



2020 ESG REPORT: TRANSFORMATION

Prudential Financial, Inc.

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MESSAGE FROM THE BOARD OF DIRECTORS

As members of Prudential’s Board of Directors, we are charged with overseeing the company’s efforts to deliver value for all stakeholders and fulfill our purpose—to make lives better by solving the financial challenges of our changing world. This past year we witnessed unprecedented social, public health and business challenges on a global scale. These challenges confirm the interconnectedness of issues, including ethical governance, environmental stewardship and systemic inequities.

We view this crisis as an opportunity for Prudential to help build a stronger social foundation by delivering on its priorities and commitments. As a company, we believe Prudential must be part of the solution, not only within its own scope of control, but by using its influence more broadly in society to drive mutually beneficial growth and progress.

Reflecting on 2020 and the unprecedented events that unfolded, our Board is proud of Prudential’s nearly 42,000 employees around the world, who

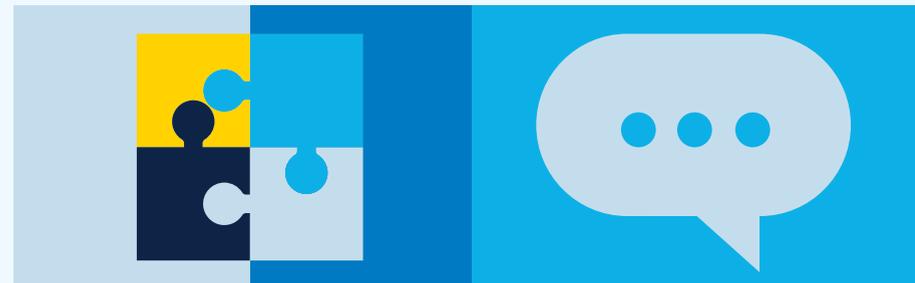
have not let the pandemic limit who we are as a company. Their fortitude enabled the company to continue delivering on our promises to Prudential’s customers, investors and the communities where we live and work.

As a leading global life insurer and asset manager, we believe promoting environmental stewardship throughout our global businesses benefits our customers, employees and shareholders—as well as future generations. To that end, consideration of environmental, social and governance (ESG) issues is integrated into Prudential’s long-term strategy.

I encourage you to view our director videos, which offer insight into how Prudential’s directors view our roles and responsibilities. This year’s videos feature Christine Poon, lead independent director and chair of Prudential’s Finance Committee, Robert Falzon, Prudential’s vice chairman, and myself, discussing my role as chair of the Corporate Governance and Business Ethics Committee.

These videos are available on Prudential’s website at prudential.com/directorvideos.

Our suite of integrated reports—this report, Prudential’s ESG Summary Report, our Proxy Statement and our 2020 Annual Report—provides details of the company’s sustainability journey during 2020 and early 2021. We hope you find these materials informative and we appreciate your [feedback](#).





Gilbert F. Casellas
 Director and Chair,
 Corporate Governance
 and Business Ethics
 Committee



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Introduction



MESSAGE FROM THE CHAIRMAN

In 2019, we embarked on a comprehensive process to transform how we operate as a company. The transformation is designed to enhance our customers' experience, improve our ability to compete today and in the future, and further empower employees, reshaping Prudential into a faster growing, more nimble company. Despite the extraordinary events of 2020, we continued to execute our priorities and advance—and even accelerate—our transformation. Our 2020 ESG Report “Transformation” reflects our evolution as a company, as well as the many changes the COVID-19 pandemic led to around the world.

As we transform our company, our commitment to Prudential's purpose—to make lives better by solving the financial challenges of our changing world—and to deliver value to all of our stakeholders remains fundamental. The importance we place on this work is reflected in the multiple environmental, social and governance initiatives we advanced during 2020 and into 2021.

Among the most noteworthy of these accomplishments are:

- Prudential became the first U.S. insurer to issue a green bond aligned with the United Nations Sustainable Development Goals. Our first annual Green Bond Report can be reviewed on our [Investor Relations homepage](#).
- Prudential scored an A- on the [2020 CDP Climate Change survey](#). CDP is the world's leading environmental disclosure platform.
- We introduced [specific commitments to advance our work on racial equity](#), spanning our talent practices, our design and delivery of products, our investments and public policy work, and our support of community institutions working to remove persistent obstacles to racially equitable economic empowerment.
- We continued and expanded our commitment to tying inclusion and diversity to executive compensation, which we began three years ago.
- We provided our Board with additional insight on climate change. Prudential's vice president of sustainability and our chief investment officer reviewed our latest assessments of the potential impact of rising sea levels, global temperature and typical weather patterns, in a video, which was introduced by Director Gilbert Casellas, chair of the Board's Corporate Governance and Business Ethics Committee.

We recognize that for Prudential to thrive, we must continue to strengthen our operational and investment resilience and continue our commitment to delivering long-term value while constantly considering our impact on the environment. I thank our employees around the world for their hard work and ongoing dedication, which will continue to drive the transformation of our company and enable us to deliver long-term value to all of our stakeholders.



Charles F. Lowrey

Charles F. Lowrey
Chairman and
Chief Executive Officer





SUSTAINABILITY AT PRUDENTIAL

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

2021 Materiality Assessment

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.

2020 was a particularly transformational year; 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 developed 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:

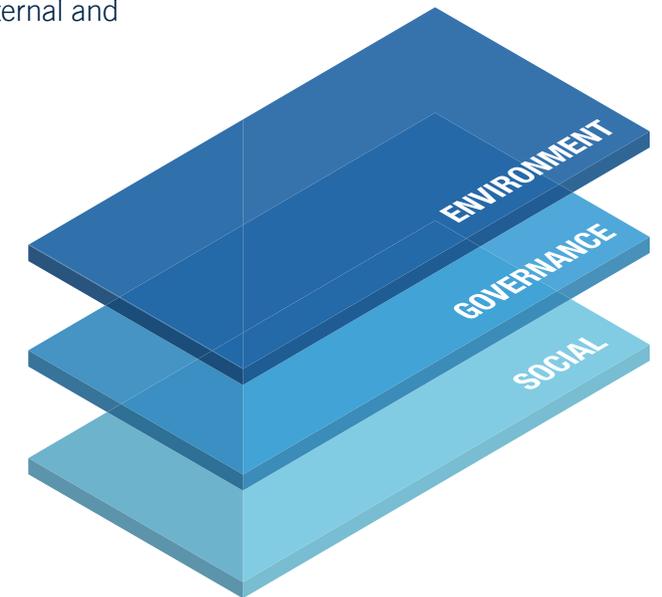
- Climate risk and resilience
- Customer engagement
- Diversity, equity & inclusion



While all topics included in the materiality assessment are considered important to Prudential, the following topics were identified as areas most material to the global business based on the views of internal and external stakeholders:

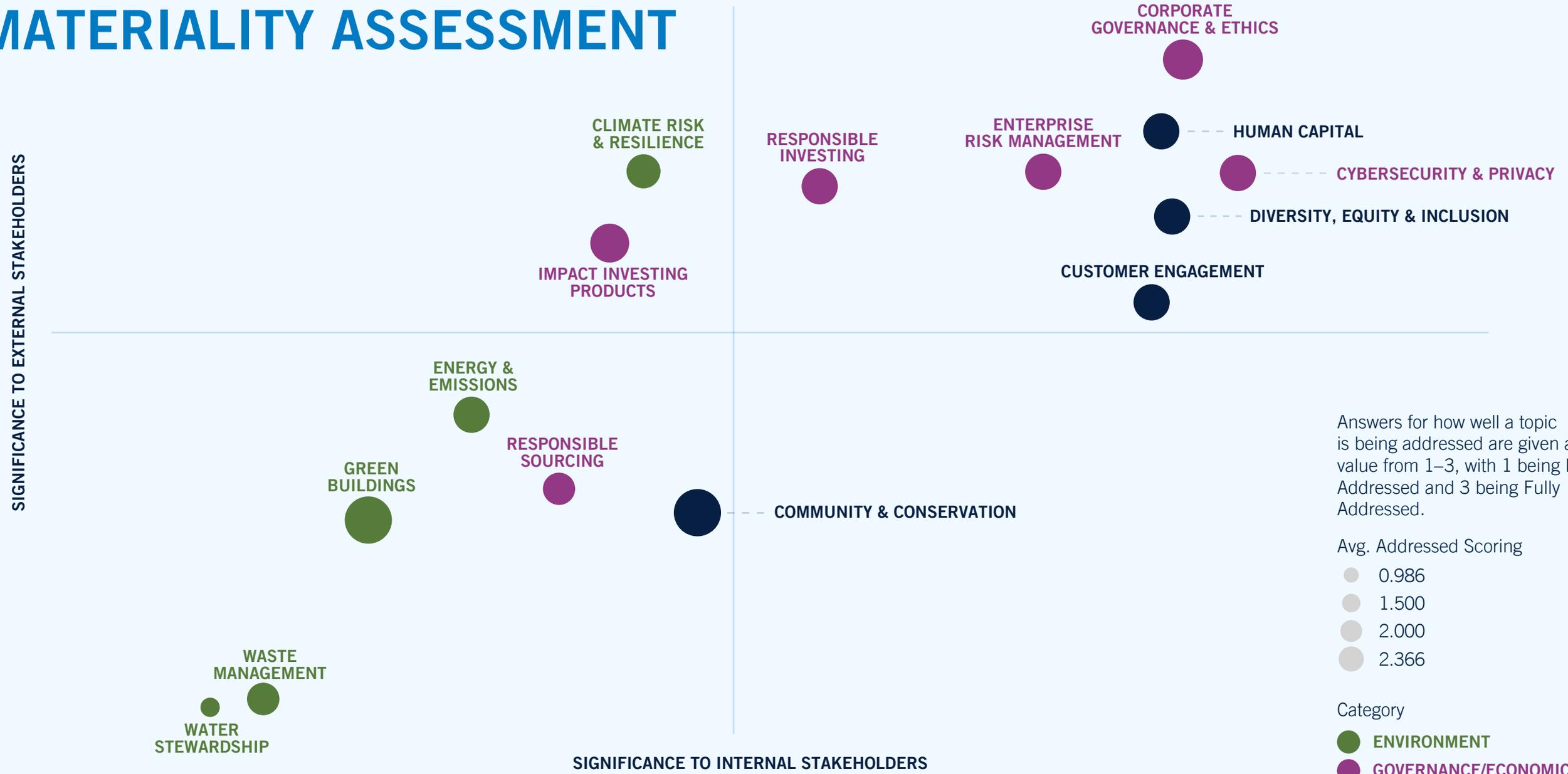
- **Governance/Economic**
 - Corporate Governance & Ethics
 - Cybersecurity & Privacy
 - Enterprise Risk Management
 - Responsible Investing
- **Social**
 - Customer Engagement
 - Human Capital Management
 - Talent
 - Diversity, Equity and Inclusion
- **Environment**
 - Climate Risk and Resilience

Outputs of this assessment were used to inform the sustainability strategy, including goal setting and activity planning, as well as the integration of sustainability into business operations and reporting via an internal implementation plan that includes goals and integration.



ROCK SOLID®

RESULTS OF THE 2021 MATERIALITY ASSESSMENT



Answers for how well a topic is being addressed are given a value from 1–3, with 1 being Not Addressed and 3 being Fully Addressed.

Avg. Addressed Scoring

- 0.986
- 1.500
- 2.000
- 2.366

Category

- ENVIRONMENT
- GOVERNANCE/ECONOMIC
- SOCIAL

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

FEEDBACK AND INTEGRATION

SHAREHOLDERS AND INSTITUTIONAL INVESTORS

- Annual Report, Proxy Statement and ESG 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

- The Board of Directors for Prudential Financial, Inc. received climate change training with the Vice President of Sustainability and the Chief Investment Officer.

CUSTOMERS (BOTH INDIVIDUAL AND INSTITUTIONAL)

- Digital interface
- By telephone
- Social media
- Customer satisfaction surveys, customer focus groups, and net promoter scores
- Assessment of financial data

- 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.

EMPLOYEES AND RETIREES

- Performance management and development programs
- Annual Report, Proxy Statement and ESG Report
- Matching gifts program for employees
- Business Resource Groups, Green Teams, and Volunteer Councils
- Company intranet
- Prudential Ethics Help Line
- Employee surveys

- Global employee engagement survey, fielded across 21 countries, received an 83% response rate in 2020. Survey results showed that employee engagement increased, and our Inclusion Index remained steady despite an unprecedented year.

ENVIRONMENTAL STAKEHOLDERS

- 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
- Principles for Responsible Investment
- U.S. EPA’s Energy Star Program

- Prudential reported on our Global Environmental Commitment in the ESG Summary Report issued in March 2021.
- Prudential issued our first Green Bond Report in early 2021. To learn more, visit the issuance [investor relations homepage](#).

Stakeholder Engagement Continued

STAKEHOLDER GROUP IDENTIFIED	ENGAGEMENT	FEEDBACK AND INTEGRATION
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 	<ul style="list-style-type: none"> • Committed \$10 million to Rutgers-Newark campus Honors Living-Learning Community to fund the “Prudential Scholars Program” for the city’s residents.
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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Increased industry engagement through Geneva Associations, 2 Degree Investing, Ceres, and the New York State Department of Financial Services.
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 	<ul style="list-style-type: none"> • In early 2020 Prudential joined CDP’s supply chain program to enhance supply chain data and better understand environmental impacts. We received a 58 percent response from the top vendors asked to participate.
THOUGHT LEADERS AND ADVOCATES IN 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 (formerly, the Carbon Disclosure Project) 	<ul style="list-style-type: none"> • PGIM recently published their latest Megatrend paper, <i>Weathering Climate Change</i>. It includes the insights of over 45 PGIM investment professionals across asset classes.



Accountability for Sustainability

Sustainability is overseen by Prudential's Board of Directors. The sustainability strategy is led by Prudential's senior leaders and carried out by senior staff. This structure illustrates the relationships between the individuals involved and the titles of those directly responsible.

- Board of Directors, Corporate Governance and Business Ethics Committee
- Senior Management, including Sustainability Executive Sponsor—Prudential's Vice Chairman; Prudential's Executive Vice President, Chief Human Resources Officer; Prudential's Chief Governance Officer; and Senior Vice President, Diversity, Inclusion & Impact
- Vice President, Environment and Sustainability

Advised by Sustainability Council Members:

- Vice President Employee Insights, HR
- Vice President, Data Analytics, Prudential Communications
- Vice President, Investment, PGIM Private Capital
- Managing Director, PGIM Real Estate
- Vice President, Chief of Staff, Global Technology
- Vice President, Chief of Staff, PGIM
- Vice President, Chief of Staff, Inclusive Solutions

- Vice President, Marketing & Project Management PGIM Investments
- Vice President, Prudential International Insurance
- Vice President, Treasury
- Senior Vice President, Jennison Associates LLC
- Vice President, Administration, Vice Chairman's Office
- Chief of Staff, U.S. Businesses
- Vice President, Marketing Management, PGIM Global Partners
- Managing Director, Chief Investment Office
- Principal, PGIM Fixed Income
- Executive Director, PGIM Real Estate Finance
- Vice President, Project Management, Enterprise Risk Management
- Senior Governance Officer, QMA
- Vice President, External Affairs
- Vice President, Actuary

About this Report

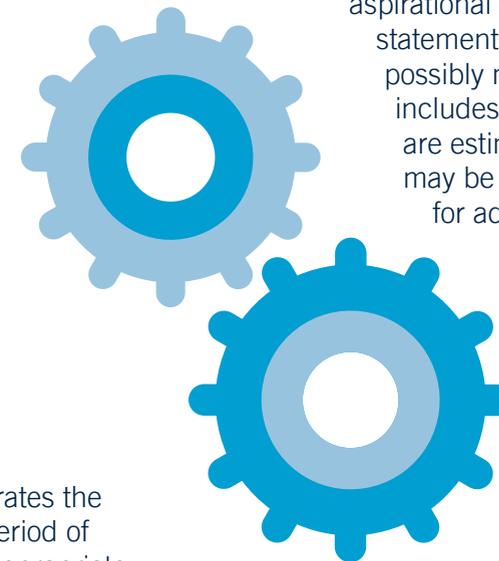
Prudential's annual ESG Report illustrates the company's purpose and covers the period of January 1–December 31, 2020. As appropriate,

significant developments occurring in early 2021 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.

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 and aspirational or otherwise forward-looking statements and actual results may differ, possibly materially. 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.



Reporting Guidelines

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) is a 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.

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 in the SASB Index 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 Nations (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 2020 green bond issuance aligned with [SDG 6 Clean Water and Sanitation](#), [SDG 7 Affordable and Clean Energy](#), [SDG 11 Sustainable Cities and Communities](#), [SDG 12 Responsible Consumption and Production](#) and [SDG 15 Life on Land](#).

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

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.



2020 MILESTONES

Prudential ranks No. 53 on the 2020 Fortune 500 List of America's Largest Corporations. The company also ranks No. 167 on the 2020 Fortune Global 500 List of the World's Largest Corporations.

Prudential is honored that organizations around the world have recognized our commitment to diversity, sustainability, and establishing a supportive workplace.



