PGIM Fixed Income
Article 10 Transparency Disclosure
for certain separately managed accounts and client mandates
December 2021

INTRODUCTION

PGIM Fixed Income ("**PGIM FI**") integrates environmental, social and governance ("**ESG**") issues into its investment research and decision-making process because PGIM FI believes that ESG factors impact the performance of investment portfolios. This means that we consider the risk/return implications of ESG issues when making or evaluating investments. The manner by which we do this is covered by separate policies operated by PGIM FI and are available on request and at the following website: https://www.pgim.com/fixed-income/environmental-social-governance.

As a signatory to the Principles of Responsible Investment (the "**PRI**"), we are committed to adopting and implementing the PRI. We also recognize that applying the Principles of the UN Global Compact (the "**UNGC**"), the OECD Guidelines for Multinational Enterprises (the "**OECD Guidelines**"), including guidance on Responsible Business Conduct for Institutional Investors, and being guided by the UN Sustainable Development Goals (the "**UNSDG**") may better align investors with broader objectives of society. To this end, the PGIM FI ESG Committee (the "**ESG Committee**") has been established to act as the governing body for directing and overseeing PGIM FI's ESG-related activities, including establishing and overseeing the PGIM FI ESG impact rating framework and maintaining the ESG Restrictions (as defined below) applicable to the Article 8 Products (as defined below).

The EU Sustainable Finance Disclosure Regulation ("**SFDR**") requires certain EU regulated entities (including PGIM Netherlands B.V.) to disclose information on a public website regarding the promotion of environmental or social characteristics by certain financial products. Accordingly, for the purposes of Article 10 of SFDR, this document is the transparency disclosure in respect of certain client accounts managed or advised by PGIM Netherlands B.V. each of which promote environmental and/or social characteristics and are deemed by PGIM Netherlands B.V. to be "**Article 8 Products**". A copy of this document is available at: https://www.pgim.com/fixed-income/sfdr-information.

PGIM, Inc. and PGIM Limited, in each case with respect to its PGIM FI business unit, are electing to voluntarily provide substantially similar disclosure regarding the promotion of environmental or social characteristics by certain client accounts that may be deemed by PGIM, Inc. and/or PGIM Limited, as applicable, to be Article 8 Products.

PGIM FIXED INCOME

PGIM FI'S ESG INVESTMENT PROCESS

Integration of Sustainability Risks

PGIM FI defines "**ESG risk**" and "**ESG opportunity**" as an environmental, social or governance event or condition that, if it occurs, could cause a material negative or positive impact on the financial/economic value of an investment.

Our approach to integrating ESG into our investment process therefore views ESG risk/opportunity from the perspective that certain events or conditions related to ESG factors might cause a material negative or positive impact on the financial/economic value of investments. These credit-material ESG factors are incorporated into the management of the Article 8 Products. Further detail is set out in the Sustainability Risks Integration Policy.

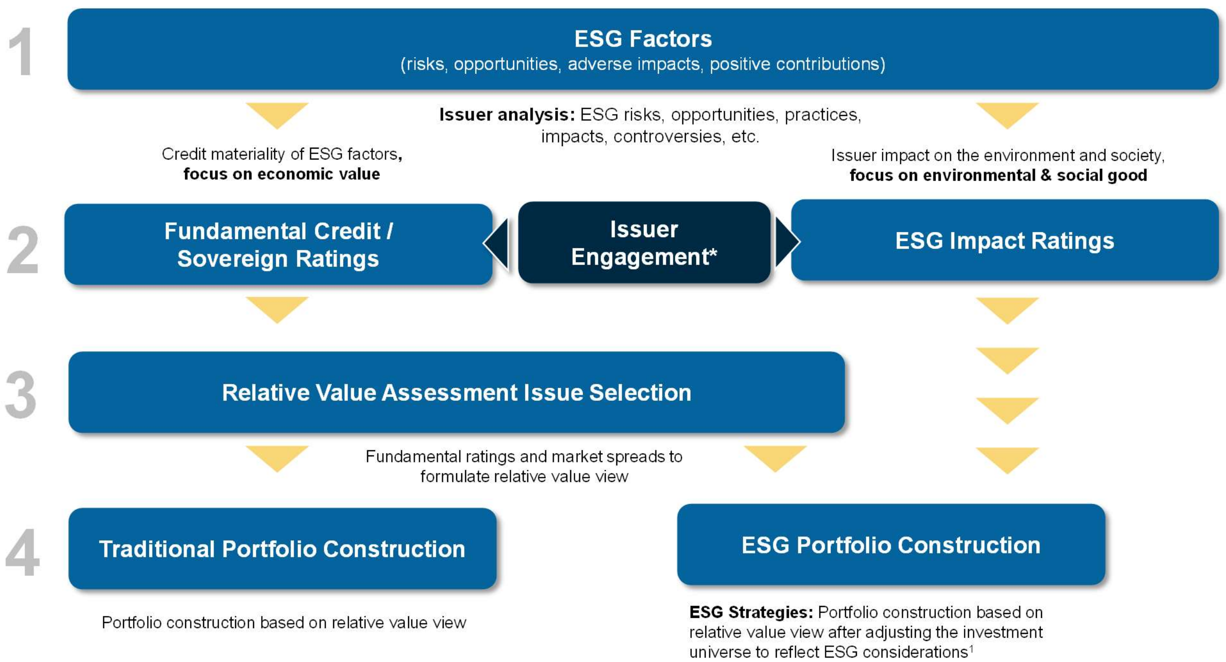
Consideration and Assessment of ESG Impacts

