committee receives reports from management on material and emerging risk topics that are reviewed by the Company's internal management committees. Additionally, the Committee oversees the Company's assessment and reporting of material risks by reviewing: the metrics used by management to quantify risk; applicable risk limit structures and risk mitigation strategies; and the Company's processes and procedures for risk assessment and risk management, including the related assumptions used across the businesses and material risk types.

In performing its oversight responsibilities, the Board and its committees review policies and guidelines that senior management uses to manage the Company's exposure to material categories of risk. As these issues sometimes overlap, Board committees hold joint meetings when appropriate and address certain issues at the full Board level. During 2021, the Risk Committee received updates from the Chief Risk Officer on the important strategic issues and risks facing the Company.

Cybersecurity Risk

The Board oversees cybersecurity risk through the Company's Information Risk and Resilience program. This program includes a cyber incident response plan that provides controls and procedures for timely and accurate reporting of any material cybersecurity incident. Prudential has not had a material data security breach in three years. The Audit Committee, which is tasked with oversight of certain risk issues, including cybersecurity, receives reports from the Chief Information Security Officer, the Chief Information Officer and the Global Head of Operational Risk throughout the year. At least annually, the Board and the Audit Committee receive updates about the state of the Company's cybersecurity program, including results of exercises and response readiness assessments led by outside advisors who provide a third-party independent assessment of our technical program and our internal response preparedness. The Audit Committee regularly briefs the full Board on these matters. The full Board also receives periodic briefings on cyber threats to enhance our Directors' literacy on cyber issues.

Cybersecurity and Privacy



Prudential’s cybersecurity, privacy and compliance teams work to safeguard Company and customer data.

To respond to the threat of security breaches and cyberattacks, Prudential has developed the Information Risk and Resilience program, overseen by the Chief Information Security Officer and the Information Security Office, that is designed to protect and preserve the confidentiality, integrity and continued availability of all information owned by, or in the care of, the Company. As part of this program, we maintain an incident response plan. The program provides for the coordination of various corporate functions and governance groups and serves as a framework for the execution of responsibilities across businesses and operational roles. The program establishes security standards for our technological resources and includes cybersecurity annual training for employees, contractors and third parties. Additionally, we conduct periodic exercises and response readiness assessments with outside advisors to gain a third-party independent assessment of our technical program and our internal response preparedness. We regularly engage with the outside security community and monitor cyber threat information. We continue to evaluate and evolve the technologies, processes, controls and intelligence to prevent, detect and respond to cyber threats and attacks. Relevant cybersecurity controls related to financial reporting are considered by our external auditor in the context of Prudential’s annual external integrated audit.

Prudential partners with other companies and industries, as well as law enforcement to communicate information about the latest cyber

threats and to leverage threat modeling insights into its cybersecurity program. The Company continuously tests its technical defenses with internal and external trained professionals seeking to probe the Company’s cybersecurity defenses. Risk assessments are included in the cybersecurity program. Prudential maintains cyber insurance coverage as part of the Company’s incident response preparedness.

Cross-functional teams participate in simulated scenarios within Prudential, while Company representatives participate in industry-wide external scenarios. New technology is regularly reviewed and implemented to help thwart attacks and prepare the Company to respond to those that evade defenses.

Prudential continues to expand and evolve its threat-hunting and analytics capabilities, proactively searching for and identifying evidence of malicious attacks already inside the network. These processes supplement traditional review of malicious external internet traffic directed at the Prudential network.

Prudential respects and protects personal, confidential, sensitive and material nonpublic information and has implemented a principles based Global Privacy Program. The Global Privacy Office is led by the Company’s Global Chief Privacy Officer, who reports through the Chief Ethics and Compliance Officer, and is responsible for establishing the Company’s standards and requirements around privacy protections for Personal Information. Data Protection Officers are identified by the businesses to oversee the privacy risks within their business units to ensure procedures are in place that align with the Company’s Global Privacy Program to include privacy by design and management of privacy events and incidents.

These align with the broader incident response process described above. Privacy risks and controls are assessed through the Compliance Risk Management Program, and privacy impact assessments and other assessments are conducted regularly on processes, initiatives and products involving personal information. The Board and the Audit Committee receive updates at least annually regarding the privacy risk profile of the Company.

Prudential informs its customers and employees about its privacy practices through several channels and honors individual rights as required by applicable laws and regulations. We provide privacy notices to employees and customers consistent with legal requirements and explain how the Company generally collects, uses, stores, transfers and safeguards customer information. Similarly, the [Company’s online privacy statements](#) outline how Prudential collects, uses and safeguards information that may be gathered through online interactions. For more information, read Prudential’s Form 10-K and our [Data Security Statement](#).

Prudential provided information security training to employees in 2021. For employees in Information Security job functions, additional role-specific training prescribed and tracked by the Information Security Office is instituted.

All employees receive mandatory privacy training at the time of hire and on an annual basis that is centrally tracked with role-specific targeted privacy training provided based on job function.

TRAINING	FREQUENCY
Cybersecurity	Annual
Privacy	Annual
Information Security	Annual

Ethics and Compliance



Prudential’s business conduct is guided by Prudential’s Code of Conduct, [Making the Right Choices](#), which is grounded in the Company’s purpose, principles and values.

Prudential’s global Compliance Program within our Ethics & Compliance Department (“Compliance Department”) operates independently. It supports risk-smart oversight of business growth and helps protect our customers. The Compliance Department promotes a culture of ethical and compliant conduct, and fosters compliance with policies, programs, and applicable legal and regulatory requirements everywhere Prudential does business around the world.

Prudential’s Global Business Ethics and Integrity (“GBEI”) team is the enterprise-wide function designed to cultivate our culture of ethical conduct. By reinforcing our customer advocacy role, we endeavor to ensure a safe and positive environment for anyone to speak up. Prudential encourages all employees to raise any ethics questions, complaints or concerns they may have. We provide all employees a variety of reporting channels, including management, human resources, Business Ethics Officers, the Ethics Website, the Ethics telephone Help Line, GBEI, Compliance Officers and/or Law Department contacts.

GBEI continues to evolve and adapt with the ever-changing industry, partnering with Prudential’s businesses to protect their strategic aspirations while enabling compliant and ethical growth. To augment its leadership for ethical conduct, key areas of the Ethics and Compliance Program include:

- Reinforcing Prudential’s Code of Conduct through ethical messaging, communications, and programming;
- Requiring employees to participate in annual training to reinforce their understanding of Prudential’s Code of Conduct and policies, including the prohibition of any type of illegal or unethical behavior and employees’ obligation to report suspected violations promptly;
- Creating an environment where employees feel comfortable and safe to raise concerns without fear of retaliation;
- Consistent with relevant legal protections, strictly prohibiting retaliatory,

threatening or harassing acts against anyone for reporting in good faith reasonably suspected unethical or unlawful behaviors or practices, and anyone participating in an investigation;

- Providing a toll-free number and web-based reporting mechanism for employees to report suspected violations of our Code of Conduct or the law—the Ethics Help Line is operated by an independent third party and is available 24 hours a day, seven days a week in multiple languages, with an option to remain anonymous, where permitted by law;
- Ensuring that appropriate grievance mechanisms and procedures are in place to receive, escalate, and facilitate resolution of concerns promptly and appropriately, including the investigation of reports of misconduct and prevention of the recurrence of misconduct;
- Appointing Business Ethics Officers in the First Line of Defense; and
- Consistent global reporting to address ethical concerns and monitor emerging trends.

Prudential’s global Conflict of Interest (COI) Program emphasizes transparency, disclosure and mitigation to manage enterprise risk. The COI Program requires all employees to complete a personal COI disclosure at the time of hire, as well as at various intervals throughout their employment. The COI Program also requires businesses and corporate functions to identify institutional conflicts of interest, apply appropriate mitigants and to assess those conflicts annually.

In 2021, the Compliance function rolled out a new training platform that takes a game-based approach to learning, offering content in short and personalized modules to reinforce and increase employees’ understanding of their obligations. The global conflicts program was highlighted in the training to further educate employees about the risks of personal and institutional conflicts of interest, how to identify actual, potential and apparent conflicts, the mitigation of any conflicts, and disclosure requirements.

Anti-Money Laundering and Anti-Bribery/Anti-Corruption Oversight

Prudential is committed to a comprehensive global anti-money laundering (AML) and anti-bribery and corruption program (ABC). The Company recognizes the importance of protecting the integrity of the global financial system from money laundering, terrorist financing, and other financial crimes. The Company complies with all applicable governmental requirements that have been designed to prohibit and prevent both actual and potential money laundering, as well as other activities that facilitate money laundering and the funding of terrorists and/or other criminal activity.

Prudential has policies that expressly define and prohibit practices associated with money laundering, bribery and corruption. Such policies apply to all companies, branches, subsidiaries, affiliates, joint venture and private equity investments, where Prudential has management control. Prudential reviews and updates these policies to align with industry best practices as well as applicable regulations.

All Prudential employees, including management and executives, are trained on these policies and their implementation during the onboarding process, and periodic refresher training is also provided. In addition, business-level training is provided, which is tailored to the business and customized to the business units' risks.

Prudential developed a global financial crime training course, including anti-money laundering, sanctions and anti-bribery, for launch in 2022. Prudential has a rigorous customer due diligence program (Know Your Customer). Each business unit reviews current and prospective clients and their transactions for potential money laundering and terrorist financing activities. Prudential and its global businesses implement anti-money laundering programs in accordance with applicable laws

and regulations. In the United States, covered financial institutions pursuant to the USA Patriot Act have policies and procedures to comply with the record keeping, reporting and audit requirements of the Act.

The Global Financial Crimes Unit (“GFCU”) is responsible for enterprise compliance of Prudential’s ABC policies, procedures, and processes. The GFCU partners with personnel across the enterprise to provide compliance oversight as well as an escalation path for financial crime matters requiring attention. The GFCU proactively manages the development and coordination of Prudential’s ABC Policy and Standards (including compliance with the Foreign Corrupt Practices Act), provides oversight of the Gifts and Entertainment system (which maintains documentation of gifts, entertainment, and items of value given to government officials), identifies emerging bribery and corruption risks across the Prudential enterprise, conducts investigations into allegations of bribery and corruption under the direction of the Law Department, assists in due diligence for mergers and acquisitions, and escalates concerns or potential issues to Senior Leadership, which may include the Board of Directors as necessary.



Risk Management

Core to the sustainability of Prudential is understanding the risks the Company takes and how they impact our stakeholders, including policyholders. In addition, the Company's culture of transparency and informed decision-making is foundational to our ability to plan for and mitigate potential risks.

Risk Management Framework

The risk management framework supports this culture by providing standard processes and formal governance systems that facilitate open communication and effective challenge, that value diverse views, and that encourage constructive engagement. The framework starts in the businesses and extends through the corporate centers, which are independent of the businesses they support. Defined roles and responsibilities promote individual accountability, and a robust risk committee system promotes transparent and collaborative risk review and informed decision-making.

A critical element of Prudential's risk management framework is the ability to quantify risks and understand how risks behave individually and in aggregate. The Company's Risk Appetite Framework (RAF) is a comprehensive process used to facilitate transparent and sound decision-making, ensure that risks taken across the Company align with the capacity and willingness to take those risks, and provide assurance that Prudential can meet its obligations as they come due. Risk impacts are measured and assessed through a comprehensive and cohesive set of stress scenarios with varying degrees of severity, including historical events such as the Great Depression, the 1918 pandemic, and inflation during the 1970s.

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

Risk Governance

Each of our businesses has a risk governance structure that is supported by a framework at the corporate level. These provide a common framework for identifying and evaluating the risks embedded in and across our businesses, developing risk appetite, managing risks, and identifying risk challenges and opportunities. Our risk governance structure is overseen by senior management and our Board of Directors and managed by Enterprise Risk Management (ERM).

ERM operates independently and is responsible for recommending policies, limits, and standards for all risks. ERM oversees these risks under the guidance of the Enterprise Risk Committee (ERC) and Risk Oversight Committees (ROCs). The ERM infrastructure is generally aligned by risk type, with certain groups within ERM working across risk types.

Business unit Chief Risk Officers play a crucial role in translating the key enterprise risk appetite metrics and limits into day-to-day decision-making at the business unit level. They enable ERM to meet the business where decisions are made, bringing subject matter expertise in risk appetite, investment, market, operational, liquidity, and insurance risk into the business unit dialogue on a real-time basis.

Environmental, Social and Governance Risks

Prudential believes that it has a moral and business imperative to understand and manage its ESG risks. To consider the Company's physical and social environment is not only the right thing to do, but it is expected by employees, customers, investors, regulators, and rating agencies.

As the speed and pace of change on these issues have increased, so have the expectations of our stakeholders. Companies are not only expected to do the right thing, but insufficient action on these issues can have negative financial implications. For these reasons, we are working to augment the risk management framework by incorporating the consideration of ESG risks and opportunities. As we look to the future, ESG risks bring a high degree of uncertainty in the form of potentially severe disruption to environmental, financial, and social ecosystems which may create rapid and sudden outcomes for stakeholders. Therefore, we work hard to understand how these developments may impact the business models of the companies in which we invest and the Prudential business model itself.

Environmental Risks

Historically, we consider environmental risks—especially climate-related risks—and their impacts on cash flow and the valuation of our investments. Looking to the future, we must analyze a broader distribution of outcomes to account for the potential for increasingly severe climate disruptions. The potential disruptions from climate change pose investment risks by exposing our investment holdings to both physical damage from climate change (physical risks) or substantive changes in business models amidst the shift to a lower-carbon economy that could result in financial deterioration or stranded assets (transition risks). These impacts could uniquely affect specific companies, sectors, asset classes, and geographies in which we choose to invest. Climate change also poses market and liquidity risks from sudden changes in the pricing or liquidity of assets that Prudential holds. Climate change may also affect population health and mortality by triggering events including heat stress, floods, wildfires and air pollution, and the spread of disease.

Additionally, we evaluate operational risk exposure to physical assets and operations in geographies with rising sea levels and more severe weather and flooding. We also study the potential impacts of disease to help consider all operational outcomes.

In January 2021, a senior-level Climate Change Steering Council and supporting Task Force were established to develop, execute and oversee the Company's climate change strategy. In addition, the Task Force, which includes representatives from all relevant internal groups, including ERM, works to coordinate climate-related activities across the Company. ERM is developing its approach to climate challenges by devoting increasing time and resources to climate-related risk, which will enable the organization to better understand the implications of a broad set of climate risk outcomes.

Social Risks

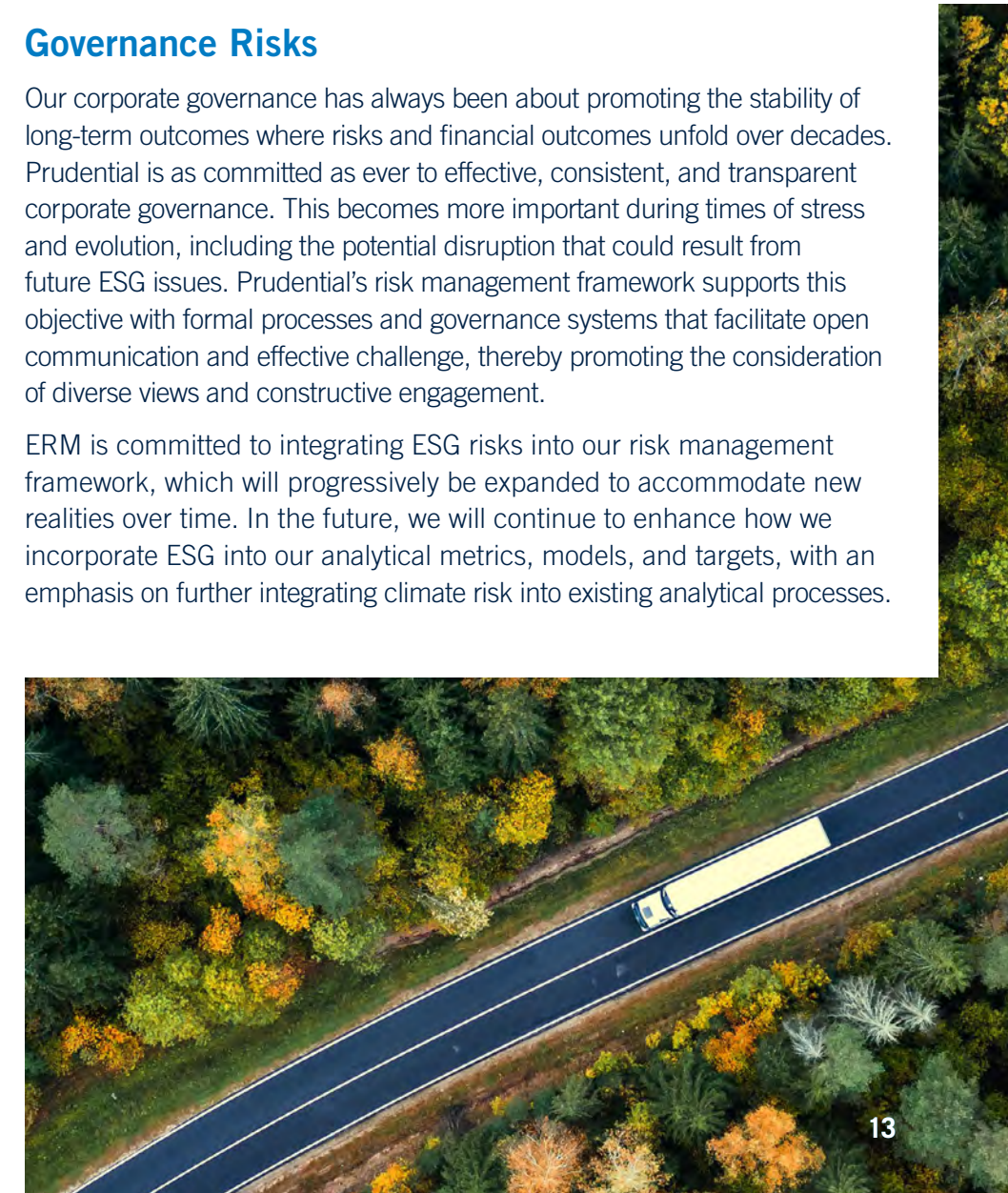
Societal challenges could be exacerbated if there are declines in the health of the environmental and financial ecosystems. As pressures build around these ecosystems, having a fair society where all participants feel they have a vested and equal interest in societal outcomes is critical. With rising inequality, there is not only increased risk to society but an inability to solve long-standing challenges. It is, therefore, crucial for the sustainability of our society that we continue to work towards inclusion and racial equity. Prudential has made nine racial equity commitments, which span talent practices, design and delivery of products, investments and public policy work, and support of community institutions working to remove persistent obstacles to Black economic empowerment. In addition, given the challenges discussed above, having a diverse talent pool that reflects our society is a critical component to finding solutions to the problems facing us. Beyond these initiatives, Prudential considers social factors in the assessment of investment risks as part of its strategic review process, focusing on how social inequality could impact various sectors, such as healthcare. For more information regarding Prudential's racial equity commitments, please refer to Attracting and Retaining the Best People section of this report.

