



PGIM REAL ESTATE

2018 ESG

ANNUAL REPORT



DOING BUSINESS IN A ROCK SOLID WAY



A+ STRATEGY & GOVERNANCE
2017 & 2018

A PROPERTY
2017 & 2018



SECTOR LEADER
2017 & 2018
Retail, United States, Non-listed

FOUR 5-STAR RATED
2017 & 2018

2nd Place
2018

Industrial, United States, Listed

SEVEN 4-STAR RATED
2017 & 2018

40 GREEN STARS
2014 to 2018



WORLD'S MOST ETHICAL COMPANY

(Prudential) 2015 to 2018



MOST CIVIC-MINDED COMPANY

(Prudential) 2018



LEADING BY EXAMPLE AWARD

(Prudential) 2018



CSR DISTINCTION AWARD

(Mexico) 2012 to 2018

A LETTER FROM OUR CEO

For 49 years, our focus at PGIM Real Estate has been to create exceptional value and deliver outstanding investment performance for our investors and partners by discovering new opportunities within global real estate. Our pioneering investment strategies are now industry standards.

We launched a formal sustainability program in 2008 and have continued to make steady progress over the years. In 2017, we set out to Do Business in a Rock Solid Way for our clients, our people and the communities in which we invest and operate. In 2018, our program evolved from measuring, monitoring and reporting building performance to a fully integrated, global Environmental, Social and Governance (ESG) approach.

We have made bold strides in corporate governance by strengthening our ESG strategy, management and policies to conduct our business with the highest ethics and integrity, to uphold fairness in all of our business relationships, and to ensure the well-being and safety of our employees. We continued to expand our stakeholder engagement programs to increase the positive impact in our global communities, to improve the environmental performance of our operations and to reduce our climate impact. We also underscored our commitment to transparency by increasing the proportion of our assets evaluated by global ESG benchmarking standards such as the Global Real Estate Sustainability Benchmark (GRESB) and the Principles for Responsible Investment (PRI).

As ever, the vision for our 2018 ESG initiative was driven by our fiduciary responsibilities to our investors – while at the same time addressing the needs of our employees, tenants, partners, and the communities in which we operate. With our ESG Policy and framework in place, and with our stakeholders as partners, we will continue to work diligently to Do Business in a Rock Solid Way across all facets of our business. I am proud to share our 2018 ESG Report which highlights our efforts to govern and operate an environmentally and socially responsible real estate investment platform.

ERIC ADLER

CHAIRMAN OF PGIM REAL ESTATE
PGIM REAL ESTATE FINANCE &
CEO OF PGIM REAL ESTATE



TABLE OF CONTENTS

ABOUT THIS REPORT

Since 2008, PGIM Real Estate has published an annual sustainability report to summarize the progress and commitments made within our environmental, social and governance (ESG) objectives. The 2018 ESG Report was prepared by the PGIM Real Estate's Sustainability and ESG teams with support from our corporate sustainability and ESG management consultant who we have engaged to enhance our environmental targets and goals, pursue new health and well-being certifications, and expand our tracking systems for governance and social metrics for all of our global regions. Within the report, references to our parent company, Prudential Financial, Inc., have been made and are indicated using either "PFI" or "our parent company." The qualitative and quantitative data referenced in this report reflect the 2018 calendar year and are illustrated by referencing the Global Reporting Initiative's (GRI) G2016 Guidelines.

“ PGIM Real Estate believes that doing the right thing for our people, the environment and our communities leads to better results for all of our stakeholders. ”

LETTER FROM OUR CEO	5
2018 ESG HIGHLIGHTS	8
REPORTING & DISCLOSURE	86

I GOVERNANCE

OUR FOUNDATION	19
GOVERNANCE & RISK MANAGEMENT	26
ESG PERFORMANCE	29

I SOCIAL

CULTURE	42
PEOPLE	49
COMMUNITIES	52

I ENVIRONMENT

ENVIRONMENTAL RISK MANAGEMENT	64
OPERATIONAL SUSTAINABILITY	68
ENVIRONMENTAL PERFORMANCE	70

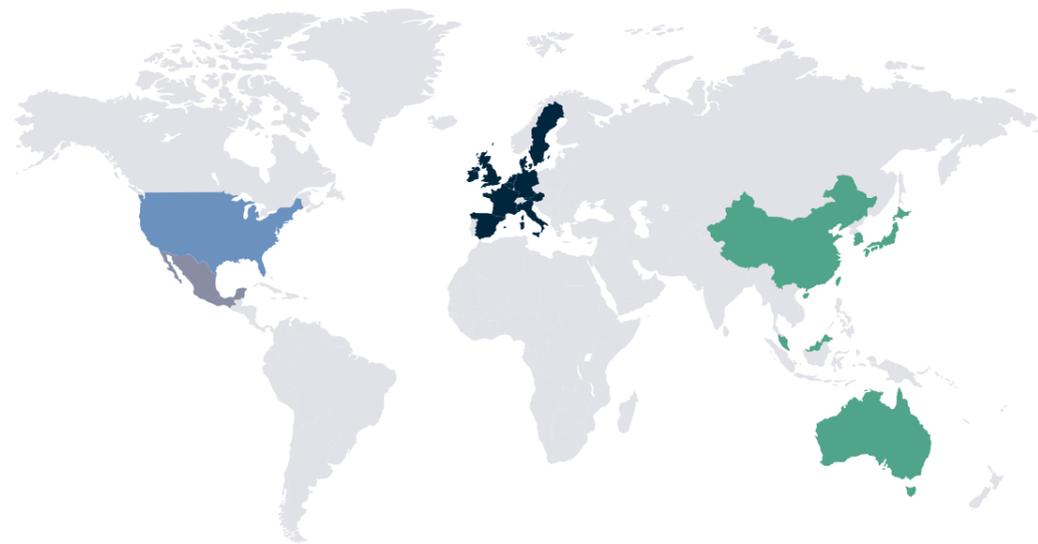
I REGIONAL SPOTLIGHTS

UNITED STATES	14
LATIN AMERICA	36
ASIA PACIFIC	58
EUROPE	84

2018 ESG HIGHLIGHTS

PGIM REAL ESTATE

In December 2018, PGIM Real Estate established its global Environmental, Social, and Governance (ESG) Policy, which applies to the global funds managed by PGIM Real Estate. As an evolution of the Socially Responsible Investment Policy created in 2011, the Global ESG Policy sets forth the foundation and framework within which the company uses its position to influence and encourage appropriate ESG practices.



ESG MISSION

PGIM Real Estate believes that doing the right thing for our people, the environment and our communities leads to better results for all our stakeholders. We strive to embed ESG best practices throughout our real estate investment, asset management, risk management and talent management processes.

OUR COMMITMENT



GOVERNANCE

ESG issues are an important part of our investment analysis and due diligence processes, which include a robust and rigorous underwriting regimen, risk management evaluation and approval processes. We operate within a framework of policies, procedures, principles and practices that were established by our parent company to ensure all of its businesses embrace corporate responsibility, accountability, fairness, ethics and integrity, and transparency in their stakeholder relationships. We report about our ESG program and its progress across our funds to our investors on an annual basis.



OUR PEOPLE

Our people are at the heart of what we do. Each employee plays a vital role in furthering our legacy of innovation and strengthening our culture of performance excellence. We are committed to attracting, developing and retaining the best people in pursuit of our goal to be the real estate employer of choice. In addition, we are committed to doing business with firms that align with our values and adhere to our policy standards. We endorse small business development, including minority and women-owned businesses, market competition, and control of operating costs.



HUMAN RIGHTS

We are committed to the protection and promotion of human rights throughout our company, and in all aspects of our business dealings around the world. Our culture of respect extends beyond our employees, and includes all individuals, including but not limited to independent contractors, interns, volunteers, agents, vendors, clients and customers. We are fully committed to supporting and respecting the protection of internationally proclaimed human rights, and in ensuring the company is not complicit in any abuse of human rights around the globe.



OUR COMMUNITIES

Our parent company engages with internal and external stakeholders to support its achievement of purpose, helping people to grow and protect their wealth, and has always maintained a strong commitment to the global communities in which it operates and invests. In addition to corporate grants and charitable contributions, our employees volunteer time, skills and resources to community organizations and initiatives that increase human potential, individual self-sufficiency, and diversity and inclusion.