#48
BARRON'S 2021 100 MOST SUSTAINABLE COMPANIES IN AMERICA LIST (4 PRIOR YEARS)

#73/150
FORBES INAUGURAL LIST OF AMERICA'S BEST EMPLOYERS FOR VETERANS

BEST FOR VETS
MILITARY TIMES LIST

FORTUNE #1
ON THE 2020 WORLD'S MOST ADMIRABLE COMPANIES IN THE INSURANCE: LIFE AND HEALTH CATEGORY (SIXTH CONSECUTIVE YEAR)

CIVIC 50
AN INITIATIVE OF POINTS OF LIGHT, IN PARTNERSHIP WITH BLOOMBERG LP (5 PRIOR YEARS)

SCORE: 100%
TOP SCORE AT DISABILITY EQUALITY INDEX® (DEI®) BEST PLACES TO WORK

CORPORATE EQUALITY INDEX
HUMAN RIGHTS CAMPAIGN (17 PRIOR YEARS)

MOST RESPONSIBLE COMPANIES
2021 NEWSWEEK AMERICA RANKING MEMBER

FTSE4GOOD INDEX SERIES
2011-2020

2021 WORLD'S MOST ETHICAL COMPANY
ETHISPHERE (6 PRIOR YEARS)

100 BEST CORPORATE CITIZENS
2020, 2018, 2015

TOP 100 COMPANIES FOR WORKING MOTHERS
WORKING MOTHER MAGAZINE (30 PRIOR YEARS, HALL OF FAME MEMBER)

100 BEST ADOPTION-FRIENDLY WORKPLACES
DAVE THOMAS FOUNDATION FOR ADOPTIONS (14 PRIOR YEARS)

TOP COMPANIES FOR EXECUTIVE WOMEN
NATIONAL ASSOCIATION FOR FEMALE EXECUTIVES (20 PRIOR YEARS)

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Introduction





1ST OVERALL

PRUDENTIAL OF JAPAN RANKED FIRST OVERALL IN THE LIFE INSURANCE CATEGORY IN THE 2021 ORICON ME CO. CUSTOMER SATISFACTION SURVEY, WHICH AIMS TO PROVIDE AN OBJECTIVE REPRESENTATION OF CUSTOMER SATISFACTION WITH INSURANCE COMPANIES ACROSS JAPAN (SECOND YEAR)

RANKED #1

PRUDENTIAL OF JAPAN RANKED NO. 1 BY J.D. POWER IN THREE SURVEYS OF CUSTOMER SATISFACTION WITH LIFE INSURERS' CONTRACTS, SERVICING AND CLAIMS (THIRD CONSECUTIVE YEAR)

#17

PRUDENTIAL SEGUROS RANKED NO. 17 ON ARGENTINA'S BEST PLACES TO WORK LIST, BASED ON DATA PROVIDED BY MORE THAN 90,000 EMPLOYEES FROM 135 COMPANIES

BEST EMPLOYER

GIBRALTAR BSN WAS HONORED BY THE EMPLOYER BRANDING INSTITUTE'S MALAYSIA BEST EMPLOYER BRAND AWARDS

5TH PLACE

PRUDENTIAL OF JAPAN EARNED FIFTH PLACE BY GREAT PLACE TO WORK INSTITUTE JAPAN FOR 2020

MODEL COMPANY

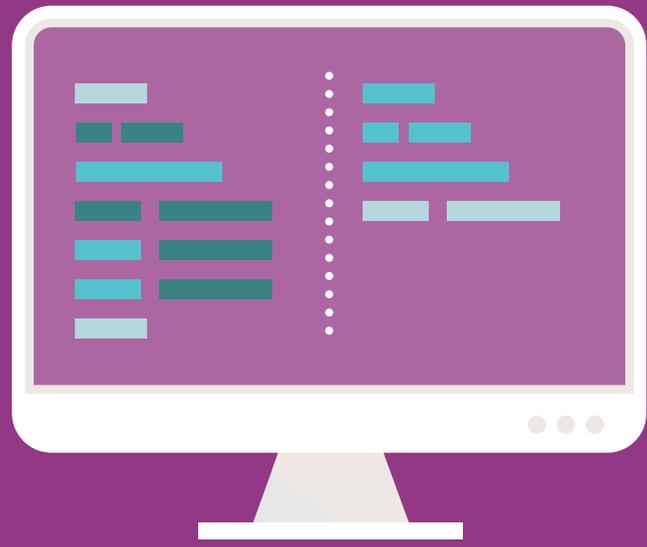
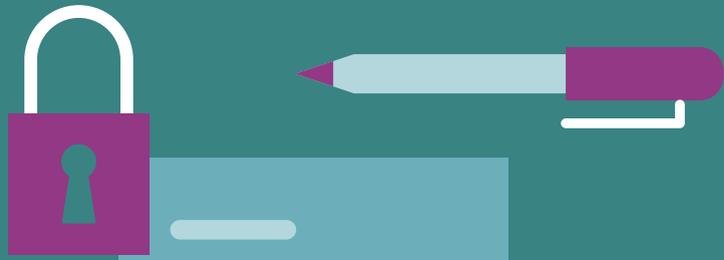
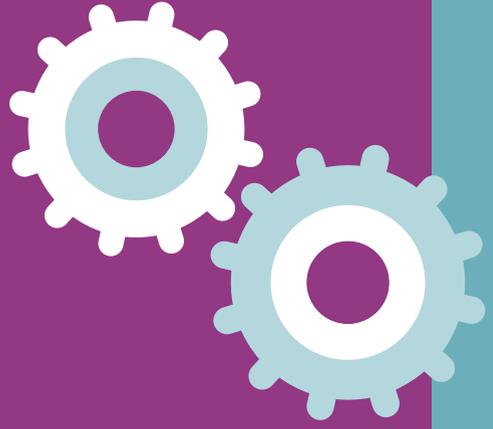
PRUDENTIAL OF TAIWAN NAMED A MODEL COMPANY BY THE FINANCIAL SUPERVISORY COMMISSION, WHICH REGULATES TAIWAN'S SECURITIES MARKETS, BANKS AND INSURANCE INDUSTRY (8 PRIOR YEARS)

1ST PLACE

PRUDENTIAL DO BRASIL FIRST PLACE IN THE "VISION OF THE FUTURE" CATEGORY OF THE ÉPOCA 360° YEARBOOK

30 BEST COMPANIES TO WORK FOR

PRUDENTIAL DO BRASIL "30 BEST COMPANIES TO WORK FOR IN RIO DE JANEIRO" BY THE GREAT PLACE TO WORK INSTITUTE (10 PRIOR YEARS)



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BOARD OF DIRECTORS

Director Criteria, Qualifications, Experience and Tenure

Prudential Financial is a financial services company that offers a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds, and investment management. The Corporate Governance and Business Ethics Committee performs an assessment of the skills and the experience needed to properly oversee the interests of the company. Generally, the Committee reviews both the short- and long-term strategies of the company to determine what current and future skills and experience are required of the Board in exercising its oversight function and in the context of the company's strategic priorities. The Committee then compares those skills to the skills of the current directors and potential director candidates. The Committee conducts targeted efforts to identify and recruit individuals who have the qualifications identified through this process, keeping in mind its commitment to diversity.

The Corporate Governance and Business Ethics Committee practices a long-term approach to Board refreshment. With the assistance of an independent search firm, the Committee regularly identifies individuals who have expertise that would complement and enhance the current Board's skills and experience. In addition, as part of our shareholder engagement dialogue, we routinely ask our investors for input regarding director recommendations.

Our Board believes that a balance of director diversity and tenure is a strategic asset to our investors. The range of our Board's tenure encompasses directors who have historic institutional knowledge of Prudential and the competitive environment, complemented by newer directors with varied backgrounds and skills. This robustness of our refreshment strategy combines experience and continuity with new perspectives. It is of critical importance to the company that the Committee recruit directors who help achieve the goal of a well-rounded, diverse Board that functions respectfully as a unit.

The Committee expects each of the company's directors to have proven leadership skills, sound judgment, integrity and a commitment to the success of the company. In evaluating director candidates and considering incumbent directors for nomination to the Board, the Committee considers each nominee's independence, financial literacy, personal and professional accomplishments, and experience in light of the needs of the company. For incumbent directors, the factors also include attendance, past performance on the Board, time commitments/other Board responsibilities and contributions to the Board and their respective committees.

For a summary of director qualifications and experience review [Prudential's 2021 Proxy Statement](#).

For more information about Prudential's Board Members visit Prudential's Governance website (<http://corporate.prudential.com/view/page/corp/31848>).

Communicating with the Board:
independentdirectors@prudential.com.



OUR BOARD BELIEVES THAT A BALANCE OF DIRECTOR DIVERSITY AND TENURE IS A STRATEGIC ASSET



Board's Oversight

The Board oversees the company's risk profile and management's processes for assessing and managing risk, through both the whole Board and its committees. At least annually, the Board reviews strategic risks and opportunities facing the company and its businesses. Other important categories of risk are assigned to designated Board committees that report back to the full Board. In general, the committees oversee the following risks:



PRUDENTIAL HAS NOT HAD A MATERIAL SECURITY BREACH IN THREE YEARS

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 2020, the Risk Committee received updates from the Chief Risk Officer on the important strategic issues and risks facing the company. In addition, the Board and committees review the performance and functioning of the company's overall risk management function.

The Risk Committee currently includes the chairs of each of the other Board committees as well as another independent director who serves as Chair of the Committee. The principal activities of the Risk Committee are to: oversee 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; review the company's processes and procedures for risk assessment and risk management, including the related assumptions used across the company's businesses and material risk types; and receive reports from management on material and emerging risk topics that are reviewed by the company's internal management committees.

The company, under the Board's oversight, is organized to promote a strong risk awareness and management culture. The Chief Risk Officer sits on many management committees and heads an independent enterprise risk management department; the General Counsel and Chief Compliance Officer also sit on key management committees and the functions they oversee operate independently of the businesses to separate management and oversight.

Cybersecurity Risk Oversight

In addition, the Board oversees the company's Information Risk and Resilience program. This program also 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 also receive updates about the 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, and the full Board also receives periodic briefings on cyber threats in order to enhance our directors' literacy on cyber issues.

For information on executive compensation risk oversight, read [Prudential's 2021 Proxy Statement](#).



CYBERSECURITY AND PRIVACY

PRUDENTIAL PROVIDES TWO HOURS OF MANDATORY CYBERSECURITY & PRIVACY TRAINING TO ALL ITS EMPLOYEES ON AN ANNUAL BASIS

Prudential respects personal, confidential, sensitive and material nonpublic information. Prudential's cybersecurity and privacy teams work to safeguard company and customer data. The Board oversees the company's cyber risk management program. In order to respond to the threat of security breaches and cyber attacks, Prudential has developed a 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 also 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 training

for employees, contractors and third parties. As part of the program, we conduct periodic exercises and a response readiness assessment 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 also continue to evaluate and evolve the technologies, processes, controls and intelligence to prevent, detect and respond to cyber threats and attacks.

Prudential provides two hours of mandatory cybersecurity and privacy training to all its employees on an annual basis. For employees in Information Security job functions, additional role-specific training prescribed and tracked by the Information Security Office is instituted.

Role-specific targeted privacy training is also provided to employees and tracked by the Global Privacy Office.

Prudential partners with other companies and industries, and law enforcement to communicate information about the latest cyber threats and to leverage threat modeling insights into its cybersecurity program. Continuously, the company tests its technical defenses with internal and external

trained professionals seeking to probe the company's cybersecurity defenses. Included in the cybersecurity program are training initiatives for employees conducted annually, risk assessments and external security audits. Prudential maintains cyber insurance coverage as part of the company's incident response preparedness.

Cross-functional teams participated in new simulated scenarios within Prudential, while company representatives participated in industrywide 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 mature 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 informs its customers and employees about its privacy practices through several channels. 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](#).



ETHICS AND COMPLIANCE

Global Ethics and Compliance Drives Commitment to Prudential's Integrity and its Customers

Prudential's Global Ethics and Compliance team is the enterprise-wide function designed to build and cultivate a culture of ethical conduct to ensure business is done in the right way. By reinforcing our customer advocacy role, we embody our company's principles, values, and requirements. Ethics and Compliance 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, training, and attestation;
- Appointing Business Ethics Officers in the First Line of Defense; and
- Reporting and Addressing Ethical Concerns

ETHICS AND COMPLIANCE GOALS

For 2021, Ethics and Compliance's goals are to continue implementation and execution to:

OPERATE AS ONE GLOBAL ORGANIZATION

- Integral role in Business discussions as a trusted advisor, providing independent challenge and reinforcing our customer advocacy role
- Clear Compliance vision communicated and embedded across all parts of the enterprise
- Globally consistent compliance risk management framework enabling proactive risk identification, assessment, and oversight

ATTRACT, RETAIN, AND DEVELOP THE RIGHT TALENT

- Proper care and tools provided for the development and growth of our talent pool

FOSTER AND PROMOTE ENTERPRISE-WIDE ORGANIZATIONAL CULTURE OF ETHICAL CONDUCT

- Reinforced understanding of appropriate behavior and accountability in normal day-to-day activities in line with the Code of Conduct

PROACTIVELY LEVERAGE TECHNOLOGY AND DATA ANALYTICS CAPABILITIES

- Globally aligned technology platforms and minimum standards
- More proactive compliance risk management
- Drive a more risk-based and data-driven mindset



ESG RISKS AND OPPORTUNITIES

Management's Role Assessing and Managing Risks and Opportunities

Identifying, Assessing and Managing Risk

Core to the sustainability of Prudential is understanding the risks the company takes and how they impact our stakeholders, including policyholders. The risk management framework gives visibility into how risks evolve and interact through time and under varying degrees of stress. In addition, the company's culture of transparency and informed decision-making is foundational to our ability to plan for and mitigate potential risks.

Quantification of Risks

A critical element of Prudential's risk management framework is the ability to quantify risks and understand how risks behave individually and in aggregate. Prudential's Risk Appetite Framework (RAF) is designed to reasonably align all risks taken across the company with the loss-absorption capacity and our willingness to take those risks. Using the RAF, the company measures, evaluates, and manages its financial risks. The comprehensive models, metrics, and stress scenarios used enable the company to understand its current risk profile as well as how the risk profile may change, given certain events or exposures.



ANTI-MONEY LAUNDERING & ANTI-BRIBERY/ ANTI-CORRUPTION OVERSIGHT

Prudential has policies that expressly define and prohibit practices associated with money laundering, bribery and corruption. 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 unit risks.

Prudential and its global businesses implement anti-money laundering programs in accordance with applicable laws and regulations in every market where we do business. 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.

Additionally, Prudential's covered financial institutions have implemented Customer Due Diligence Requirements. The Global Financial Crimes Unit (GFCU) manages the development and coordination of Prudential's ABC Policy and Standards, which includes compliance with the Foreign Corrupt Practices Act (FCPA). The GFCU is responsible for

the oversight of gifts and entertainment with non-U.S. government officials, high risk third-party contracts and other high risk areas under the FCPA. The GFCU also oversees the development and deployment of the global training for Anti-Money Laundering and Anti-Bribery and Corruption.



PRUDENTIAL PROACTIVELY SPENDS A GREAT DEAL OF TIME CONSIDERING THE ENVIRONMENT

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

Prudential proactively spends a great deal of time considering the environment. Currently, Risk Management conducts a strategic analysis of certain key sectors (for example oil and gas) to determine the potential impact on our investment portfolio. In addition, we study the physical risks associated with climate such as the impact of rising temperatures and sea levels on our real estate portfolios. We also think about transition risk and how we, as a society, move towards a greener economy. Prudential is exploring how to build tools and models that better quantify how climate-related scenarios like these would impact the risks that we face. The company is collaborating across the financial services industry to build and apply this expertise. Over the next few years, we will continue to enhance how we incorporate climate risk into our analytical metrics, models, and targets, with an emphasis on further integrating climate risk into existing stress-testing processes.

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

Environmental, Social and Governance Risk Exposures

Prudential believes that it has a moral and business imperative to understand 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 all our stakeholders, including employees, customers, and investors.

As we look to the future, ESG risks bring a high degree of uncertainty in the form of potential severe disruption to environmental, financial, and social ecosystems. This will create new economic realities and inspire reactions from policymakers, investors, and other stakeholders. The company must understand how these developments will impact the business models of the companies in which it invests and the Prudential business model itself. Some examples of disruption include:

- A rapidly warming environmental ecosystem which may lead to outcomes such as an increase in the frequency and intensity of storms, a rise in sea levels near major cities, the spread of tropical diseases,

and a decline in food production. These scenarios would have profound impacts around the world and could have implications for our investment portfolio and our portfolio of insurance risks.

- The financial ecosystem of the world is also rapidly changing as corporations and governments become more indebted, creating potential imbalances between the supply and demand for all types of publicly traded debt. This potential volatility makes factors such as interest rates, default probabilities, and the future valuation of assets particularly hard to assess. Developing broad understanding of impacts from these imbalances—and developing strategies to cope with them—is critical to the long-term sustainability of Prudential.
- Societal challenges will be exacerbated by 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, critical for the sustainability of our society that we continue to work towards inclusion and racial equity. Prudential has made several racial equity commitments relating to our employees, our customers, and society at large. Given the challenges discussed above, having a diverse talent pool that reflects our environment is a critical component to finding solutions to the problems facing us.

The potential disruptions noted above pose investment risks by exposing our investment holdings to both physical damage from climate change (physical risks) or substantive changes in business models that could result in financial deterioration (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 also creates insurance risks, as mortality risk in the areas in which we do business could be affected by factors such as more severe weather, the increasing spread of tropical diseases resulting from a warming climate, or increased insecurity in the food supply. These are not yet critical risks in North America, but they need to be continuously monitored in the years ahead.

On the non-financial risk side, we have operational risk exposure to physical assets and operations in geographies with rising sea levels and more severe weather and flooding. We are also exposed to model risk, as we begin to build models that look to quantify our exposure to the impacts of climate risks. Finally, our reputation and relationships with key stakeholders may be adversely impacted if we do not appropriately recognize the risks associated with climate change.