The use of artificial intelligence (AI) within the financial services industry has led to societal concerns around potential unintentional discrimination or bias against protected classes. Prudential has adopted Ethical Principles for AI, which provide the foundation for trust and transparency in our use of AI and include a commitment to avoiding the creation or reinforcement of unfair biases, unintended consequences, and unlawful discrimination.

Governance Risks

Our corporate governance has always been about promoting the stability of long-term outcomes where risks and financial outcomes unfold over decades. Prudential is as committed as ever to effective, consistent, and transparent corporate governance. This becomes more important during times of stress and evolution, including the potential disruption that could result from future ESG issues. Prudential's risk management framework supports this objective with formal processes and governance systems that facilitate open communication and effective challenge, thereby promoting the consideration of diverse views and constructive engagement.

ERM is committed to integrating ESG risks into our risk management framework, which will progressively be expanded to accommodate new realities over time. In the future, we will continue to enhance how we incorporate ESG into our analytical metrics, models, and targets, with an emphasis on further integrating climate risk into existing analytical processes.



Sourcing and Procurement

The sourcing and procurement organization drives value by leveraging Prudential's buying power to optimize quality, service levels and competitive pricing from our vendors.

We created a new [Supplier Code of Business Ethics](#), which includes our Human Rights and Fair Labor Practices, and contact information to address Supplier Code questions or to report any concerns anonymously. Our goal is to work with suppliers who act consistently with our principles, values and standards. For more information, refer to Prudential's [Vendor Code of Conduct and Terms of Engagement](#) on our website.

Prudential continues to focus on environmentally sound purchases.

Examples include:

- Information Technology (IT) products are managed throughout the procurement lifecycle and include responsible reuse, recycling and appropriate disposal.
- Print sourcing specifies the use of vegetable or soy-based inks and the Company's print contracts stipulate adherence to the Lacey Act. The percentage of the Company's paper that included at least 10% post-consumer recycled content held at 6%.

Responsible Purchasing

Prudential has a long-standing commitment to diversity and inclusion, which includes a diverse supply chain. By leveraging talent of every color, gender, origin, religion, sexual orientation and physical capability, Prudential provides opportunities to diverse firms within a deep pool of accomplished suppliers. Our goal is to utilize these diverse firms as fully as possible and to establish long-term agreements with non-diverse vendor partners who share our vision for and dedication to supplier diversity fueling financial growth and promoting the development of diverse supplier communities.

Supply Chain Sustainability

In 2021, Prudential achieved an A- Supplier Engagement Rating from CDP. We invited 100% of our top suppliers¹ to participate in education and reporting with CDP. The response rate increased from 57% in 2020 to 69% in 2021. We also increased the number of suppliers we engaged. We view active participation in CDP's Supplier Engagement Survey as one of the many ways our Company advances environmental transparency and monitors progress to attain a sustainable future.



1. Suppliers are invited to respond to the CDP survey based on potential environmental impact and material spend with the supplier by Prudential's U.S. businesses.

Political Disclosure and Accountability

Decisions made by governments have tremendous impact on how Prudential operates as a public company and competes in the global marketplace.

Prudential's External Affairs' strategic initiatives include:

- Maintaining a leading presence in legislative and regulatory processes.
- Constructively and thoughtfully informing and advising on a wide range of public policy issues that are important to the Company's shareholders, customers, and employees, including expanding workplace benefits, promoting retirement savings and enabling a broader set of financial products and services to meet the growing demands/needs of society.
- Participating in several trade associations, industry groups and other public policy forums representing the interests of insurance, retirement and asset management.
- Supporting core business growth and future growth opportunities.
- Sponsoring political action committees (PACs) to provide a voice for the Company and its values by actively supporting participation in the American democratic process.

To accomplish this, Prudential maintains a presence in the public policy arena in the United States and internationally to express its viewpoints to legislators, regulators and influencers on key matters that impact how the Company operates as a business.

Prudential sponsors a variety of initiatives to help support an active profile in policymaking and regulatory processes. Such sponsored activities include direct engagements with state and federal and international lawmakers' regulators, and standard setters, partnerships with trade organizations, operation of political action committees. In 2021, the Prudential Political Action Committee's Board of Directors agreed to a new framework for evaluating candidates that thoughtfully considers

how to ensure PAC contributions appropriately reflect the Company's purpose, vision, and values. Our PACs began using the new framework for contributions for the 2021-22 election cycle, which applies to both federal and state contributions.

[Prudential's Political Activities and Contributions \(PAC\) annual report](#)

provides detailed information on Prudential's sponsored political contributions and annual association dues, assessments and contributions to trade associations exceeding \$10,000. All employees are permitted to engage in political activities to the extent permitted by law, provided they do so as individuals and not as representatives of the Company. Certain personal political contributions of employees and family members are prohibited or restricted under Company policy to comply with federal, state and local "pay-to-play" laws pertaining to contributions by vendors to the public sector. Prudential prohibits individual political contributions for the purpose of influencing or attempting to influence the award of business to the Company. The Company also maintains related policies that direct and govern all lobbying activity on behalf of Prudential.

The 2021 CPA-Zicklin Index of Corporate Political Disclosure and Accountability ranked Prudential as a Trendsetter company, the highest distinction. This is the seventh consecutive year that Prudential has been recognized for its disclosure, accountability, and political spending oversight.

Sustainable Investing

In this section:

17 PGIM

22 Chief Investment Office and General Account

Highlights

The Chief Investment Office updates its [Responsible Investing Policy](#) with restrictions on new investments in thermal coal and controversial weapons

[PGIM's Megatrends paper Weathering Climate Change](#) proposes an actionable climate change agenda for institutional investors



Our Philosophy

At PGIM, we believe that in our effort to deliver strong risk-adjusted returns, we must consider ESG-related risks and opportunities in our investment process, when managing assets for our clients and that this approach leads to superior financial results over the long-term. For us, ESG is not only about managing risks, or investing in line with our client’s sustainability preferences it is also a critical lens for identifying strong investment opportunities.

PGIM is one of the world’s largest asset managers, with over \$1.4 trillion in total assets under management (AUM). PGIM is composed of autonomous asset management businesses, each specializing in a particular asset class with a focused investment approach.

Each of our highly specialized businesses are equipped with best-in-class thought leaders and investment experts and are backed by our global affiliate network to deliver diversified investment solutions to our clients.

We believe that doing the right thing for our clients, our people and our communities leads to better results for all stakeholders. As both active and quantitative investors, PGIM businesses strive to embed ESG practices throughout its investment risk, and talent management processes, while delivering investment performance to its clients. We apply this thinking to our clients’ assets and the assets owned in Prudential’s General Account.

PGIM Family of Asset Managers

as of March 31, 2022

\$214B

Jennison Associates

\$890B

PGIM Fixed Income

\$96.4B

PGIM Private Capital

\$209.3B

PGIM Real Estate

\$108B

PGIM Quantitative Solutions

\$198B

PGIM Investments¹

1. Represents assets sub-advised by other PGIM units and are included in their totals.

Sustainable Investing Across our Asset Managers

Each of our asset management businesses supports and contributes to PGIM’s commitment to sustainable investing with the flexibility to take their own approach. The underlying business value proposition and the asset classes they invest in guides each business’s strategy and investment decision-making. The table illustrates how PGIM’s asset managers are engaged in sustainable investing activities.

	JENNISON ASSOCIATES	PGIM QUANTITATIVE SOLUTIONS	PGIM FIXED INCOME
Assets Under Management	\$214B	\$108B	\$890B
Business Description	Investments are based on fundamental research with a bottom-up approach. Internal research underlies all investment decisions.	Quantitative equity and multi-asset specialist.	Fixed income manager with resources to specialize across all fixed income sectors.
ESG Integration into Investment Strategy	Anchored by three key tenets—Research, Engage, and Monitor—material ESG issues are integrated throughout the investment process with a focus on deep fundamental research. Investment teams analyze ESG risks and opportunities with a focus on forward-looking views of current and prospective investments based on qualitative and quantitative information from third-party research and data and/or proprietary ESG assessments. ¹	Meet client investment objectives by closely managing portfolio exposure to expected risk and return. When determining portfolio holdings, evaluate the impact of many factors on meeting these objectives, including ESG factors. Strong commitment to understanding both ESG’s present and future investment implications as well as our clients’ ESG goals and priorities.	Integrates ESG into investment process by analyzing ESG risks and opportunities with an eye toward any potential negative or positive impact(s) on the value of investments.
Climate Change Integration and Research	Responsible Investing Policy	Top-Down Portfolio Implications of Climate Change	Environmental, Social and Governance Investment Policy Statement
Issuer Engagement			
Dedicated ESG Team	✓	✓	✓
Proxy Voting Guidelines Integrates ESG Factors	✓	✓	N/A
Affiliations			
SASB Standards Investor Advisory Group		✓	
PRI	✓	✓	✓
TCFD	✓	✓	✓
GDP	✓		
Climate Action 100+	✓		
CERES Investor Network	✓	✓	
Access to Medicines Foundation	✓		

1. The ESG research framework is in the process of being implemented. Our ESG Research Team has not completed its proprietary ESG Assessments on companies held in all of Jennison’s investment strategies. Our initial focus is on companies in our strategies managed by our Large Cap Growth and Global teams.

Our Approach

Jennison Associates

In 2021, consistent with the focus on accelerating our ESG investment strategy, Jennison hired its first global head of ESG and formed a team of dedicated analysts to partner with Jennison's investment professionals as they integrate ESG considerations into the investment process.

Jennison established an ESG research framework, which draws upon the industry-specific standards of the Sustainability Accounting Standards Board (SASB). The framework is applicable to the firm's equity investment complex and corporate bonds through a proprietary ESG assessment system, which generates risk-based and forward-looking ESG views on portfolio holdings.¹

The firm's newly developed Impact Generation Framework captures five secular impact themes called Pathways to a Better Future²: Energy Transition; Health and Wellness; Technological Progress; Elevation; and Sustainable Consumption. Jennison employs a proprietary methodology to measure the impact of each portfolio holding using the Theory of Change, which captures Company-specific inputs, outputs and outcomes that we believe lead or will lead to impact. The impact themes support the UN Sustainable Development Goals 1 (No Poverty), 3 (Good Health and Well-being), 7 (Affordable and Clean Energy), 8 (Decent Work, Empowerment and Access), 9 (Industry, Innovation and Infrastructure) and 12 (Responsible Production and Consumption).

Jennison developed a proprietary carbon cost coverage tool to stress-test issuers' balance sheets within select equity and corporate bond holdings according to carbon pricing scenarios. Through active ownership, the firm also seeks to create shareholder value and catalyze positive improvement in the area of climate change.

Jennison's comprehensive ESG screening policy is aligned with internationally recognized standards, including the Norwegian Government Pension Fund Global, the Swiss Association for Responsible Investments and United Nations Global Compact for its UCITS platform.

PGIM Fixed Income

In addition to assessing the impact of ESG risk factors on the financial/economic value of our clients' investments, PGIM Fixed Income (FI) is committed to supporting its clients in achieving their ESG objectives. By leveraging our proprietary "[ESG Impact Ratings](#)" assessment framework, PGIM FI helps clients understand the impact of their investments on the environment and society by assessing these investments against negative and positive ESG impacts relevant to the industry, issuer and/or issue. This ESG impact assessment is distinct from our assessment of the risk ESG events could have on the financial/economic value of our clients' investments.

PGIM FI has made significant progress in expanding its ESG capabilities and product offerings. The firm launched five new ESG funds and repositioned four existing UCITS funds into ESG funds during 2021. Enhancements to PGIM FI's research and analysis capabilities include increasing the size of the ESG team, expanding its proprietary frameworks for assessing credibility and additionality of ESG-labeled bonds, which now include social, sustainability and sustainability-linked instruments, which are becoming increasingly prevalent in the market. To address climate change and net zero commitments, PGIM FI is developing a proprietary methodology and tool to assess issuer and portfolio alignment with a 1.5 degree Celsius future.

PGIM FI is now a signatory to the UK Stewardship Code. The firm looks to enhance its engagement activities with clients and the broader industry. The team's industry collaboration extends to PGIM FI's involvement with the European Leveraged Finance Association's (ELFA) ESG Committee, with the intention to influence the standardization of ESG disclosures in leveraged finance.

1. The ESG research framework is in the process of being implemented. Jennison's ESG Research Team has not completed its proprietary ESG Assessments on companies held in all of Jennison's investment strategies. The ESG Research Team is initially focusing on companies in Jennison's strategies managed by Jennison's Large Cap Growth and Global teams.

2. Jennison's impact framework is currently applied to our Better Future Impact equity strategy, which was seeded in March 2022.

PGIM Quantitative Solutions

Research and Innovation

PGIM Quantitative Solutions has expanded its ESG portfolio integration capabilities using its proprietary ESG scoring system. Our ESG scores help us consider ESG issues that are material within each industry, as determined through group consensus among issuers, corporate experts and investors. This helps ensure that we are viewing companies holistically and consistently. We've applied this approach to a number of ESG Solutions that look to provide better ESG exposure, while seeking to meet risk and return targets of a range of different investor types. For example, PGIM Quantitative Solutions introduced ESG indexing solutions that aim to materially increase the ESG exposure that meets or beats comparable ESG indices while hitting the performance metrics of the standard, non-ESG index.

Engagement

PGIM Quantitative Solutions has selected a third-party pooled engagement and analytics provider to directly engage with companies on our behalf. We believe greater disclosure of reliable ESG data is essential to identify potential risk sources that might not be reflected in market valuations. In 2021, these initiatives enhanced our ESG outreach and investment practices:

- In response to the Security and Exchange Commission's (SEC) request for public comment on climate-related disclosure, we partnered across PGIM to respond to the SEC; signed on to the PRI's response; publicly supported the Value Reporting Foundation's response; and supported the adoption of SASB's standards by the SEC.
- We supported the consolidation of the Value Reporting Foundation (formerly known as SASB) and the International Financial Reporting Standards (IFRS) forming the International Sustainability Standards Board (ISSB); and engaged with approximately 100 companies covering a variety of ESG and profitability questions in adherence to Japan's Stewardship Code.

PGIM Real Estate

ESG Risk Assessment

In 2021, PGIM Real Estate launched an ESG Assessment conducted during loan origination. The Assessment evaluates various environmental, social, resilience, and governance/transition risks to determine an ESG Loan Score. The Assessment debuted for U.S. core commercial loans with plans to include international loans in 2022. A separate assessment is in development for agricultural loans. The inclusion of additional loans over time will enhance portfolio-level analysis including the impact of ESG factors.

PGIM Real Estate has an internal proprietary Equity ESG Assessment for New Acquisitions and Developments. The Assessments provide a rating on the ESG implications from an asset's environmental and economic performance. Using the rating, we strategically acquire investments that meet our criteria as well as identify potential improvements that can enhance the performance of assets as part of the acquisition and development process. This helps enhance ESG due diligence and provides more consistent ESG-related information to the firm's Investment Committee and other stakeholders.

Climate Risk Assessment

PGIM Real Estate uses Moody's ESG Solutions Group, a provider of market intelligence addressing the impact of climate change for financial markets, for its asset and portfolio-level climate screenings, including seven climate risks: heat stress, water stress, sea level rise, hurricanes and typhoons, floods, earthquakes, and wildfires. Moody's ESG Solutions Group determines the high risks. PGIM Real Estate completes further assessments to help ascertain whether required mitigants are in place.

The scores are received at the asset level, which can be rolled up to determine average portfolio level scores. This helps PGIM Real Estate to make informed decisions by understanding the underlying risks and diversifying if needed.

This assessment is completed for all new acquisitions and at the time of loan origination. For our standing assets, the assessment is completed for all assets tracked on the ESG data management platform.