ENVIRONMENT

Our environmental commitment is global, and is shared by all employees in all regions. By applying responsible resource reduction strategies, we believe we enhance our environmental performance as well as our investment performance. We advocate for operating practices, materials, products, and construction methods that consider impacts on human health, increase use of sustainable and renewable energy materials, protect habitats and preserve biodiversity, and reduce pollution and CO2 emissions.



2018 ESG HIGHLIGHTS

PROGRAM TIMELINE

2018

- PRI: 2nd consecutive “A+” for strategy and Governance and an “A” for Property
- Earns GRESB Sector Leader—Retail North America Non-listed, and ranked 2nd place—North America Industrial Listed
- 7th consecutive Social Responsibility Award in Mexico
- 75 asset managers attend LEED Green Associate Training to date
- “Virtual Summit” webinars launches in April 2018 covering energy management topics such as power procurement and LED lighting
- Prudential awarded 2018 World’s Most Ethical Companies®, Ethisphere (fourth consecutive year)
- 2018 Civic 50, Points of Light awarded to PFI
- TOIGO Leading by Example awarded to our parent company
- Impact fund dedicated to ESG initiatives launched in the fourth quarter
- 11 Madison—Nominated for the 2019 BOMA TOBY Award (Outstanding Building of the Year)
- Implements updated Global ESG Policy

2016

- Green Lease Leaders Award from the U.S. Department of Energy and the Institute for Market Transformation
- Earns Premios Verde award for SMART Blue in Latin America
- Earns 5th consecutive Social Responsibility Award in Mexico
- Launches new environmental data management platform
- Earns LEED Gold PGIM NYC Office
- Designs 1st rooftop urban farm

2017

- Earns A+ for strategy and Governance and an A for Property from the Principles for Responsible Investment
- Earns GRESB Sector Leader—Retail North America non-listed
- 6th consecutive Social Responsibility Award in Mexico
- Installs 1.4 MW of solar photovoltaic in US
- 1st net zero energy building in Santa Clara, CA
- Creates ESG Workstreams to develop new global ESG strategy
- Urban Land Institute’s Greenprint Center for Building Performance 2017 Greenprint Retrofit Award for the largest number of retrofit projects
- The World’s Most Admired Companies®, FORTUNE®, No. 1 in Insurance: Life and Health
- JUST 100, Forbes and JUST Capital
- 19 SMART Blue® certified properties in Mexico to date

2015

- Earns recognition from US EPA for reduction in water use
- Earns 10 GRESB Green Stars
- Makes 1st Green Mortgage through Fannie Mae
- Earns 4th consecutive Social Responsibility Award in Mexico

2014

- Earns 3rd consecutive Social Responsibility Award in Mexico
- Launches Sustainability Tool Kit

2012

- Earns 1st Social Responsibility Award in Mexico
- Installs 8.9 MW rooftop solar PV in the US
- PFI charters a Sustainability Council
- Establishes SMART Blue green building certification platform in Latin America

2010

- Earns GRESB recognition in Asia
- Hires Global Sustainability Director

2008

- Creates Sustainability Committee
- Issues first sustainability report
- Assesses first green building
- PFI creates Environmental Task Force

2013

- Joins GRESB
- Approves LEED Green Associate Training
- Earns Corporate Responsibility Award from the USGBC-New Jersey Chapter
- Earns 2nd Social Responsibility award in Mexico

2011

- Creates Socially Responsible Investment Policy
- Wins NET IMPACT The Force of Change award
- Launches rooftop solar PV program

2009

- PFI establishes Environmental Commitment
- Joins US EPA Energy Star Portfolio Manager
- Signs the Principles for Responsible Investment
- Creates Sustainable Standard Operating Guidelines
- Submits first fund to GRESB
- CEO joins Greenprint Board of Directors
- Commits to and become signatory of PRI framework



2018 ESG HIGHLIGHTS

OVERALL PERFORMANCE

A+
STRATEGY & GOVERNANCE
PRI RATING

For two consecutive years

A
PROPERTY
PRI RATING

For two consecutive years



Like-for-like 2018 vs 2017

GRESB
1ST PLACE
SECTOR LEADER
North America Retail

2ND PLACE
IN SECTOR
North America Industrial



- 1,264 standing assets
- 244 million SQ FT



- \$21 billion GAV
- 237 million SQ FT

GRESB GREEN STAR DESIGNATIONS ACROSS THE PORTFOLIO

40 GREEN STARS

2013 to 2018

7 FOUR STARS

2017 to 2018

4 FIVE STARS

2017 to 2018

DIVERSITY & INCLUSION



56%

DIVERSITY IN U.S.

Women and men,
people of color,
U.S. employees

TOIGO
LEADING BY EXAMPLE
AWARD

Earned by PFI, 2018

CITIZENSHIP & SOCIAL ENGAGEMENT

YOUTHBUILD

NORTH & LATIN AMERICA

- 56 Events
- 737 Students
- 371 Employees
- 3,500+ Employee Hours

\$28+ MILLION

Amount donated to youth-oriented organizations over the past twenty years by PFI and PGIM Real Estate

868

of charitable/community events hosted or sponsored in 2018

28,100+

of participating employees in charitable/community events in 2018 by PFI and PGIM Real Estate

SOCIAL RESPONSIBILITY AWARD

7 years in a row, Mexico

ENVIRONMENTAL PERFORMANCE



137

GREEN BUILDING CERTIFICATIONS

\$21B GAV, 43.1M SQ FT

87

LEED CERTIFICATIONS

\$13.9B GAV, 30.1M SQ FT

73

ENERGY STAR CERTIFICATIONS

\$11.4B GAV, 24.5M SQ FT

19

SMARTBLUE CERTIFICATIONS

2.8M SQ FT



DATA MANAGEMENT SYSTEM

42% INCREASE

2017-2018

- 1,362 active sites in 2018
- 257.3 million SQ FT total floor area
- 88% of total GFA



REGIONAL SPOTLIGHT UNITED STATES

RANKINGS & CERTIFICATIONS

8/8

2018 GRESB
Green Stars
AND 1 FIVE-STAR &
2 FOUR-STAR RATINGS

125

Green Building
Certified Properties
INCLUDING LEED, NGBS
GREEN KEY ECO-RATING

39.9M

Green Building
Certified GFA

87

LEED Certified
Properties
INCLUDING 25 GOLD
& 5 PLATINUM

73

ENERGY STAR
Certified Properties
AVERAGE SCORE 76.4

COMMUNITY INVOLVEMENT

PGIM Real Estate's Community Engagement program in the United States is focused on three programs: **The Backpack Challenge, Holiday CARES and YouthBuild International.**

The Backpack Challenge

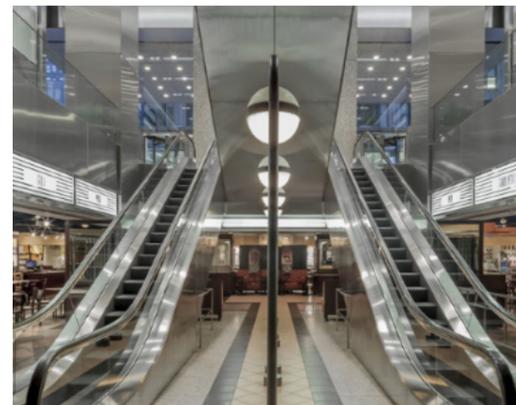
PGIM Real Estate employees stock backpacks with new school supplies for children in the foster care system or living in a shelter to help them get off to a good start at the beginning of each academic year. In 2018, we donated 61 backpacks to West Orange Community House, for a total of 141 backpacks donated since 2016.

Holiday Cares

This program partners with local non-profit organizations and enables PGIM Real Estate employees to provide gifts, toiletries, food and other basic needs to local families and individuals in need, helping them to celebrate the holidays. In 2018, we sponsored 19 families, three more than last year. Our enthusiastic staff donations nearly doubled the program's efforts with gifts for 75 family members; gifts included one therapy dog.