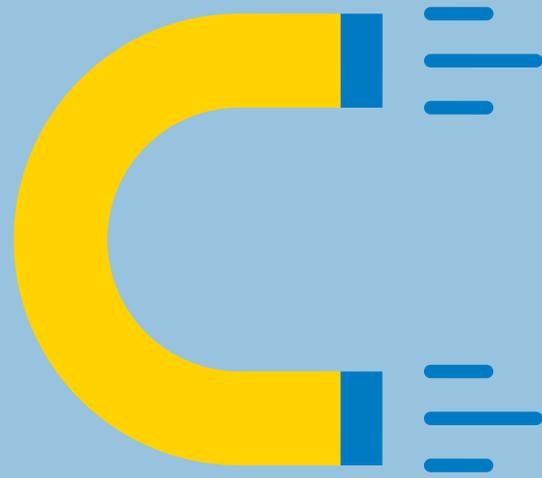
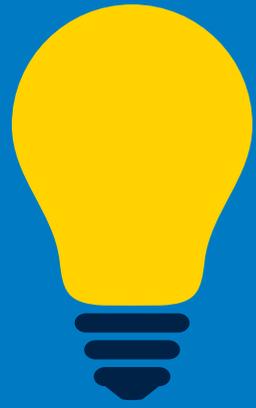
Prudential's risk management framework promotes the organization following established best practices for risk identification, analysis, and disclosure. That said, while the areas potentially impacted by ESG risks are clear, the analysis and quantification of these risks are nascent. Enterprise risk management at Prudential is constantly reimagining how to frame and manage the risks that we take, including climate. Over the course of the next few years, Prudential will continuously improve the sophistication of its climate risk metrics, models, and targets.

Our corporate governance has always been about ensuring long-term outcomes where risks and financial outcomes unfold over decades. Prudential is committed to effective, consistent, and transparent corporate governance. This becomes more critical 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 that constructive engagement takes place.

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.

Prudential consistently analyzes the investments in its portfolio to understand the impact of varying degrees of climate changes on the health of the companies and industries in which we invest. Our analysis of climate change risk includes strategic industry and geographic reviews to examine future industry impacts and utilizes those findings to make long-term portfolio decisions.



SOCIAL

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PRUDENTIAL BY THE NUMBERS¹

9%

TURNOVER RATE, EXCLUDING THOSE WHO PARTICIPATED IN THE COMPANY'S VOLUNTARY SEPARATION PROGRAM (VSP)

\$58.41 MILLION

IN NEW AUTHORIZATIONS AS PART OF OUR \$1 BILLION IN IMPACT INVESTMENT PORTFOLIO

\$1.721 TRILLION

ASSETS UNDER MANAGEMENT (AS OF 12/31/2020)

\$4.016 TRILLION

GROSS LIFE INSURANCE IN FORCE WORLDWIDE

\$1.25 MILLION

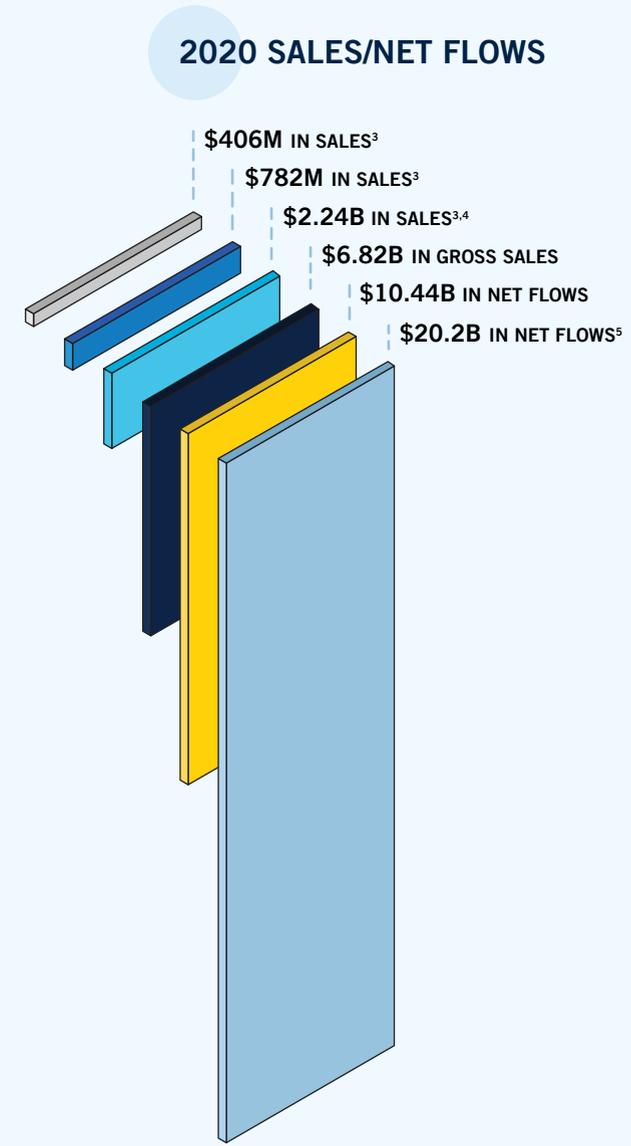
IN NEW FINANCIAL SUPPORT TO BLACK-LED SOCIAL JUSTICE ORGANIZATIONS IN 2020

\$100 MILLION

IN ACTIVE CORPORATE CONTRIBUTIONS, FOUNDATION GRANTS AND GRANT COMMITMENTS FOCUSED ON ADVANCING RACIAL EQUITY

\$180 MILLION

COMMITMENT TO OPPORTUNITY YOUTH THROUGH 2025



The company measures customer satisfaction with a variety of metrics. These include surveys, customer focus groups and net promoter scores that track referrals from existing customers.

Using financial data to assess customer satisfaction is consistent across all Prudential's businesses. Sales/net flows help potential customers, investors and other stakeholders measure the company's ability to meet customer needs.

Segment²

- Group Insurance
- Individual Life Insurance
- International Insurance¹
- Individual Annuities
- Retirement
- PGIM

1 As of December 31, 2020 unless otherwise noted.
 2 Quarterly Financial Statement
 3 Based on annualized new business premiums.
 4 On constant dollar basis
 5 Unaffiliated institutional and retail third-party net flows, excluding money market activity.



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. Our approach is rooted in the belief that this is both a moral and business imperative. Our senior management team understands that this work takes time. We are acting with a sense of urgency to identify and take action in areas that allow Prudential to have a meaningful impact and serve as a model for inclusion and diversity by:

Leading by Example

Creating an inclusive environment 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 are 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.

Committing to Employee Diversity Goals with Accountability

Our Diversity Goals

Our Board expects Prudential's senior leadership team to set the standard for inclusive behavior and weave their 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:

- Increase overall diversity of our most senior leader population by 10% and increase our percentage of Black and Latinx employees by at least 25%.¹
- For our mid-level leaders, increase the percentage of people of color by 8% and increase our percentage of Black and Latinx employees by at least 25%.²
- 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, Latinx, Asian, Pacific Islander, Native American, Alaskan native and Hawaiian natives.



Actions to Achieve Our Diversity Goals:

- Tie compensation to achievement of our diversity goals through a diversity modifier that is applied to the long-term compensation plan of senior executives. Please see the company’s 2021 proxy statement for a description of the Inclusion and Diversity Talent Goals.
- Build a talent marketplace that emphasizes skills to drive access to jobs to all candidates and stretch opportunities for internal candidates.
- Change our promotion process so employees are aware of open opportunities and have more access to advancement.
- Identify and address talent micro-practices to promote greater access, opportunity and equity by integrating best-in-class external practices internally at Prudential such as diverse candidate slates and interviewers for open positions.
- Incorporate significant changes introduced in 2020 into performance management process to further promote a process based on merit and accountability.

To solidify our commitment and provide transparency on our progress, we have provided enhanced disclosures around the diversity representation of our workforce in the Inclusion and Diversity by the Numbers section of this report.

Committing to Inclusion

Promoting Inclusion Through Our Business Resource Groups

Our eight Business Resource Groups (BRGs) are employee-led organizations designed to promote an inclusive culture to support strategic business goals. Today, 32% 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:

WOMEN EMPOWERED

BLF: BLACK LEADERSHIP FORUM

JUNTOS: LATINX AND ALLIES

APA: ASIAN PACIFIC ISLANDER AMERICANS

VETNET: MILITARY, VETERANS & VETERAN SUPPORTERS

ADAPT: ABLED AND DIFFERENTLY ABLED PARTNERING TOGETHER

GENERATIONS: PROMOTING OPEN DIALOGUE ACROSS GENERATIONS

PRIDE: LESBIAN, GAY, BISEXUAL, TRANSGENDER AND QUEER+ (LGBTQ+)

32%

OF OUR U.S. EMPLOYEES PARTICIPATE IN AT LEAST ONE BUSINESS RESOURCE GROUP

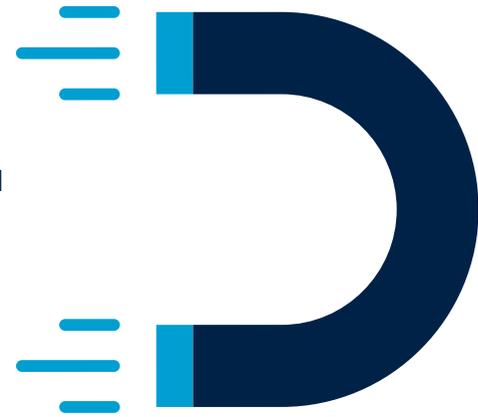


64% OF EXTERNAL HIRES IN 2020 WERE DIVERSE

Cultivating Diverse Talent

We utilize traditional and emerging strategies and organizations to recruit and support diverse talent. Our efforts have been successful. As illustrated in the Inclusion and Diversity by the Numbers section of this report, 64% of external hires in 2020 were diverse. We have long-standing relationships with many organizations to help us attract diverse candidates. These are listed on the right.

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.



- ASCEND
- GI GO FUND
- ANITA BORG BLUE CIRCLE LEADERSHIP
- NATIONAL ASSOCIATION OF BLACK ACCOUNTANTS (NABA)
- DISABILITY:IN
- ODYSSEY
- REACHING OUT MBA (ROMBA)
- YEARUP
- INTEGRATE ADVISORS
- NATIONAL ASSOCIATION OF FEMALE EXECUTIVES (NAFE)
- GETTING HIRED
- PROSPANICA CT & NJ
- HISPANIC ASSOCIATION ON CORPORATE RESPONSIBILITY (HACR)
- JOPWELL
- STUDENT VETERANS OF AMERICA
- OUT AND EQUAL
- ASSOCIATION OF LATINO PROFESSIONALS FOR AMERICA (ALPFA)
- NATIONAL ORGANIZATION ON DISABILITY (NOD)

Committing to Advance Racial Equity

With the Board of Directors' full support, in August 2020 Prudential announced nine 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 on the next page describes our commitments and highlights of our progress.

TAKING ACTION FOR OUR PEOPLE

COMMITMENT	ACTIONS
EVALUATE AND IMPROVE OUR TALENT PRACTICES—HIRING, PROMOTION, PERFORMANCE MANAGEMENT, DEVELOPMENT AND COMPENSATION—TO FURTHER PROMOTE EQUAL OPPORTUNITY FOR ALL EMPLOYEES.	<ul style="list-style-type: none"> Refining performance management and promotion processes. Building a skills-based talent marketplace.
ESTABLISH REPRESENTATION GOALS FOR PEOPLE OF COLOR AT ALL LEVELS, INCLUDING SENIOR-MOST EXECUTIVES, AND TIE EXECUTIVE COMPENSATION TO THESE GOALS.	<ul style="list-style-type: none"> Rigorous analysis of our workforce and talent markets resulted in establishing the diversity goals.
MANDATE INCLUSION TRAINING FOR ALL U.S. EMPLOYEES.	<ul style="list-style-type: none"> 2,500 employees completed inclusion training between September and December 2020. The remaining approximately 13,500 U.S.-based employees to complete at least one inclusion training program by December 31, 2021.
CREATE GREATER TRANSPARENCY OF OUR DIVERSITY DATA.	<ul style="list-style-type: none"> Published preliminary EEO-1 representation data and the results of our pay equity analysis.
MARK JUNETEENTH AS A DAY OF EDUCATION AND REFLECTION TO CONTINUE OUR LEARNING.	<ul style="list-style-type: none"> In 2021, Prudential recognized Juneteenth in the U.S. with programming that supports further education and reflection with a range of offerings open to all employees.
MAKE ELECTION DAY A “NO MEETING DAY” TO EXTEND OUR POLICY OFFERING SCHEDULING FLEXIBILITY.	<ul style="list-style-type: none"> Election Day 2020 established as meeting-free for U.S. employees. Non-exempt employees offered up to two hours of paid time off to vote.

TAKING ACTION WITH OUR BUSINESS

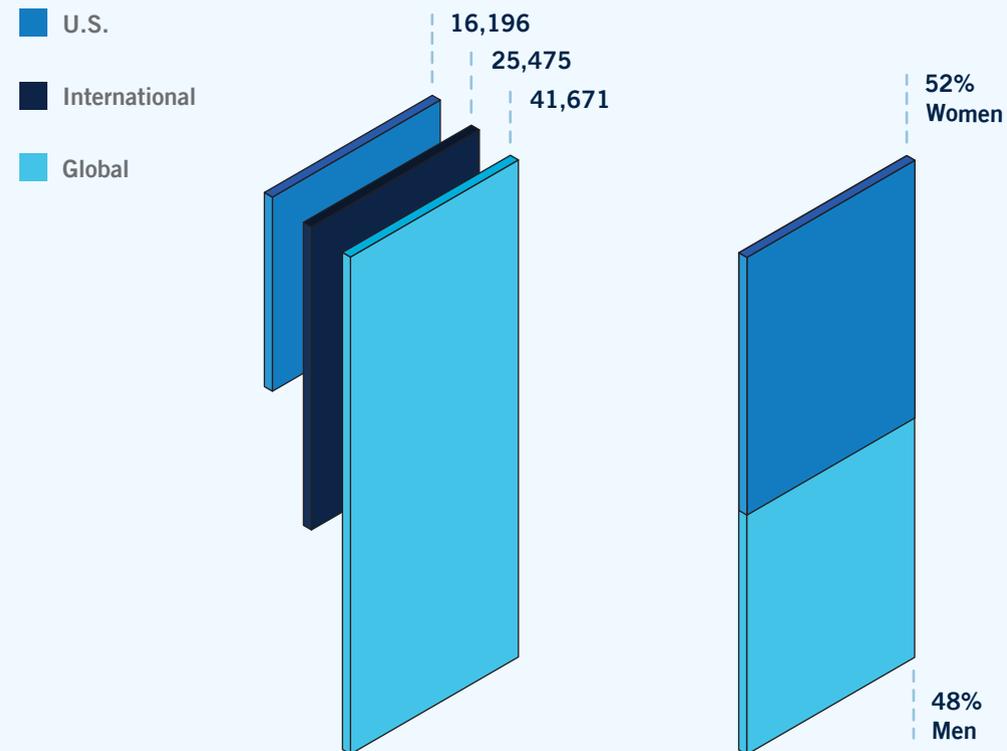
COMMITMENT	ACTIONS
DESIGN AND DELIVER PRODUCTS, SERVICES AND OPERATIONS IN EVERY BUSINESS AND FUNCTION TO IMPROVE RACIAL EQUITY OUTCOMES.	<ul style="list-style-type: none"> Launched business strategy to address financial wellness priorities of Black consumers. Business and function leaders creating inclusion plans to embed inclusion and racial equity into their strategies supported by 25 Racial Equity Ambassadors.
ALLOCATE RESOURCES FOR R&D CAPITAL TO INCUBATE INCLUSIVE PRODUCTS, SERVICES AND DISTRIBUTION CHANNELS.	<ul style="list-style-type: none"> \$10 million contribution to the Financial Solutions Lab to help move low- to moderate-income consumers to the middle class.

TAKING ACTION IN SOCIETY

COMMITMENT	ACTIONS
ACCELERATE OUR SOCIAL JUSTICE PUBLIC POLICY AGENDA, FOCUSING ON CRIMINAL JUSTICE REFORM, POLICE REFORMS ADDRESSING RACISM, VOTING RIGHTS AND CLOSING THE RACIAL WEALTH GAP.	<ul style="list-style-type: none"> Partnered with nonprofits and community organizations to help educate policy makers on economic justice issues. Chairman and CEO Charles Lowrey serves on New Jersey Governor Phil Murphy’s Restart and Recovery Commission. Supported New Jersey police body camera requirements. Support Congressional bills requiring C-suite and Board diversity disclosures.
ALLOCATE RESOURCES TO INVEST IN INSTITUTIONS, VENTURES AND HIGH-IMPACT NONPROFITS WORKING TO REMOVE STRUCTURAL BARRIERS TO BLACK ECONOMIC EMPOWERMENT.	<p>Prudential has more than \$100 million in active corporate contributions and philanthropic grants focused on advancing racial equity. In addition Prudential:</p> <ul style="list-style-type: none"> Made a \$180 million commitment to opportunity youth through 2025, creating pipelines to quality jobs for underserved young adults around the world. Provided \$1.25 million in a new financial contributions to support criminal justice and police reform, mentorship and narrative change in 2020. \$58.41 million in new authorizations as part of our \$1 billion in impact investment portfolio focused on equity and inclusion. Committed \$10 million to Rutgers-Newark campus Honors Living-Learning Community to fund the “Prudential Scholars Program” for the city’s residents.

Inclusion and Diversity by the Numbers

TOTAL WORKFORCE (AS OF 12/31/2020)



Preliminary 2020 Consolidated U.S. Employer Information Report (EEO-1)

The summary table displays Prudential Insurance Co. of America’s U.S. workforce by EEO-1 job category, not including its subsidiaries, as of December 31, 2020. The preliminary results in the table are supplied in advance of the official EEO-1 filing.