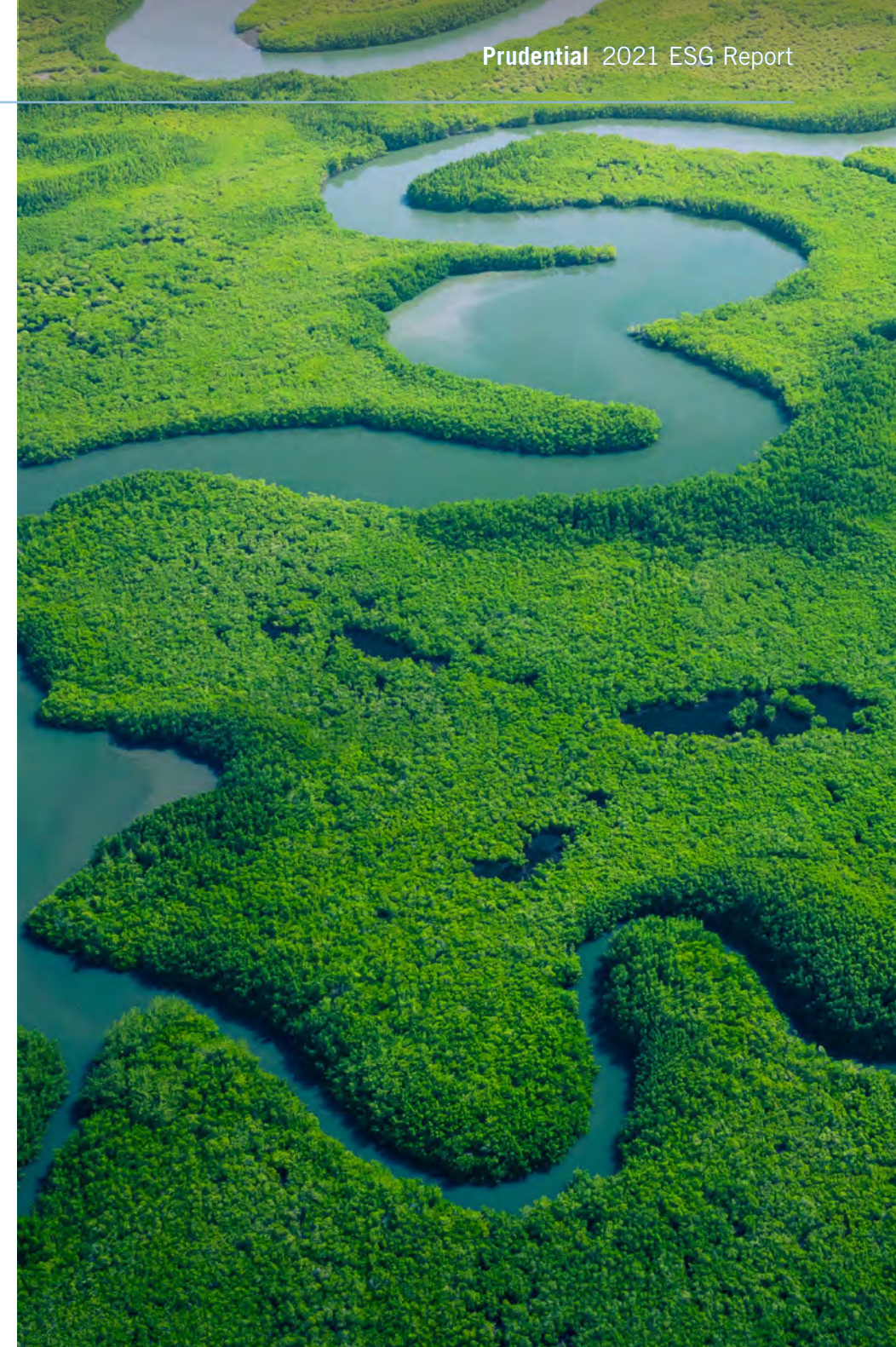
Environmental Risk Management

PGIM Real Estate's risk assessment framework is based on a scenario analysis that considers the impact of a set of stressors on a range of different sustainability metrics. To anticipate and manage future risks and opportunities, PGIM Real Estate identifies, measures, evaluates and manages investment, market, insurance, liquidity and operational risks individually and in aggregate. A robust stress testing process examines the sensitivity of long-term obligations and resources to possible financial, operational, behavioral and biometric risks.

Climate Change and Building Resilience

PGIM Real Estate proactively considers the potential impact of climate change as part of an ongoing risk-informed decision-making process. In addition to considering climate risk, the focus is on building resilience and environmental stewardship throughout our global businesses to both protect the environment and strengthen the businesses. That focus enables the firm to improve the potential for higher investment returns and benefits our clients, employees, and shareholders as well as future generations.

Resilience risk assessment tools are aligned with the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the firm is enhancing its ESG due diligence for new acquisitions and developments by using those assessment criteria. For equity investments, as part of Investment Committee summaries, the Research and Transactions teams prepare due diligence enhancement reports that include socioeconomic-trend considerations and the influence of new technologies, together with an impact evaluation of ESG factors. The firm has established guidelines for transactions and research teams—to be rolled out globally—together with a Property Manager Survey that takes inventory of the equity portfolio's environmental and social risks and informs strategic initiatives for the firm's resilience program.





PGIM Real Estate Net Zero Commitment

In May 2021, PGIM Real Estate became a signatory to ULI Greenprint’s Net Zero by 2050 goal. The goal is in line with the Paris Agreement and findings from the Intergovernmental Panel on Climate Change (IPCC) report to limit global warming to 1.5 degrees Celsius. The objective is to achieve net zero operational carbon by 2050 across all managed assets.

FHA/Agency Multifamily Originations Green Program

PGIM Real Estate’s 2021 FHA/Agency Green Programs totaled approximately 17.2% of overall FHA/Agency multifamily loan volume, which represents a slight reduction from 2020 of 18% but is consistent with FHA/Agency Green volume trends for the year.

- 2021 was PGIM Real Estate’s fourth consecutive year setting a new all-time high in multifamily lending, totaling \$11B—led by \$7.2 billion in agency financing, \$3.4 billion in mission-driven, affordable housing, and \$381 million in manufactured, student and senior housing.
- PGIM Real Estate saw a significant increase in Green Building Certification loans in 2021, which is also consistent with overall market trends as owners look to invest more and more in “Green-ready” assets rather than implementing significant Green renovation plans. The pandemic has influenced this distribution, and we could see a shift back to Green Rewards/Green Up when labor and materials become more available and accessible.
- Newer Green products like Fannie Mae’s “Healthy Housing Rewards” and Freddie Mac’s “Green Retrofit” programs continue to gain traction in the market, providing alternatives to the Agencies’ traditional suite of Green offerings.

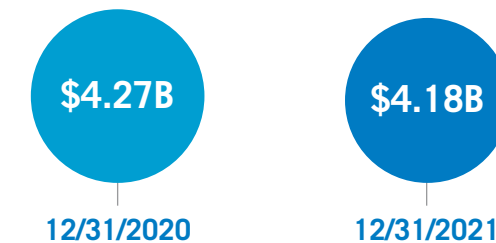
PGIM Private Capital (PPC)

PGIM Private Capital is a leading source of private debt for public and private companies and a leader in renewable power investments. PPC has integrated analysis of ESG factors into its investment process with a focus on economic materiality of identified ESG risks, and has applied ESG risk assessment to all investments across different asset classes and geographies.

As of December 31, 2021, the market value of PPC’s renewable power project portfolio reached nearly \$4.2 billion, including over \$400 million of new renewable power investments in 2021. New investments in 2021 included capital provided to one hydroelectric project, four solar projects, one wind project, and an investment in a portfolio of both wind and solar projects. Average annual new renewable investments by PPC exceeds \$500 million per year over the past 10 years.

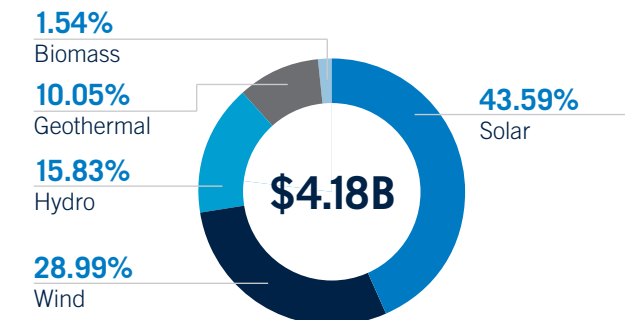
PPC’s managed portfolio also includes a number of significant social infrastructure projects, including over \$1.5 billion of financings for universities and high schools, over \$1 billion of financing for nonprofit hospital systems, and \$1 billion of financing for social housing providers in the United Kingdom.

PRIVATE DEBT/EQUITY RENEWABLES PORTFOLIO MARKET VALUE



RENEWABLE POWER PROJECT PORTFOLIO

(Market Value % as of 12/31/21)



Chief Investment Office and General Account

Prudential takes a long-term view of risks and opportunities when making investment decisions in our General Account. This requires the consideration of all financial and non-financial factors that may impact each asset class in which the Chief Investment Office (CIO) invests, including ESG factors.

Prudential's approach to ESG integration and responsible investment in our General Account is governed by the Chief Investment Office's [Responsible Investing Policy](#) where we define Responsible Investing (RI) as the integration of ESG factors into investment decision-making and ownership practices in the belief that these non-financial factors can have an impact on long-term financial performance. Prudential considers RI to be the overarching objective while ESG is the data and portfolio tools used to inform investment decisions.

Prudential Green Bond Report

In 2020, Prudential became the first U.S. insurer to issue a green bond aligned with the United Nations Sustainable Development Goals. The Chief Investment Office evaluates and determines which projects are eligible for inclusion in the portfolio of Eligible Green Assets according to the criteria required by Prudential's Green Bond Framework. All Eligible Green Assets are subject to a review consistent with Prudential's Statement on Responsible Investing. Please read [Prudential's Green Bond Report](#) for more information.

2021 Highlights

- Updated the Chief Investment Office's [Responsible Investing Policy](#) that advances the General Account's responsible investing strategy and defines six core principles most important to Prudential.
- Implemented restrictions on new investments in thermal coal and controversial weapons.
- Engaged MSCI, a leading climate data provider, to support asset-level reporting and scenario analysis.
- Made the first investment under our \$300 million Sustainable Power mandate with PGIM Private Capital. 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 infrastructures in the U.S. and Canada.
- Continued industry engagement and thought leadership through:
 - The Geneva Association
 - Ceres Investor Network
 - Ceres Paris Aligned Investor Working Group
 - Ceres Private Equity Working Group

Six Core Investment Principles

Prudential's General Account Responsible Investing Strategy is centered on the following core principles

PRINCIPLE 1

ESG Integration

We expect asset managers to incorporate ESG factors into investment decisions made on our behalf, including:

- Incorporating ESG factors into security selection and portfolio monitoring
- Assessing how ESG factors impact long-term returns
- Reporting material risk and opportunities to the General Account on a regular basis

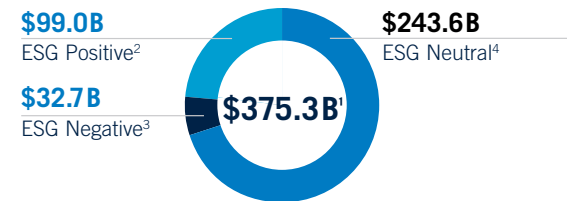
Our internal ESG framework standardizes the interpretation of ESG risks and opportunities across the entire portfolio. This framework intends to:

- Increase identification and understanding of ESG factors
- Identify and track ESG-related risks and opportunities
- Identify improving/deteriorating ESG trends

We use a combination of sustainable investment themes, internal ESG ratings and external ESG ratings to:

- Identify ESG factors for as much of the portfolio as possible (e.g., ESG Identifiable)
- Categorize investments based on risk, impact and resiliency (e.g., Positive, Neutral, Negative)

GENERAL ACCOUNT ESG IDENTIFICATION BY RATING



1. Exposures in market value as of 12/31/21. Total PFI assets of \$519 billion.
 2. ESG Positive are investments that have a positive ESG impact, reduce ESG risk, or have higher resiliency
 3. ESG Negative are investments where the negative ESG impacts outweigh any positive impacts, there has been limited efforts to reduce negative impacts, or there is lower resiliency
 4. ESG Neutral are investments where ESG has a limited impact or where positive and negative impacts offset.

PRINCIPLE 2

Climate Action

- We acknowledge the potential risks posed by climate change and pursue investment opportunities that will reduce/increase the negative/positive impact of the General Account's investments on the environment.
- The risk associated with climate change obliges Prudential to engage issuers, regulators, and policy makers actively and collaboratively on material climate-related risks.
- Prudential plans to assess Scope 3 emissions within the General Account portfolio.
- To support this effort, Prudential is in the process of integrating MSCI climate data to enhance our public bond and equity carbon footprinting and climate analytics.

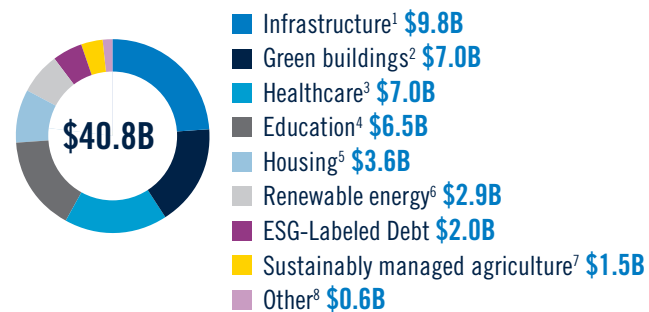
Six Core Investment Principles (continued)

Prudential’s General Account Responsible Investing Strategy is centered on the following core principles

PRINCIPLE 3

Sustainable Financing

- To increase the positive impact of our investments on society and manage ESG-related risks, we look to grow investments that both promote sustainability and achieve market returns.
- Total sustainable investments are 7.9% of the portfolio as of 12/31/21.**



PRINCIPLE 4

Active Ownership

- We expect asset managers to engage proactively with investees on ESG-related topics when ESG factors present a material investment risk.
- We engage with regulators, policymakers, peers, and industry groups on material ESG issues.

PRINCIPLE 5

Investment Restrictions

- Thermal Coal**—No new direct investments in mining or utility companies with > 25% of revenue from thermal coal. Exceptions may apply for issuers with a low carbon transition strategy and green bonds of restricted issuers.
- Controversial Weapons**—No new direct investments in companies involved in the direct manufacturing and production of cluster munitions, anti-personnel mines, biological, or chemical weapons.

PRINCIPLE 6

Impact Investments

- Prudential has approximately \$1.2 billion in Impact & Responsible Investments (IRI) as of 12/31/21. For more information about the IRI portfolio, see the Community Investment section of this report.

1. Includes basic infrastructure such as water, transportation and power (including municipals).

2. Includes commercial mortgage investments that are secured by buildings with green certifications, such as Leadership in Energy and Environmental Design (LEED), Building Owners and Managers Association (BOMA BEST), Building Research Establishment Environmental Assessment Method (BREEAM), Green Globes, and ENERGY STAR.

3. Includes hospitals, medical buildings, and healthcare facilities (including municipals).

4. Includes colleges and universities (including municipals).

5. Includes senior, student, and affordable housing.

6. Includes wind, solar, hydro, geothermal and biomass.

7. Includes agricultural debt investments secured by agricultural properties where the operation and/or property 1) farms/manages their land under the guidance of third-party certifications such as Forest Stewardship Council (FSC), American Tree Farm Systems (ATFS), Sustainable Forestry Initiative (SFI), Leading Harvest, Florida’s Best Management Practices (BMP), Certified California Sustainable Winegrowing, or USDA Organic; 2) has buildings with green certifications such as Leadership in Energy and Environmental Design (LEED), or Napa Green Winery; 3) has facilities with active food safety certifications such as Quality Assurance International (QAI) or Safe Quality Foods (SQF); 4) utilizes animal welfare practices and/or 5) utilizes any renewable energy (such as wind, biogas generation, solar, etc.).

8. Includes emerging market financial inclusion and transformative real estate development.

Attracting and Retaining the Best People

In this section:

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- 33 Learning and Talent Development
- 36 Employee Health, Safety and Wellbeing
- 38 Global Employee Engagement

Highlight

Annual disclosure of Prudential's U.S. EEO-1 data and pay equity results



Diversity, Equity and Inclusion

Prudential has long had a commitment to advancing inclusion and racial equity. Our ongoing efforts are aimed at driving positive change by creating opportunities for success both within and outside of our organization. While our senior management team understands that this work takes time, we are acting with a sense of urgency to identify and act in areas that allow Prudential to have a meaningful impact and serve as a model for inclusion and diversity by creating an inclusive environment that starts at the top and extends to all employees.

Our Board and Executive Leadership Team (ELT) are accountable for our inclusion and diversity practices and policies. We lead by example—fifty percent of our Executive Leadership Team is diverse. Prudential’s Enterprise Inclusion Council, which has met quarterly since it was founded in 2019, is chaired by Prudential Chairman and CEO, Charles Lowrey. The Council is tasked with promoting C-suite accountability for inclusion and diversity and composed of executive and senior leaders and the heads of Prudential’s Business Resource Groups. Discussions include real-time feedback on employee sentiment as well as our talent practices. The meetings are a valuable source of input for senior leaders to understand how our inclusion and diversity practices are impacting the day-to-day experiences of our employees.

Our Diversity Goals

Our Board expects Prudential’s senior leadership team to set the standard for inclusive behavior and weave those standards into our corporate culture. Recognizing that diversity is imperative to the Company’s vitality, in 2018, we instituted a modifier for our 2018–2020 performance shares plan for the senior vice president level and above that was subject to a performance objective intended to improve the representation of diversity among senior management. As disclosed in our Company’s 2021 proxy statement, we achieved our goal of increasing representation of diverse persons among our senior management by five percentage points.

Due to the success of this program, in December 2020, we committed to the following set of diversity goals for our senior and mid-level leaders to be attained by 2023:

Our most senior leader population:

Increase overall diversity¹ by **10%**

Increase our percentage of Black and LatinX employees by at least **25%**

Our mid-level leaders:

Increase the percentage of people of color² by **8%**

Increase our percentage of Black and LatinX employees by at least **25%**

Close the gap in our employee engagement scores of our Black employees relative to other employees

1. Our definition of “diverse” includes people of color, women, LGBTQ+, differently-abled, and veterans.
 2. Our definition of “people of color” includes Black, Hispanic (also includes employees of Latin descent), Asian, Pacific Islander, Native American, Alaskan natives, and Hawaiian natives.

Commitments to Advance Racial Equity

With the Board of Directors’ full support, in August 2020 Prudential announced commitments to advance racial equity for our people, through our businesses and in our society. These commitments build on Prudential’s long history of promoting inclusive economic growth through our investments, buying power, thought leadership, hiring practices and professional development initiatives. The table below describes our commitments and our most recent progress.