YouthBuild International

Since 2015, the relationship with PGIM Real Estate in the United States has engaged 371 PGIM Real Estate employee participants and 737 YouthBuild participants in 56 regional activities; 44 graduates were employed through PGIM Real Estate or its partners, and over 3,500 PGIM Real Estate employee volunteer hours were logged.



55 EAST MONROE – 2018 LEED GOLD, 2018 WIREScore GOLD

55 East Monroe is a large, mixed-use office tower strategically positioned in the heart of Downtown Chicago. Located one half block west of the world-renowned Michigan Avenue and dynamic Millennium Mile, this property is at the crossroads of Chicago's government, financial, entertainment, technology and residential districts. With numerous tenant amenities and a large conference center, 55 East Monroe provides a creative working environment for growing businesses.

In 2018, it received a LEED Gold certification from The U.S. Green Building Council through its Arc Platform with a score of 78, recognized for sustainable site selection and development, responsible materials selection, waste management, energy efficient design and operations, water use reduction, and enhanced indoor environmental quality. Projects such as lighting conversion of T12 fluorescents to LEDs, ongoing participation in the Siemens MCBx Energy Efficiency Program, monitoring-based commissioning, and an HVAC systems DDC technology upgrade helped increase its ENERGY STAR score from 76 to 82. Additionally, 55 East Monroe is proud to be one of several downtown Chicago properties to achieve the 2018 WiredScore Gold certification for strong internet connectivity, representing one of the most well-connected properties in the entire central business district.

KEY FEATURES

- Arc LEED Gold Score – 78
- ENERGY STAR Score – 82
- WiredScore Gold
- BOMA360 Certified
- Chicago Green Roof – 2010
- Walk Score – 99
- Transit Score – 100
- Bike Score – 82
- Electric vehicle charging stations
- Bike storage
- Fitness center exclusively for tenants
- On-site access to healthy food
- Stunning views of Downtown Chicago, Millennium Park, and Lake Michigan

ROCK SOLID GOVERNANCE

“ Guided by our parent company, PGIM Real Estate is proud to be an award winning, global leader in corporate governance. We operate within a framework of policies, procedures, principles and practices to uphold responsibility, accountability, fairness, ethics and integrity, and transparency. ”

OUR FOUNDATION

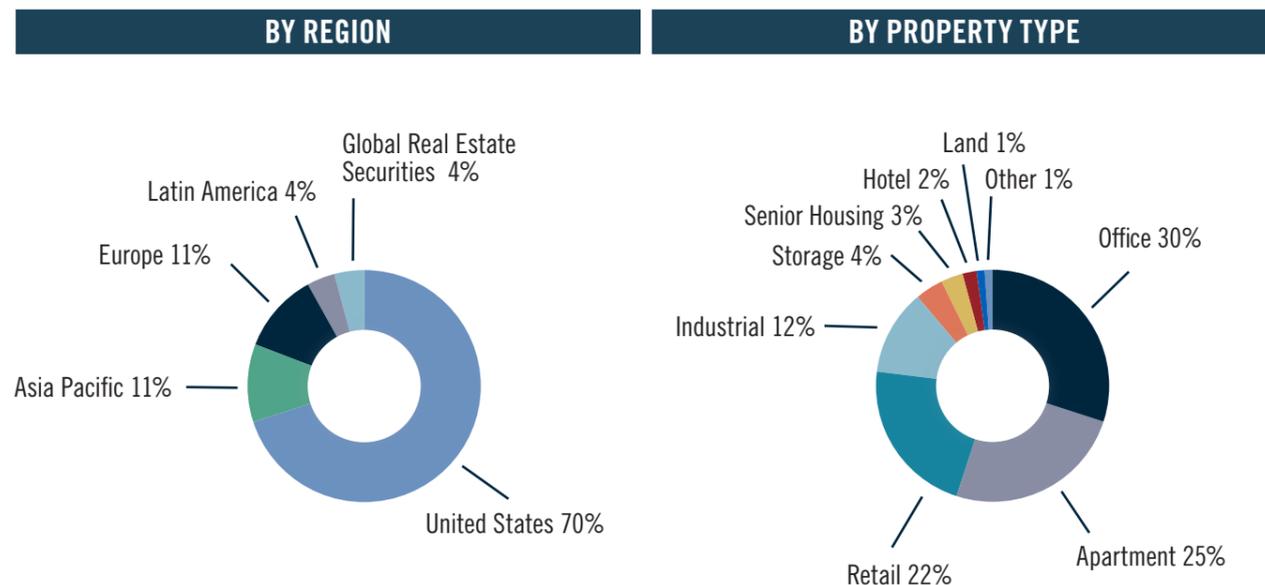
CORPORATE PROFILE

PGIM, the global investment management business of Prudential Financial, Inc. (NYSE), is one of the largest real estate investment managers in the world, with \$168.4 billion in gross real estate assets under management and administration¹. Through its PGIM Real Estate and PGIM Real Estate Finance businesses, PGIM, leverages a 140-year history of real estate lending on behalf of institutional and middle-market borrowers, a 49-year legacy of investing in commercial real estate on behalf of institutional investors, and the deep local knowledge and expertise of professionals in 31 cities across 12 countries around the world¹.

PGIM Real Estate, the real estate investment management business of PGIM, has been redefining the real estate investing landscape since 1970. Combining insights into macroeconomic trends and global real estate markets with excellence of execution and risk management, PGIM Real Estate's tenured team offers to its global clients a broad range of real estate equity, debt, and securities investment strategies that span the risk-return spectrum and geographies.

PORTFOLIO COMPOSITION

PGIM Real Estate invests across all property sectors throughout the United States, including office, retail, multifamily, as well as industrial, storage, senior housing, land and manufactured housing. We are also one of the largest institutional real estate investors in Latin America with a strong track record investing primarily in Mexico, Chile and Brazil across different stages of the real estate cycle. In Europe, we invest in office, retail, residential, hotel and industrial assets in the UK, Germany, France, Austria, Spain and the Netherlands. PGIM Real Estate has also been investing in the commercial real estate markets in Asia Pacific since 1994, predominantly investing in Singapore, Japan and Australia, as well as China, Malaysia and South Korea.



PGIM AT A GLANCE

<p>ESTABLISHED IN</p> <p>1970</p>	<p>\$168.4B</p> <p>GROSS ASSETS UNDER MANAGEMENT (AUM)¹</p>	<p>597</p> <p>INVESTORS¹ ACROSS THE GLOBE</p>
<p>1,558</p> <p>Properties</p>	<p>190M</p> <p>SQUARE FEET⁴</p> <p>TOTAL GFA</p>	<p>Professionals in 31 Cities¹ across 12 Countries¹</p>
<p>1,000+</p> <p>FT EMPLOYEES¹ ACROSS THE GLOBE</p>	<p>93,205</p> <p>Apartment Units</p>	<p>UNITED STATES LATIN AMERICA EUROPE ASIA PACIFIC</p>

GOVERNANCE STRUCTURE

PGIM Real Estate’s governance structure starts with the Global Management Council (GMC), which oversees our governance. The GMC is comprised of members of regional and global committees and councils responsible for executive oversight and risk governance, each with a distinct and clear charter outlining their objectives. These committees and councils include:

- Regional Executive Councils
- Global Operating Risk Committee: Operational and Regulatory Risks
- Global & Regional Investment Committees: Investment Risks
- Global Operating Council: Operational Platform, and Oversight and Management

The senior leadership in PGIM Real Estate focuses their governance efforts on three distinct elements—Structure, Infrastructure, and Talent and Culture.

STRUCTURE	INFRASTRUCTURE	TALENT & CULTURE
<ul style="list-style-type: none"> • Approval Authorities & Delegations • Committees & Councils • Reporting Lines & Organizational Design 	<ul style="list-style-type: none"> • Policies & Procedures • Data • Technology • Communication & Training 	<ul style="list-style-type: none"> • Performance Management & Incentives • Leadership & Talent Development • Culture

The GMC oversees PGIM Real Estate’s ESG objectives and mission, and receives support from the Executive Sustainability Council (ESC). To further expand and accelerate the company’s ESG program, in January 2019, PGIM Real Estate engaged a corporate sustainability and ESG management consulting firm, leveraging their wide range of professionals which includes sustainable real estate expert, energy efficiency engineers and green building certifications specialists.