- Male
- Female

JOB CATEGORY	% LATINX	% WHITE	% BLACK OR AFRICAN AMERICAN	% NATIVE HAWAIIAN OR PACIFIC ISLANDER	% ASIAN	% AMERICAN INDIAN OR ALASKAN NATIVE	% TWO OR MORE RACES	% ALL RACE GROUPS	SIZE OF POPULATION BY JOB CATEGORY
EXECUTIVE/ SR. MANAGERS	3.3	53.1	2.5	0.0	6.4	0.0	0.7	66.0	3.7%
	1.5	26.8	1.8	0.0	3.5	0.0	0.5	34.0	
FIRST/MID-LEVEL MANAGERS	3.0	44.0	2.2	0.1	11.1	0.1	0.5	60.9	30.0%
	1.9	27.1	2.3	0.1	7.2	0.1	0.4	39.1	
PROFESSIONALS	3.4	30.4	3.0	0.1	7.2	0.0	0.9	45.0	47.9%
	4.0	36.1	6.8	0.1	7.0	0.0	1.0	55.0	
SALES WORKERS	3.8	63.7	6.4	0.0	3.0	0.0	1.7	78.6	3.9%
	0.8	16.3	1.7	0.0	2.2	0.0	0.3	21.4	
ADMINISTRATIVE SUPPORT WORKERS	4.7	17.0	4.1	0.1	1.2	0.0	0.5	27.4	14.4%
	9.9	42.9	15.0	0.0	2.5	0.1	1.8	72.6	
SERVICE WORKERS	14.3	39.3	25.0	0.0	0.0	0.0	0.0	78.6	0.2%
	14.3	7.1	0.0	0.0	0.0	0.0	0.0	21.4	
ALL JOB CATEGORIES	3.5	34.7	3.1	0.1	7.3	0.0	0.7	49.3	
	4.0	33.2	6.3	0.1	6.1	0.1	0.9	50.7	



U.S. Diversity Trends and 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

U.S. Workforce Composition 2019 vs. 2020

The table below compares the composition of Prudential’s U.S. workforce between 2019 and 2020. In 2019, Prudential offered a Voluntary Separation Program (VSP) to its U.S. employees for separation dates throughout 2020. In the context of the VSP and workforce-reduction impact, the company’s diversity representation remained relatively consistent.

Prudential’s annual turnover rate in 2020, excluding those who participated in the company’s VSP, is 9%. When VSP participants are included, the turnover rate increases to 20%. In both cases, Prudential remains below the Finance and Insurance Industry’s benchmark of 24% (Source: Bureau of Labor Statistics).

Prudential	JOB CATEGORY	% WOMEN	% PEOPLE OF COLOR	% ASIAN	% BLACK	% LATINX
EEO	EXECUTIVE/SR. LEVEL OFFICIALS & MANAGERS	34	20	9.9	4.3	4.8
		31	14	6.1	2.6	3.7
	FIRST/MID-LEVEL OFFICIALS & MANAGERS	39	29	18.3	4.5	4.9
		48	25	9.8	6.9	6.5
	PROFESSIONALS	55	34	14.2	9.8	7.4
		52	31	12.5	9.2	6.9

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

2020	JOB CATEGORY	% WOMEN	% PEOPLE OF COLOR	% ASIAN	% BLACK	% LATINX
2019	EXECUTIVE/SR. LEVEL OFFICIALS & MANAGERS	34	20	9.9	4.3	4.8
		33	17	8.9	3.9	3.7
	FIRST/MID-LEVEL OFFICIALS & MANAGERS	39	29	18.3	4.5	4.9
		40	28	17.3	4.7	4.6
	PROFESSIONALS	55	34	14.2	9.8	7.4
		56	33	13.7	10	7.6
TOTAL POPULATION	51	32	13.4	9.4	7.5	
	52	31	12.6	9.8	7.1	



U.S. Top Leadership Diversity Metrics

Top Leadership is defined as senior leaders 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.

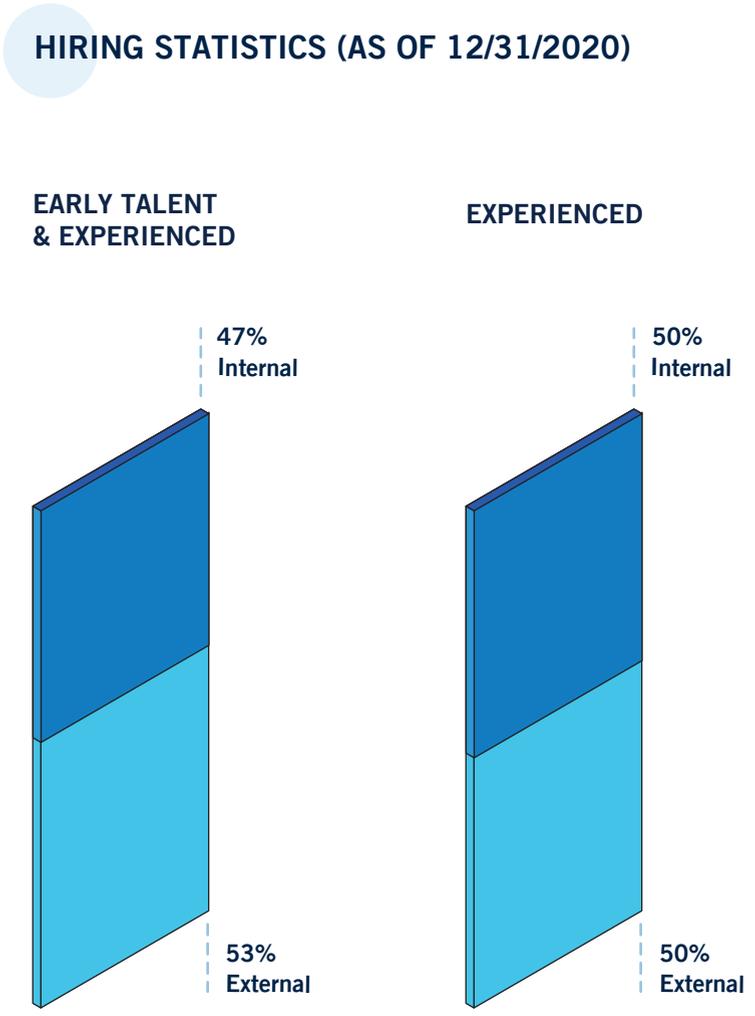
U.S. Employee Recruiting

In 2020, Prudential filled over 2,700 positions in the United States. We seek to hire diverse talent, and our active outreach and recruitment efforts help ensure that a broad slate of candidates are considered. We drive internal mobility 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 2020, half of the Experienced positions were filled internally.

	DIVERSE	WOMEN	PEOPLE OF COLOR	ASIAN	BLACK	LATINX
TOP LEADERSHIP	54%	37%	27%	15%	5%	6%
1 LEVEL DOWN FROM CHAIRMAN AND VICE CHAIRMAN	44%	38%	11%	11%	0%	0%
2 LEVELS DOWN FROM CHAIRMAN AND VICE CHAIRMAN	59%	41%	28%	14%	7%	5%
3 LEVELS DOWN FROM CHAIRMAN AND VICE CHAIRMAN	53%	35%	28%	15%	4%	6%

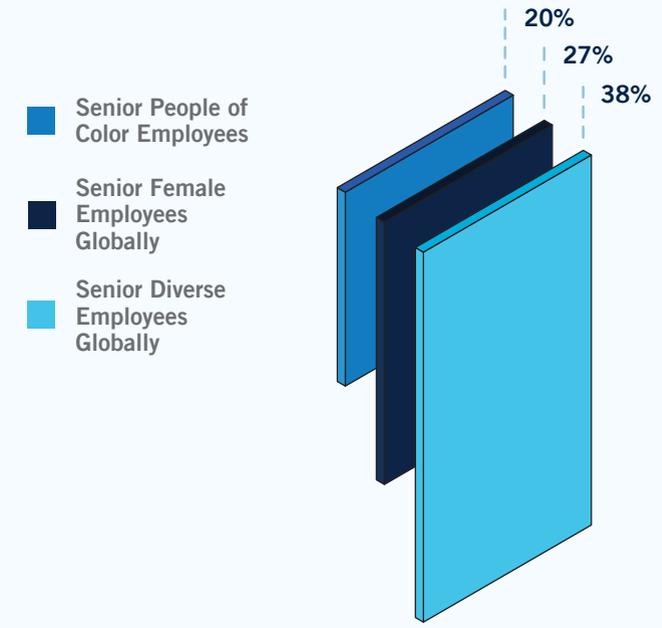
Administrative assistants, support staff and individual contributors are excluded from all the above figures. Top Leadership cohort represents less than three percent of the total U.S. employee population.

	DIVERSE	WOMEN	PEOPLE OF COLOR	ASIAN	BLACK	LATINX
ALL RECRUITING	67%	49%	35%	14%	9%	9%
INTERNAL RECRUITING	73%	57%	33%	13%	10%	8%
EXTERNAL RECRUITING	64%	43%	37%	14%	9%	10%

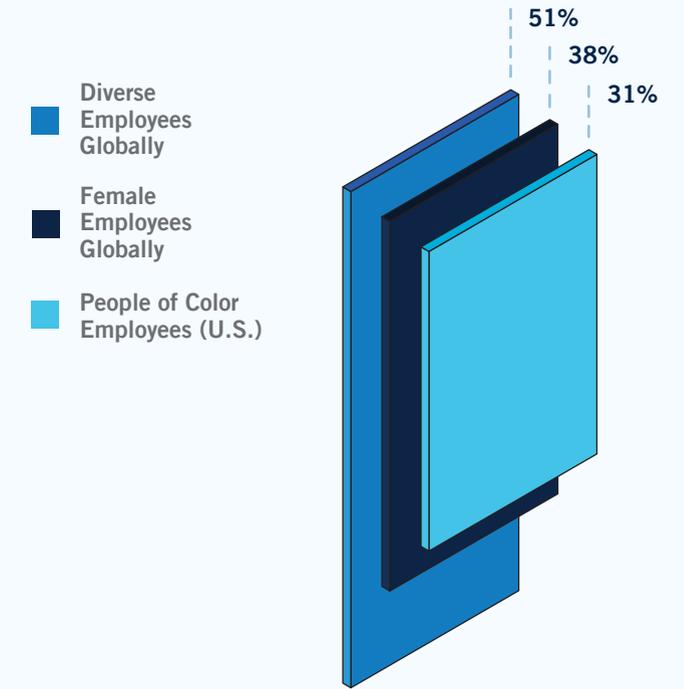


PGIM ADVANCING INCLUSION AND DIVERSITY THROUGH ACTION

Through targeted development, mentorship and support of our diverse senior talent, we are actively working to achieve our “5-over-5” goal of increasing representation of diverse persons among our senior management by 5% by 2023. Our progress so far:



With the expansion of our global inclusion initiatives, and programs and policies that promote a more inclusive culture, we are also actively working to increase diverse representation at every level across PGIM. Our progress so far:



Data as of December 31, 2020.

People of Color represents employees identifying as American Indian/Alaskan Native, Asian/Pacific Islander, Black/African American, Latinx, Native Hawaiian or Other Pacific Islander, and/or two or more races. All gender diversity information is global. All People of Color information is U.S. only. Senior Diverse Employees Globally and Diverse Employees Globally include female employees globally and People of Color in the U.S. Senior employee diversity information captures employees at the Vice President level and above (e.g., Managing Directors, Portfolio Managers, Principals etc.).

PAY EQUITY RESULTS

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 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 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 equity analyses for our U.S. population. Described to the right are the 2018 and 2020 results.



	<p>2020</p> <p>Salary was evaluated and the results showed, when accounting for relevant factors including job and location:</p>	<p>BOARD OVERSIGHT OF PAY PRACTICES</p>
<p>2018</p> <p>Total Compensation (specifically, salary, bonus and equity) was evaluated and the results showed, when accounting for relevant factors including job and location:</p> <ul style="list-style-type: none"> • Women employees were paid at least 100% of the pay of male employees. • Asian employees were paid at least 100% of the pay of White employees. • Black employees were paid 99.9% of White employees. • Latinx employees were paid 99.4% of non-Latinx White employees. 	<ul style="list-style-type: none"> • Women employees were paid at least 100% of the pay of male employees. • Asian employees were paid at least 100% of the pay of White employees. • Black employees were paid 99.0% of the pay of White employees. • Latinx employees were paid 98.3% of the pay of non-Latinx White employees. 	<p>INDEPENDENT THIRD PARTY ANALYSIS</p>
		<p>MULTIPLE AVENUES TO ADDRESS PAY CONCERNS</p>

The next pay equity analysis of Total Compensation is planned for 2022.



TALENT DEVELOPMENT

Learning and Talent Development Programs

Prudential is building a future-ready workforce and anticipating the required skills through a large scale, transformative initiative that is addressing the impact of rapid changes in customer behaviors and needs, technology and the competition.

Our holistic and transparent talent development practices are embedded in Prudential's culture. The systemic method begins with our talent acquisition process. We take a skills-based approach to presenting job opportunities in alignment with the company's strategic business objectives. Our development mechanisms are rooted in our continuous learning offerings, transparent performance management process, and talent transformation programs to help our employees train for and perform the jobs of tomorrow.

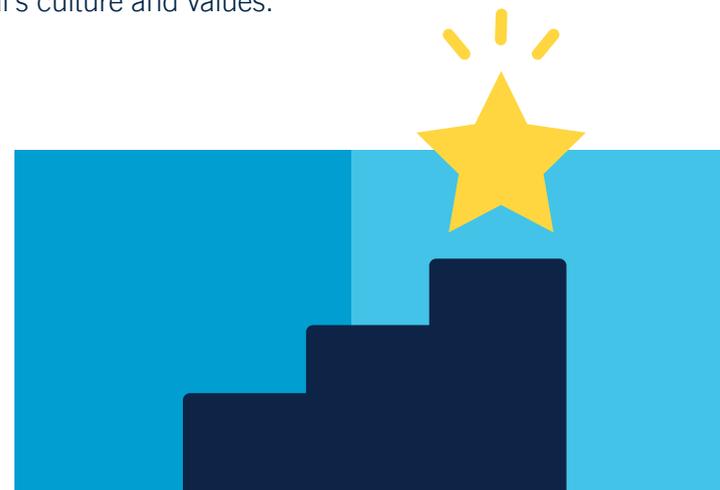
Skills Accelerator

Our "Skills Accelerator" is a personal professional development program that is open to all employees, and "EMPOWER" is a program designed to encourage employees to dedicate time to aligning their skills with company needs and jobs of the future. Through EMPOWER, employees earn badges that are displayed on their Skills Accelerator profile to recognize the time they have spent on skills development.

Skills Accelerator allows employees to access career support services, upskilling and reskilling options without manager approval, and most importantly, to seek new career opportunities within the company. Over 80% of our employees activated their profiles within the Skills Accelerator and are currently using the site to take charge of their careers in a transparent, frictionless way.

Leadership Essentials

"Leadership Essentials" focuses on areas of development for leaders of others. The course is composed of four main modules and each module is aimed at providing leaders with the core development experiences needed to lead teams at Prudential and deliver on the company's purpose and aspirations. Inclusion and diversity themes were embedded throughout the course to help managers more fully embody Prudential's culture and values.

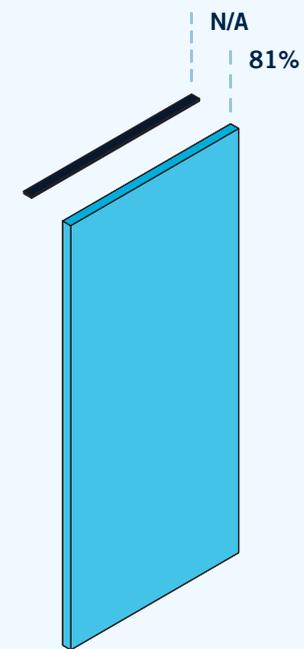


We are applying agility and flexibility to deploy our resources, enabling us to build capacity where it is needed. "PruCorps" is an example of our adaptability and culture of customer service. When high volumes in our call centers demanded more resources, PruCorps was created to rapidly reskill and deploy over 200 employees to centers to respond to our customers' needs. This successful program instilled pride and collaboration across the enterprise.

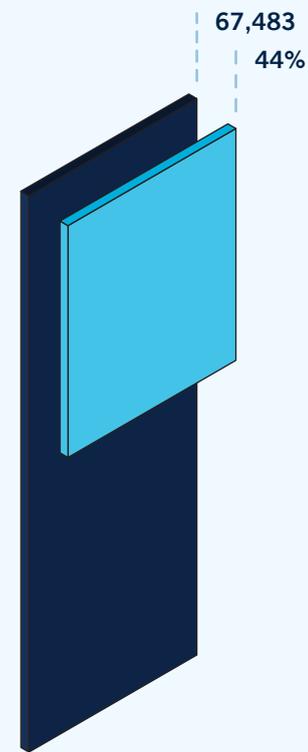
LEARNING AND TALENT DEVELOPMENT PROGRAMS

■ # of hours completed ■ % of eligible employees completed

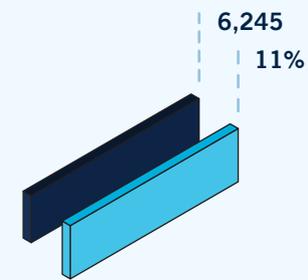
SKILLS ACCELERATOR



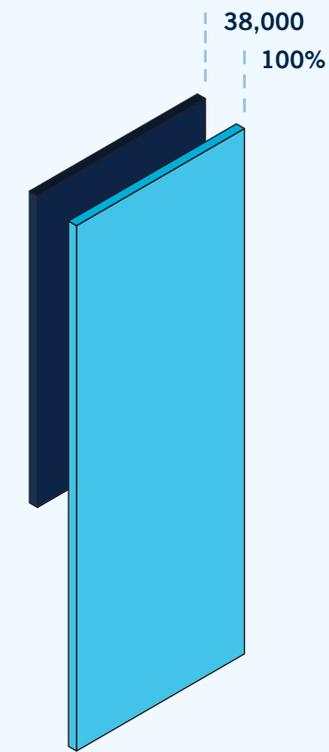
EMPOWER



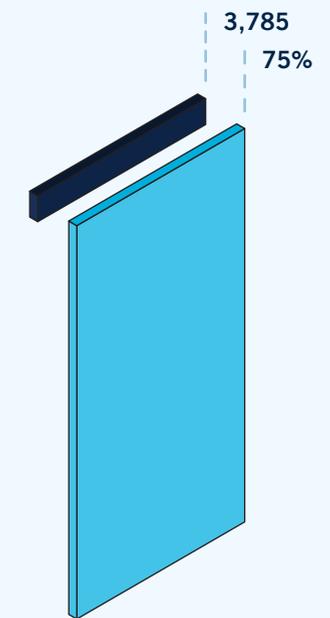
CAREER PARTNER SESSIONS



COMPLIANCE TRAINING



LEADERSHIP ESSENTIALS



ALL U.S. EMPLOYEES WILL COMPLETE AT LEAST ONE INCLUSION TRAINING PROGRAM BY DECEMBER 31, 2021

Transformational Leadership Program

The “Transformational Leadership Program” is designed to expand Prudential’s talent pipeline by addressing the unique challenges of multicultural women in the workplace. The program provides a framework and tools to enhance leadership effectiveness through web-based discussions, course-specific learning, case studies and peer to peer interactions.