Taking Action for Our People

Commitment	Action
Provide Equal Opportunity for All Employees	<ul style="list-style-type: none"> • Developed diversity goals directly tied to senior leadership’s long-term compensation, emphasizing Black and LatinX representation deeper in the organization • Launched over 400 coaching engagements to cultivate high potential talent acquisition • Required a diverse interview panel and interview training to achieve more inclusive hiring practices • Targeted leadership development brings coaching and executive sponsorship to diverse talent cohorts
Greater Transparency	<ul style="list-style-type: none"> • Annual disclosures of EEO-1 U.S. employee diversity and pay equity data
Mandate Inclusion Training for all U.S. Employees	<ul style="list-style-type: none"> • 9,000 U.S. employees logged over 25,000 hours of inclusion training in 2021
Create Ways to Reflect and Engage	<ul style="list-style-type: none"> • Monthly Inclusion & Racial Equity newsletter communicates progress to all U.S. employees • Quarterly Inclusion & Racial Equity Town Halls engaging 6,000 U.S. employees

Taking Action With Our Business

Commitment	Action
Design products, services and operations to improve racial equity outcomes	<ul style="list-style-type: none"> • Racial Equity Ambassadors embedded inclusion and equity practices in 500 business-led initiatives within 27 businesses and functions

Taking Action in Society

Commitment	Action
Accelerate our social justice public policy agenda:	<ul style="list-style-type: none"> • Advocated for policy and regulatory changes increasing employment pathways for people with prior arrest or conviction backgrounds
<ul style="list-style-type: none"> • Criminal justice and police reform • Voting rights • Closing the racial wealth gap 	<ul style="list-style-type: none"> • Advocated for the protection of voting rights and equitable access to elections • Provided \$500,000 in new financial contributions to organizations combating the rise in anti-Asian hate crimes
Invest in institutions, ventures and high-impact nonprofits removing structural barriers to Black economic empowerment	<ul style="list-style-type: none"> • \$3 million in new financial contributions to Historically Black Colleges and Universities (HBCUs): <ul style="list-style-type: none"> – strengthens the capacity of HBCUs – reduces the financial burden on students – attracts talent to Prudential as an employer of choice • Employees provided 2,000 volunteer hours to support Newark & Atlanta small businesses and their employees • \$58.41 million in new investments as part of \$1 billion in impact investment portfolio focused on equity and inclusion

Promoting Inclusion Through Our Business Resource Groups

Our eight Business Resource Groups (BRG) are employee-led organizations designed to promote an inclusive culture to support strategic business goals. Today, 38% of our U.S. employees participate in at least one BRG. Members can grow professionally and expand their networks. Additionally, the BRGs provide an opportunity for our businesses to leverage diverse employee perspectives to inform product development, talent management and market strategy.

Our Business Resource Groups are:

- ADAPT: Abled and Differently Abled Partnering Together
- APA: Asian Pacific Islander Americans
- BLF: Black Leadership Forum
- PRIDE: Lesbian, Gay, Bisexual, Transgender and Queer+ (LGBTQ+)
- Generations: Promoting Open Dialogue Across Generations
- Juntos: LatinX and Allies
- VETNET: Military, Veterans and Veteran Supporters
- Women Empowered

38%

Of our U.S. employees participate in at least one BRG

BRGs served as a critical point of connection for employees during the COVID-19 pandemic. As of late 2021, average monthly BRG membership more than doubled versus six months prior to the pandemic. APA, the BRG for Asian Pacific Islander Americans and their allies, experienced the biggest leap, with a 45% increase in members versus 2020.

In 2021, more than 170 employees participated in the pilot BRG Mentorship Program, and more than 140 employees took part in Prudential's first BRG Pru Bono Marathon.

Cultivating Diverse Talent

We utilize traditional and emerging strategies and partner with external organizations to recruit and support diverse talent. Our efforts have been successful. As illustrated in the Diversity, Equity and Inclusion by the Numbers section of this report, 69% of external hires in 2021 were diverse. We have long-standing relationships with many organizations to help us attract diverse candidates.

These include:

- Association of Latino Professionals for America (ALPFA)
- Hispanic Association on Corporate Responsibility (HACR)
- GI GO Fund
- Jopwell
- National Association of Black Accountants (NABA)
- National Organization on Disability (NOD)
- National Association of Female Executives (NAFE)
- Reaching Out MBA (ROMBA)
- Student Veterans of America
- Year Up
- Disability:IN
- Out and Equal



Supporting Opportunity Youth

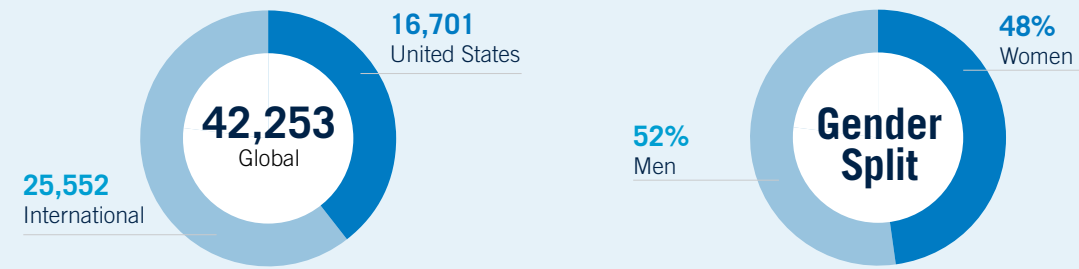
The national organization Year Up is a core partner in Prudential's \$180 million commitment through 2025 to support organizations that improve employment and financial outcomes for opportunity youth around the world lacking access to school, training or regular jobs. Year Up has provided Prudential with a unique pipeline of diverse early talent for the enterprise. Since 2019, the Company has hired 72 Year Up students—64% Black and 17% LatinX—for internships, contract and full-time positions.

Our inclusion vision is the shared responsibility of all Prudential employees, supported by an in-house team of diversity, equity, and inclusion (DEI) experts. In addition to expertise, the team brings capabilities in strategic philanthropy and impact investing and a robust set of partnerships that are driving Prudential's efforts to promote social justice by building inclusive workplaces inside and outside of Prudential, accelerating economic mobility and creating thriving neighborhoods. This work spans over 40 years and remains a critical part of our DEI efforts.

Diversity, Equity and Inclusion by the Numbers



Total Workforce



Certified 2021 Consolidated U.S. Employer Information Report (EEO-1)

The summary table below displays Prudential’s U.S. workforce by EEO-1 job category as of December 31, 2021.

SECTION D - EMPLOYMENT DATA JOB CATEGORIES	MALE								FEMALE					TOTAL	
	HISPANIC OR LATINO		WHITE	BLACK	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	ASIAN	INDIAN	TWO OR MORE RACES	WHITE	BLACK	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	ASIAN	INDIAN		TWO OR MORE RACES
	MALE	FEMALE													
Executive/Senior Level Officials and Managers	23	9	343	15	0	44	0	3	164	13	0	24	0	4	642
First/Mid-Level Officials and Managers	147	92	2,253	104	5	516	3	35	1,337	117	5	349	6	25	4,994
Professionals	268	328	2,264	237	9	499	2	68	2,854	559	8	522	4	74	7,696
Sales Workers	49	30	485	115	1	16	6	19	200	110	1	18	5	26	1,081
Administrative Support Workers	83	226	364	101	1	26	0	7	965	368	2	64	5	52	2,264
Service Workers	4	4	8	7	0	0	0	0	1	0	0	0	0	0	24
TOTAL	574	689	5,717	579	16	1,101	11	132	5,521	1,167	16	977	20	181	16,701

U.S. Diversity Benchmarks

Prudential benchmarked its workforce composition against the most recently available EEO-1 Finance & Insurance Industry data. The Company exceeds the industry in the following categories:

- Executive/Senior Level Officials and Managers: Women, People of Color, Asian, Black and LatinX
- First/Mid-Level Officials and Managers: People of Color, Asian
- Professionals: Women, People of Color, Asian, Black and LatinX

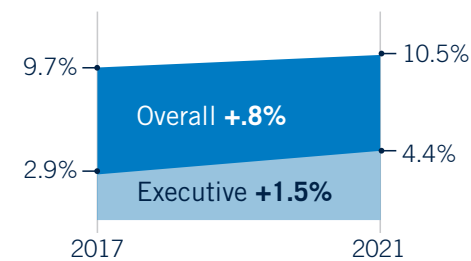
JOB CATEGORIES		WOMEN	PEOPLE OF COLOR	ASIAN	BLACK	LATINX
Executive/Senior Level Officials and Managers	Prudential	33%	21%	10.6%	4.4%	5.1%
	EEO	31%	14%	6.1%	2.6%	3.7%
First/Mid-Level Officials and Managers	Prudential	39%	28%	17.3%	4.4%	4.8%
	EEO	48%	25%	9.8%	6.9%	6.5%
Professionals	Prudential	57%	33%	13.1%	10.6%	7.6%
	EEO	52%	31%	12.5%	9.2%	6.9%

This table includes the latest 2018 EEO-1 benchmarks published by the U.S. Equal Employment Opportunity Commission.

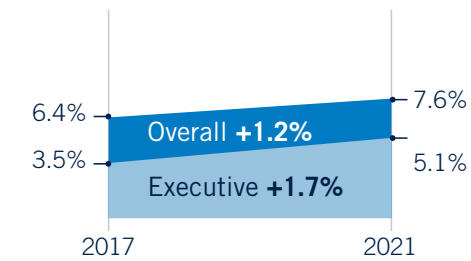
Prudential’s U.S. Workforce Diversity Trends

Since 2017, Prudential has shown steady progress in increasing the racial diversity of its workforce population, including at the top-level category of the EEO-1 report: Executive/Senior Level officials and Managers.

BLACK REPRESENTATION



LATINX REPRESENTATION



ASIAN REPRESENTATION



Data points reflect 12/31/17 and 12/31/21.

U.S. Top Leadership Diversity Metrics

Top Leadership is defined as the approximately 400 senior leaders (2.6% of the population) who are within three reporting levels below our Chairman and CEO and Vice-Chairman. We consider this population as comprising key decision-makers and influencers of change and culture at the Company.

	DIVERSE	WOMEN	PEOPLE OF COLOR	ASIAN	BLACK	LATINX
Top Leadership¹	55%	39%	27%	14.8%	4.8%	6.8%
1 Level Down	44%	38%	13%	12.5%	0%	0%
2 Levels Down	57%	43%	28%	15%	6%	5%
3 Levels Down	54%	38%	27%	14.8%	4.5%	7%

1. Levels down from Chairman and Vice Chairman as of 12/31/21

Movement Across the U.S. Workforce

Prudential’s annual turnover rate (includes voluntary and involuntary terminations) in 2021 was 14.1%. This compares to 25.8% for the Finance and Insurance industry, as reported by the Bureau of Labor Statistics (BLS).

Prudential was not immune to the Great Resignation facing U.S. corporations. In 2021, voluntary turnover among Prudential’s U.S. workforce was 8.9%—this was higher than Prudential’s five-year average of 6.0% yet lower than the BLS benchmark of 15.9% for the Finance and Insurance industry.

In 2021, Prudential filled over 2,800 positions in the United States. Our active outreach and recruitment efforts result in a broad slate of diverse candidates for consideration. Internal mobility is driven by continuously introducing and improving existing tools and processes to cultivate the talents of Prudential’s current employees. As a result of these efforts, in 2021, half of the Experienced positions² were filled internally.

POSITIONS FILLED	DIVERSE	WOMEN	PEOPLE OF COLOR	ASIAN	BLACK	LATINX
All Recruiting	70%	51%	37%	13%	12%	9%
Internal Recruiting	71%	56%	34%	14%	10%	8%
External Recruiting	69%	47%	39%	13%	14%	10%

2. This calculation excludes Early Talent/Campus Hires and Financial Professionals, which rely predominantly on external recruiting. When including these populations, the internal hiring ratio on all positions filled is 42%.

Practices to Promote Pay Equity



Our Board of Directors’ actions are guided by our commitment to be a leader in the advancement of equal pay for equal work. In support of this commitment, Prudential’s Board of Directors reviews and provides oversight of the Company’s pay practices.

Prudential’s pay policies and practices promote pay equity throughout an employee’s career in a holistic integrated approach. This practice starts before an employee joins our organization. We aim to reduce the likelihood of perpetuating historical or a prior employer’s pay inequity by not considering or asking (except where required by law) a candidate’s compensation history in the application process, and establishing starting pay based on gender- and race-neutral considerations.

Throughout an employee’s career with Prudential, we review pay on an ongoing basis to help safeguard against any systemic gender- or race-based pay inequity by:

- Periodically engaging independent external experts to audit for any systemic pay inequities and empowering them to determine the appropriate methodology to analyze our results.
- Providing multiple avenues, including on an anonymous basis, for any employee to raise a concern about discrimination, including with respect to pay.

We periodically retain independent external experts to conduct pay analyses for our U.S. population. Described below are the 2020 and 2022 results.

2020

Salary was evaluated and the results showed, when accounting for relevant factors including job and location, that, on average, women and Asian employees were paid at least 100% of the pay of male and White employees, respectively. Additionally, on average, Black employees were paid at 99.0% and Hispanic¹ employees were paid at 98.3% of the pay of non-Hispanic White employees.

2022

Salary, bonus and equity were evaluated. With respect to salary, the results showed, when accounting for relevant factors including job and location, that, on average, women and Asian employees were paid at least 100% of the pay of male and White employees, respectively. Additionally, on average, Black employees were paid at 99.3% and Hispanic employees were paid at 99.0% of the pay of non-Hispanic White employees.

2022

With respect to total compensation (salary, bonus and equity), again accounting for relevant factors including job and location, on average, women were paid at 99.8% of male employees, Asian employees were paid at least 100%, Black employees were paid at 99.4% and Hispanic employees were paid at 98.9% of the pay of non-Hispanic White employees.

1. Hispanic also includes employees of Latin descent.

Learning and Talent Development

Restructuring Our Learning and Talent Development Organization to Better Serve Employees

In 2021, Prudential implemented a new vision for Learning and Development (L&D) that delivers results for the business and employees in a more efficient and impactful way. This effort brought together learning expertise from across the enterprise, developing a new operating model, and selecting talent for reimagined roles.

Today, our organization centralizes all L&D professionals enabling us to provide a cohesive learning experience for all employees no matter where they sit in our organization.

These specialized Learning and Development teams focus on creating a seamless and engaging experience at every stage of the employee's learning journey.

Learning Partnerships—Accountable for consulting and relationship management with our business partners across the enterprise to clarify their emerging talent and skill gaps, develop and execute on a strategic learning agenda to close those gaps.

Learning Design & Delivery—Empowering the talent and culture at Prudential by delivering modern, digitized, and self-driven learning that drives business value and develops transformation-ready employees.

Learning Programs—Managing leadership development programs to develop the next generation of Prudential leaders and reskilling programs that equip employees with new skill sets to take on critical roles across the enterprise.

Learner Engagement & User Experience—Accountable for understanding our employees and their learning styles and leading the engagement strategies for our learning programs while supporting an inclusive culture of continuous learning at Prudential.

Learning Technology & Operations—Responsible for the platforms which serve learning opportunities, such as our learning management systems, micro-learning platforms, and our tools and programs that are a strategic talent differentiator for Prudential.

Talent Marketplace

Prudential offers employees open access to the tools they need to own their career journeys and prepare for future opportunities. In 2019, Prudential introduced Skills Accelerator that featured skills building and mobility tools. Skills Accelerator helped the Company mobilize internal talent, resulting in 50% of positions being filled internally in 2020.

Building on Skills Accelerator's success, Talent Marketplace was launched in March 2021. This interactive and innovative platform brings Prudential's talent tools and resources together in one place enabling employees to view open roles, identify skills gaps, access learning opportunities, and connect with our in-house career coaches. In addition to creating a more intuitive employee experience, the Talent Marketplace provides employees, regardless of level, business, or function, with full access to the talent tools Prudential has to offer, providing equal opportunities to learn and grow. Other benefits include the ability for the user to network with other colleagues, hiring managers, and internal recruiters in order to explore career options based on their skills and experience.

Learning and Talent Development Programs¹

TALENT MARKETPLACE (Previously Skills Accelerator)



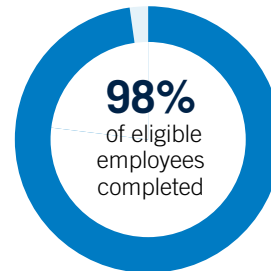
EMPOWER HOURS



138,993

of hours completed

COMPLIANCE TRAINING



22,030

of hours completed

AXONIFY



10,142

of hours completed

NOMINATION-BASED LEADERSHIP PROGRAMS



18,803

of hours completed

OPEN ENROLLMENT LEADERSHIP PROGRAMS



13,672

of hours completed

1. References to hours completed are as of 12/31/2021



A New Way of Learning

Our world is constantly changing and so is the way people learn. By leveraging gamification and bite-sized learning platforms, Prudential helped employees build business acumen and complete mandatory training in a way that suits their unique learning needs. We also created learning communities via Microsoft Teams to incorporate social learning, which helps boost engagement and maintain accountability. As an organization that cares about L&D, we offer and promote learning and help employees build healthy habits to enhance their professional development.

Axonify: In 2021, Prudential's mandatory Conflicts of Interest training was launched via Axonify to U.S. and select international operations. Over **70%** of the organization accessed the platform and completed the training.

Level-Up: To help employees gain the business acumen they need to be successful in their careers at Prudential, we introduced an immersive and multi-step learning journey that included an online game. Those who responded to the survey following the completion of the game rated the **overall learning experience a 4.39/5**.

Social Learning: As part of our Business Acumen Learning Journey, we hosted a live Q&A session during our third quarter earnings call where employees posted questions in a dedicated channel and received a response from a subject matter expert in real time. Following the call, **86% of participants felt more informed about Prudential's businesses and financial standing**.

Inclusion and Diversity Training

Our most recent mandatory diversity and inclusion training for all U.S. employees commenced in late 2020 and addresses core issues such as understanding racism and bias, building cultural intelligence and using tools and techniques to take action to support an inclusive culture. The goal is for all employees to develop a baseline understanding of these concepts. All U.S. employees were required to complete at least one inclusion training program by December 31, 2021.

Prudential's Gig Program

In 2021, Prudential launched an internal Gig pilot program offering employees the opportunity to build and leverage skills through experiential, on-the-job learning. All Gig projects are posted in Talent Marketplace, providing increased visibility and equal access to eligible U.S.-based Prudential employees. Gigs are projects that employees work on in addition to their current role and are tied to a specific deliverable. Each opportunity offers employees the chance to develop new skills, build enterprise connections, and improve their business acumen.

Prudential's Tuition Reimbursement Program

Prudential is invested in its employees. Our Tuition Assistance Program offers qualifying employees financial support to advance their educational goals and increase their business knowledge. In 2021, 840 employees participated in our Tuition Assistance Program. In 2022, we are looking to enhance the current experience for employees participating in the program.

In addition to our Tuition Reimbursement Program, Prudential also offers the following to qualifying employees:

Executive MBA Sponsorship

Prudential will sponsor qualified employees to attain an Executive MBA. Employees looking to earn an Executive MBA must be a strong performer, have four or more years of relevant work experience (preferably at least two of those years at Prudential), apply to a top-rated school and receive approval from their business group and corporate function head. Prudential will reimburse 100% of tuition and course-related fees based on the requirement of the program for any employee sponsored and accepted to the school.

