INTRODUCTION

As a leading life insurer and asset manager, Prudential believes that a healthy environment helps us create and preserve value for our customers, employees and investors, and that deteriorating environmental conditions pose unacceptable challenges to our quality of life and our business.

Prudential’s Corporate Governance and Business Ethics Board Committee oversees the company’s overall ethical culture, political contributions, lobbying expenses and overall political strategy, as well as the company’s environmental risk (which includes climate risk), sustainability and corporate social responsibility to minimize reputational risk and focus on future sustainability. 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 delivering value to all 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.

In March 2020, Prudential became the first US insurance company to issue a green bond. This instrument aligned Prudential’s investment and financing activities with our Global Environmental Commitment. Prudential’s Green Bond Framework and the allocation of Green Bond proceeds is governed by Prudential’s Green Bond Council, a sub-council of Prudential’s Sustainability Council.

INAUGURAL GREEN BOND SUMMARY

ISSUER: PRUDENTIAL FINANCIAL, INC.

ISSUE DATE: MARCH 05, 2020

ISSUED AMOUNT: $500 MILLION

INTEREST RATE: 1.5%

MATURITY DATE: MARCH 10, 2026

OUR FRAMEWORK IS ALIGNED TO UN SUSTAINABLE DEVELOPMENT GOALS

We maintain diversified investment portfolios in our General Account to support our liabilities to customers as well as our other general liabilities. The General Account allows us to demonstrate our values via our own investments through the integration of environmental, social, and governance 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, and reduced waste will promote sustainability and resiliency. These considerations are aligned with Prudential’s Responsible Investing Policy.
SUMMARY OF GREEN BOND FRAMEWORK

Prudential’s Green Bond framework was developed in February 2020. It sets out the guidelines for Prudential’s Green Bond issuances in accordance with the 2018 International Capital Markets Association (“ICMA”) Green Bond Principles:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

Consistent with our Green Bond Framework, we committed to publishing an annual use of proceeds report highlighting allocation of proceeds, environmental performance indicators, and project examples. This second Green Bond Report follows the publication of our first annual report in March 2021.

Sustainalytics, an independent provider of sustainability research to institutional investors, issued the second-party opinion on the Framework and its alignment with the Green Bond Principles. Sustainalytics has also reviewed this report and confirmed its alignment with the Green Bond Principles. The second Green Bond Report provides details on allocation of proceeds, impact of the portfolio and examples of projects we have invested in.

2021 ALLOCATION OF BOND PROCEEDS AND IMPACT

Key elements:

**Use of Proceeds:** Renewable Energy and Green Buildings

**Geography:** United States and Canada

**Management of Proceeds:** All Green proceeds were allocated at issuance in March 2020. Prudential remains fully allocated as of March 2022, however underlying investments have changed since our 2021 report. Since last year’s report, a loan in our Green Buildings category has been repaid. Prudential was able to replace this loan with other assets in its Green Bond Portfolio. Remaining assets in the Green Bond portfolio sufficiently cover the $500 million bond issuance. The impact of Green Bond proceeds is now allocated across the remaining assets.

**Environmental Benefit (estimated):** 48,158 tons of avoided carbon dioxide emissions or 96 tons CO₂ per $1 million.

**RENEWABLE ENERGY**

The total proceeds allocated to projects in the renewable energy category was $106.1 million representing a combined total generation capacity of 1,034 megawatts (AC) installed across all renewable energy projects. Renewable energy projects listed generated energy from wind and solar installations. Aligned with SDG 7, investments related to the acquisition, development, manufacturing, construction, operation and maintenance, distribution and transmission of renewable energies (below the threshold of 100 g CO₂/ kWh) are included in this category, such as: offshore and onshore wind, concentrated solar power, solar photovoltaic, tidal, geothermal, and waste biomass.

**GREEN BUILDINGS**

The total proceeds allocated to projects in the Green Building category was $393.9 million across 3 LEED Gold projects representing 1,476,389 square feet. Green Building projects listed are Office property types. Aligned with SDG 11, investments related to existing or new construction/renovation of residential and commercial buildings that have received or expect to receive based on the design, construction or operation plans any of the following certifications: Leadership in Energy and Environmental Design (LEED) Gold or Platinum, Energy STAR (minimum 75), Building Owners and Managers Association (BOMA BEST) Gold or Platinum, Building Research Establishment Environmental Assessment Method (BREEAM) Excellent or Outstanding (or equivalent internationally recognized standards).