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 are required to complete at least one inclusion training program by December 31, 2021.

All employees have access to career coaching services and training courses that elevate our culture and drive our commitment to racial equity and best in class leadership. Our strong commitment to the employee experience and development of future skills has been a driver of our employee engagement, which you can read more about in this report’s Global Employee Engagement section.

Global Employee Engagement

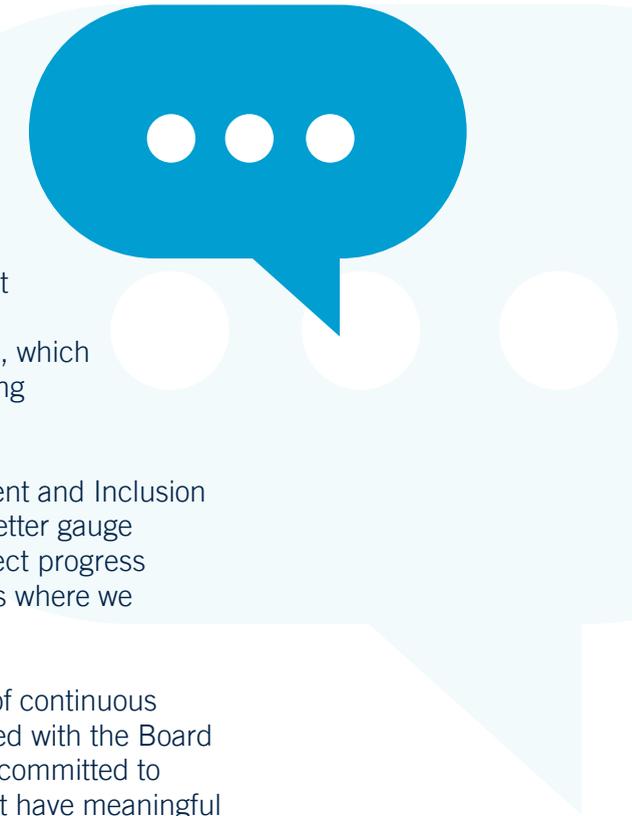
We believe the best and most transformative decisions are made when we listen and reflect on the diverse voices of our people. In 2020, Prudential’s polling and survey programs collected over 52,000 responses across 48 events, some of which related to our pandemic response. We “listen” with the goal of understanding experiences, behaviors, attitudes and perceptions of leadership, culture and key organizational issues at any given time, in order to help inform decisions about our people, programs, processes and policies.

Prudential’s global employee engagement survey, fielded across 21 countries and in six languages, received an 83% response rate in 2020. Survey results showed that employee engagement increased,

and our Inclusion Index remained steady despite an unprecedented year. Results also revealed that talent development remains a key driver of engagement and a prominent theme in employee comments. Survey respondents raised topics addressing common hurdles such as career advancement at Prudential, and opportunities for exposure within the larger enterprise, which feel magnified by the reality of working remotely during the pandemic.

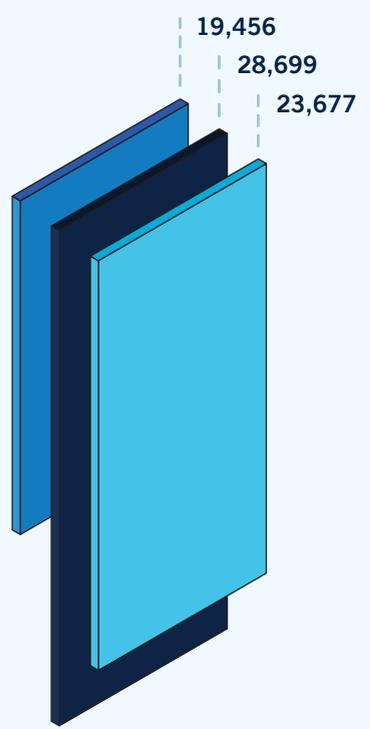
Over time, we will use our Engagement and Inclusion Index scores, which we created to better gauge diverse employee sentiment, to reflect progress and tell us what is working and areas where we can do more.

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 and responding in ways that have meaningful impact, including recent changes to our performance management practices, manager training and internal mobility enhancements.

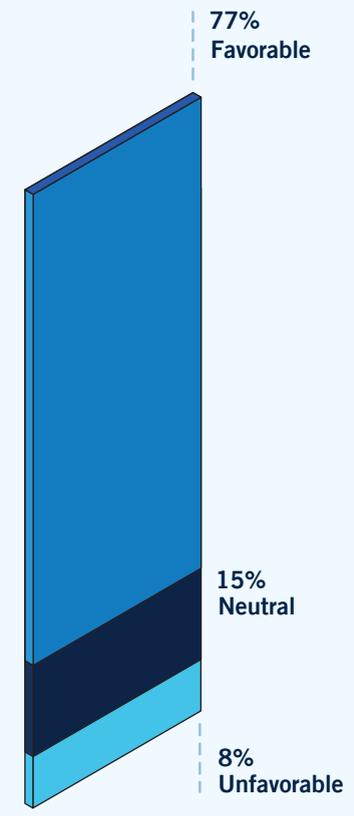


2020 EMPLOYEE SURVEY

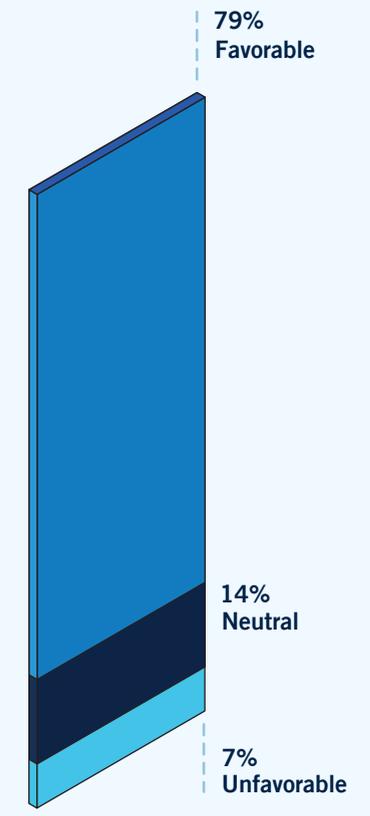
- Comments
- Employees Invited
- Respondents



ENGAGEMENT INDEX



INCLUSION INDEX



- 21**
COUNTRIES¹
- 6**
LANGUAGES
- 83%**
RESPONSE RATE

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

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

¹ Excludes the Field Office in the U.S. and the sales forces of Gibraltar. Excludes PILL Taiwan, Malaysia, part of DHFL Pramerica and Chile. Also excludes Pramerica Ireland.



CORPORATE SOCIAL RESPONSIBILITY

Our COVID-19 Response

Through so many crises in our 146-year history, Prudential has remained resilient and ready to provide protection and peace of mind to our customers, employees, shareholders and communities. We have a longstanding commitment to disaster preparedness, relief, recovery and rebuilding to address both immediate and long-term needs. That's why Prudential was ready to move quickly to help address the many business and societal needs arising from COVID-19, which has created suffering in our neighborhoods and across the globe, impacting both the physical health and financial well-being of millions.

Throughout the COVID-19 pandemic, Prudential has taken extensive steps to care for the health and safety of our teammates, including expanding and enhancing employee benefits and resources such as free mental health resources for employees and family members, online wellness resources, and child and dependent care benefits.

Prudential has been on the ground helping local communities, where the health, well-being and prosperity of our neighbors is vital to our future. We donated more than 150,000 face masks—including 75,000 N95 respirators—to health care workers, waived rents for our tenants in Newark, New Jersey, continued to pay our vendors for janitorial and other services, and deployed more than \$10 million in relief and recovery funding. Working with longstanding nonprofit partners, Prudential support included:

- \$600,000 to support small businesses and their employees in Newark and \$400,000 to support basic needs for Newark residents.
- \$100,000 to the El Paso Community Foundation, seeding a program to hire unemployed restaurant workers in El Paso, Texas to deliver meals from an area food bank to people in need.
- A \$50,000 grant to Veterans Plus to provide emergency financial assistance to veterans and surviving military family members, and a \$100,000 fund-redeployment to support immediate needs with Operation Gratitude.
- An employee donation-matching campaign that donated nearly \$400,000 for the CDC Foundation, Feeding America, SaverLife and the World Central Kitchen.



As the ripple effect of the pandemic continues, so does the work of Prudential's leaders, several of whom were tapped to lend their expertise to help at the city and state level in New Jersey to build an equitable road

to recovery, including Chairman and CEO Charles Lowrey serving on NJ Governor Murphy's Restart and Recovery Commission. These invitations for Prudential leaders continue a long history of sharing our expertise and is an extension of efforts Prudential has undertaken for decades to support the community.

We believe providing financial protection and peace of mind to our customers around the world is paramount. We handled nearly 850,000 customer calls in the month after the national emergency declaration, helping to calm nerves through volatile market conditions and provide access to needed benefits. Over the last year, we enhanced online and digital tools and deployed additional resources in our contact centers, and accelerated the withdrawal process for customers who wish to withdraw funds from an annuity or life insurance policies.

We recognize the losses COVID-19 has inflicted on so many of our colleagues, their families and the communities in which we serve globally. We will continue to act by providing services and resources necessary to meet this pandemic's public health and economic challenges and stay true to our commitment to making lives better by solving the financial challenges of our changing world.



INVESTED ASSETS OF ESG

\$300M

COMMITTED TO SUSTAINABLE POWER MANDATE WITH PGIM PRIVATE CAPITAL

Core to Prudential's overall mission and investment objectives is constructing high-quality investment portfolios composed of assets that support the liability profiles of the company's products and obligations. These portfolios reflect the long-term risk and future opportunities associated with each asset and asset class available in the capital markets, including ESG considerations.

In 2019, we announced a new Global Environmental Commitment to expand the company's support for sustainable investments to achieve sustainable and environmentally responsible returns.

The General Account portfolio allows us to demonstrate these values through the integration of ESG factors into security selection and risk management. As a long-term investor, we believe that investments in companies and projects with a focus on clean energy, water protection, reduced waste, green buildings, and energy efficiency will promote sustainability and resilience.

To date, General Account objectives have focused on ESG integration to fully reflect the risks and opportunities associated with ESG factors when making security selection decisions, and to make conscious choices around exposures to ESG-related risks.

We continually assess future investment risks and opportunities associated with ESG factors, with enhanced focus on factors we have deemed critical to our portfolios such as climate change. We will continue to enhance the integration of these critical factors in our investment strategy as new standards, data and information becomes available. This could include, but is not limited to, increased transparency, specific targets, or engagement with external organizations that align with Prudential's core beliefs.

2020 Highlights

- Implemented an ESG Investment Policy Statement ("IPS") requiring all asset managers to incorporate ESG considerations into their investment decisions. We continue to refine our ESG IPS to incorporate emerging best practices for asset owners.
- Engaged S&P Trucost Limited ("Trucost"), a leading third-party provider of carbon and environmental data and risk analysis, to perform a carbon footprint and climate change analysis covering 70% of our portfolio across all asset classes. Trucost also performed a physical and transition risk analysis covering 50–70% of public debt and equity portfolios (metric dependent). Based on this work, our public corporate bond portfolio is aligned with 2 to 3 degrees of warming potential. We recognize measurement of portfolio temperature is at an early stage, and as measurement evolves, we will explore ways to refine this estimate.

- Committed \$300 million to Sustainable Power mandate with PGIM Private Capital. Mandate includes investments in projects, portfolios, platforms and companies that develop, own or operate wind, solar, hydro, geothermal, biomass generation, energy storage, and transmissions infrastructure in the US and Canada.

Continued industry engagement through:

- The Geneva Association, a leading international think tank of the insurance industry, and contributions to their first report on *Climate Change Risk Assessment for the Insurance Industry* (published in 2021)
- Ceres Investor Network
- New York State Department of Financial Services (NYDFS)
- S&P Global Market Intelligence webinar panelist—*ESG integration by Insurance Companies: A Sea Change in Responsible Investing*



General Account Portfolio

While sustainability has become an increased focus for insurance investors, there remains a lack of market standardization around asset identification and ESG ratings. To address these issues, in 2018, Prudential's Chief Investment Office developed an internal ESG framework which allows us to measure ESG factors in our portfolio and, if deemed appropriate, to establish goals and measure progress toward such goals.

Our process for identifying ESG factors within our investment portfolio attempts to capture the inherent differences in measurement and availability of data across our asset classes. We use the following logic to identify ESG factors in our investments:

- Does a public ESG rating exist?
- Is the issuance ESG-linked? (e.g., green bond, social bond, etc.)
- Is there a proprietary internal rating?
- Does the investment align with a sustainable investment theme?

Over the last year, we have been able to leverage internal proprietary ratings to greatly expand the proportion of our portfolio for which we have identifiable ESG factors. Key efforts related to this include:

Public Bonds (including Government, Structured, and Public Corporates):

- PGIM Fixed Income has developed proprietary ESG Impact Ratings across all asset classes.

Mortgages:

- PGIM Real Estate is developing a proprietary ESG Loan Questionnaire, which will be completed during the diligence for all new Core loans. The questionnaire will generate an overall "ESG Loan Score" with sub-scores for each attribute.
- The ESG Loan Questionnaire will incorporate expanded physical risk scoring through a leading provider of data and analysis related to physical climate and environmental risk. The ESG Loan Score and physical risk score components will enable portfolio climate risk exposure analysis.

Privates:

- PGIM Private Capital has launched a proprietary ESG risk factor checklist into the underwriting of all new deals.

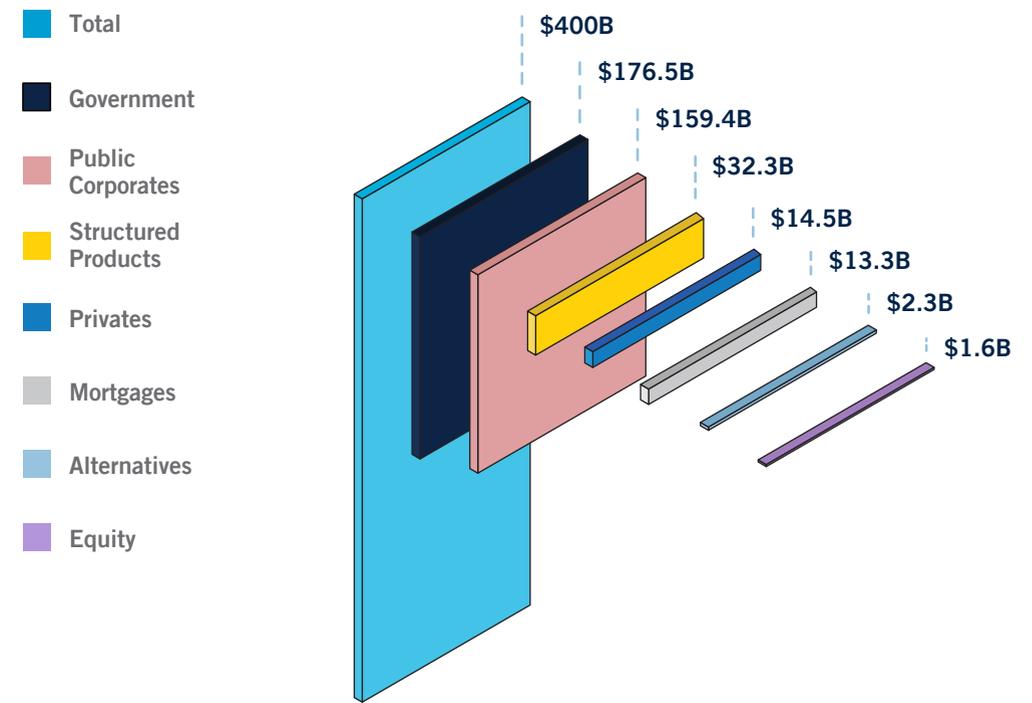
Public Equity:

- QMA has developed a proprietary ESG scoring methodology.
- Approximately \$400 billion (or 72%) of the General Account's assets have an identifiable ESG factor. This is an increase from \$183 billion (or 34%) in 2019.

- Once ESG factors were identified, the Chief Investment Office established objective criteria for each asset class to define favorable ESG or "ESG+" investments. This includes investments above a defined ESG ratings threshold or aligned with a sustainable investment theme. Each asset class has a different methodology and means of classification based on relevant and available information.
- 80% of our assets are managed by PRI signatories. Current non-signatories covering most of our remaining AUM are actively considering signing.
- \$38.5 billion of sustainable investments defined as investments that provide a direct social or environmental benefit including renewable energy, green buildings, education, healthcare & wellness, senior/student/affordable housing, low-income housing tax credits, and ESG-linked issuance.



GENERAL ACCOUNT ASSETS WITH IDENTIFIABLE ESG FACTORS (APPROXIMATELY \$400 BILLION, AS OF 12/31/2020)



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.