Industry Study Programs

Prudential also offers Industry Study Programs (ISP) to all employees looking to earn licenses and certifications such as Certified Public Accountants, SHRM Certified Professional, Project Management Professional, and more. Some of our ISPs offer cash awards to employees who successfully complete the program and earn the related designation.

Employee Health, Safety and Wellbeing



We embrace a holistic approach to the wellbeing of our employees and understand the health of our workforce is intrinsically linked to that of the organization. Our multi-dimensional definition of health focuses on the physical, emotional, social, cognitive, spiritual and financial wellbeing of our employees and provides a foundation for the development and delivery of our programs and services.

We offer employees a comprehensive package of benefits, programs, and resources designed to provide them options and flexibility to help them achieve optimal health at work and home.

Key components include:

- Health.** In addition to medical, dental and vision insurance options, we encourage and support our employees' general health through our BeWell Rewards program which provides information on, and incentives for, healthy behavior. We also support employees by hosting wellness events and wellbeing challenges throughout the year, offering healthy choice discounts in our cafeterias, and providing on-site fitness centers in certain locations.
- Insurance.** We provide our employees access to programs that deliver protection for them and their dependents as either core benefits (at no cost to them) or as voluntary programs (they pay the full cost). To accommodate the different needs of our employees, we offer multiple choices for life insurance, accidental death and dismemberment insurance, disability insurance, accident insurance, critical illness insurance, and hospital indemnity insurance coverage.
- Retirement.** We help our employees build financial security for the future through our defined benefit retirement plan (open to all employees) and our 401(k). We match 100% of an employee's before-tax and/or Roth 401(k) contributions up to a maximum of 4% of earnings, subject to a three-years-of-service vesting requirement. The 401(k)'s after-tax component can also be used by employees as an emergency savings vehicle.
- Coaching and Guidance.** We support employees in achieving their life goals and meeting the challenges they face through a variety of programs, including behavioral health/Employee Assistance Program (EAP), life coaching, health coaching, second opinion services, budget coaching, financial planning assistance, work/life resources and referrals services.
- Family Support.** We offer several programs to support employees caring for loved ones through various life stages, including new parent support programs, paid parental leave, adoption expense reimbursement, personal support and coaching services, childcare discounts, back-up childcare, tutoring support, college admissions support, adult care support and coaching services, geriatric in-home assessments and elder law consultations.
- Paid Time Off.** Employees are encouraged to refresh and recharge with paid time off. We also provide 10-weeks of fully paid parental leave for the birth or adoption of a child.

Focus on Mental Health

We recognize mental health as an integral component which serves the emotional and overall health needs of our employees. Prudential prioritizes the mental health needs of its employees and has assigned two senior executives to sponsor the Company's mental health initiatives. Our Company offers mental health-related benefits to our employees and their families, but also encourages employees to become actively involved in their emotional wellbeing. We provide an extensive behavioral health program with a myriad of programs and services, including confidential EAP counseling, life, budget and adult care coaching, mental health-related webinars, mindfulness sessions, on-site serenity rooms, and work-life resources and referral services. Our Behavioral Health team partners with managers to help appropriately address behavioral concerns within the workplace and serves as an excellent resource to assist in identifying services which support the emotional health needs of employees, both at work and at home.

Employees and their family members enrolled in our medical coverage have access to a team of multidisciplinary nurses to assist and manage long-term clinical needs, including substance use disorder and clinical depression, and access to virtual behavior health visits, including mental diagnostic services, talk therapy, and prescription medication management, when appropriate. Our medical program administrator's nurses and case managers provide in-network referrals and steer members to other benefits available through Prudential and other community resources.

To complement the broad scope of services offered, we facilitate a variety of forums that encourage employees at all levels to participate in open conversations focused on mental health and wellbeing. We are committed to a continuing focus on reducing the stigma of mental health in the workplace and building a culture of health that benefits employees, their families, and the enterprise.



Global Employee Engagement



We believe the best and most transformative decisions are made when we listen and reflect on the diverse voices of our people. In 2021, Prudential’s polling and survey programs collected over 48,000 employee responses through listening programs to understand experiences, behaviors, attitudes and perceptions of leadership, culture, and key organizational issues including pandemic challenges and return to workplace planning. These responses help to inform decisions about our people, programs, processes and policies.

Prudential’s annual global employee engagement survey fielded across 24 countries in seven languages, received an 85% response rate in 2021, versus 83% in 2020. Prudential’s engagement scores, while slightly lower versus 2020 (75% in 2021 versus 77% in 2020), remain largely positive. Employees noted Prudential’s ethical, respectful and inclusive work environment and expressed appreciation for the flexibility and support provided throughout the pandemic. Career growth emerged as a prominent theme, as did Prudential’s U.S. transformation efforts.

The survey results and the process of continuous improvement that ensues is discussed with the Board at least annually. Senior leaders are committed to listening to diverse perspectives and responding in ways that have a meaningful impact, including changes in development programs, manager training, and internal mobility opportunities.

2021 Employee Survey

23,600

Responded

27,895

Invited¹

10,169

Comments

85%

Response rate

7

Languages

24

Countries

ENGAGEMENT² INDEX

-2 points compared to 2020

Favorable

75%

Neutral

17%

Unfavorable

8%

INCLUSION³ INDEX

No change compared to 2020

Favorable

79%

Neutral

14%

Unfavorable

7%

1. Excludes the Field Office in U.S. and the sales forces of Gibraltar, Malaysia, Chile and Gibraltar India.

2. Engagement: Average favorability score of employee engagement indicators: job satisfaction, advocacy, discretionary effort, and intent to stay

3. Inclusion: Average favorability score of various facets that reflect an inclusive environment: communication, respect, ethical culture, growth opportunities, empowerment, innovation, flexibility, and feeling valued

Community Investment

In this section:

- 40 Community Initiatives
- 43 Financial Education and Engagement
- 44 Impact and Responsible Investing

Highlights

The Prudential Foundation reaches \$1 billion in contributions

Community Initiatives



The Prudential Foundation: 2021 Snapshot

A spotlight on its impact in a single year

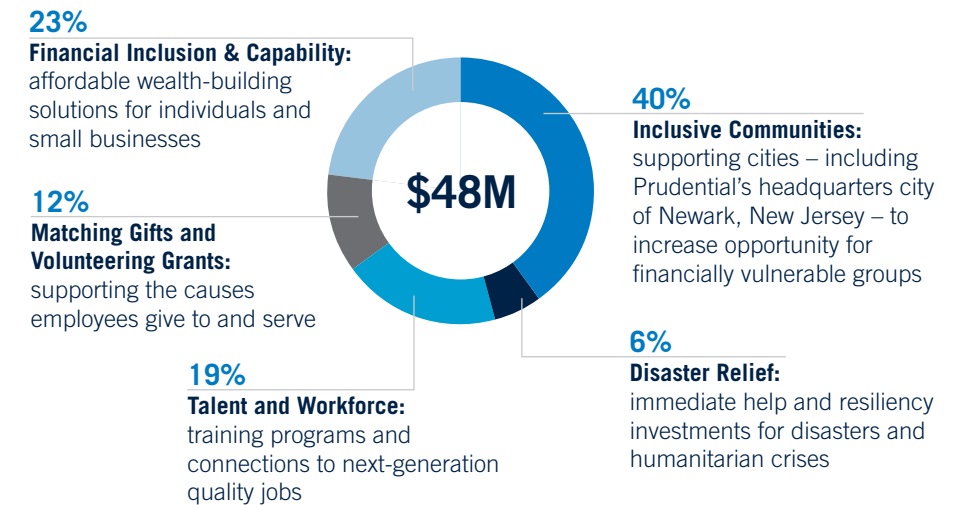
Prudential was founded on the belief that financial security should be within reach for everyone. It's a challenge we've embraced for nearly 150 years and steers our efforts to help people now and in future generations achieve peace of mind and a more secure future. Our work is guided by a core belief that profits and social progress, working together, can benefit our shareholders, customers, employees, and communities.

For over four decades, Prudential has sponsored research, incubated partnerships, and innovated and scaled distribution channels and services to more fully understand and meet the challenges of financially underserved communities. In February 2020, we reached \$1 billion in assets under management in our impact investing portfolio. In 2021, The Prudential Foundation surpassed \$1 billion in grants since inception, providing catalytic capital for organizations on the front lines of creating inclusive workplaces, thriving communities, and accelerating economic mobility for all.

Our approach has focused on:

- Driving inclusive economic growth for low-income communities, particularly in Newark, New Jersey, Prudential's headquarters
- Developing and scaling innovative financial products and services that increase short-term and long-term financial health
- Reducing barriers that prevent equitable wealth-building pathways
- Upskilling and reskilling workers for in-demand and high-quality jobs

THE PRUDENTIAL FOUNDATION DISBURSED \$48 MILLION IN 2021



189
Organizations funded

40%
Nearly 40% of grants benefited Newark, New Jersey

2021 Prudential Foundation grantees include:

- YouthBuild Newark, supporting training, career pathways, and an advocacy agenda for opportunity youth in Newark
- UnidosUS, supporting financial coaching and wealth creation pathways for Latinos through its Financial Empowerment Network
- Student Freedom Initiative, supporting a new microgrant program to provide emergency cash assistance for HBCU students

As illustrated in our Commitments to Advance Racial Equity in this report, we also use our platform to advocate for policy improvements and changes to help close the financial divide. This means serving as a champion for a comprehensive, national solution to provide paid family and medical leave to all workers. Currently, only one-third of the lowest paid workers in the U.S. have access to paid sick leave, compared to 93 percent of the highest-paid works. Black and LatinX workers are also less likely to have leave benefits.

The COVID-19 pandemic and its economic fallout revealed how fragile financial security is for Americans. The pandemic exposed the precarity of our public health and economic systems and the pervasiveness of racial and social inequality. Prudential's 2020 Financial Wellness Census found that the first few months of the pandemic reversed three years of financial gains in the United States and 46 percent of Americans were worried about their finances. People of color, women, younger people, small business owners, gig workers, and those employed in the retail industry were disproportionately impacted. At the same time, the persistent racial wealth gap only widened during the pandemic.

In 2021, with Prudential's support, our non-profit partners addressed both short-term and long-term financial security with the following results:

587,690

Individuals accessed affordable financial products (e.g. emergency savings, bank accounts); 84% were people of color

197,000

Individuals built their savings enabling them to withstand short-term financial shocks, saving on average \$3,300

135,675

Individuals accessed long-term savings products (e.g. retirement), improving recipients' long-term financial security

3,296

Small businesses and entrepreneurs gained access to capital, customers and technical assistance, average loan size of \$19,639

Closing the Wealth Gap

A signature partner of Prudential's in closing the racial wealth gap is the Financial Health Network—a nonprofit organization that unites business leaders, policy makers and innovators to improve financial health for all. The Financial Health Network's innovation arm, the Financial Solutions Lab (FSL), incubates and scales ideas to address acute and persistent financial challenges specifically facing low-to-moderate income individuals and Black and Latinx communities.

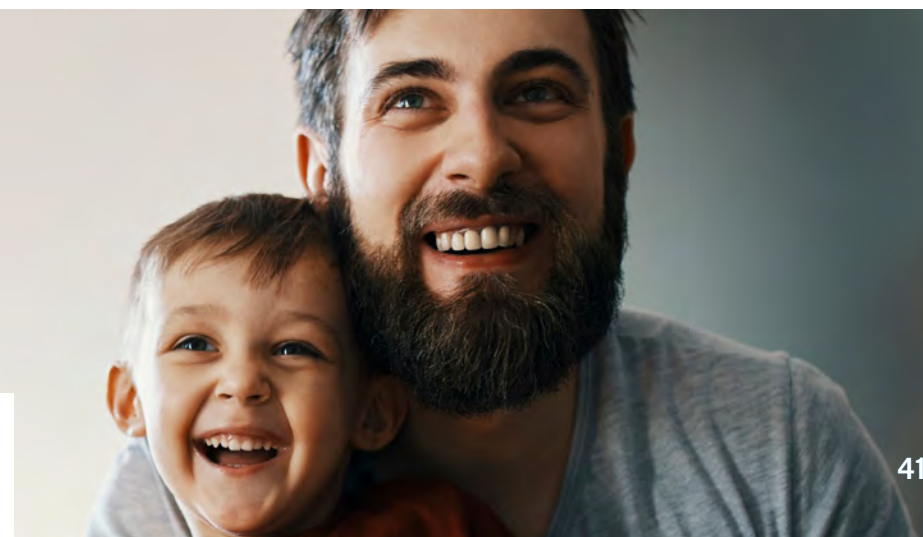
FSL invests in fintech companies and nonprofit organizations led by diverse owners to incubate and scale financial solutions, design and test policy interventions, and conduct consumer impact research.

In 2021, FSL focused on building consumer resiliency and supporting vulnerable families such as those in the criminal justice system. They directly invested in 53 fintechs, 21 fintech-nonprofit partnerships, and five pilot policy initiatives with the following results:

- Reached over **23.7 million users**
- Assisted over 12 million **consumers** in opening a new transactional account
- Helped over **730,000 consumers** in accessing appropriate credit
- Provided financial coaching clinics and resources to over **23,000 consumers**
- Served **4.5 million consumers** with financial health products and services

Equitable Access to Capital

- Equitable access to capital promotes growth, opportunity and the ability to overcome financial barriers to success. Active allocation of Prudential's resources to diverse organizations allows these firms to create a positive, measurable impact on communities and clients.
- Prudential continues to focus on active participation by diverse banks in the Company's capital markets transactions, including debt issuances and share repurchase activities. In 2021, Prudential exclusively used diverse-owned firms to act as agents on the repurchase of \$1.2 billion in shares of Prudential's common stock. Diverse-owned firms also served as active co-managers on the issuance of \$1.2 billion of Funding Agreement Notes.
- Prudential places deposits at minority-certified retail banks, which helps the banks serve their communities through lending, and invests in diverse-owned share classes of Government Money Market Funds.



Local Community Impact

Prudential’s skills-based volunteer program—PruBono and Board Service—helps to strengthen the capacity and resiliency of our local community partners. Employees donate their time and talent to support nonprofit organizations and small businesses to address critical challenges in the areas of business strategy, operations, marketing, data and financial analysis and human resource. In 2021, the programs helped advance Prudential’s racial equity commitments by focusing on nonprofit organizations and small businesses held by women and people of color. The COVID-19 pandemic and systemic barriers negatively impacted the sustainability of both groups. Although programs were conducted virtually in 2021, there was an increase in demand from employees and community partners requesting PruBono support.

Addressing Youth Unemployment in Brazil

In 2021, as part of the Company’s \$180 million opportunity youth commitment, Prudential launched a new initiative in Brazil called Jovens Para o Futuro to address youth unemployment rates and help young people obtain the right skills for a quality job. Prudential is supporting five local community-based organizations that are training young people in digital skills, smartphone maintenance, robotics and more. One organization, CIEDS, is specifically working with students with disabilities for apprenticeship roles at Prudential do Brasil. In December 2021, Prudential do Brasil welcomed 13 apprentices with disabilities who are working in operations, compliance, human resources, risk, franchising, strategic partnerships and marketing through 2023.

2021 PruBono and Board Service Results

222

Employees engaged from 10 business locations

42

Nonprofits and small businesses engaged from 11 locations

6,628

Hours in four pro bono opportunities

\$1,573,712

Dollar value of pro bono service delivered

Nonprofit Impact

83%

Of organizations increased their effectiveness

38%

Increased their revenue

49%

Increased their reach or impact

21%

Reduced cost



Financial Education and Engagement



Thousands of employers choose Prudential to be their rock for financial wellness.

According to the Employee Benefit Research Institute, 90% of employers have developed or are planning to develop a financial wellness strategy for their workforce. These strategies address employees' holistic financial needs including, managing healthcare costs, planning for retirement, budgeting, and reducing debt.

In 2015, Prudential was one of the first financial services firms to build turnkey financial wellness programs to help employers improve their employees' financial health and complement their existing health wellness programs. Today, Prudential offers a market-leading suite of financial wellness capabilities including multi-channel live financial education via seminar and one-on-one formats, digital content and tools, access to financial advisors, and solutions for key financial needs including student loan management, caregiving support, and general debt management to its institutional clients and other organizations.

In 2021, Prudential's financial wellness services were available to more than 39 million individuals and 2,500 organizations.

Other 2021 highlights include:

- More than 60,000 individuals attended at least one financial wellness education seminar hosted by Prudential, which represented a 88% increase compared to the number of seminar attendees in 2020.
- Prudential expanded its offering to address caregiving needs and introduced a consultative tool for retirement plan sponsors that contributed to more than 100 plan design changes and/or solutions adopted by retirement plans to improve employees' financial wellness.

- Analytics demonstrated that individuals using Prudential's financial wellness services become more likely to take positive financial actions such as increasing their retirement contributions.
- Prudential began providing financial wellness services to Veterans served by the United States Department of Veterans Affairs.

Prudential will continue to expand its financial wellness offerings and broaden and deepen the adoption of these services to help Prudential fulfill its purpose to solve the financial challenges of our changing world.

2,500+

Organizations had access to Prudential's financial wellness services

100+

Plan design changes were adopted to improve employees' financial wellness

60,000+

Individuals attended at least one financial wellness education seminar in 2021

88%

Increase in number of seminar attendees from 2020

Impact and Responsible Investing



Prudential’s Impact and Responsible Investing group was formed in 1976, an early testament to the Company’s deeply ingrained purpose-driven culture and commitment to social responsibility. Over this time, the unit has invested over \$2.9 billion for Prudential’s General Account and The Prudential Foundation to support innovative solutions creating economic and social mobility for underserved populations globally.

Prudential is an original signatory to the Operating Principles for Impact Management—a set of nine principles that serve as a framework for the design and implementation of impact investing management systems. These principles were launched by the International Finance Corporation to provide further transparency and greater discipline in impact investing.