“ We seek out employees, vendors, and business associates from a deep and diverse pool of accomplished professionals and strive to make PGIM Real Estate an employer of choice. ”

BOARD & MANAGEMENT DIVERSITY

Through our parent company, PGIM Real Estate is committed to diversity and inclusion as evidenced by its Commitment to Diversity statement, signed by the senior most executives of the company. We seek out employees, vendors, and associates from a deep and diverse pool of accomplished professionals and strive to make PGIM Real Estate an employer of choice.

We believe that having diversity of perspective and experiences makes us better investment managers, as well as leading to more impactful and innovative solutions for our global client base. PGIM Real Estate’s Inclusion & Leadership Network (ILN) is an internally-led initiative whose mission is to foster a workplace that attracts, develops, retains and elevates diverse talent through an inclusive organizational culture. It seeks to fully integrate diversity and inclusion programs into leadership, management and talent initiatives and business strategy.



GLOBAL MANAGEMENT COUNCIL

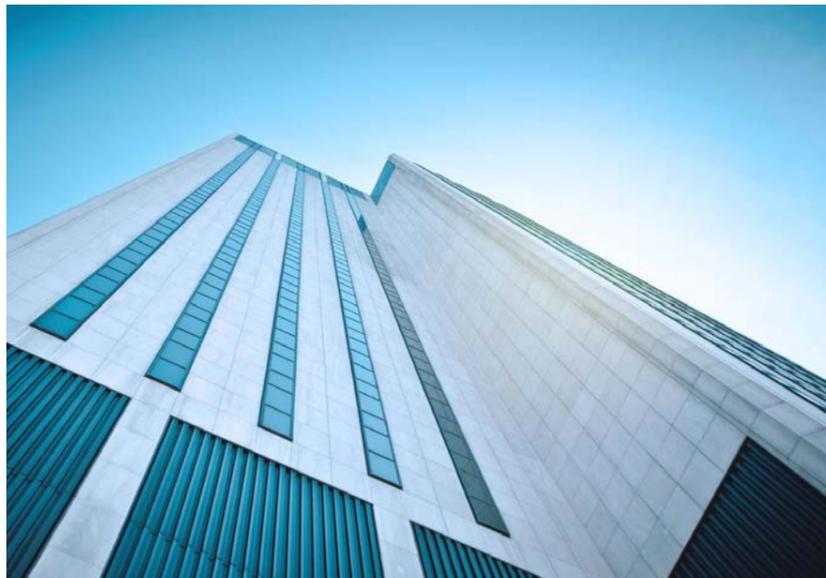


STAKEHOLDERS

Our stakeholders include organizations that are subject to our influence and impact or are identified as part of our value or supply chains. We identify issues that are material to our stakeholders by engaging different groups in a variety of ways: in-person conversations, social media, customer satisfaction surveys, property manager surveys, employee surveys, an annual partner conference, fund advisory councils, frequent ad-hoc investor meetings, disclosure with our fund reports, annual report, ESG reports and press releases. Internally, our stakeholder engagement process has identified economic performance, governance, labor practices and environmental performance as key issues.

OUR KEY STAKEHOLDERS

INTERNAL STAKEHOLDERS	
Our direct employees	
Other PFI employees	
Shareholders	
EXTERNAL STAKEHOLDERS	
Investors	Contractors, their employees, and their trade unions
Joint venture partners	Industry organizations
Property managers	Property brokers
Professional service suppliers	Local government
Communities where our assets are located and/or where we are invested	Society at large
Tenants, their employees, and their interests	



ETHICS POLICIES & PROCEDURES

PGIM Real Estate adheres to the ethics policies and procedures of our parent company's enterprise ethics office, Global Business Ethics & Integrity (GBEI), which has guided and integrated our global business ethics program for over 20 years. We are committed to high ethical standards by facilitating behavior consistent with the company's Code of Conduct, Making the Right Choices. We did not have any significant bribery, fraud or corruption issues in 2018 or in any prior reporting years. In addition, we had no legal actions for anticompetitive behavior, anti-trust and monopoly practices in 2018 or any prior reporting years.

<p>TREAT EMPLOYEES FAIRLY</p> <p>Foster a fair, professional and collaborative work environment</p>	<p>ACT ETHICALLY</p> <p>Act with integrity and make decisions based on a high ethical standard</p>	<p>COMPLY WITH LAWS & REGULATIONS</p> <p>Understand and honor the letter and the spirit of the laws and regulations that apply to PFI's businesses</p>
--	---	---

THE SIX PRINCIPLES OF OUR CODE OF CONDUCT

<p>PROTECT PFI PROPRIETARY INFORMATION & ASSETS</p> <p>Understand that protecting information and assets is critical in meeting PFI's obligation to its customers, employees, sales associates and shareholders</p>	<p>MANAGE RISK</p> <p>Understand that managing risk is PFI's business and the responsibility of everyone associated with PFI</p>	<p>COLLABORATE EFFECTIVELY</p> <p>Instill and maintain trust in dealings with PFI and its customers, employees, sales associates, shareholders and partners</p>
--	---	--

In addition to ongoing activities that support the Code of Conduct, including Ethics Awareness month, GBEI executed several initiatives in 2018. This includes an annual control environment assessment by internal and external auditors, a Code of Conduct and Ethics Refresher training course taken by nearly all of PFI's employees globally, and an Internal Ethical Leadership Conference. In addition, our parent company conducts annual assessments to gauge insight into employee's experiences. The 2018 results reflect a strong and stable ethical culture.

In 2018, the Ethisphere Institute awarded a fourth consecutive World's Most Ethical Companies recognition to our parent company. The distinction honors superior achievements to deliver on the company's promises and adhere to the company's values and principles. In addition, Point of Light named PFI in its 2018 Civic 50 list for being one of the most community-minded companies in the United States.