We strive to understand the impacts our investments have on the environment and society. This is achieved by assessing our investments against negative and positive ESG impacts relevant to the industry or issuer. This ESG impact assessment is distinct from our assessment of the risk that ESG events could impact the financial/economic value of investments. Further detail in respect of this process is summarised below and set out in PGIM FI's Principal Adverse Impacts Sustainability Due Diligence Policy ("**PAI Sustainability Due Diligence Policy**").

ESG Impact Ratings Framework

After conducting the assessment described above and in the PAI Sustainability Due Diligence Policy, PGIM FI's investment analysts seek to assign an ESG rating on a 100-point scale in 5-point increments, with 0 as the lowest and 100 as the highest ESG rating ("**ESG Impact Rating**") to an issuer or issue. In assigning an ESG Impact Rating, investment analysts review information which may be provided by the issuer or obtained from third-party ESG research providers and may also consider information from alternative data sources (e.g., NGO analyses, governmental and inter-governmental studies, etc.). This third party research may, among other things, be used to screen our investable universe for specified economic activities and controversies (including violations of the UNGC, a principles-based framework for businesses, setting out ten principles in the areas of human rights, labour, the environment and anti-corruption (the "**UNCG Principles**")); provide information regarding ongoing litigation; provide performance data for a large number of ESG key performance indicators; or otherwise review various ESG issues and risks. In certain instances, it may not be possible or practical to obtain or analyse the information needed to assess and rate each investment and where this is the case our analysts may either make reasonable assumptions in order to rate the particular investments based on, for example, information relating to the particular industry of an underlying issuer or identify the investment as unrated. For the avoidance of doubt, references to "issuers" in this policy means issuer and/or issues, where applicable.

ESG In The Investment Process



** It is important to note that unlike equity investors, fixed income investors have a contractual relationship with a company. Whereas equity holders, as owners, have more direct influence over management.*

In assigning an ESG Impact Rating, the environmental and social issues or “**Sustainability Indicators**” and the negative and positive impacts on such Sustainability Indicators considered by PGIM FI’s investment analysts vary depending on the asset class, industry and/or individual issuer but generally may include, but are not limited to:

Climate and Environmental Sustainability Indicators	Negative/Adverse Impacts	Positive Impacts
Energy use/performance; Greenhouse gas (GHG) emissions	High greenhouse gas emissions; high carbon footprint or carbon intensity; consumption of energy from non-renewable sources	Sustainable sourcing of energy; use of or revenues from renewable energy; practices that improve energy efficiency; R&D in energy efficient products
Waste Management/ Hazardous Materials; Pollution	Generation of and poor management of hazardous and non-hazardous waste; plastic pollution; packaging waste; use of hazardous materials in products	Reducing use of non-recyclable packaging and plastics, Remediation of existing contaminants; lifecycle management of products; new technologies reducing environmental impact

Water consumption and pollution; Air pollution; Ecosystems	Destruction of natural habitats and biodiversity loss; ecosystem damage; high water consumption; water pollution; dust and other particle emissions; noise pollution	Water efficiency solutions; strong chain of custody in supply chains; environmental rehabilitation strategies; land conservation areas and protected endangered species habitat; carbon sequestration