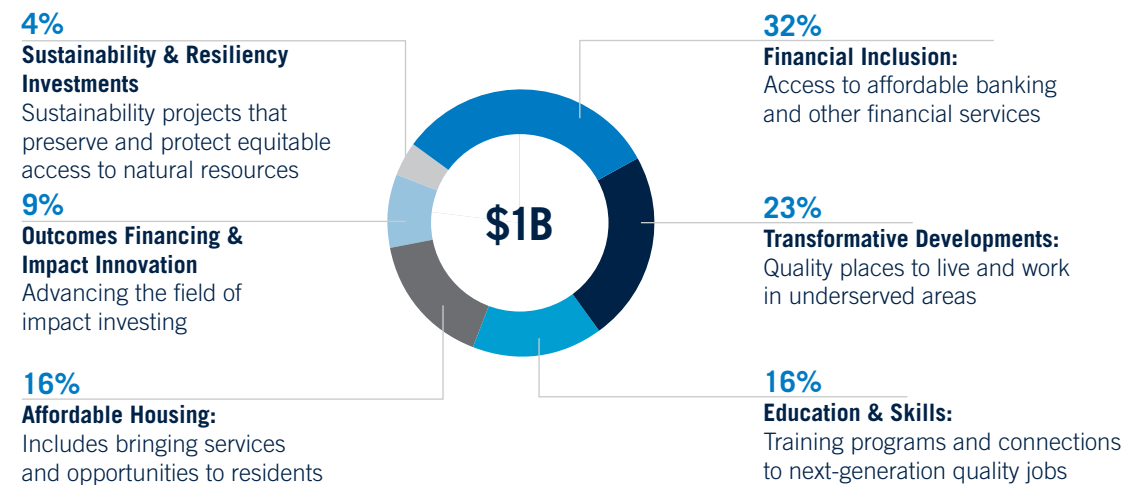
Prudential’s IRI portfolio encompasses approximately \$1.2 billion in investments in partners and projects that tackle pressing societal issues, such as financial inclusion, affordable housing, education and preparing workers for jobs of the future.

Impact Investing Highlights

- Provided \$3.5 million in pre-development loans to help build equitable arts-themed communities in Newark, NJ, in partnership with the New Jersey Performing Arts Center and The Newark Museum.
- Invested a total of \$36 million into two designated Opportunity Zones in North Carolina to repurpose a brownfield site into a mixed-use transit-oriented development and significantly renovate an older vintage workforce housing community in a high opportunity area.
- Committed a total of \$15 million into two education and skills investment funds. Owl Ventures invests globally in tech-enabled transformative companies that make access to high-quality education and training affordable available for all. Renovus invests in companies focused on educational services and workforce readiness.

The Billion-Dollar Breakdown

(as of 12/31/2021)



Climate and the Environment

In this section:

- 46 Climate Oversight
- 47 Environmental Performance

Highlights

Prudential commits to net zero environmental performance emissions across its primary domestic and international home office operations by 2050

Prudential provides additional climate-related disclosure under the [TCFD](#) framework and [CDP](#) platform

Climate Oversight

Board

Environmental Sustainability, including Prudential's climate practices, are overseen by the Corporate Governance and Ethics Committee and Prudential's Board of Directors.

Executive Leadership

Prudential's Vice Chairman leads the Company's Climate Change Steering Council, which oversees the Company's climate change strategy.

Climate Change Task Force

Prudential's Climate Change Taskforce drives the development of analysis, policies, and practices that underpin Prudential's climate change strategy. Prudential's Climate Change Taskforce consists of representatives from multiple businesses and functional areas and is led by the Head of External Affairs.

As a global insurer, investor and asset manager Prudential recognizes that climate change impacts our operations and investment business. We have a responsibility to bolster the long-term sustainability of our operations, investments, and our global community by acknowledging the risk of climate change, meeting the challenges and opportunities that climate change presents for our business, and reducing our own environmental impacts.

Environmental Performance



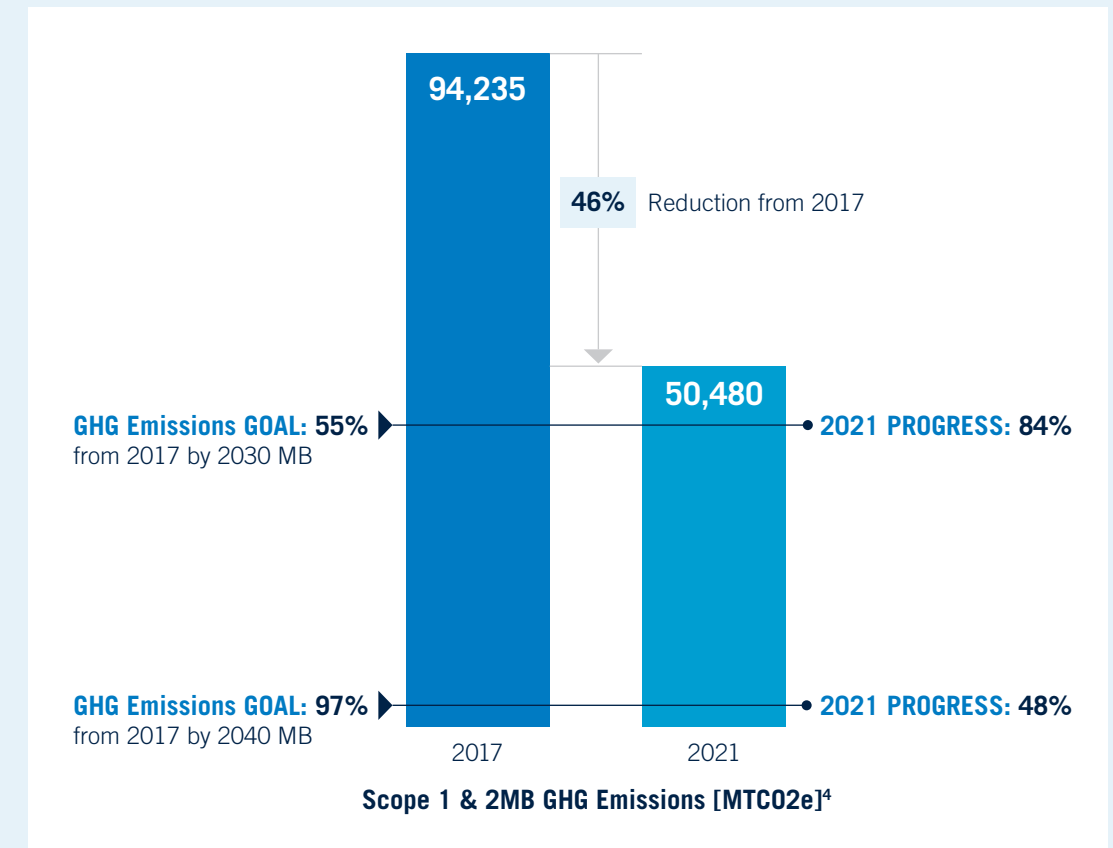
In November 2021, Prudential expanded its commitment to achieve net zero emissions across its primary home office operations by 2050¹. To accelerate the company’s longstanding commitments to mitigate the impacts of climate change, we have expanded the scope of the commitment to include our primary home office operations located in Brazil and Japan in addition to U.S. domestic operations, and set an interim goal to become carbon neutral by 2040.

The expanded 2021 commitment maintains a 2017 baseline and includes greenhouse gas (GHG) emissions from operationally controlled², corporate owned or leased “Home Offices”, garages and data centers located in the United States, Brazil and Japan³.

The November 2021 announcement includes interim greenhouse gas (GHG) reduction goals of 55% reduction by 2030 and 97% by 2040, both compared to a 2017 baseline. This ESG Report and all future GHG reduction goal disclosures reflect the Company’s expanded 2021 commitment.

Progress against Global Environmental Commitment Climate Reduction Target⁴ (U.S. & International)

MB = market-based emissions as of 12/31/2021



1. Previous and current goal details are reported in the Appendix.
2. As documented in Prudential’s Inventory Management Plan, the Company defines its organizational boundaries using the Operational Control approach per the World Resource Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol. Under this approach, Prudential will account for 100% of the GHG emissions from operations over which it has control. This includes domestic and international properties (home offices, data centers, and garages) which are either owned or leased by Prudential Financial and for which Prudential has operational control.
3. Prudential fully divested its South Korea business (POK) in 2020 and Taiwan businesses (POT) in April 2021. The POT business was included within Prudential’s 2021 GHG inventory for the months prior to the divestiture. While POK should be removed from the 2021 GHG inventory, its contribution to the base year is de minimis (~5%) and both POK and POT businesses will be removed from Prudential’s 2022 GHG inventory for the 2017 base year and all intervening historical years in the 2022 ESG Report.
4. Detailed year-over-year emissions including location-based updates provided in the Appendix.

Prudential quantifies greenhouse gas (GHG) emissions from operationally controlled, corporate owned or leased “Home Offices” and data centers located in the United States, Brazil, and Japan.

This formal inventory process uses the Operational Control approach per the World Resource Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol to define its organizational boundaries and account for Scope 1 and Scope 2 GHG emissions from these domestic and international sites. Prudential maintains an internal Inventory Management Plan (IMP) which records institutional, managerial, and technical procedures and processes used annually to collect and manage reliable, quality GHG data.

Consistent with previous years, Prudential included the following greenhouse gases: CO₂ (Carbon Dioxide), CH₄ (Methane), N₂O (Nitrous Oxide), HFCs (Hydrofluorocarbons):

- Scope 1 emissions are direct emissions that result from stationary combustion (e.g., natural gas, propane for heating, diesel used in emergency generators), mobile combustion (e.g., leased vehicles for executive transport, employee shuttles, corporate aircraft) and fugitive HFC emissions refrigeration/air conditioning equipment use.
- Scope 2 emissions are indirect emissions that result from purchased electricity, steam, heat and cooling.

- Scope 3 emissions in Prudential’s GHG inventory include activities from business travel (commercial air transport, intercity rail, employee mileage reimbursements, public transit, rental cars, hotel stays), fuel and energy-related activities not included in Scope 1 and Scope 2 (FERA), purchased goods and services, waste generated in operations, employee commuting and upstream leased assets¹. Prudential will continue to expand its value chain emissions, where relevant and where data are accessible.

Prudential’s goal to achieve net zero Scope 1 and 2 greenhouse gas emission by 2050 includes interim reduction goals of:

55%
by 2030 from 2017
base year

97%
by 2040 from 2017
base year

Progress toward goals, including domestic and international market-based emissions³:

Prudential reduced domestic and international emissions (market-based) by 46% from 2017

84%
Progress towards
2030 interim goal
(market-based)

48%
Progress towards
2040 interim goal
(market-based)

Year on year changes from 2020 to 2021 for domestic and international facilities:

14%
decrease in emissions from 2020³ for
Scope 1 and 2 emissions (market-based)

1. For detailed Scope 3 emissions from 2017-2021 see Appendix.
2. Taiwan was divested in April 2021. Reporting is pro-rated for 2021 and included in the Appendix.
3. Scope 1 and 2 emissions (location-based): 15% decrease in emissions, also see Appendix.

2021 GHG Inventory

In its continued efforts to ensure the quality and accuracy of its GHG emissions data, Prudential again engaged a third-party verifier (Lloyd’s Register Quality Assurance) to review and provide limited assurance of its 2021 Scope 1 and Scope 2 GHG emissions and Scope 3 GHG emissions resulting from business travel.

Prudential’s energy consumption and GHG inventory follows in the below charts:

Energy Consumed U.S. & International

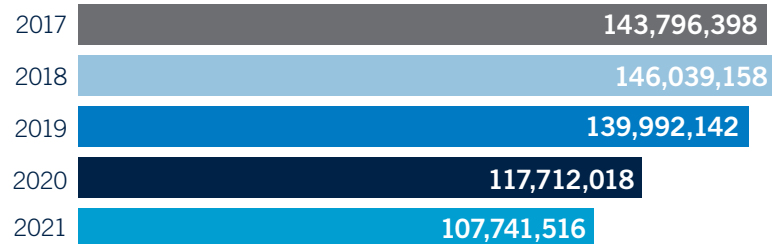
STATIONARY COMBUSTION [MMBTU]

Increased 3% year over year



PURCHASED ELECTRICITY [KWH]

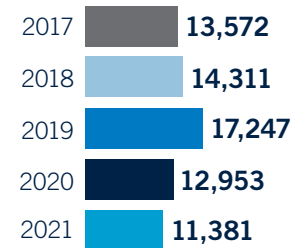
Decreased 8% year over year



GHG Emissions [MTCO₂e] U.S. & International¹

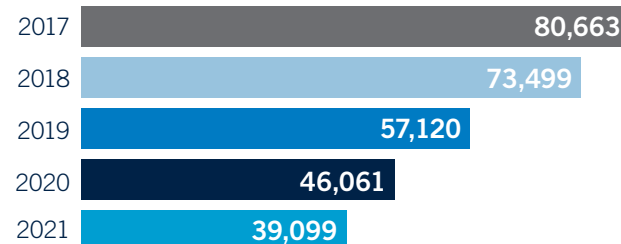
SCOPE 1

Decreased 12% year over year



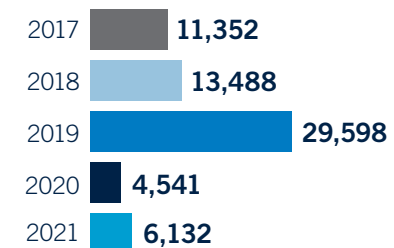
SCOPE 2 (MARKET-BASED)

Decreased 15% year over year



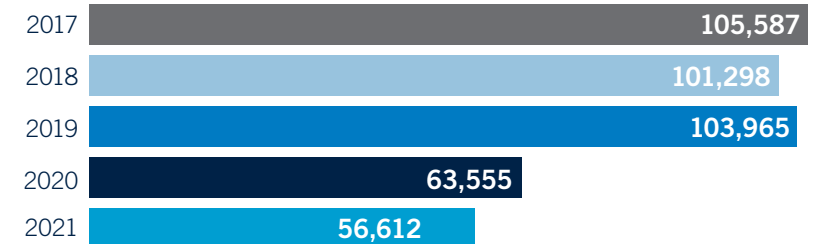
SCOPE 3 BUSINESS TRAVEL

Increased 35% year over year



TOTAL SCOPE 1, 2 MB AND 3 BIZ. TRAVEL

Decreased 11% year over year



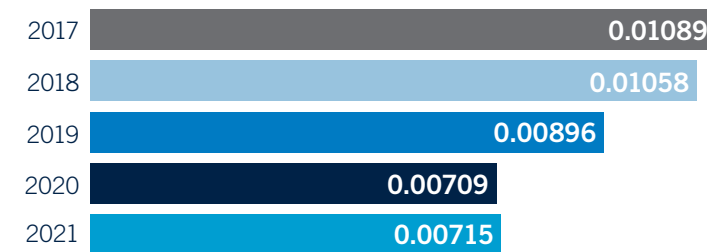
1. Additional details are provided in the Appendix.

2021 GHG Inventory (continued)

Intensity [MTCO₂e/sqft] U.S. & International

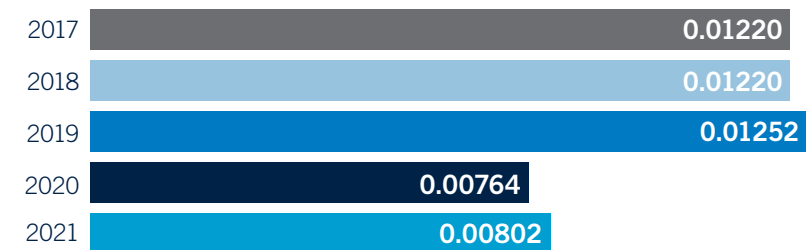
SCOPE 1 & 2 (MB) PER SQUARE FOOT

Increased 1% year over year



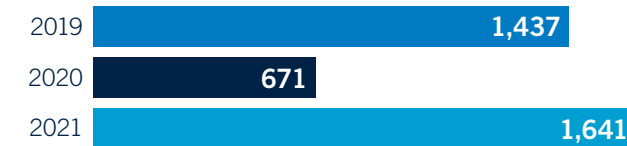
SCOPE 1 & 2 (MB) & SCOPE 3/BIZ TRAVEL¹ PER SQUARE FOOT

Increased 5% year over year

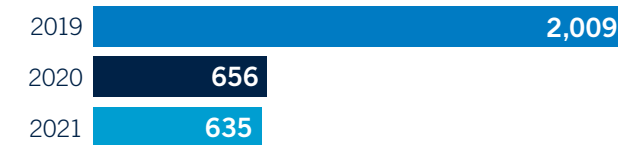


Recycling, Waste and Water

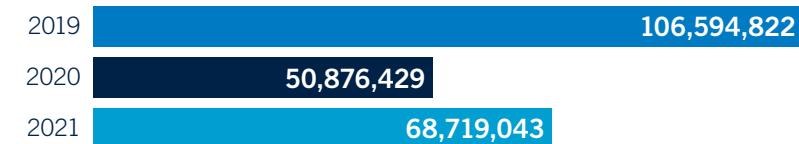
RECYCLING (TONS)



WASTE (TONS)²



WATER USAGE (GALLONS)



Actuarial Assumptions and Climate Change

Climate change will affect human health, mortality, and broader society. While we cannot predict the future, we can plan for possible outcomes. As part of Prudential's risk management framework, the company stresses the key drivers that affect the ability to keep our promises. These include the health of our policyholders, how their behavior may change in the future, and economic factors such as future interest rate and equity returns. The results of these stress tests and our quantitative models inform the risks we take and the actions we utilize to mitigate them.

1. Prudential discloses additional scope 3 categories reported in the Appendix.
 2. 2021 Recycling number reflect document purging as part of our office transformation

Performance Highlights

14%

Decrease in the company's Scope 1 and 2 (MB) emissions, compared to 2020.

In 2021

Several LED upgrades were completed, and unused office space was shut down with lights turned off and HVAC reduced. This helped to reduce electricity usage by 8% compared to 2020.

In 2021

Prudential reduced the domestic footprint by consolidating data centers and closing several domestic sites.

In 2021

Prudential of Brazil (POB) moved the Home Office to a LEED Gold certified building which features efficient energy and water consumption, uses recyclable materials and renewable energy.

Operational Measures to Mitigate Climate Change

As reported in Prudential's [Global Environmental Commitment](#) issued in December 2019, to minimize the waste impacts and paper consumption associated with doing business, the company will continue to prioritize initiatives such as participation in direct deposit, "householding" to reduce the number of mailings or proxy materials going to the same household, and electronic delivery and completion of forms. When paper use is unavoidable, Prudential seeks to partner with vendors who practice and supply paper that adheres to sustainable practices.