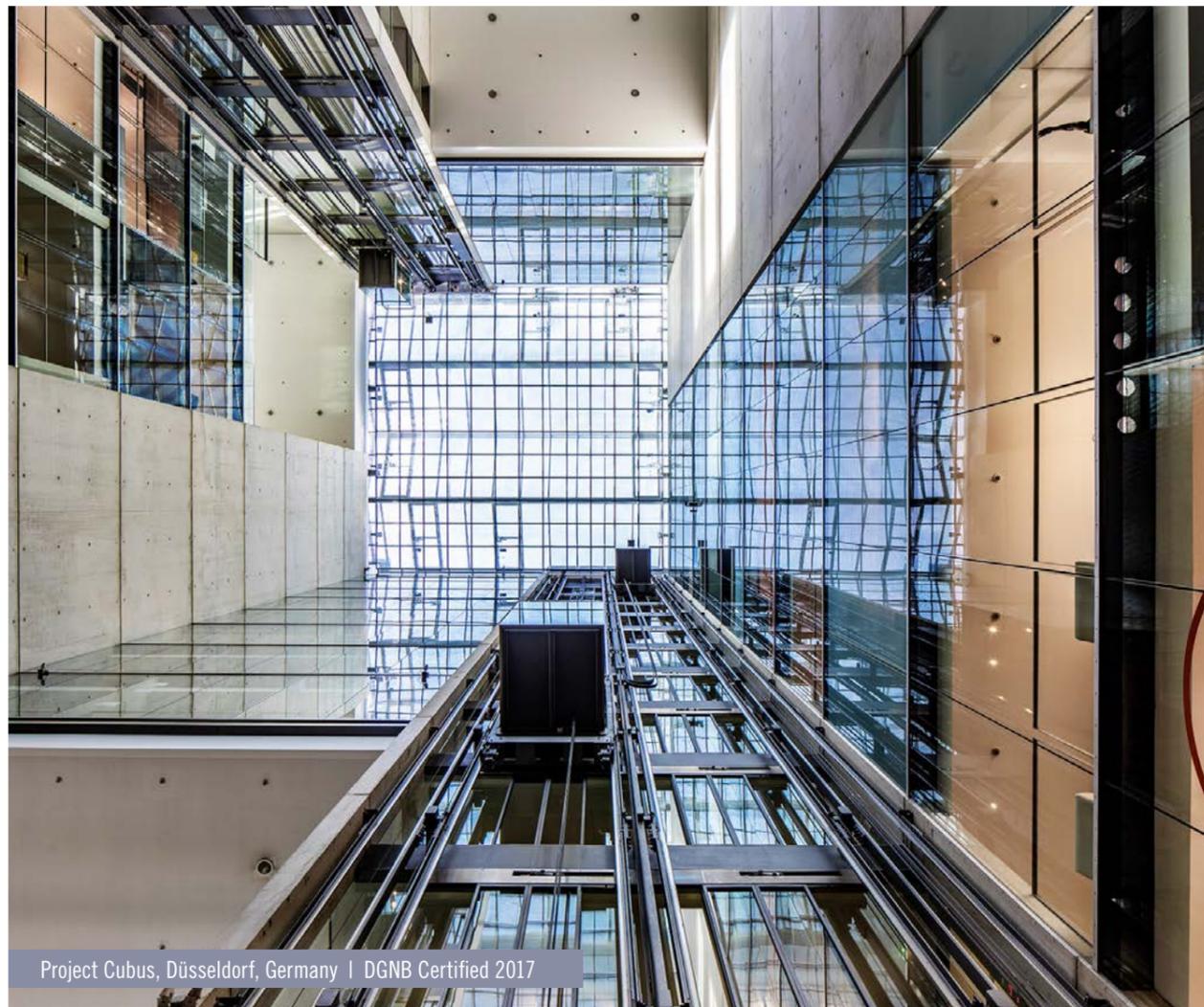


PROCUREMENT & SUPPLY CHAIN

Our commitment to responsible, ethical and sustainable business practices extends to our supply chain and requires suppliers to adhere to the company's Vendor Code of Conduct and Terms of Engagement, including but not limited to the following areas:

- Core Values
- Environmental Responsibility
- Labor Practices
- Anti-Discrimination and Anti-Harassment
- Cooperation in Investigations, Examinations and Audits
- Anti-Bribery/Anti-Corruption/Foreign Corrupt Practices Act

Suppliers are required to report problems such as unethical or illegal conduct, fraud, concerns about accounting or financial reporting practices, breaches of vendor agreements, violations of the Vendor Terms of Engagement, and other problems to PFI's GBEI unit. There have been no significant changes to PGIM Real Estate's supply chain in the last year.



ESG FRAMEWORK

At PGIM Real Estate, we believe that taking environmental, social, and corporate governance factors into consideration can positively impact long-term economic performance. Our ESG Framework is the foundation of our ESG efforts that enables us to set forth key objectives, better measure and record our activities, and showcase our commitment to ESG.



GOVERNANCE & RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

PGIM Real Estate's Risk Management organization works to understand the risk profile of the company and seeks a balance between risk and resources to meet its long-term promises.

▶ RISK MANAGEMENT THROUGHOUT THE INVESTMENT LIFECYCLE

Effective risk management from initial acquisition through ongoing asset management and disposition is carried out by independent risk management teams that focus on investment risk and operating risk. Standard tools and processes are used to manage all facets of risk (real estate, tax, regulatory, and operational) throughout the investment lifecycle. Primary tools include:

Acquisitions — Allocation Committee papers, Investment Committee memos, due diligence checklists, and transaction closing memorandum

Dispositions — Disposition briefs and approvals

Portfolio/Asset Management — Property strategic plans, asset management overview, portfolio reviews, Quarterly Investment Strategy Meetings, and benchmarking and attribution analysis. Reports to clients include adherence to risk metrics.

ESG RISK MANAGEMENT

ESG issues are an integral part of PGIM Real Estate's investment analysis and due diligence processes, including a robust and rigorous underwriting regimen, risk management evaluation and approval processes.



We assess our investments for natural hazard risks and anti-money laundering concerns. We require background checks on our partners to ensure any potential conflicts of interest are identified and vetted. We also routinely consider access to public transportation for proposed urban investments. Additionally, we undertake a regulatory review to ensure every property will comply with all local and national laws, including sustainability standards. Further, we have adopted an asset management protocol designed to maximize value for our investors. As part of that protocol, the Sustainable Standard Operating Guidelines (SSOG) have been implemented to reduce energy use, properties continue to be benchmarked for energy use and assessments are being made to determine how best to improve property performance.

RESPONSIBLE INVESTING

PGIM Real Estate believes a holistic approach to community impact and sustainability can enhance return and drive performance. We have a strong history of investing in transformative development through our value-add platforms, and multifamily housing that includes affordable housing across many funds. Our acquisitions team has sourced numerous inclusionary housing, affordable and multifamily housing, workforce housing, and manufactured housing, along with multifamily, mixed-use, and industrial projects which are transformative in nature. Sustainability components reviewed during the investment decision-making process include:

Existing and potential green certification	Local green requirements	Existing sustainable property attributes
--	--------------------------	--

Since 2010, PGIM Real Estate has invested at least \$3.6 billion of equity in 112 properties that have a component of either transformative development or affordable and multifamily housing. In 2011, we created a Socially Responsible Investment Policy to help guide our investment decision making and management processes. Each investment's sustainability is considered during the underwriting and due diligence phase and is included in the Investment Committee materials and process.



ESG POLICIES & PROCEDURES

We have developed and implemented a detailed set of values, principles, policies and procedures designed to encourage consideration of ESG criteria in the broader context of investment management, ensure compliance with laws and minimize conflicts of interest. In addition, our ESG Policy guides our objectives related to environmental considerations, social responsibility, corporate and fund governance, and disclosure and reporting on ESG progress.

We have a broad range of corporate governance policies and guidelines that support our ESG program. Employees, portfolio managers, asset managers, and other professionals are all regularly trained on many policies and guidelines cover the following topics:

GOVERNANCE ISSUES

- Bribery and corruption
- Data protection and privacy
- Employee remuneration
- Executive compensation
- Fiduciary duty
- Fraud
- Political contributions
- Shareholder rights
- Whistleblower protection
- Antitrust and unfair competition

SOCIAL ISSUES

- Workforce diversity and equal opportunity
- Forced or compulsory labor
- Health and occupational safety (for employees)
- Asset level safety (for tenants)
- Labor-workforce-management relationships
- Employee performance and career development
- Employee satisfaction
- Worker rights
- Human rights
- Social resilience
- Stakeholder engagement for all ESG areas

ENVIRONMENTAL ISSUES

- Energy consumption/management
- Water consumption/management
- Waste management
- GHG emissions/management
- Climate change and resilience

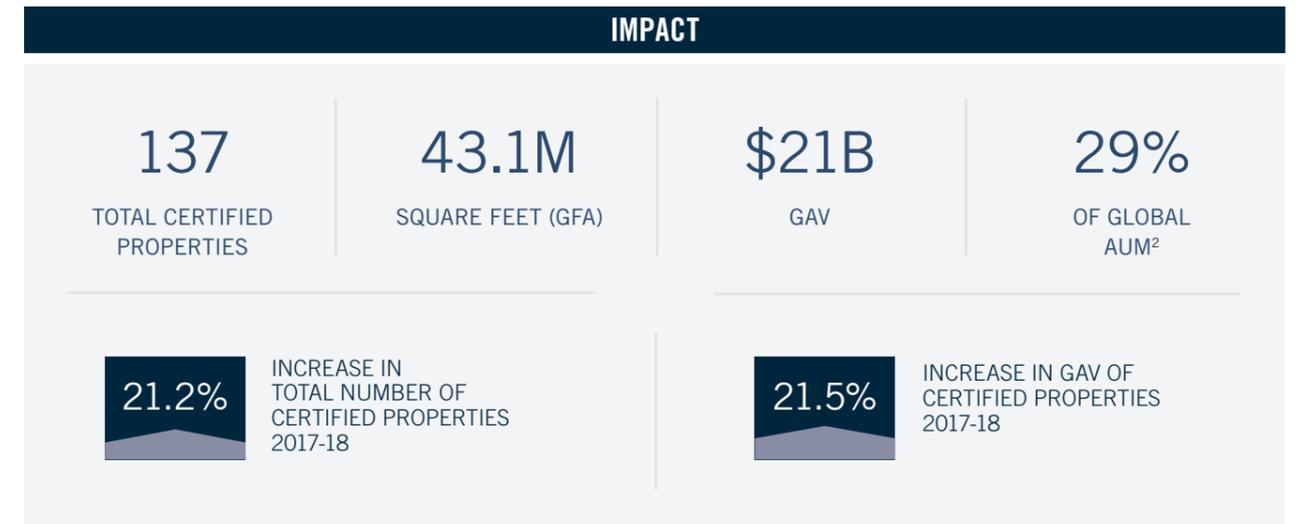
ESG PERFORMANCE

ESG OBJECTIVES



INCREASE OPERATIONAL EFFICIENCIES & COST SAVINGS

The efficacy of sustainability programs can be measured by efficiency improvements such as the reduction in resource use and in outputs such as waste and emissions. Identifying and implementing cost saving retrofit projects can reduce operating costs, maintenance and improve risk-adjusted returns. Building certifications provide a proxy for building performance and may help to mitigate risk. Global building certifications continue to increase in number, area and value. As of the fourth quarter of 2018, certified buildings represented 29% of our global assets under management², excluding debt and securities.