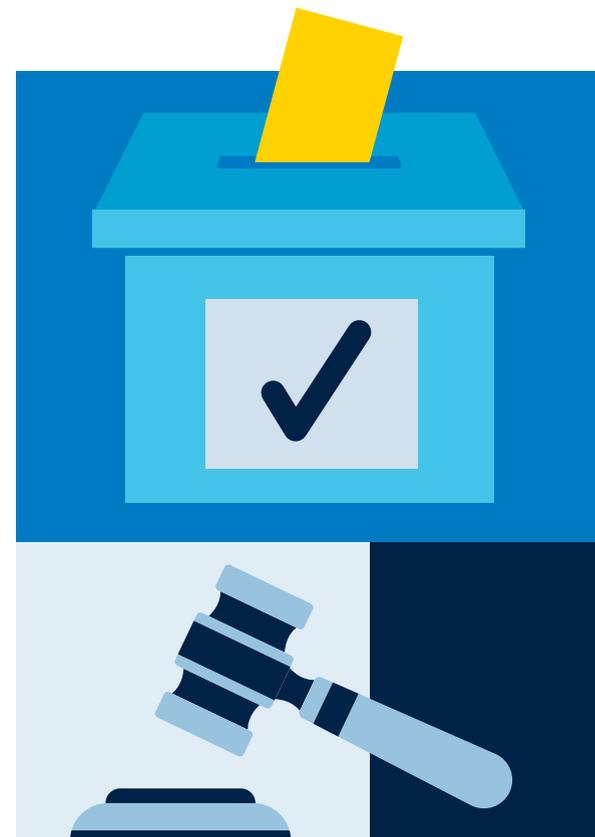
Prudential continues to focus on active participation by diverse banks in the company’s capital markets transactions, including debt issuances and share repurchase activities. In 2020, Prudential exclusively used diverse-owned firms to act as agents on the repurchase of \$500 million in shares of Prudential’s common stock.

Diverse-owned firms also served as active co-managers on the issuance of \$2.8 billion of debt in 2020, including Prudential’s inaugural \$500 million green bond.

Separately, 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.

PUBLIC ADVOCACY

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, the company 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.



GET TO KNOW OUR EXTERNAL AFFAIRS TEAM

19 GOVERNMENT AFFAIRS PROFESSIONALS



KEY 2021 GOALS

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, federal and international lawmakers, regulators, and standard setters, partnerships with trade organizations, operation of political action committees and, on very rare occasions, the use of corporate funds to support political organizations.

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 in order 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.

ACCELERATE PRUDENTIAL'S SOCIAL JUSTICE PUBLIC POLICY AGENDA, WITH A CORE FOCUS ON CLOSING THE RACIAL WEALTH GAP.

RESPONSIBLY MANAGE PRUDENTIAL PACS AND COMPREHENSIVELY REVIEW APPROACH TO PAC CONTRIBUTIONS TO ENSURE ALIGNMENT WITH PRUDENTIAL'S VALUES.

SUPPORT PRUDENTIAL'S INCLUSION AND DIVERSITY GOALS AND AGENDA.

LEAD ENGAGEMENT WITH PUBLIC POLICY MAKERS, REGULATORS AND INFLUENCERS IN SUPPORT OF CORE PRUDENTIAL TRANSFORMATION AND BUSINESS GROWTH INITIATIVES IN THE US AND INTERNATIONALLY.

INFLUENCE THE DEVELOPMENT AND OUTCOMES OF PUBLIC POLICY, LEGISLATION AND REGULATION AFFECTING THE COMPANY'S PRIORITY INTERESTS AND VALUES.

EXPAND AND ENHANCE ENGAGEMENT THROUGH INDUSTRY TRADE ASSOCIATIONS AND OTHER STAKEHOLDER GROUPS AND VENUES.



SOURCING AND PROCUREMENT

The sourcing and procurement organization drives value by leveraging Prudential's buying power to optimize quality, service levels and price with vendors while mitigating risk for products and services.

For more information, visit the [Vendor Code of Conduct and Terms of Engagement](#).

Prudential continues to focus on environmentally sound purchases. A few examples include

- Information Technology (IT) products are managed throughout the procurement life cycle 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 grew to just under 7%.

Responsible Purchasing

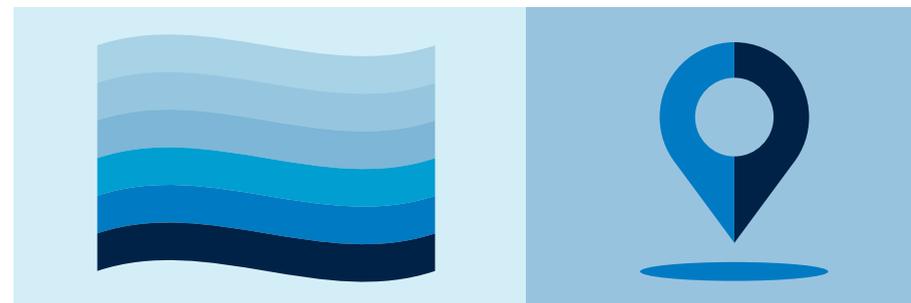
Prudential has a long-standing commitment to Diversity and Inclusion which includes a diverse supply chain. By leveraging talent of every color, gender, origin, religion, sexual orientation, and physical capability, Prudential provides opportunities to diverse firms within a deep pool of accomplished 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. In 2020, Prudential met its supplier diversity goals and found opportunities to support local suppliers as it responded to the pandemic, specifically working with local and diverse suppliers for cleaning as well as securing PPE and hand sanitizers from local and diverse suppliers.

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

Raising the Bar Locally

Prudential is continually looking to find more ways to support diverse suppliers. In October, Chairman and CEO Charlie Lowrey joined New Jersey Governor Phil Murphy and CEOs from eight of New Jersey's largest companies in pledging to spend an additional \$250 million on procurement with state-based diverse companies by 2025. These efforts will focus on communities of color across the state, which have been among the hardest hit by the pandemic. For Prudential's part, this means delivering a 25% increase to its diverse spend in New Jersey by 2025.

This builds on the longstanding work with Newark-based companies. Prudential is an active member of the Newark Anchor Collaborative (NAC) and is developing an integrated Buy Local and post-pandemic economic impact framework. The Initiative is a citywide local procurement effort housed within the corporate structure of Newark Alliance that, with the participation of the City of Newark, corporate partners, and other stakeholders, aims to increase aggregate local procurement among NAC member anchors through individual and collective purchasing in an effort to promote inclusive, economic growth in Newark. The group has already committed to increase local spending by 20% by 2025.





GLOBAL TECHNOLOGY SUSTAINABILITY IN ACTION

Work is underway with our technology organization to contribute to reducing our footprint and practicing “circular economy” design principles of repair, remanufacture, recycle and resell. Initiatives include:

MAJORITY

OF OUR TECHNOLOGY HARDWARE PRODUCTS ARE 90% RECYCLABLE

- OVER 125 PRODUCTS ARE MANUFACTURED USING CLOSED-LOOP PLASTICS
- HAVE ACHIEVED A 40% REDUCTION IN OPERATIONAL GREENHOUSE GAS EMISSIONS

RECYCLED 64,931 LBS

OF END OF LIFE TECHNOLOGY IN 2020

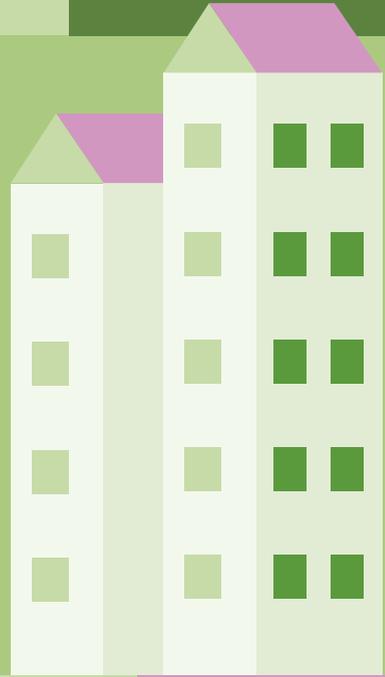
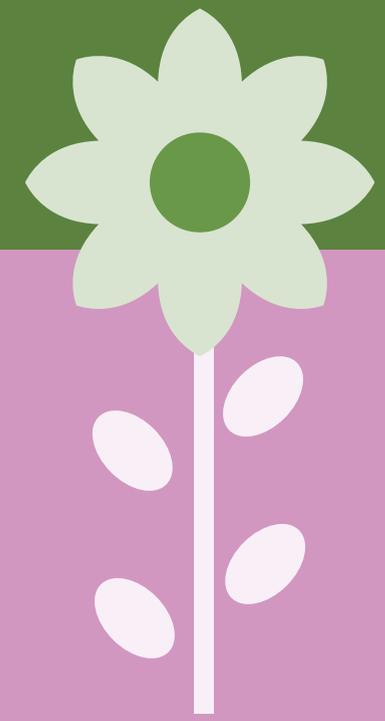
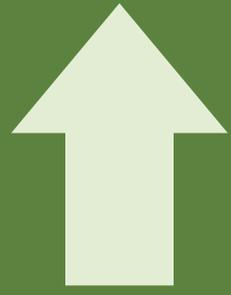
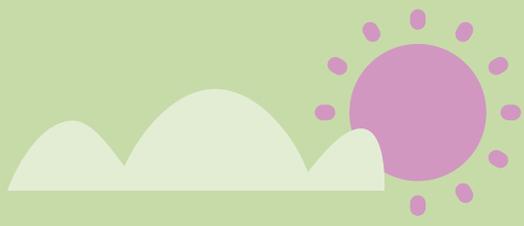
REDUCED POWER

CONSUMPTION BY UTILIZING SERVERS THAT PROVIDE INCREASED AIRFLOW WITH LOWER FAN SPEEDS

- 87% OF THESE SERVERS ARE MADE WITH POST-CONSUMER PLASTICS
- ENERGY STAR READY

CREATED

AND FUNDED A TECHNOLOGY STRATEGY TO BRIDGE THE DIGITAL DIVIDE FOR NEWARK PUBLIC SCHOOL STUDENTS AND FAMILIES DURING THE PANDEMIC, INCLUDING LAPTOP, WIFI HOTSPOTS, IT HELP DESK, CYBERSECURITY SUPPORT, AND CAREER SESSIONS WITH HIGH SCHOOL STUDENTS



ENVIRONMENT

- 47 PRUDENTIAL BY THE NUMBERS
- 49 INVESTING TO MITIGATE CLIMATE CHANGE
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PRUDENTIAL BY THE NUMBERS¹

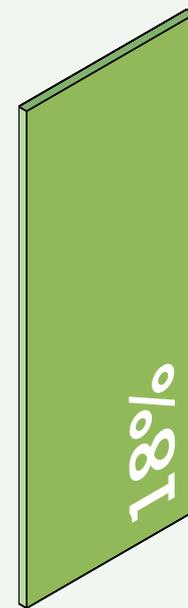
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RENEWABLE ENERGY INVESTMENTS



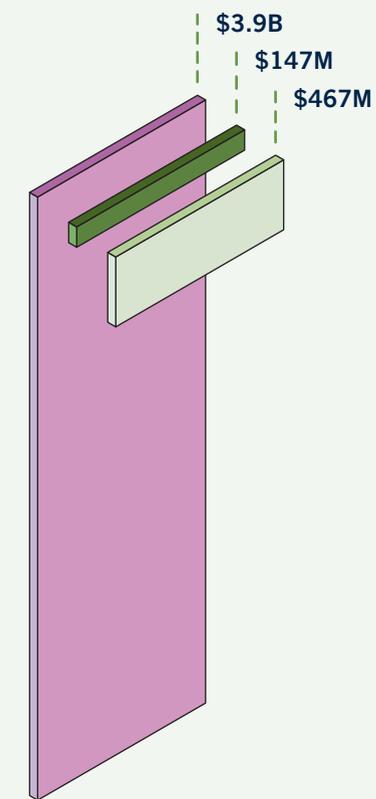
SQUARE FEET OF LEED-CERTIFIED AND 6.9 MILLION SQUARE FEET OF FITWEL-CERTIFIED REAL ESTATE



OF PGIM REAL ESTATE FINANCE'S TOTAL FHA/ AGENCY MULTIFAMILY LOAN ORIGINATIONS HAVE BEEN THROUGH "GREEN" PROGRAMS

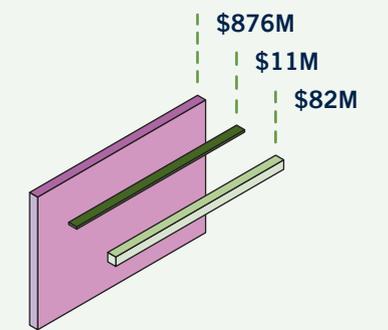
- Sustainability bond
- Social bond
- Green bond

TYPE OF BOND¹



TOTAL: \$4.5B

GENERAL ACCOUNT TYPE OF BOND¹



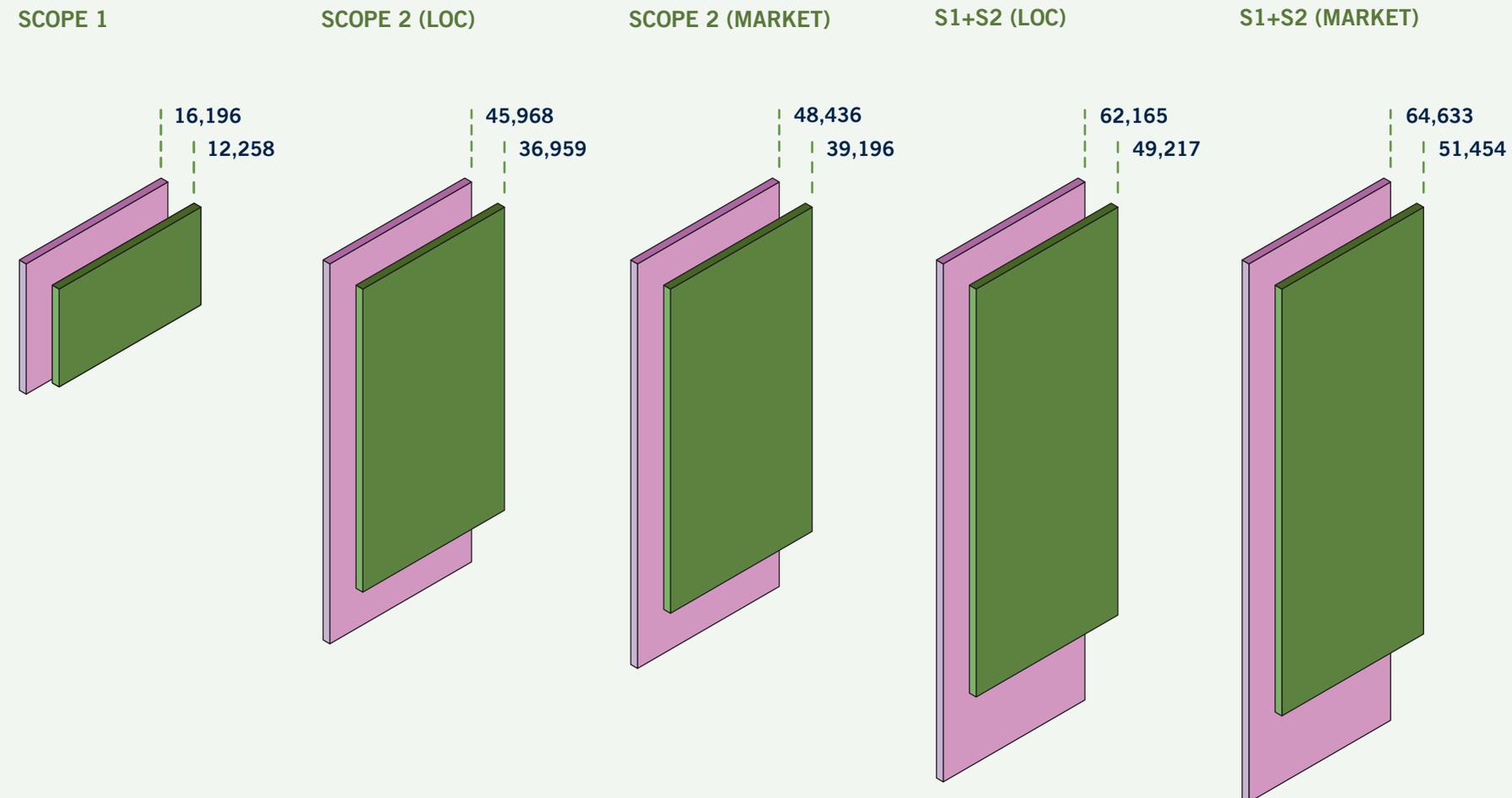
TOTAL: \$969M

¹ As of December 31, 2020 unless otherwise noted.

**PROGRESS AGAINST GLOBAL ENVIRONMENTAL COMMITMENT
CLIMATE REDUCTION TARGET**

DOMESTIC U.S. HOME OFFICE PROPERTIES

2019 2020



35% REDUCTION

IN DOMESTIC EMISSIONS FROM 2017 BASE YEAR IN 2020

2020 PROGRESS TOWARD GOAL: 55%

GOAL: 2017 BASE YEAR, S1+S2 (MARKET-BASED): 65% FROM 2017 BASE YEAR

20% DECREASE IN EMISSIONS

S1+S2 (MARKET-BASED)¹

21% DECREASE IN EMISSIONS

S1+S2 (LOCATION-BASED)¹

¹ Year on year change 2019 to 2020.

INVESTING TO MITIGATE CLIMATE CHANGE

Maintaining the strength of Prudential’s business requires ongoing education around climate change and the use of natural resources. As a global insurer, investor and asset manager Prudential recognizes that climate change impacts our operations and investment business, and that our investment strategies offer an important lever for incentivizing climate change management. 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.

As reflected in our [Global Environmental Commitment](#), Prudential recognizes the vital call to action put forward by the Paris Agreement, and is adapting our business model to support the transition to a low-carbon economy in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

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. 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.



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, New York State, Brazil, and Mexico.

DOCUSIGN

DocuSign is a tool Prudential leverages for the electronic 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 impacts to the right are results of the enterprise utilizing DocuSign in lieu of paper for business transactions. The findings are based on a sampling of our highest volume accounts.