Reducing our reliance on paper to communicate to our customers is a priority. To advance the sustainability focus and our Zero Paper aspiration, Prudential has teamed up with American Forests to plant trees to help with the reforestation of threatened or endangered ecosystems by planting 12,500 trees in Florida and Idaho in the summer of 2021. We continue to advance the awareness internally of our current paper consumption in customer communication, while accelerating initiatives that will drive digitization to reduce paper consumption and improve the customer experience.

DocuSign is a tool Prudential leverages for the electronically sending and signing of contracts, invoices, account openings, both in the U.S. and internationally. The first account was set up in April 2016 and the tool is now leveraged throughout the organization. The environmental impact results were provided to Prudential from DocuSign and reflect total figures for the Enterprise for 2021. The DocuSign service helped replace over 21 million sheets of paper saving trees, water, CO2 and waste.

2021 Results:

CO₂: 1,854,187 lbs
Waste: 128,367 lbs

Water: 2,325,962 Gallons
Wood: 2,370 Trees

To offset carbon emissions for U.S. employees' business travel in 2020, Prudential and PGIM purchased high-quality carbon offsets from Natural Capital Partners. The company earned CarbonNeutral® business travel certification in accordance with The CarbonNeutral Protocol. Carbon offsets are generated from independently verified projects including global renewable energy, landfill and gas capture, and forest conservation projects in, India, NY state, Brazil, and Mexico.

About this Report



In this section:

- 53 2021 Materiality Assessment
- 54 The Global Environmental Commitment
- 56 Stakeholder Engagement
- 58 Reporting Guidelines
 - Global Reporting Initiative (GRI)
 - Sustainability Accounting Standards Board (SASB)
 - Task Force on Climate-related Financial Disclosures (TCFD)
 - Sustainable Development Goals (SDGs)

2021 Materiality Assessment

Prudential defines sustainability as how the Company anticipates and manages future risks and opportunities to meet its long-term promises.

Sustainability materiality assessments consider the relevance of topics using a broader lens than just financial risk—it considers overall business priorities, management, and performance by incorporating both internal and external perspectives. Prudential conducts these assessments as guided by the Global Reporting Initiative’s (GRI) Reporting Principles and GRI’s definition of material topics; this approach promotes the Company use of a robust, logical process for understanding the risks and opportunities presented by sustainability topics for the business and its stakeholders. Prudential has used its materiality assessment as a key input into its sustainability strategy and reporting.

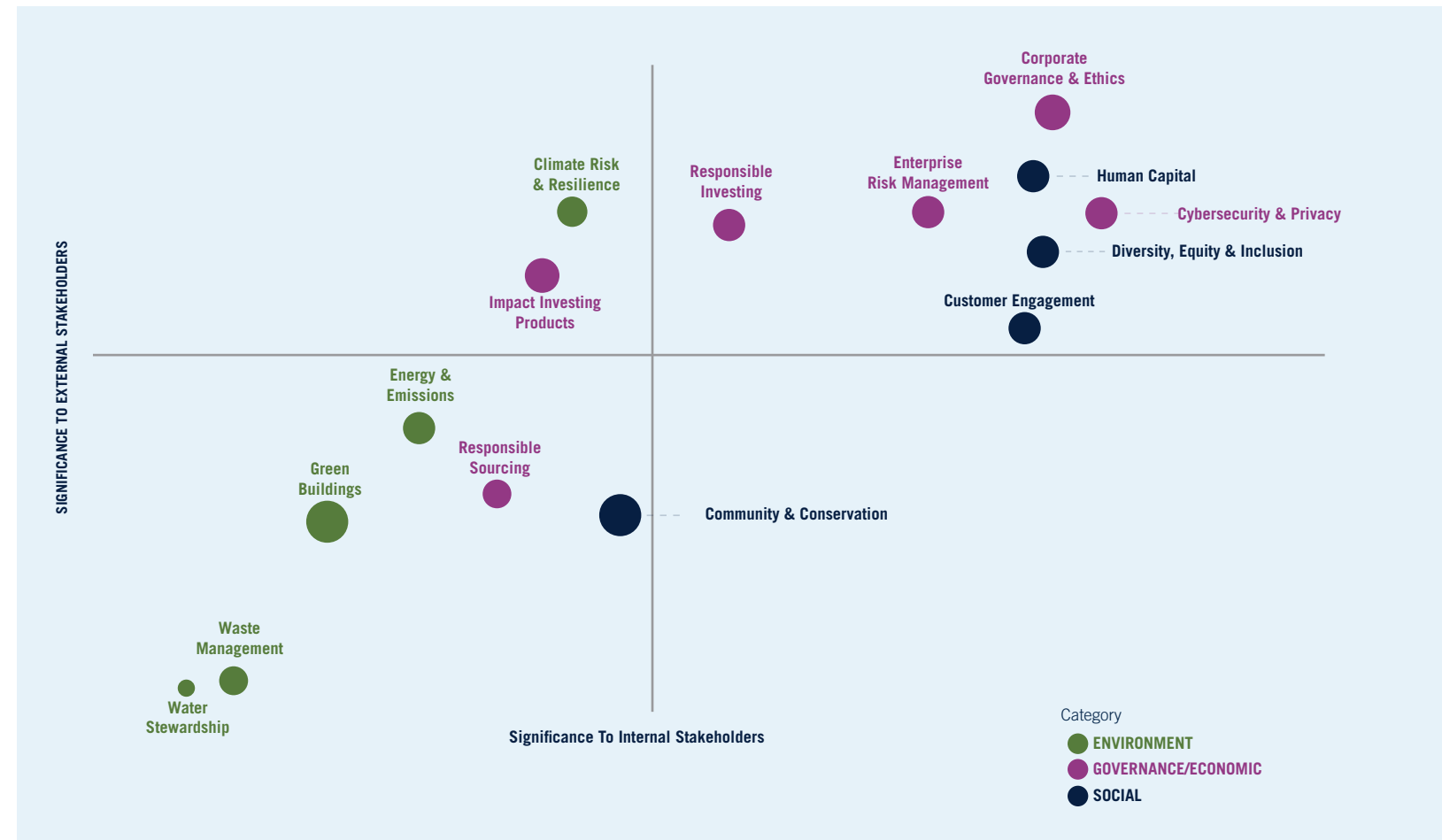
Refreshing the materiality assessment was a timely and necessary exercise to understand how recent events have affected the state of the world and Prudential’s business. This is the second materiality assessment we have conducted. Prudential conducts a materiality assessment every three years, as we committed to in our [Global Environmental Commitment](#).

Results of the 2021 Materiality Assessment

Prudential assessed the materiality of 15 sustainability topics. To derive this short list of topics to evaluate, we analyzed 40+ topics informed by the Global Reporting Initiative (GRI) framework, benchmarked ESG frameworks, investor requests and industry peers and reviewed the 2018 materiality assessment. We then conducted interviews and surveys with both internal and external stakeholders to evaluate these topics’ relative prioritization and develop the materiality matrix.

Stakeholders were also asked to select topics for which Prudential should focus its efforts, independent of the topics’ potential impact on the business or influence on stakeholders. The following three topics rose to the top:

1. Climate risk and resilience
2. Customer engagement
3. Diversity, equity & inclusion



Prudential's Global Environmental Commitment

Prudential's Global Environmental Commitment was created to acknowledge the risks presented by global climate change and to address this important issue through our business operations and investments. This document describes the status of these Commitments as of December 31, 2021.

Environmental Reporting

Goals	Status
Increase robust reporting in annual sustainability report	<ul style="list-style-type: none"> Prudential's 2021 ESG Report includes comprehensive information on both the impact of our operations on the environment and the action we are taking to reduce the impact we have.
Achieve and maintain Management-Level CDP scores	<ul style="list-style-type: none"> Received A- CDP Climate Rating in 2020 and B in 2021. Prudential will participate in the 2022 CDP climate questionnaire.
Publish specific asset level reporting	<ul style="list-style-type: none"> Approximately \$375B of the General Account's assets have an ESG identifier.
Publish information and progress on General Account investment allocations	<ul style="list-style-type: none"> The 2021 ESG Report describes the General Account's total sustainable investments and each category.

Responsible Use of Natural Resources

Goals	Status
Prudential commits to achieve net zero emissions across its primary home office operations by 2050 and set an interim goal to become carbon neutral by 2040¹	<ul style="list-style-type: none"> 84% progress towards 2030 interim goal and 48% progress towards 2040 interim goal. See Prudential's 2021 ESG Report for more detail.

Goals	Status
Achieve 65% waste diversion by 2025	<ul style="list-style-type: none"> Achieved goal in 2021 with 72% waste reduction in reporting countries.²
Continue internal initiatives to reduce paper use	<ul style="list-style-type: none"> Continued partnership with American Forest partnership to support our Zero Paper aspiration.
Develop both internal and public facing ESG Policy	<ul style="list-style-type: none"> The Chief Investment Office updated its Responsible Investing Policy in November 2021.
Invest in companies and projects that responsibly reduce emissions, water consumption and/or waste generation	<ul style="list-style-type: none"> The General Account's sustainable investment allocation is described in the 2021 ESG Report.
Allocate 10% of Impact Investments portfolio to companies and projects that promote sustainability and resiliency by 2025	<ul style="list-style-type: none"> As of 12/31/2021, Impact Investments has 4% of its fair market value of investments in companies and projects promoting sustainability and resiliency.
Grant \$25 million by 2025 to support response to climate-related natural disasters via Prudential Foundation	<ul style="list-style-type: none"> Prudential Foundation provided \$12.7 million (as of 12/31/2021) in grants and investments to support climate-related natural disasters.

1. As documented in Prudential's Inventory Management Plan, the Company defines its organizational boundaries using the Operational Control approach per the World Resource Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol. Under this approach, Prudential will account for 100% of the GHG emissions from operations over which it has control. This includes domestic and international properties (home offices, data centers, and garages) which are either owned or leased by Prudential Financial and for which Prudential has operational control.

2. Reporting countries include 2019 and 2020: U.S., Brazil, Taiwan, Japan; 2021: U.S., Brazil, Taiwan (pro-rated), Japan

Prudential's Global Environmental Commitment (continued)

Resiliency Preparation

Goals	Status
Continue strengthening our business continuation activities	<ul style="list-style-type: none"> Identified flood risk for the Newark, New Jersey properties.
Invest in long term businesses and projects that support resiliency	<ul style="list-style-type: none"> Hired engineering firms to develop decarbonization capital plan for two Newark, New Jersey-based Prudential office properties.

Engagement & Education

Goals	Status
Create robust employee engagement opportunities to creatively and consistently communicate the importance of environmental sustainability	<ul style="list-style-type: none"> Green Teams hosted a virtual Earth Day and beach cleanup in Monmouth, New Jersey. Removed vending machines to reduce plastic bottle use in all Newark, New Jersey properties. Implementing responsible cafeteria waste reduction activities in two Newark, New Jersey owned properties.
Commit to engaging 100% of our top vendors to support progress toward the Global Environmental Commitment Invite 100% of our top vendors to report on climate change KPIs by 2022	<ul style="list-style-type: none"> Engaged 100% of top vendors to complete the CDP Supply Chain survey resulting in 69% participation.

Goals	Status
Expand our public policy engagement to support topics aligned with the Global Environmental Commitment	<ul style="list-style-type: none"> PGIM's paper, <i>Weathering Climate Change</i>, proposes a climate change agenda for institutional investors that encompasses both hidden portfolio vulnerabilities and potential opportunities in the transition to a lower carbon world.
Become a go-to provider for thought leadership on sustainable investing strategies	<ul style="list-style-type: none"> PGIM Quantitative Solutions, PGIM Fixed Income, Jennison Associates and PGIM Real Estate (PGIM asset managers) are Principles for Responsible Investment (PRI) signatories.
Invest or grant dollars to companies and organizations that change public perception toward a more environmentally responsible society	<ul style="list-style-type: none"> PGIM Real Estate financed more than \$9.5 billion in loans secured by properties with green certifications, including ENERGY STAR labels. More than 60% of our affiliated investors' office portfolio is green certified (as of 12/31/2021) demonstrating a commitment to sustainable loan production.

Stakeholder Engagement

Proactive engagement with stakeholders supports Prudential’s achievement of its purpose and long-term vitality by encouraging learning and increasing transparency. In general terms, Prudential’s stakeholders include:

STAKEHOLDER GROUP IDENTIFIED	ENGAGEMENT	ACTION
Shareholders and Institutional Investors	<ul style="list-style-type: none"> • Annual Report, Proxy Statement and Sustainability Report • Press releases • Webcasts and conference calls • Financial services conferences • Proxy voting • Communications with Investor Relations, Corporate Governance Teams and the Board of Directors • Annual Meeting and Investor Days • Responses to ESG surveys from ratings firms and CDP 	<p>The Corporate Governance and Business Ethics Committee receives environmental sustainability briefings at least quarterly and the full Board was briefed on Prudential’s net zero greenhouse gas emissions strategy.</p>
Customers (both individual and institutional)	<ul style="list-style-type: none"> • Digital interface • By telephone • Social media • Customer satisfaction surveys, customer focus groups, and net promoter scores • Assessment of financial data 	<p>The Zero Paper aspiration will advance digital transformation, reduce costs and improve the customer experience. Multiple initiatives are underway to advance the awareness of the current paper consumption and to drive consistency, efficiency and simplification across the Company’s customer communications.</p>
Employees and Retirees	<ul style="list-style-type: none"> • Performance management and development programs • Annual Report, Proxy Statement, and Sustainability Reporting • Matching gifts program for employees • Business Resource Groups, Green Teams, and Volunteer Councils • Company intranet • Prudential Ethics Help Line • Employee surveys 	<p>Global employee engagement survey, fielded across 24 countries, received an 85% response rate in 2021.</p>
Environmental Stakeholders	<ul style="list-style-type: none"> • Ceres Company Network • Ceres Investor Network • CDP Supply Chain member • U.S. Green Building Council • Urban Land Institute’s Greenpoint Center for Building Performance — Performance Committee • The PRI • U.S. EPA’s Energy Star Program 	<p>Prudential announced intention to achieve net-zero emissions across its primary global home office operations by 2050, with an interim goal of becoming carbon neutral by 2040.</p>

Stakeholder Engagement (continued)

STAKEHOLDER GROUP IDENTIFIED	ENGAGEMENT	ACTION
Community leaders, Neighbors, and Non-Governmental Organizations (NGOs)	<ul style="list-style-type: none"> • Virtual meetings, calls, social media, and events with local leaders, neighbors, NGOs, and advocacy groups • Board memberships • Financial support • Employee volunteering • Pro Bono consulting 	Pro bono employee engagements with 42 nonprofits and small businesses.
National and local government officials located in the U.S. and abroad	<ul style="list-style-type: none"> • Virtual meetings, conference calls, lobbying activities, industry associations, public policy forums and press conferences • Membership on government councils and committees 	Informing and advising in the public policy arena on a wide range of issues that are important to the Company's shareholders, customers, and employees including, addressing financial fragility, promoting retirement savings and guaranteed lifetime income, and increasing workforce development and sustainability.
U.S. state, federal and international regulators	<ul style="list-style-type: none"> • Meetings, conferences, lobbying activities, industry associations, public policy forums and press conferences 	Increased industry engagement through Geneva Association, Ceres, NAIC, and NYDFS.
Suppliers, vendors and business partners	<ul style="list-style-type: none"> • Prudential Ethics Help Line • In-person meetings, calls, conferences, and workshops • Vendor Registration Portal and related websites 	Prudential received an A- CDP Supply Chain Rating. Sixty-nine percent of our top suppliers disclosed climate-related risks.
Thought leaders and advocates in issue areas related to financial services	<ul style="list-style-type: none"> • Board memberships • Virtual meetings, conference calls • Group calls and meetings • Industry groups, roundtables, workshops and events • Working groups • Joint projects • Responses to ESG surveys from ratings firms and CDP 	PGIM Quantitative Solutions released research paper "Top-Down Portfolio Implications of Climate Change."

Reporting Guidelines

Prudential's annual ESG Report illustrates the Company's purpose and covers the period of January 1–December 31, 2021. As appropriate, significant developments occurring in early 2022 may be referenced and will be more fully developed in subsequent reports.

The report addresses the parent company, wholly owned subsidiaries and joint ventures comprising U.S. and international subsidiaries' operations. The report reflects no material changes from the previous period in boundaries.

Prior to release, the ESG Report is reviewed by Prudential executives representing all the Company's businesses and corporate center functions, including law, governance, ethics and compliance, regulatory reporting, risk and financial management. The Greenhouse Gas Emissions data is externally verified.

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is the most widely accepted framework for sustainability reporting. This document has been prepared in accordance with the GRI Standards: Core option. The preparation of this report considered all GRI Principles for sustainability reporting, including guidelines for Principles for Defining Report Content and Report Quality. The process for defining content and boundaries reflects the Company's previous reporting practices, feedback from stakeholders and discussions with internal subject matter experts. Prudential's GRI Index is located in the Appendix section of this report.

Sustainability Accounting Standards Board (SASB)

In October 2018, the Sustainability Accounting Standards Board published 77 industry-specific standards to assist companies with disclosing material information. This report includes aspects of the Insurance Sustainability Accounting Standard. SASB standards are designed to identify a minimum set of sustainability issues most likely to impact the operating performance or financial condition of the typical company in an industry, regardless of location. These disclosures are included on our [website](#).

Task Force on Climate-related Financial Disclosures (TCFD)

In June 2017, the Task Force on Climate-related Financial Disclosures (TCFD) released its final recommendations for disclosing climate-related financial information. The core elements of the recommendations are:

- Governance around climate-related risks and opportunities
- Strategy about the actual and potential impacts of climate-related risks and opportunities
- Risk management process used by the organization to identify, assess, and manage climate-related risks
- Metrics and targets used to assess and manage relevant climate-related risks and opportunities

For further details, please review the TCFD Index on our [website](#).