BECOME A LANDLORD OF CHOICE

REDUCE COMMON AREA CHARGES

With some property types, the operational and cost savings identified earlier in the report are shared with tenants, impacting their total cost of occupancy. To help reduce common area costs we have employed efficiency projects and power procurement strategies, where feasible, to better manage rising energy prices, which are again on the rise.

RAISE STAKEHOLDER AWARENESS

Promotes resource efficiency & reduces costs

It is critical to engage with tenants because they are the drivers of resource use at buildings. While many of our property managers provide their own education and tenant guides to promote the efficient use of resources and reduce environmental footprint, PGIM Real Estate has also developed tools and resources to help its tenants improve overall building performance.

PROGRESS:

- 1,362 sites with an active environmental dashboard (as of December 31, 2018)
- 42% increase from 2017
- 75 asset managers trained with LEED Green Associate training to date
- 3,072 (100% of) contractors, managers, and JV partners trained at Sustainability Workshops in Mexico (March 2019)



ALIGN OUR VALUES WITH OUR STAKEHOLDERS

TENANT SURVEYS

To help ensure we meet or exceed the expectations of our tenants, in early 2019, PGIM Real Estate engaged a professional consultant to evaluate tenant views on important topics such as property management, leasing, maintenance, property features and sustainability. The assessment goal is to gauge tenant satisfaction throughout PGIM Real Estate's portfolio to improve performance, increase retention, maximize portfolio value and achieve operational excellence.

PROPERTY MANAGER SURVEYS

To build on our third-party tenant surveys, we capture additional information in our global property manager survey which helps us identify property issues, trends and opportunities regarding tenant and community engagement as well as procurement and sustainability.

PROGRESS:

- 653 property managers responded to annual survey
- 61% increase from 2017
- 8 countries represented
- 50% have dedicated sustainability staff
- 100% have performed an environmental and/or social risk assessment within the past three years
- 27.5% have installed high-efficiency equipment and appliances within the past four years



TRANSPARENCY & REPORTING

PGIM Real Estate is transparent in outlining our ESG program and its progress across our funds. We underscore our commitment to accountability and integrity by voluntarily reporting our ESG progress to the Principles for Responsible Investment (PRI) and the Global Real Estate Sustainability Benchmark (GRESB) as performance markers for assessing and improving our performance, raising awareness with stakeholders and providing our investors with an increasing level of transparency. Our 2018 results from both organizations are detailed below.

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

As a signatory to the Principles for Responsible Investment (PRI) since 2009, PGIM Real Estate has completed the annual PRI Reporting and Assessment survey to evaluate our company-wide ESG efforts. In 2018, for the second consecutive year, we earned, an “A+” for “Strategy and Governance” and an “A” for “Property,” within a 4-6% spread of managers earning an “A+”. PRI’s Reporting and Assessment survey results indicate we are improving our integration of ESG best practices to deliver the highest possible value for our investors.

GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB)

PGIM Real Estate is a member of GRESB, an investor driven organization which assesses and benchmarks the ESG performance of real assets, providing standardized and validated data to capital markets. Since our participation in the first GRESB survey in 2010, we have continued to increase the number of participating funds, including representation from all our global regions, and continue to see improvement in our GRESB scores.

We measure a wide cross-section of funds to evaluate our ESG progress and better assess our overall ESG performance. In 2018, 76.8% of our year-end 2017 assets under management³ were evaluated using the GRESB survey to track our advances and identify new opportunities to improve performance. 2018 reporting included over 244 million square feet across 1,264 assets valued at more than US \$53.5 billion³ (up from US \$49 billion).

Governance

62% of our portfolio (by gross floor area) scored above their peers, which were buoyed by our consistently strong performance in Governance. Our portfolio scored seven points above our peers. In Social, we scored two points under the curve, and in Environmental, we have room for improvement at four points under the overall peer average. Features include:

- Comprehensive ESG Objectives
- Strong ESG business strategy, particularly with a strong team of decision makers
- High scores in Management and Policy
- Robust ESG factors with performance targets that apply to asset managers, the sustainability team, compliance and human resources
- Top performers scored exceptionally well with at least 24 points more than their peers

Stakeholder Engagement

In Social, two Latin American funds scored exceptionally well with 21 points and 37 points above their peers. Our participating funds also stood out from their peers in Health and Well-being, in areas such as employee satisfaction, access to regular health and safety checks, occupational health and safety indicators, and positive impact in our communities. Notable areas of positive impact in our communities include affordable housing, impact on crime levels, livability and walkability scores, generation of local income, well-being of local residents, and youth-oriented training and partner employment.

2018 GRESB RESULTS

- 16 Real Estate submissions, 1 Real Estate Debt submission and 1 Pre-Assessment submission
- 1 Sector Leader in the Americas
- 1 – Five Star rated submissions
- 4 – Four Star rated submissions
- 13 Green Star designations, 97% by floor area of standing assets assessed

- 5 funds ranked in the top 10, 3 ranked in the top 5 in their peer groups
- Participating funds valued at more than \$53.5 billion³ as of December 31, 2017, up from \$49 billion
- Participating funds represent 76.8% of gross assets under management as of December 31, 2017³

2018

Submits 18 funds to GRESB (76.8% of AUM³)
 Earns 1 Sector Leader – North America Retail Non-listed, and ranked 2nd in North America Industrial Listed sector, 1 – Five Star rated, 4 – Four Star rated and 13 Green Stars

2017

Submits 17 funds to GRESB (75% of AUM)
 Earns 1 Sector Leader – North America Retail Non-listed, 3 – Five Star rated and 12 Green Stars

2016

Submits 16 funds to GRESB (72% of AUM)

2015

Earns 10 GRESB Green Stars

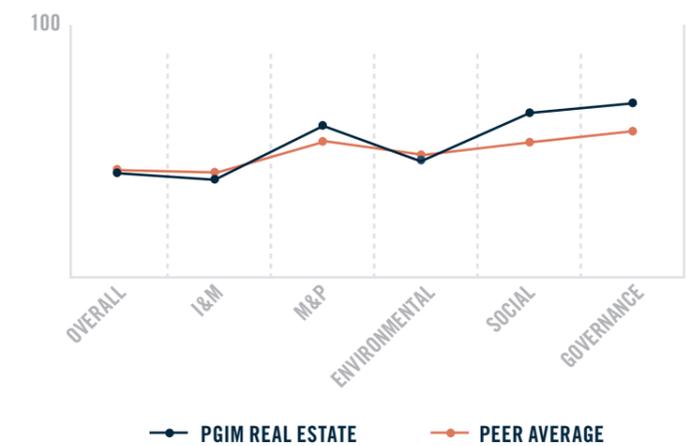
2013

Joins GRESB

2010

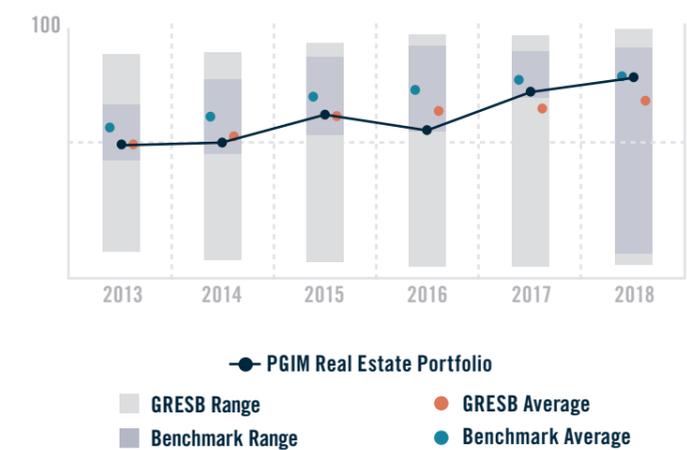
Reports to GRESB for first time (2009 performance) and earns GRESB recognition in Asia