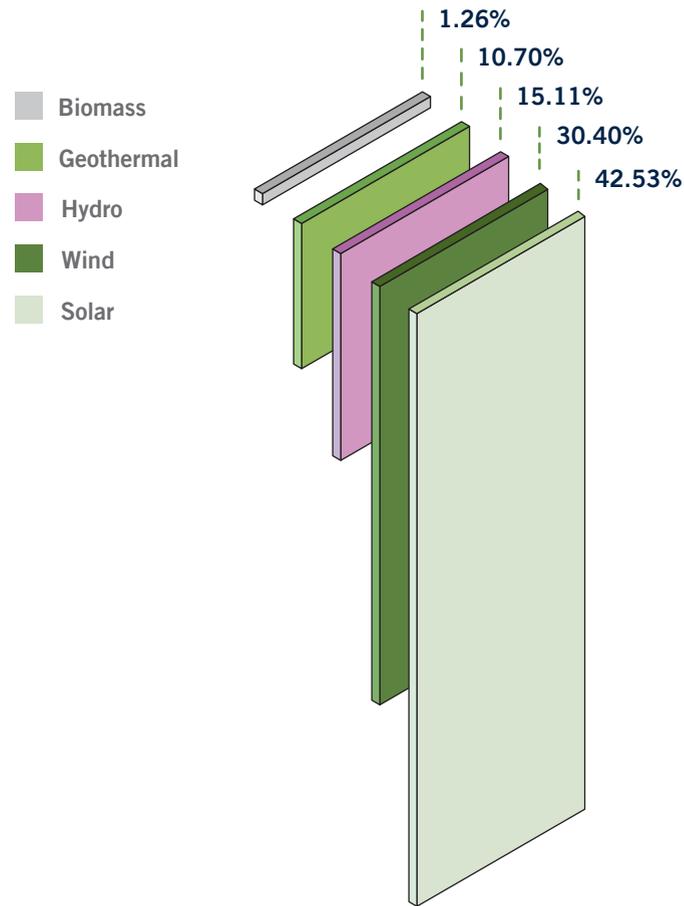
CO₂
3,840,428 LBS

WATER
4,565,841 GAL

WASTE
251,764 LBS

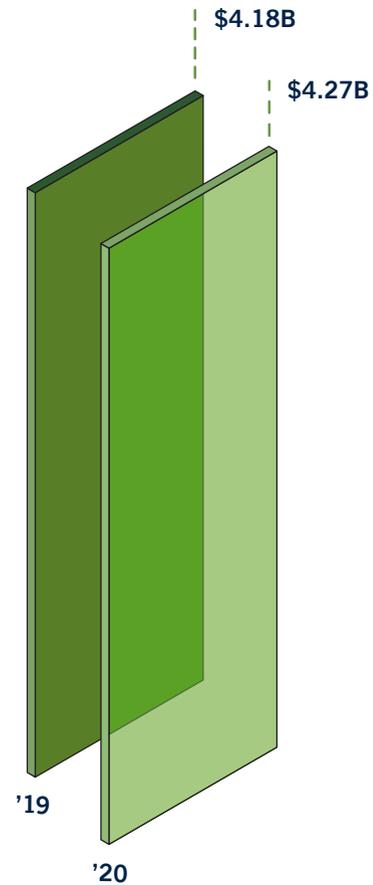
WOOD
1,706,854 LBS

RENEWABLE POWER PROJECT PORTFOLIO¹



PRUDENTIAL'S PORTFOLIO OF RENEWABLE ENERGY GENERATION INVESTMENTS

Private Debt/Equity Renewables Portfolio Market Value



¹ Market Value as of December 31, 2020.

FHA/Agency Multifamily Originations Green Program

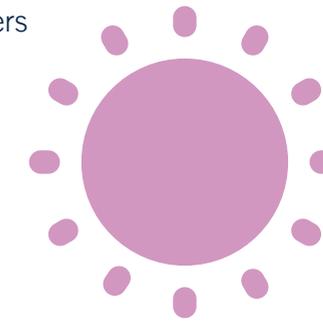
From 2019 to 2020, PGIM Real Estate's FHA/agency multifamily loan production through the green programs increased by 107%. In 2020, 18% of PGIM Real Estate's total FHA/agency multifamily originations have been through green programs compared to 15% in 2019.

- 2020 was PGIM RE's third consecutive year setting a new all-time high in multifamily lending, totaling \$10.9B — led by \$9.6 billion in agency financing, \$3 billion in mission-driven, affordable housing, and \$920 million in manufactured and senior housing.
- Fannie Mae — through its Green Rewards program and PGIM Real Estate's agency lending program — provided its first loan on a large solar portfolio in New York City outfitted with a new Photovoltaic (PV) System, state-of-the-art LG Solar Panels, and Enphase Inverters across the portfolio.

Green Building

PGIM Real Estate invests across all property sectors throughout the United States, including office, retail, multifamily, industrial, storage, senior housing, land and manufactured housing. The business's ESG objectives are to increase operational efficiencies and cost savings, to become a landlord of choice and to align values with stakeholders.

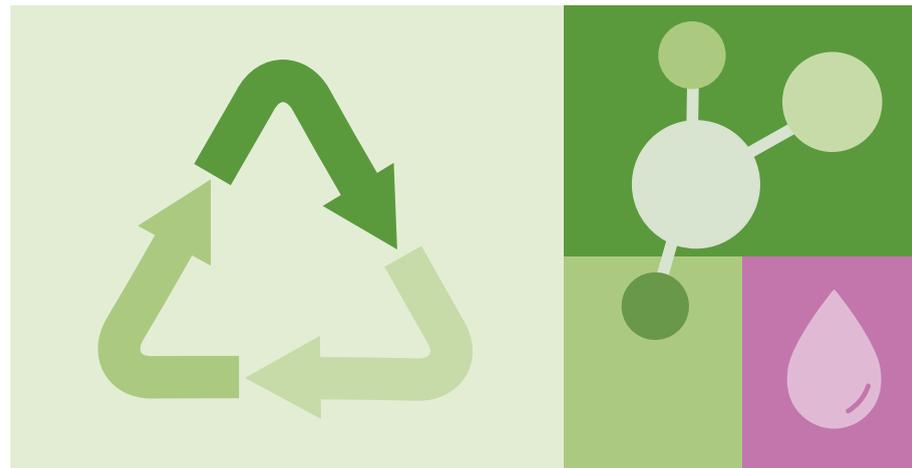
During 2020, PGIM Real Estate completed 18 submissions to the GRESB Real Estate Assessment representing more than 85% of PGIM Real Estate's global AUM as of December 31, 2019. As of December 31, 2020, PGIM Real Estate managed 25.1 million square feet of ENERGY STAR-certified real estate in the U.S. Globally, PGIM Real Estate managed 33 million square feet of LEED-certified and more than 8.5 million square feet of Fitwel-certified real estate. PGIM Real Estate managed a total of 57.8 million square feet of real estate with GRESB-recognized certifications and 22.0 million square feet with GRESB-recognized energy ratings.



EMISSIONS, WASTE, WATER AND RECYCLING

Our global environmental commitment includes a set of quantitative and qualitative targets aimed at reducing overall environmental impact of our operations. Among these targets is a quantitative greenhouse gas (GHG) reduction goal of 65% by 2050 (for U.S. domestic sites initially). This was based on historical GHG data and modeled around a science-based approach to embed rigor and align with best practice. To facilitate consistent reductions over this long-term period, Prudential elected to set interim goals of a 34% reduction by 2030 and 52% reduction by 2040 compared to its 2017 baseline domestic emissions.

In 2020, Prudential quantified greenhouse gas (GHG) emissions from all 34 operationally controlled, corporate owned or leased “Home Offices” and data centers located in the United States, Brazil, Japan, South Korea, and Taiwan. This formal inventory process used 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. Under this approach, Prudential accounted for a significant portion of its Scope 1 and Scope 2 GHG emissions from these domestic and international sites. Prudential maintains an Inventory Management Plan (IMP) which records institutional, managerial, and technical procedures and processes used annually to collect and manage reliable quality GHG data.



PGIM'S MEGATRENDS CLIMATE CHANGE PAPER

PGIM, Prudential's global investment management division, publishes long-term views on the investment implications of global megatrends. [PGIM's Thematic Research group](#) examines secular, macro trends that unfold over years and provides multi-asset investment implications. The team has recently published their latest Megatrend paper, [Weathering Climate Change](#). The paper proposes an actionable climate change agenda for institutional investors, encompassing both hidden portfolio vulnerabilities and potential opportunities in the transition to a lower-carbon world.

It includes the insights of over 45 PGIM investment professionals across fixed income, equity, real estate and alternatives; 30 leading policymakers, scientists and climate change investors; and a new proprietary survey of 100 global institutional investors.

TO FACILITATE CONSISTENT REDUCTIONS OVER THIS LONG-TERM PERIOD, PRUDENTIAL ELECTED TO SET INTERIM GOALS OF A 34% REDUCTION BY 2030, AND 52% REDUCTION BY 2040.

Consistent with previous years, Prudential conducted and reported on a baseline analysis of three greenhouse gases: CO₂ (Carbon Dioxide), CH₄ (Methane) and N₂O (Nitrous Oxide). In 2019, Prudential quantified emissions from refrigerant sources (HFCs) for the first time and included in its inventory:

- Scope 1 emissions are identified as 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 refrigeration/air conditioning equipment use.
- Scope 2 emissions are indirect emissions from acquired electricity, steam, heat and cooling. Prudential does not purchase any steam, heat or cooling.

- Scope 3 emissions in Prudential's GHG inventory include business travel (commercial air transport, intercity rail, employee mileage reimbursements, public transit, rental cars, hotel stays) and fuel and energy-related activities not included in Scope 1 and Scope 2 (FERA). Prudential will continue to assess, gather data, quantify and include Scope 3 GHG emissions for upstream and downstream categories that are relevant and material to its business.

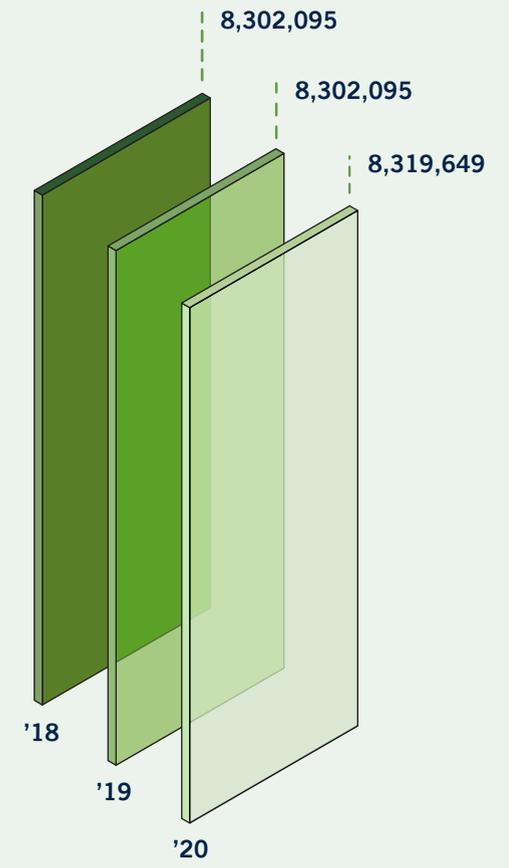
In its continued efforts to ensure the quality and accuracy of its GHG emissions data, Prudential again engaged a third-party verifier (Lloyd's Register Quality Assurance) to review and provide limited assurance of its 2020 Scope 1, Scope 2, and Scope 3 Business Travel GHG emissions.

SUPPORTING THE GLOBAL ENVIRONMENTAL COMMITMENT

In 2020, Prudential invited 100% of its top suppliers to participate in education and reporting with CDP. Response rate for the first year was 58%. Prudential sees this as a first step to help drive reduction in greenhouse gas emissions, safeguard water resources and protect forests. Prudential will invite its corporate partners to participate again and strive for environmental transparency and track progress to a sustainable future.

PORTFOLIO SQUARE FOOTAGE

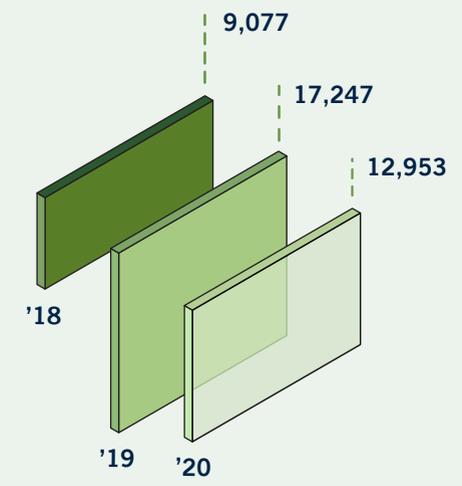
Portfolio Square Footage increased by 0.2% in 2020



GHG EMISSIONS

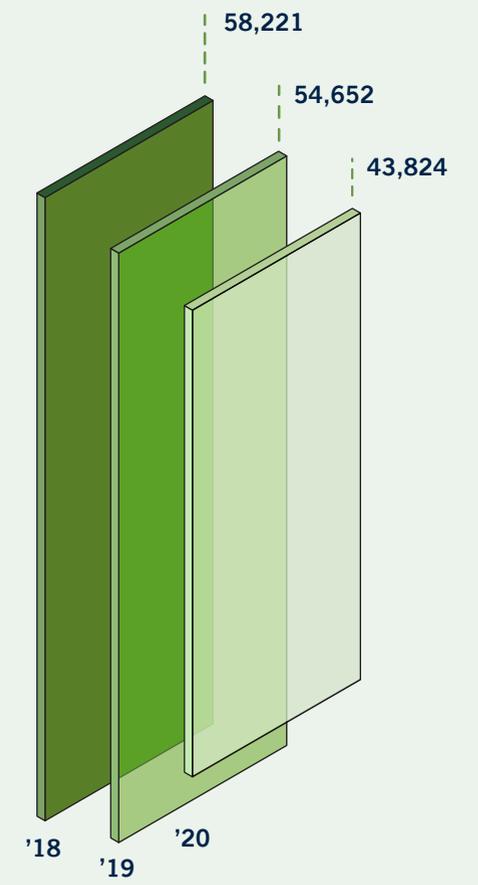
SCOPE 1 (MTCO₂e)

Scope 1 GHG Emissions decreased by 24.9% in 2020



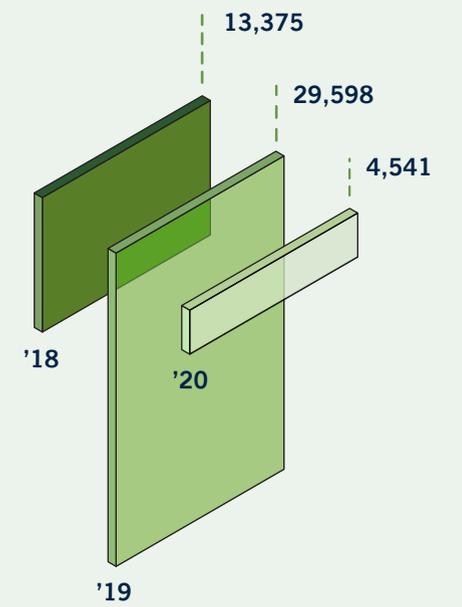
SCOPE 2 (MTCO₂e)¹

Scope 2 GHG Emissions decreased by 19.8% in 2020



SCOPE 3 (MTCO₂e)

Scope 3 GHG Emissions decreased by 84.7% in 2020



¹ Scope 2 location-based emissions are reported above for comparison with historical years.

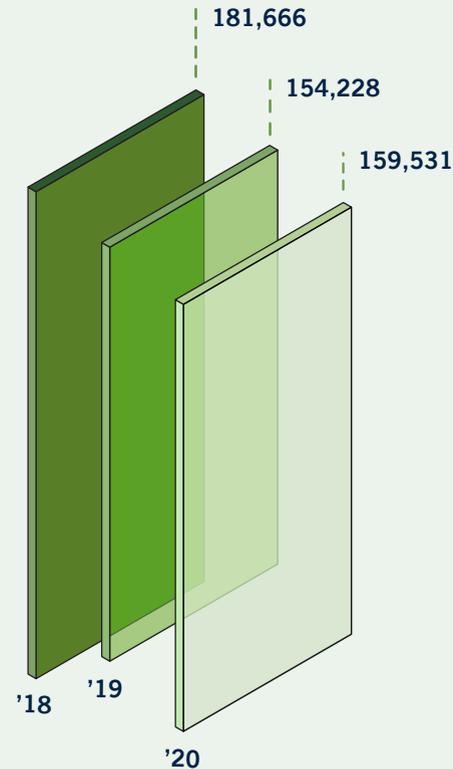




ENERGY CONSUMED

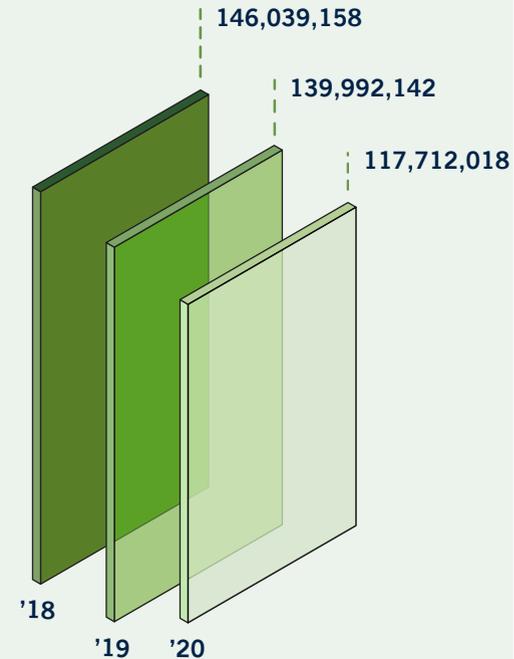
STATIONARY COMBUSTION (MMBTU)

Stationary Combustion Energy Consumed increased by 3.4% in 2020



PURCHASED ELECTRICITY (KWH)

Purchased Electricity Energy Consumed decreased by 15.9% in 2020



Special Note for 2020

With the onset of the COVID-19 pandemic and mandatory lockdowns from mid-March 2020, like other businesses globally, Prudential Financial's staff worked remotely for most of the year (approximately 9 months). Energy use from remote working consequently shifted (i.e., decreasing) GHG emissions from Scopes 1 and 2 (within Prudential's operationally controlled Home Office properties) into Scope 3 (individual homes of its employees which are not under Prudential's control). While compared with previous years, there was a significant decrease in energy consumed and related Scope 1 and 2 emissions from Prudential's operations globally, there was still the need to light and heat/cool office buildings for those required to be onsite.