Sustainable Development Goals (SDGs)

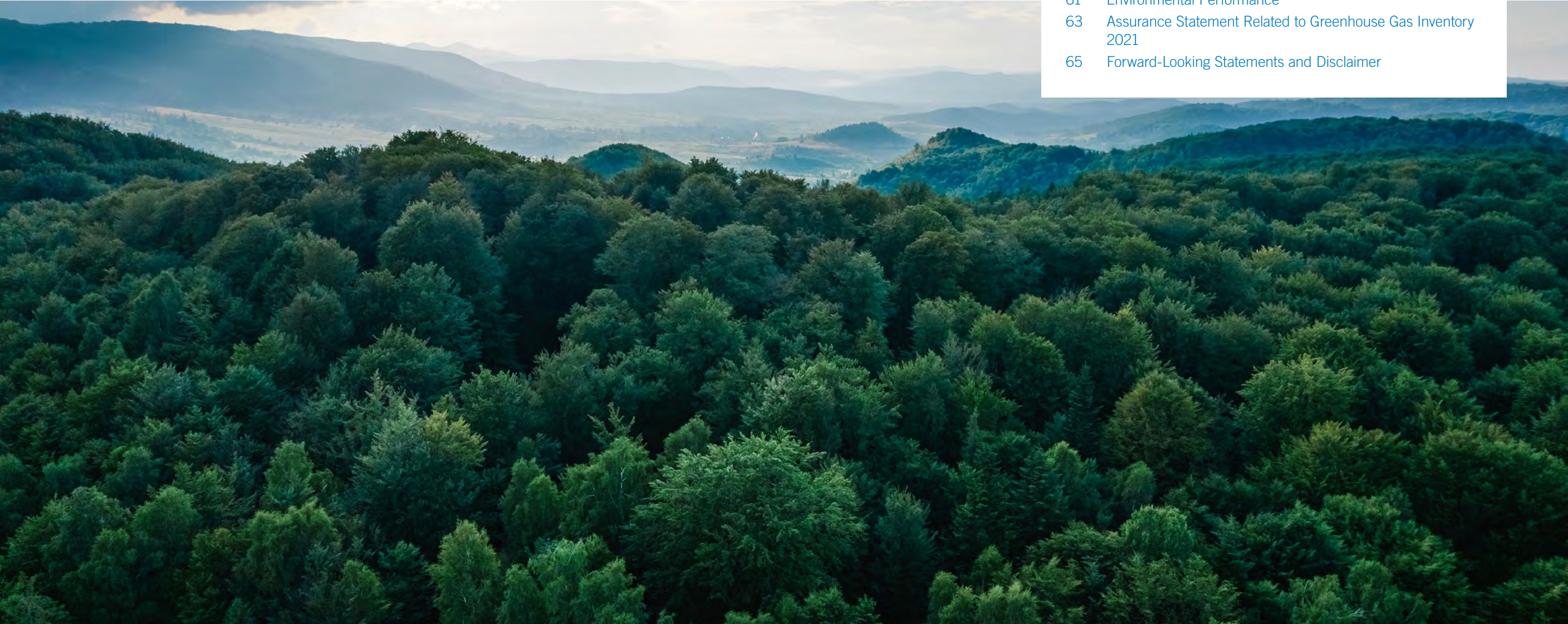
In 2015, the United Nation (UN) member states adopted the 17 Sustainable Development Goals (SDGs) to achieve a better future for all while leaving no one behind. This global call to action includes ending poverty and hunger, climate action, affordable and clean energy and reducing inequalities. The SDG framework unites society, governments and the business community to foster positive change. Prudential embedded the SDGs where relevant in this report. For example, the 2021 green bond issuance aligned with [SDG 7 Affordable and Clean Energy](#) and [SDG 11 Sustainable Cities and Communities](#).

For additional information, please review the Green Bond Report on our [investor relations homepage](#).

Appendix

In this section:

- 60 Global Reporting Initiative (GRI) Index
- 61 Environmental Performance
- 63 Assurance Statement Related to Greenhouse Gas Inventory 2021
- 65 Forward-Looking Statements and Disclaimer



Global Reporting Initiative (GRI) Index

GRI 102: Foundation 2016

DISCLOSURES	PAGE # AND/OR URL
ORGANIZATIONAL PROFILE	
102-1 Name of the organization	https://www.prudential.com/about
102-2 Activities, brands, products, and services	
102-3 Location of headquarters	Newark, NJ
102-4 Location of operations	https://www.prudential.com/links/about/worldwide-locations/
102-5 Ownership and legal form	https://d18rn0p25nwr6d.cloudfront.net/CIK-0001137774/37dee9a8-bb5c-4c0c-bb9f-c0e516400f50.pdf
102-6 Markets served	https://www.prudential.com/links/about/worldwide-locations/
102-7 Scale of the organization	https://d18rn0p25nwr6d.cloudfront.net/CIK-0001137774/37dee9a8-bb5c-4c0c-bb9f-c0e516400f50.pdf
102-8 Information on employees and other workers	https://d18rn0p25nwr6d.cloudfront.net/CIK-0001137774/37dee9a8-bb5c-4c0c-bb9f-c0e516400f50.pdf
102-9 Supply chain	https://www.prudential.com/links/about/vendor-engagements
102-10 Significant changes to the organization	No significant changes
102-11 Precautionary principle or approach	Review the “ Risk Management ” section
102-12 External initiatives	Review the “ Stakeholder Engagement ” section
102-13 Membership of associations	Review the “ Stakeholder Engagement ” section
STRATEGY	
102-14 Statement from senior decision-maker	Review letter from Chairman
ETHICS AND INTEGRITY	
102-16 Values, principles, standards, and norms of behavior	https://www.prudential.com/links/business-integrity

DISCLOSURES	PAGE # AND/OR URL
GOVERNANCE	
102-18 Governance structure	https://www.prudential.com/links/about/board-of-directors?lp=31850
STAKEHOLDER ENGAGEMENT	
102-40 List of stakeholder groups	Review the “ Stakeholder Engagement ” section
102-41 Collective bargaining agreements	0%
102-42 Identifying and selecting stakeholders	Review the “ Materiality Assessment ” section
102-43 Approach to stakeholder engagement	Review the “ Stakeholder Engagement ” section
102-44 Key topics and concerns raised	Review the “ Materiality Assessment ” section
REPORTING PRACTICE	
102-45 Entities included in the consolidated financial statements	https://d18rn0p25nwr6d.cloudfront.net/CIK-0001137774/37dee9a8-bb5c-4c0c-bb9f-c0e516400f50.pdf
102-46 Defining report content and topic boundaries	Review “ About This Report ” section
102-47 List of material topics	Review the “ Materiality Assessment ” section
102-48 Restatements of information	None
102-49 Changes in reporting	None
102-50 Reporting period	Review “ About This Report ” section
102-51 Date of most recent report	Review “ About This Report ” section
102-52 Reporting cycle	Review “ About This Report ” section
102-53 Contact point for questions regarding the report	Review back cover of report
102-54 Claims of reporting in accordance with the GRI standards	Review “ About This Report ” section
102-55 GRI content index	Appendix of report
102-56 External assurance	Appendix of report

Environmental Performance

Comparison of Prudential’s Expanded 2021 Greenhouse Gas Reduction Goal Versus its 2019 Goal.

This summary reflects market-based MB Scope 2 emissions.

2019 GOALS U.S. DOMESTIC	GOAL PROGRESS IN 2021	REDUCTION FROM 2017
2019 (previous) Goal: 34% from 2017 by 2030 MB	100%	-43%
2019 (previous) Goal: 65% from 2017 by 2050 MB	66%	-43%

CURRENT GOALS U.S. & INTERNATIONAL	GOAL PROGRESS IN 2021	REDUCTION FROM 2017
Goal: 55% from 2017 by 2030 MB	84%	-46%
Goal: 97% from 2017 by 2040 MB	48%	-46%

GHG EMISSIONS [MTCO ₂ e] U.S. & INTERNATIONAL	2021	2017
Scope 1 & 2MB	50,480	94,235

Size and count of Prudential’s primary home office operations included under the operational control approach.

FACILITIES U.S. & INTERNATIONAL	2021	2020	2019	2018	2017	YEAR OVER YEAR
Portfolio Square footage	7,058,579	8,319,649	8,302,095	8,302,095	8,653,579	-15%
Count of Domestic Facilities	20	19	19	19	18	5%
Count of International Facilities	18	18	16	16	16	0%

Prudential Greenhouse Gas Inventory—breakdown by Scope 1, 2 and Scope 3/Business Travel.

Stationary Scope 1 emissions include activities from use of generators, cooling/refrigerants and heating fuels. Scope 2 emissions include market-based and location-based emissions. Additional scope 3 categories are provided in a separate table.

GHG EMISSIONS [MTCO ₂ e] U.S. & INTERNATIONAL	2021	2020	2019	2018	2017	YEAR OVER YEAR
Scope 1	11,381	12,953	17,247	14,311	13,572	-12%
Domestic Stationary	8,901	9,721	9,025	8,514	7,684	
Domestic Mobile	1,395	2,537	7,171	-	-	
International Stationary	991	610	868	5,797	5,888	
International Mobile	93	85	183	-	-	
Scope 2 (Market-based)	39,099	46,061	57,120	73,499	80,663	-15%
Domestic Purchased Energy & Cooling	35,511	39,196	48,436	65,134	72,508	
International Purchased Energy & Cooling	3,589	6,865	8,684	8,365	8,155	
Scope 2 (Location-based)	36,612	43,824	54,652	58,206	57,055	-16%
Domestic Purchased Energy & Cooling	33,023	36,959	45,968	49,842	48,901	
International Purchased Energy & Cooling	3,589	6,865	8,684	8,364	8,154	
TOTAL Scope 1 & 2						
Scope 1 & 2 (Market-based)	50,480	59,014	74,367	87,810	94,235	-14%
Scope 1 & 2 (Location-based)	47,993	56,777	71,898	72,518	70,627	-15%
Scope 3 (MTCO₂e) Business Travel	6,132	4,541	29,598	13,488	11,352	35%
Total Scope 1, 2 MB and Scope 3 Biz. Travel	56,612	63,555	103,965	101,298	105,587	-11%

Environmental Performance (continued)

Prudential Greenhouse Gas Inventory—breakdown by business unit and country.

GHG EMISSIONS BY BUSINESS UNIT MARKET-BASED [MTCO ₂ e]	2021	2020	2019	2018	2017	YEAR OVER YEAR
Scope 1 & 2 MB - U.S. Domestic	45,807	51,454	64,632	73,648	80,192	-11%
Scope 1 & 2 MB - Brazil POB	131	116	174	85	109	13%
Scope 1 & 2 MB - Japan	4,088	4,234	4,730	9,146	9,087	-3%
Scope 1 & 2 MB - Taiwan POT	454	692	821	1,226	1,192	-34%
Scope 1 & 2 MB - S. Korea (POK)	(divested)	2,518	4,010	3,705	3,655	0%
TOTAL Scope 1 & 2						
Scope 1 & 2 (Market-based)	50,480	59,014	74,367	87,810	94,235	-14%

GHG EMISSIONS BY BUSINESS UNIT LOCATION-BASED [MTCO ₂ e]	2021	2020	2019	2018	2017	YEAR OVER YEAR
Scope 1 & 2 LB - U.S. Domestic	43,320	49,217	62,164	58,356	56,584	-12%
Scope 1 & 2 LB - Brazil POB	131	116	174	85	109	13%
Scope 1 & 2 LB - Japan	4,088	4,234	4,730	9,146	9,087	-3%
Scope 1 & 2 LB - Taiwan POT	454	692	821	1,226	1,192	-34%
Scope 1 & 2 LB - S. Korea (POK)	0	2,518	4,010	3,705	3,655	-100%
TOTAL Scope 1 & 2						
Scope 1 & 2 (Location-based)	47,993	56,777	71,898	72,518	70,627	-15%

Prudential Greenhouse Gas Inventory Scope 3 Emission.

SCOPE 3 EMISSIONS (MTCO ₂ e)	2021	2020	2019	2018	2017	YEAR OVER YEAR
Scope 3 - Cat 1 Purchased Goods & Services	337,579	267,623	282,031	222,906	-	26%
Scope 3 - Cat 3 FERA Market-based	8,526	9,612	-	-	-	-11%
Scope 3 - Cat 3 FERA Location-based	15,762	12,948	18,723	18,628	18,247	22%
Scope 3 - Cat 4 Upstream T&D	0	338	195	233	-	-100%
Scope 3 - Cat 5 Waste in Operations	363	427	1,294	1,338	-	-15%
Scope 3 - Cat 6 Business travel	6,132	4,541	29,598	13,488	-	35%
Scope 3 - Cat 7 Employee Commute	13,464	8,604	112	-	-	56%
Scope 3 - Cat 8 Upstream leased assets	164	182	112	313	-	-10%



LRQA Independent Assurance Statement

Relating to Prudential Financial’s Greenhouse Gas Inventory for the 2021 calendar year

This Assurance Statement has been prepared for Prudential Financial, Inc. in accordance with our contract.

Terms of engagement

LRQA was commissioned by Prudential Financial, Inc. (Prudential) to provide independent assurance of its Greenhouse Gas (GHG) Inventory for the 2021 calendar year (CY 2021) against the assurance criteria below to a limited level of assurance using LRQA’s verification procedure and ISO 14064—Part 3 for greenhouse gas data. LRQA’s verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Prudential’s operations and activities in operationally controlled, corporate owned or leased “home office” properties worldwide. Prudential home offices are defined by Prudential as principal properties used for regional corporate functions. Not included are any of Prudential’s leased, detached, retail or branch office sites. Specifically, this engagement covered the following requirements:

- Verifying conformance with:
- Prudential’s reporting methodologies for the selected datasets: Prudential’s GHG Inventory Management Plan; and
- World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas
- Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data¹

- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
 - Direct (Scope 1), Energy Indirect (Scope 2) and Other Indirect (Scope 3) GHG Emissions;
 - Scope 3 GHG emissions verified by LRQA only include Business Travel.
 - Domestic and International Greenhouse Gas Emissions
 - Year over Year Change in Scope 1 & Scope 2 GHG emissions.

LRQA’s responsibility is only to Prudential. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Prudential’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Prudential.

LRQA’s Opinion

Based on LRQA’s approach, except for the effect of the matters described in the Basis for Qualified Opinion, nothing has come to our attention that would cause us to believe that Prudential has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data as summarized in the tables below.

The opinion expressed is formed on the basis of a limited level of

assurance² and at the materiality of the professional judgement of the verifier.

1. <http://www.ghgprotocol.org/>
 2. The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Basis for Qualified Opinion

Prudential has not reported diesel consumption used in backup generators at facilities located outside of the United States (with the exception of Prudential of Taiwan and the Prudential of Brazil Home Office). This omission is not material.

Table 1. Summary of Prudential’s Global GHG Emissions for CY 2021:

SCOPE OF GHG EMISSIONS	METRIC TONS CO ₂ e
Scope 1 GHG emissions	11,381
Scope 2 GHG emissions (Location-based) ¹	36,612
Scope 2 GHG emissions (Market-based) ¹	39,099
Scope 3 GHG emissions: Business Travel ²	6,132

1. Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015
 2. Business Travel includes Air Travel with radiative forcing, Public Transportation including Intercity Rail, Bus and Ferry, Vehicles including employee personal vehicles, rental cars and taxis, and Hotel Stays.



LRQA Independent Assurance Statement (continued)

Table 2. Summary of Prudential’s Regional Building Related GHG Emissions for:

REGION	METRIC TONS CO ₂ e
Domestic Emissions (United States only)	
Scope 1 & 2 Building Emissions ¹ (Location Based)	41,925
Scope 1 & 2 Building Emissions (Market Based)	44,412
Scope 1 Mobile Emissions	1,395
International Emissions²	
Scope 1 & 2 Building Emissions (Location Based)	4,580
Scope 1 & 2 Building Emissions (Market Based)	4,580
Scope 1 Mobile Emissions	93

1. Scope 1 Building emissions includes emissions from stationary combustion and fugitive emissions from air conditioning. Scope 2 Building Emissions includes electricity, purchased heat/steam, purchased chilled water and purchased cooling.
 2. International locations include Japan, Taiwan, and Brazil in CY 2021

Table 3. Summary of Year to Year Change in Emissions (2020–2021):

SCOPE OF GHG EMISSIONS	PERCENT CHANGE
Scope 1 GHG emissions	-12%
Scope 2 GHG emissions (Location-based)	-16%
Scope 2 GHG emissions (Market-based)	-15%

LRQA reference: UQA00000952/5129768

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LRQA’s approach

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

- reviewing processes related to the control of GHG emissions data and records;
- interviewing relevant employees of the organization responsible for managing GHG emissions data and records;
- assessing data management systems to confirm there were no significant errors, omissions or misstatements in the inventory; and
- verifying historical GHG emissions data and records at an aggregated level for the calendar year 2021.

LRQA’s standards, competence and independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases—Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment—Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Verification assessment is the only work undertaken by LRQA for Prudential and as such does not compromise our independence or impartiality.

Dated: 31 May 2022

Brooke Farrell
 LRQA Lead Verifier
 On behalf of Lloyds’ Register Quality Assurance, Inc.
 1330 Enclave Pkwy, Suite 200
 Houston, TX 77077

Disclaimers

The information provided in this report reflects Prudential's approach to ESG as at the date of this report and is subject to change without notice. We do not undertake to update any of such information in this report. Any references to "sustainable investing", "sustainable investments", "ESG" or similar terms in this report are intended as references to the internally defined criteria of the Company or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition. Our approach to inclusion of disclosures in this report is different from disclosures included in mandatory regulatory reporting, including under Securities and Exchange Commission ("SEC") regulations. While this report describes events, including potential future events, that may be significant, any significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws.

No reports, documents or websites that are cited or referred to in this document shall be deemed to form part of this report. Prudential is not responsible for the information contained on third-party websites, nor do we guarantee their accuracy and completeness.

Forward-Looking Statements

Certain of the statements included in this report, including those regarding our ESG initiatives, constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on management's current expectations and beliefs concerning future developments and plans and their potential effects upon Prudential Financial, Inc. and its subsidiaries. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. Prudential Financial, Inc.'s actual results may differ, possibly materially, from expectations or estimates reflected in or implied by such forward-looking statements. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the "Risk Factors" and "Forward-Looking Statements" sections included in Prudential Financial, Inc.'s SEC filings, including our most recent Annual Reports on Form 10-K and subsequent Quarterly Reports on Form 10-Q and current reports on Form 8-K. Statements regarding our ESG initiatives are subject to the risk that we will be unable to execute our strategy because of market or competitive conditions or other factors. Except as required by law, Prudential Financial, Inc. does not undertake to update any particular forward-looking statement included in this document as a result of future events or otherwise.

2021 ESG REPORT

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