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**ALLOCATION BREAKDOWN BY SECTOR**

- **Office:** 79%
- **Wind:** 14%
- **Solar:** 7%

*Includes one wind project with a small amount of solar generation capacity. Notes are not split between the wind and solar facilities.
<table>
<thead>
<tr>
<th>ELIGIBLE CATEGORIES</th>
<th>SUB-SECTOR</th>
<th>LOCATION</th>
<th>INVESTMENT AMOUNT ($M IN BV)</th>
<th>% OF TOTAL</th>
<th>PRUDENTIAL SHARE OF ENERGY PRODUCTION OR SQUARE FOOTAGE ALLOCATED TO GREEN BOND</th>
<th>PRUDENTIAL SHARE OF AVOIDED CO2 EMISSIONS ALLOCATED TO GREEN BOND (tCO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Energy</td>
<td>Wind*</td>
<td>US and Canada</td>
<td>$72.9</td>
<td>14%</td>
<td>82,961 (energy generated in mWh)</td>
<td>21,037</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>Solar</td>
<td>US</td>
<td>$33.2</td>
<td>7%</td>
<td>71,750 (energy generated in mWh)</td>
<td>22,151</td>
</tr>
<tr>
<td>Green Buildings</td>
<td>Office</td>
<td>US</td>
<td>$393.9</td>
<td>79%</td>
<td>1,284,309 (sq footage)</td>
<td>4,970</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>$500.0</td>
<td>100%</td>
<td></td>
<td>48,158</td>
</tr>
</tbody>
</table>

*Includes one wind project with a small amount of solar generation capacity. Notes are not split between the wind and solar facilities.
METHODOLOGY
The Green Bond portfolio comprises $574.8 million of total assets. For reporting purposes, we only show the impact of the $500 million allocated green bond proceeds. This is done using a simple pro-rata allocation of impact across all securities in the Green Bond portfolio.

GREEN BUILDINGS
- Located in Washington DC, built in 2007
- 12-story Class-A office building totaling 392,374 square feet
- First LEED Gold Certification in District of Columbia
- Energy star certified building for energy efficient operations and performance disclosure
- Owned by Oxford Properties Group
- Prudential provided $186 million in acquisition financing

GREEN BUILDINGS: 1101 NEW YORK AVENUE
• Solar Project located in North Carolina
• Developed by Recurrent Energy, a subsidiary of Canadian Solar
• Installed capacity of 75 megawatts
• Estimated to power approximately 12,000 households
• In 2018, Prudential provided $47.25 million in Senior Secured Fixed-Rate Term Notes, $51.22 million in Senior Secured Floating-Rate Bridge Notes, and $8.25 million in Senior Secured Floating-Rate Revolving Notes

RENEWABLE ENERGY
Avoided emissions are estimated using Energy Star’s Energy Efficiency Ratio (“EER”), which compares a buildings actual Energy Use Intensity (“EUI”) versus the predicted energy usage. The difference between these figures is the EUI saved from the building being more energy efficient. This EUI saved is then converted to greenhouse gas (“GHG”) emissions saved (kgCO2e/ft²) using GHG Emissions Intensity data published by each municipality, which is an estimate of GHG emissions produced at each property. The GHG emissions saved are then scaled up for the size of each property (in square feet) to arrive at the total avoided emissions for each building.

RENEWABLE ENERGY
Avoided emissions are estimated using the annual project generation in megawatt hours apportioned to Prudential by our portion of the capital structure. For U.S. based projects, avoided emissions are based on CO2 emissions for fossil fuel projects in the state where the renewable project is located using U.S. Energy Information Administration (EIA) statistics. For Canada based projects, avoided emissions are based on Canada’s generation mix and International Renewable Energy Agency (IRENA) emissions data.
INTRODUCTION

In March 2020, Prudential Financial, Inc. (“Prudential”) issued a green bond (“2020 Green Bond”) aimed at financing and refinancing projects that reduce emissions and improve resource efficiency. The 2020 Green Bond financed projects1 from two categories listed in the Prudential Green Bond Framework (the “Framework”), namely – Renewable Energy, and Green Buildings. In February 2020, Sustainalytics provided a Second-Party Opinion2 on the Prudential “Framework”. In 2022, Prudential engaged Sustainalytics to review the projects funded through the 2020 Green Bond and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Framework.