In complying with health and safety protocols (e.g., Center for Disease Control guidance) to mitigate transmission of the novel COVID-19 virus, Prudential retrofitted air filters within its HVAC systems, increased air flow and daily refreshed the circulated air within its buildings. These activities required "higher than normal" energy use from the HVAC motors to accommodate these enhancements. Business travel was virtually non-existent for most of 2020 due to travel restrictions and border closures, substantially reducing related Scope 3 emissions. All year-over-year energy and GHG emissions comparisons between 2019 and 2020 should be considered within the context of these changes and their effects on Prudential's business during the pandemic.

Performance Highlights

2016

WAS THE FIRST YEAR THAT INTERNATIONAL SITES WERE INCORPORATED INTO PRUDENTIAL'S GHG INVENTORY AND WAS SELECTED AS THE NEW BASE YEAR.

21%

DECREASE IN THE COMPANY'S SCOPE 1 AND 2 GHG EMISSIONS (I.E., ENERGY USED IN BUILDINGS)

85%

DECREASE IN SCOPE 3 EMISSIONS FROM BUSINESS TRAVEL COMPARED WITH 2019

IN 2019

SCOPE 1 EMISSIONS FROM DIESEL USED IN EMERGENCY GENERATORS AT U.S. BUILDINGS, CORPORATE AIRCRAFTS, LEASED VEHICLES FOR EXECUTIVE TRANSPORT, EMPLOYEE SHUTTLES AND BUILDING REFRIGERANTS WERE QUANTIFIED AND ADDED TO THE INVENTORY.

38%

DECREASE IN THE COMPANY'S TOTAL GHG EMISSIONS SCOPE 1, 2 AND 3 (SCOPE 3 INCLUDES EMISSIONS FROM BUSINESS TRAVEL AND FROM FUEL—AND ENERGY-RELATED ACTIVITIES NOT INCLUDED IN SCOPES 1 AND 2)

Normalization by Floor Area

	2020	2019	2018
SCOPE 1-2	0.0068244	0.0086604	0.0081061
SCOPE 1-3	0.0073703	0.0122255	0.0097172
FERA-SCOPE 3 (MTCO ₂ e)	12,948	18,723	18,628
BUSINESS TRAVEL + FERA (MTCO ₂ e)	17,489	48,321	32,003

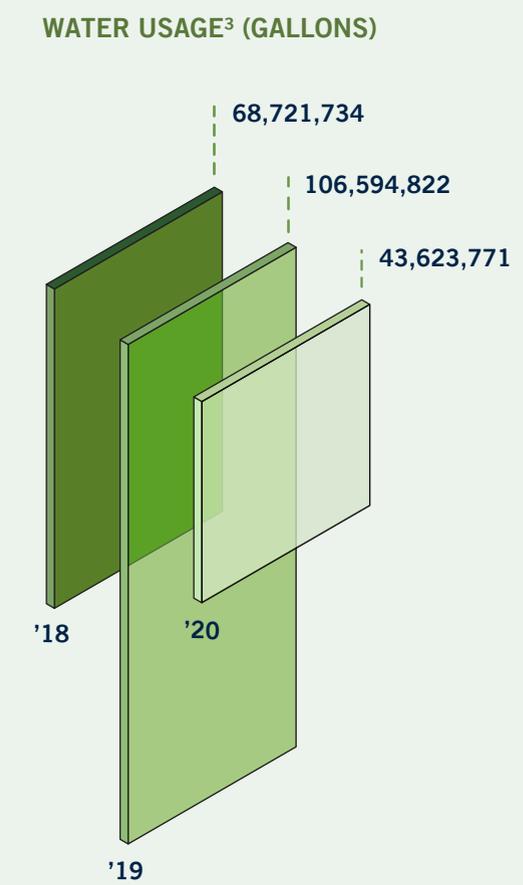
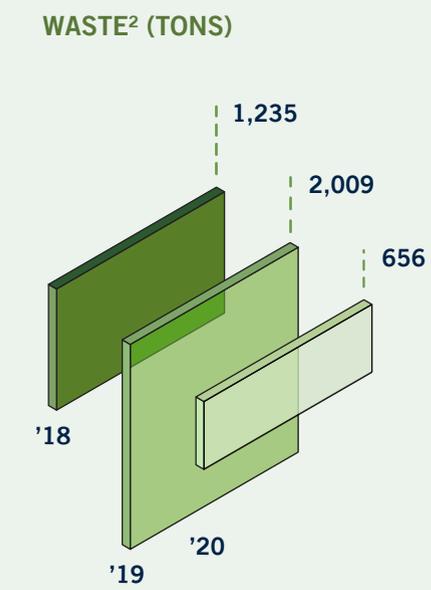
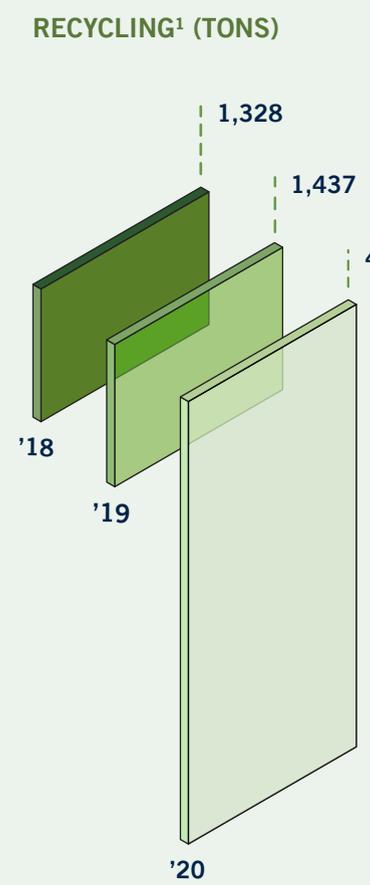
NOTES:

Changes in square footage among 2020 and historical years may be attributed to the following: integrating select international locations (home offices and data centers) that are owned or operationally controlled; the dynamic nature of office space used among the POJ, PGFL and GIB businesses in Japan; and following year-of-year changes between 2019 and 2020:

- 10% increase in Japan's office building floor space with addition of Sanno Park Tower and expansion of PGFL in the Eight One Building
- 30% increase in floor space with the expansion of *Prudential do Brasil Vida em Grupo's* offices in São Paulo



RECYCLING, WASTE AND WATER



1 Recycling increased by 199% from 2019.
 2 Non-recycled waste generated decreased by 67% from 2019.
 3 International & Domestic water usage decreased by 59% from 2019.

Actual data for 2020 was not available for Prudential of Korea, so conservative estimates for waste and water usage were developed using actual 2019 data and prorated for the period Jan.–Aug. 2020.





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- 58 GRI INDEX
- 60 ASSURANCE STATEMENT RELATED TO GREENHOUSE GAS INVENTORY 2020
- 63 FORWARD-LOOKING STATEMENTS

GLOBAL REPORTING INITIATIVE (GRI) INDEX

GRI 102: FOUNDATION 2016

ORGANIZATIONAL PROFILE

DISCLOSURES

102-1 NAME OF THE ORGANIZATION

PAGE # AND/OR URL

[HTTPS://WWW.PRUDENTIAL.COM/ABOUT](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/](https://www.prudential.com/links/about/worldwide-locations/)

102-5 OWNERSHIP AND LEGAL FORM

[HTTPS://WWW.INVESTOR.PRUDENTIAL.COM/HOME/DEFAULT.ASPX?C=129695&P=IROL-IRHOME](https://www.investor.prudential.com/home/default.aspx?c=129695&p=irol-irhome)

102-6 MARKETS SERVED

[HTTPS://WWW.PRUDENTIAL.COM/LINKS/ABOUT/WORLDWIDE-LOCATIONS/](https://www.prudential.com/links/about/worldwide-locations/)

102-7 SCALE OF THE ORGANIZATION

[HTTPS://D18RNOP25NWR6D.CLOUDFRONT.NET/CIK-0001137774/31D1FB8D-FOE4-4986-AA28-E60869A98738.PDF](https://d18rnop25nwr6d.cloudfront.net/cik-0001137774/31d1fb8d-foe4-4986-aa28-e60869a98738.pdf)

102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

[HTTPS://D18RNOP25NWR6D.CLOUDFRONT.NET/CIK-0001137774/31D1FB8D-FOE4-4986-AA28-E60869A98738.PDF](https://d18rnop25nwr6d.cloudfront.net/cik-0001137774/31d1fb8d-foe4-4986-aa28-e60869a98738.pdf)

102-9 SUPPLY CHAIN

[HTTPS://WWW.PRUDENTIAL.COM/LINKS/ABOUT/VENDOR-ENGAGEMENTS](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 “QUANTIFICATION OF RISKS” SECTION

102-12 EXTERNAL INITIATIVES

REVIEW THE “STAKEHOLDER ENGAGEMENT” SECTION

102-13 MEMBERSHIP OF ASSOCIATIONS

REVIEW THE “STAKEHOLDER ENGAGEMENT” SECTION

STRATEGY

DISCLOSURES

102-14 STATEMENT FROM SENIOR DECISION-MAKER

PAGE # AND/OR URL

REVIEW [LETTER FROM CHAIRMAN AND BOARD OF DIRECTORS](#)

ETHICS AND INTEGRITY

DISCLOSURES

102-16 VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOR

PAGE # AND/OR URL

[HTTPS://WWW.PRUDENTIAL.COM/LINKS/ABOUT/CODE-OF-CONDUCT](https://www.prudential.com/links/about/code-of-conduct)

GOVERNANCE

DISCLOSURES

102-18 GOVERNANCE STRUCTURE

PAGE # AND/OR URL

[HTTPS://WWW.PRUDENTIAL.COM/LINKS/ABOUT/CORPORATE-GOVERNANCE](https://www.prudential.com/links/about/corporate-governance)



GRI 102: GENERAL DISCLOSURES 2016 CONTINUED**STAKEHOLDER ENGAGEMENT**

DISCLOSURES	PAGE # AND/OR URL
102-40 LIST OF STAKEHOLDER GROUPS	REVIEW THE “ <u>STAKEHOLDER ENGAGEMENT</u> ” SECTION
102-41 COLLECTIVE BARGAINING AGREEMENTS	0%
102-42 IDENTIFYING AND SELECTING STAKEHOLDERS	REVIEW THE “ <u>MATERIALITY ASSESSMENT UPDATES</u> ” SECTION
102-43 APPROACH TO STAKEHOLDER ENGAGEMENT	REVIEW THE “ <u>STAKEHOLDER ENGAGEMENT</u> ” & “ <u>MATERIALITY ASSESSMENT</u> ” SECTIONS
102-44 KEY TOPICS AND CONCERNS RAISED	REVIEW THE “ <u>MATERIALITY ASSESSMENT UPDATES</u> ” SECTION

REPORTING PRACTICE

DISCLOSURES	PAGE # AND/OR URL
102-45 ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS	HTTPS://D18RNOP25NWR6D.CLOUDFRONT.NET/CIK-0001137774/31D1FB8D-FOE4-4986-AA28-E60869A98738.PDF
102-46 DEFINING REPORT CONTENT AND TOPIC BOUNDARIES	REVIEW “ <u>ABOUT THS REPORT</u> ” SECTION
102-47 LIST OF MATERIAL TOPICS	REVIEW THE “ <u>MATERIALITY ASSESSMENT</u> ” SECTION
102-48 RESTATEMENTS OF INFORMATION	NONE
102-49 CHANGES IN REPORTING	NONE
102-50 REPORTING PERIOD	REVIEW “ <u>ABOUT THS REPORT</u> ” SECTION
102-51 DATE OF MOST RECENT REPORT	REVIEW “ <u>ABOUT THS REPORT</u> ” SECTION
102-52 REPORTING CYCLE	REVIEW “ <u>ABOUT THS REPORT</u> ” SECTION
102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT	REVIEW <u>BACK COVER</u> OF REPORT
102-54 CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS	REVIEW “ <u>ABOUT THS REPORT</u> ” SECTION
102-55 GRI CONTENT INDEX	<u>INDEX</u> OF REPORT
102-56 EXTERNAL ASSURANCE	<u>INDEX</u> OF REPORT

ASSURANCE STATEMENT RELATED TO GREENHOUSE GAS INVENTORY 2020



LRQA Independent Assurance Statement

Relating to Prudential Financial's Greenhouse Gas Inventory for the 2020 calendar year. This Assurance Statement has been prepared for Prudential Financial, Inc. in accordance with our contract.

Terms of Engagement

Lloyd's Register Quality Assurance, Inc. (LR) was commissioned by Prudential Financial, Inc. (Prudential) to provide independent assurance of its Greenhouse Gas (GHG) Inventory for the 2020 calendar year (CY 2020) against the assurance criteria below to a limited level of assurance using LR's verification procedure and ISO 14064—Part 3 for greenhouse gas data.

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 LR only include Business Travel.
 - Year over Year Change in Scope 1 & Scope 2 GHG emissions.

Our assurance engagement excluded Scope 2 GHG emissions from cold water purchased for building cooling, on the basis of their de minimis contribution to the total GHG Inventory.

LR's responsibility is only to Prudential. LR 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.

LR's Opinion

Based on LR'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 of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Tables 1 and 2 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/>

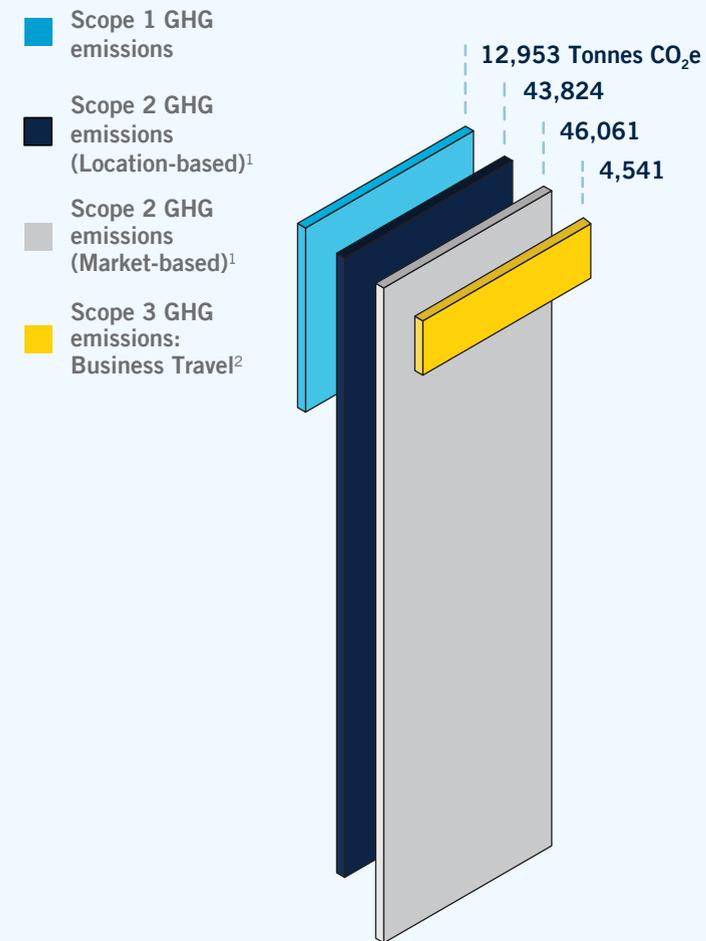
² The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement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



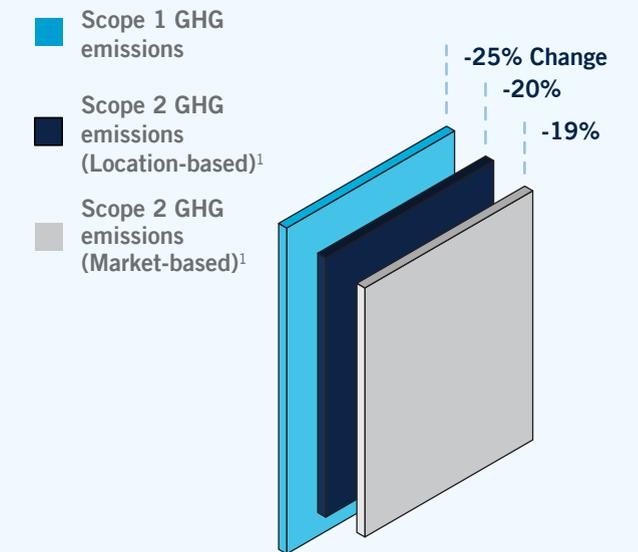
Basis for Qualified Opinion

Prudential has not reported diesel consumption used in backup generators at facilities located outside of the United States (apart from Taiwan). This omission is not material.

SUMMARY OF PRUDENTIAL'S GHG EMISSIONS FOR CY 2020:



SUMMARY OF YEAR TO YEAR CHANGE IN EMISSIONS (2019–2020):



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, Public Transportation including Intercity Rail, Bus and Ferry, Vehicles including employee personal vehicles, rental cars and taxis, and Hotel Stays.



LR's Approach

LR'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;
- reviewing data management systems to confirm there were no significant errors, omissions or mis-statements in the inventory; and
- verifying historical GHG emissions data and records at an aggregated level for the calendar year 2020.

LR's Standards, Competence and Independence

LR 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.

LR 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.

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

 **Brooke Farrell**
LR Lead Verifier

On behalf of Lloyds' Register Quality Assurance, Inc.
1330 Enclave Pkwy, Suite 200
Houston, TX 77077

LR reference: UQA00000952

The level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

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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, including the impact of the COVID-19 pandemic. 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.



2020 ESG REPORT: TRANSFORMATION

Prudential Financial, Inc.