GLOBAL PORTFOLIO OVERALL GRESB SCORES



PGIM REAL ESTATE (black line), PEER AVERAGE (orange line)

YEAR BY YEAR GRESB PERFORMANCE



PGIM Real Estate Portfolio (black line), GRESB Range (grey bar), Benchmark Range (light blue bar), GRESB Average (orange dot), Benchmark Average (blue dot)

PARTNERSHIPS & INDUSTRY ENGAGEMENT

Our firm partners with organizations focused on developing corporate leadership in sustainability, as well as environmental, social and governance issues. Through these engagements we learn from our peers, stay at the forefront of best practices within our industry and other sectors, and help to accelerate collective progress towards sustainability.

United Nations Sponsored Principles for Responsible Investment (UNPRI)

Pension Real Estate Association (PREA)

Global Real Estate Sustainability Benchmark (GRESB)

U.S. EPA's ENERGY STAR® (Partner)

U.S. Green Building Council (USGBC)

ULI Greenprint Center for Building Performance

CERES Investor Network on Climate Risk*

Signatory of the Geneva Association's Statement on Climate Risk*

Task Force on Climate-related Financial Disclosures (TCFDs)*

PARTNERSHIPS



*Partner and signatory to our parent, Prudential



CASE STUDY

RESPONSIBLE, IMPACT INVESTMENT

PGIM REAL ESTATE'S IMPACT INVESTMENT PLATFORM

In 2018, PGIM Real Estate established its dedicated impact investing strategy, which invests in affordable and multifamily housing, and transformative developments with positive social and environmental impacts that benefit low income people. PGIM Real Estate believes that a holistic ESG approach to community impact and sustainability can drive performance and enhance returns. Moreover, we believe we can create value by finding opportunities in underinvested areas and in markets that are transitioning and mitigate risk through public private partnerships.

FLAGSHIP PROJECT: THE VALE

Announced in January 2019, The Vale is an impact-oriented project in which PGIM Real Estate has partnered with Urban Atlantic, Hines and Triden. The 301-unit apartment building with 18,300 square feet of retail on Georgia Avenue is one of the first ground-up projects to commence at The Parks at Walter Reed Master Development, which exemplifies advances in energy efficiency and green technology. This historic military medical campus will be transformed into an inspiring, mixed-use, mixed-income neighborhood totaling over 3.1 million square feet of new construction and adaptive reuse of existing structures, celebrating city living in a park setting. Serving as a key investment partner in this major urban development, PGIM Real Estate is playing a key role in collaboratively developing one of Washington D.C.'s best new neighborhoods.



The Vale, Washington D.C.

RESPONSIBLE INVESTMENT & OPERATING POLICIES

In 2011, PGIM Real Estate created a Socially Responsible Investment Policy to help guide our investment decision making and management processes. The sustainability of each investment is assessed during the underwriting and due diligence phase and is included in the Investment Committee materials for review. Sustainability criteria include existing or potential to obtain green certification, existing sustainable property attributes, local green requirements. Furthermore, PGIM Real Estate developed Sustainable Standard Operating Guidelines (SSOGs) that have been distributed to property managers globally. These guidelines ensure that potential sustainability improvements are considered by our asset and property teams during the annual budget process to support our larger ESG goals.



REGIONAL SPOTLIGHT LATIN AMERICA

GRESB PERFORMANCE

PGIM Real Estate's North American retail fund earned GRESB sector leader for second year in a row, and the North American industrial fund came in second place in its peer group.

2nd
GRESB SECTOR
LEADER IN 2018

PROGRAM INNOVATIONS

SMART BLUE: A SUSTAINABLE BUILDING CERTIFICATION PLATFORM FOR EMERGING MARKETS

In 2012, PGIM Real Estate created a proprietary environmental management and sustainable building certification platform called SMART Blue, bridging the gap between no certification and a local and complicated third-party certification. SMART Blue is segmented into five areas – Energy, Water, Waste, Social Responsibility/Quality of Life, and Risk Prevention. SMART Blue helps us to reduce asset operating costs, as well as prepares our properties for future third-party certification, such as LEED, as the demand for green buildings in emerging markets matures. In addition, through the SMART Blue education requirement, over 2,000 construction and building professionals have been trained in green building practices.



In 2018, we self-certified 19 buildings covering more than 2.8 million square feet. The extra cost of a green building construction in Mexico ranges between 0 and 6%, with a simple payback of three to five years. It is estimated that LEED certified buildings can achieve a savings of 13% for operations and maintenance. SMART Blue certification did not impede construction schedules. While additional time for planning up front was required, the total development time did not change.

SMART BLUE BENEFITS	
5%+ energy savings	21 tons of wood, paper and cardboard, metal, glass, and plastic diverted from landfills
20% to 40% water savings / 130,000+ gallons (500 m ³) annually	Reduced carbon dioxide in the atmosphere
127+ tons of recycled steel used for reinforcing bars	47% financial savings from reuse of construction materials

*When compared to standard construction

EDUCATION & TRAINING

SUSTAINABILITY WORKSHOPS: 10TH ANNIVERSARY

Our internal green building certification program, SMART Blue, requires our contractors and sub-contractors to receive training in best practices in green construction. Between 2008 to 2019 we have trained over 400 PGIM Real Estate employees and over 600 joint venture partners, developers and property managers in green building practices and ESG performance. Through our workshops, we and our industry colleagues are better prepared to identify new innovations and trends, reduce operating expenses to help meet our financial goals and add value to assets, build long-term value for our clients and our organization, drive positive change in an emerging market, and help to transform green building in Latin America. The workshops covered the following topics:

- 2019—Building Resilience & Engaging Stakeholders in Real Estate
- 2018—Making the Business Case for ESG and Real Estate Investment
- 2017—Improving Real Estate Value with Sustainability Investments
- 2016—Environmental, Cultural, Economic and Social Sustainability in Real Estate in Mexico
- 2015—Step by Step Path Towards Sustainability
- 2014—Sustainability Give Thought, Take Action
- 2013—Sustainable Building Efficiency and Certifications Update
- 2012—Sustainable Minds
- 2011—PREI Sustainability JVP Workshop
- 2010—Enfoque Práctico de Sustentabilidad en Bienes Raíces
- 2009—Sustainability Providers Fair

COMMUNITY INVOLVEMENT

YOUTHBUILD MEXICO

We have a strong YouthBuild program in Mexico where we host educational and developmental events for YouthBuild students, including property tours and mock interview days. We also offer a mentoring program where PGIM Real Estate employees provide coaching and support for YouthBuild students on topics such as property management and construction. In 2018, 18 students participated in a recruitment panel with PGIM Real Estate portfolio managers and were introduced to real estate partners for job opportunities.

EARTHQUAKE RECOVERY HOME BUILDING PROJECT

In March 2018, PGIM Real Estate employees volunteered to help rebuild homes for local families who suffered during the 2017 earthquake in Atlixo, Puebla. The initiative set out to build pre-fab homes that could be constructed in three days. PGIM Real Estate volunteers initially built the first three homes with the friends and family that would inhabit the home, creating an emotional connection to the community. The initial three house target was exceeded with 27 homes built in total, which was made possible by the triple-funding match provided by our parent company and the 30 people who contributed their time to the project.