EVALUATION CRITERIA

Sustainalytics evaluated the projects and assets funded in 2021 based on whether the projects and assets:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Framework.

<table>
<thead>
<tr>
<th>USE OF PROCEEDS</th>
<th>ELIGIBILITY CRITERIA</th>
<th>KEY PERFORMANCE INDICATORS (KPIs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Energy</td>
<td>Financing of generation assets in offshore and onshore wind, concentrated and photovoltaic solar power, tidal, geothermal and biomass energy. Eligibility is met by the following additional criteria: • Projects are to a threshold of 100g of CO₂ per kWh generated • Biomass feedstock will be sourced from waste</td>
<td>• Installed renewable energy capacity (MW) • Estimated annual CO₂ emissions avoided (tCO₂e)</td>
</tr>
<tr>
<td>Green Buildings</td>
<td>Financing for residential and commercial buildings that meet national/international green building standards such as LEED (Gold or Platinum), Energy STAR (75 and above), BOMA BEST (Gold or Platinum),BREEAM (Excellent or Outstanding)</td>
<td>• Floor space of green real estate (sq ft) • Estimated annual CO₂ emissions avoided (tCO₂e)</td>
</tr>
</tbody>
</table>

1 The proceeds’ allocation was made in full in March 2020.
ISSUING ENTITY’S RESPONSIBILITY

Prudential is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

INDEPENDENCE AND QUALITY CONTROL

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Prudential’s Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Prudential employees and review of documentation to confirm the conformance with the Prudential Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by Prudential with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Prudential.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

CONCLUSION

Based on the limited assurance procedures conducted, nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Prudential’s 2020 Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Prudential Green Bond Framework. Prudential has disclosed to Sustainalytics that the proceeds of the green bond were fully allocated as of March 10, 2020.

4 Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

DETAILED FINDINGS

<table>
<thead>
<tr>
<th>ELIGIBILITY CRITERIA</th>
<th>PROCEDURE PERFORMED</th>
<th>FACTUAL FINDINGS</th>
<th>ERROR OR EXCEPTION IDENTIFIED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Proceeds Criteria</td>
<td>Verification of the projects funded by the 2020 Green Bond to determine if projects aligned with the Use of Proceeds Criteria outlined in the Prudential Green Bond Framework and above in Table 1.</td>
<td>All projects reviewed complied with the Use of Proceeds criteria.</td>
<td>None.</td>
</tr>
<tr>
<td>Reporting Criteria</td>
<td>Verification of the projects funded by the 2020 Green Bond to determine if impact of projects was reported in line with the KPIs outlined in the Prudential Green Bond Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.</td>
<td>All projects reviewed reported on at least one KPI per Use of Proceeds criteria.</td>
<td>None.</td>
</tr>
</tbody>
</table>
## APPENDIX 1: ALLOCATION AND IMPACT REPORTING BY ELIGIBILITY CRITERIA

<table>
<thead>
<tr>
<th>USE OF PROCEEDS CATEGORY</th>
<th>PROJECT DESCRIPTION</th>
<th>IMPACT REPORTED(^5)</th>
<th>TOTAL ALLOCATED (USD MILLIONS)</th>
</tr>
</thead>
</table>
| Renewable Energy         | 1\(^6\) solar energy project | • 71,750 MWh of energy produced in 2021  
• 22,151 tCO\(_2\)e emissions avoided in 2021 | 33.2 |
| Renewable Energy         | 2 wind energy projects | • 82,961 MWh of energy produced in 2021  
• 21,037 tCO\(_2\)e emissions avoided in 2021 | 72.9 |
| Green Buildings\(^7\)    | 3 LEED Gold certified office green buildings | • 1,284,309 sq ft of green building space in 2021  
• 4,970 tCO\(_2\)e emissions avoided in 2021 | 393.9 |
| **Total Allocated Amount** |                     |                        | **500.0**                   |
| **Total Unallocated Amount** |                     |                        | **0.0**                     |
| **Total**                |                     |                        | **500.0**                   |

\(^5\) A $500 million Green Bond was raised under Prudential’s Framework for part-financing of a US$ 574.8 million portfolio of assets. Impact calculation have been carried out on a pro rata basis to reflect the Green Bond share of the total investment portfolio.

\(^6\) Number indicates the total number of projects associated with the Use of Proceeds Category.

\(^7\) One loan was prepaid for a LEED Gold certified multifamily project. The Issuer has allocated bond proceeds to a different LEED Gold certified project and removed the multifamily project.

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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