Social Sustainability Indicators	**Negative/Adverse Impacts**	**Positive Impacts**
Human rights; Employee rights/ labour rights; Health & Safety; Community Relations	Modern slavery or forced labour; child labour; irresponsible labour practices; discriminatory exclusion (e.g., against low-income communities or underprivileged segments of society); infringement of rights of local/indigenous communities; poor occupational health and safety	Robust worker training programs; robust worker health & safety policies and controls; local and indigenous community relations; product safety measures; provision of affordable services to underprivileged/ underserved segments of society
Business Conduct	Bribery and corruption; anti-competitive practices; financing of crime, terrorism and other illegal activities; fraud, insider trading and profiteering from access to trade secrets; tax avoidance or abetting tax avoidance	Robust audit and transparency practices; training and human capital development practices; encouraging workforce diversity; protection of privacy and security of customer and personal data

While corporate governance considerations (such as, for example, ownership structures or board effectiveness) are not considered to directly affect an issuer's impacts on the environment and society, they are an important part of the overall evaluation of an investment opportunity and are considered by the investment analysts as part of the credit research and the initial evaluation of an investment.

The ESG Committee provides detailed guidance to the analysts on the environmental and social impacts of issuers and/or issues for 150+ GICS[1] sub-industries. The ESG Committee also provides a detailed governance guidance covering major governance factors and relevance for credit risk analysis and ESG Impact Ratings. Analysts rate issuers based on the severity of the negative sustainability impacts and the issuers' efforts to reduce and minimise negative, as well as enhance positive impacts. Although often informed by quantitative metrics, these ratings ultimately reflect the qualitative judgement of our credit analysts regarding sustainability impacts.

An assignment of a high ESG Impact Rating is generally based on the credibility and ambition of an issuer's strategy to reduce negative environmental and social impacts, and their actual achievements at the time of our analysis. Accordingly, the extent and quality of efforts by issuers to reduce their negative impacts, and to enhance their positive impacts will serve as a differentiator yielding higher ESG Impact Ratings.

[1] Global Industry Classification Standard

Sovereign ESG Impact Ratings have been developed by our Global Economics team, using a quantitative approach with a qualitative overlay to determine a final ESG Impact Rating.

The ESG Impact Rating for currency and derivative contracts referencing a single investment will reflect the ESG Impact Rating of that investment (e.g., U.S. treasury future or U.S. interest rate swap would get the same ESG Impact Rating as the corresponding U.S. treasury). Similarly, a single name sovereign or corporate credit default swap would get the same ESG Impact Rating as the corresponding sovereign or corporate issuer that it references.

For currency and derivative contracts (such as a Euro or High Yield CDX contract) that reference multiple underlying investments, the analysts will assign an ESG Impact Rating to the contract that is based on the average ESG Impact Rating for the underlying constituents within that contract for which an ESG Impact Rating is available.

The ESG Impact Ratings are not an assessment of an issuer's ability to repay debt and are differentiated from our proprietary credit ratings, which focus on seeking to achieve the highest risk-adjusted returns for our clients.

As mentioned earlier, copies of PGIM FI's Sustainability Risks Integration Policy and PAI Sustainability Due Diligence Policy, which set out further information regarding PGIM FI's ESG investment process is available on request and at the following website: https://www.pgim.com/fixed-income/environmental-social-governance.

ESG RESTRICTIONS

PGIM FI applies a range of ESG restrictions in respect of its Article 8 Products which may include and are not limited to restrictions based on third party screening data, exclusion lists provided by a client, and restrictions based on the ESG Impact Rating framework ("**ESG Restrictions**"). By seeking to adhere to these ESG Restrictions in respect of each Article 8 Product, such Article 8 Product will continuously promote the relevant 'Sustainability Characteristics' selected for that Article 8 Product. The relevant 'Sustainability Characteristics' for the Article 8 Products may consist of: climate change mitigation and adaptation, reduction of environmental pollution, protection of biodiversity, elimination of human rights abuses and protection of human rights, elimination of forced and child labour, improvement of occupational health and safety, improvement of human capital management and labour relations, encouragement of diversity and inclusion, promotion of ethical business conduct, and/or elimination of corruption, or others as may be agreed with a client.

In order to monitor and assess the promotion of the relevant 'Sustainability Characteristics', PGIM FI applies a range of Sustainability Indicators as described above.

The specific ESG Restrictions, Sustainability Characteristics and Sustainability Indicators that apply in respect of each Article 8 Product are set out in: (i) the agreement between one of PGIM Netherlands B.V., PGIM, Inc or PGIM Limited, as applicable, and the relevant client; and/or (ii) a separate disclosure document prepared in respect of the relevant Article 8 Product.