Earthquake Home Building Project

CASE STUDY

NUEVO SUR MEXICO

PROPERTY FACTS

LOCATION: Monterrey, Nuevo Leon, Mexico
PROPERTY TYPE: Lifestyle Retail Center, Open Air, Multifamily
YEAR BUILT: 2014
PROJECT CLASSIFICATION: Energy projects including building automation systems, lighting retrofit, water BPM, waste segregation

The Nuevo Sur is a significant mall development comprised of:

- 79 tenants
- 10 residential towers
- 1 hotel
- 2 office buildings



SUSTAINABILITY OUTCOMES

- Tenant satisfaction (satisfaction with property management, leasing experience and renewal intentions) was improved
- A new Tenant Engagement Program will be implemented in 2019
- Campaigns about the sustainability initiatives at the mall created support from the tenants and visitors
- The success of the programs garnered more commitment from our stakeholders
- The sustainability strategies directly benefit more than four million visitors annually
- Similar sustainability actions are being applied in new retail acquisitions to continue improving tenant satisfaction, as well as overall ESG outcomes



The sustainability projects implemented in 2017 and 2018 have increased the number of visitors, and have an estimated annual operating cost savings of US\$24,000.

SUSTAINABILITY INITIATIVES

In November 2016, a green building assessment was conducted at Nuevo Sur to detect sustainability performance including energy, water, wastes and social opportunities. In 2017 and 2018, PIIMA, PGIM Real Estate’s Latin American sustainability consultant, and joint venture partner CBRE, implemented the following initiatives:

ENERGY	WATER	WASTE	SOCIAL
<p>Parking facility lighting control and automation with photocells, LED replacement, installation of capacitor banks, installation of sun visors on cooling systems (chillers) and correction in the installation of physical grounds to avoid energy leaks.</p>	<p>As of fourth quarter of 2018, due to the installation of water saving initiatives, the mall has reduced water consumption, saving more than 4,500 m3, equivalent to the water in 1.8 Olympic-sized swimming pools.</p>	<p>Primary waste segregation was achieved throughout the mall, recycling more than 67 tons (or 134,000 pounds) of cardboard.</p>	<p>The “Adoptaton” adopt-a-dog initiative has been held within the mall for four consecutive years, helping reduce the number of stray dogs in the community and increasing social engagement of mall clients in the plaza.</p>





HUMAN SOCIAL CAPITAL

OUR CULTURE, PEOPLE & COMMUNITY

“ Each employee plays a vital role in furthering our legacy of innovation and strengthening our culture of excellence. We are committed to attracting, developing and retaining the best people in pursuit of our goal to be the real estate employer of choice. ”

CULTURE

WORK ENVIRONMENT

One of PGIM Real Estate’s guiding principles is to build a strong and durable organization, focusing on promoting a culture of interdependence, accountability, performance, inclusion and diversity.

Our parent company’s core values are the principles that guide us. For example, our Code of Conduct, Making the Right Choices, holds all employees accountable for demonstrating a strong moral compass in every aspect of their work in every part of the world. Our employees are regularly trained and refreshed on the policies, guidelines and procedures relevant to their business function.



SWELL, Bac d’Asnieres, Clichy, France



HEALTH & WELLBEING

We follow PFI’s Health and Wellness’ strategy with the goal of empowering individuals, organizations and communities to reach their greatest potential across all dimensions of health: physical, emotional, social, spiritual, and financial. In support of the larger wellness strategy is our parent company’s Health Management plan, which includes resources to help employees achieve their health and wellness goals across a wide variety of options. Support includes nutrition plans, fitness routines and access to medical and behavioral health professionals 24 hours a day, seven days a week to assist employees with any issues or to provide answers. Our parent company is also committed to helping minimize work function limitations related to a disability or impairment through workplace accommodations. Employees also have the option of taking the WebMD HealthQuotient (HQ) health risk assessment that can provide the information to monitor their health and become eligible for PFI’s Wellness Incentive.

HEALTH & WELLBEING INITIATIVES PLANNED FOR 2019

WELL CERTIFICATION PILOT

DEVELOP AND IMPLEMENT A COMPREHENSIVE HEALTH & WELLBEING PROGRAM

FITWEL CERTIFICATION PILOT

DEVELOP AN EDUCATION AND TRAINING PROGRAM FOR STAKEHOLDERS

HIRE CONSULTANT TO EVALUATE AND PROVIDE HEALTH & WELLBEING RECOMMENDATIONS

HUMAN RIGHTS & SAFETY

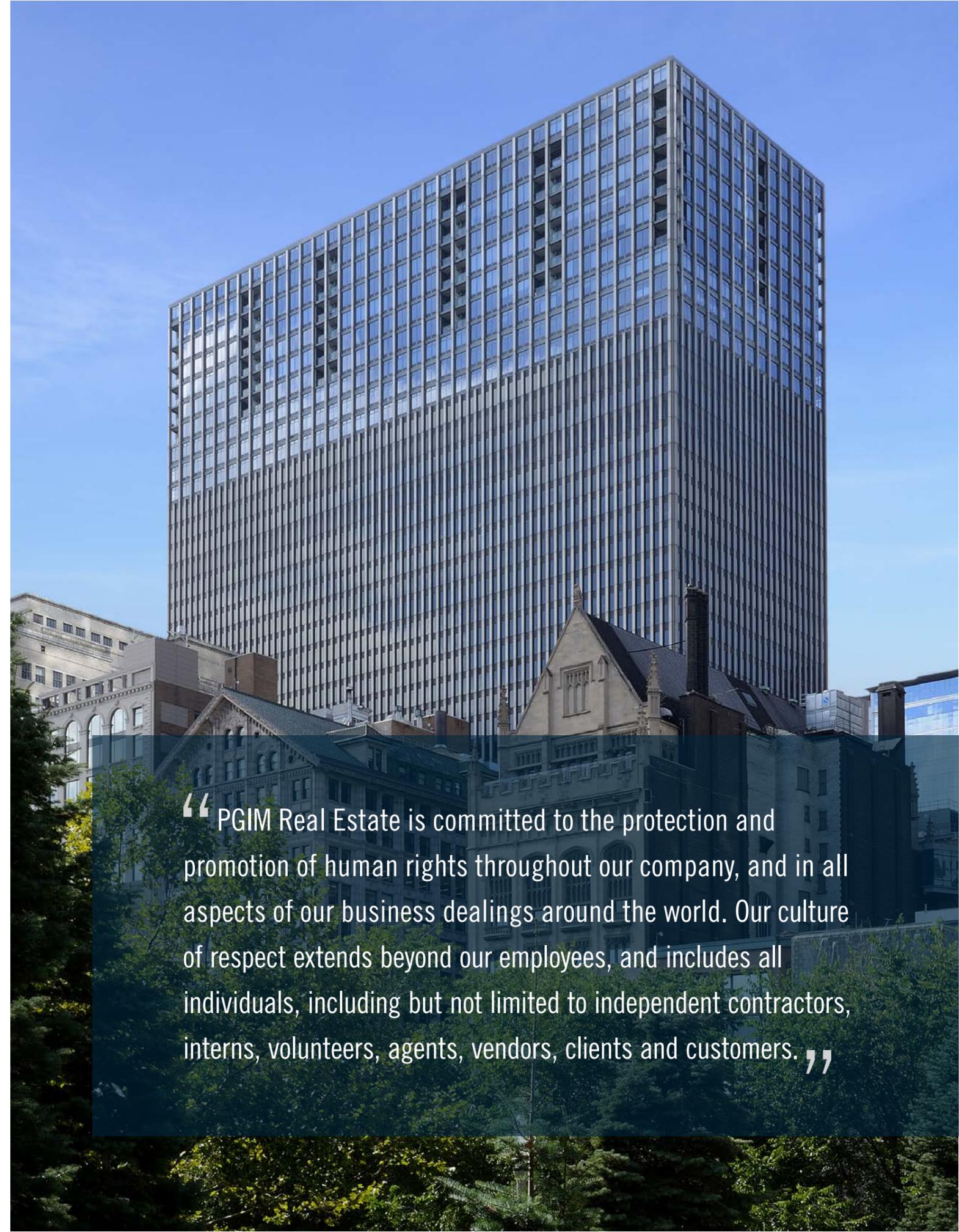
We are committed to the protection and promotion of human rights throughout our company, and in all aspects of our business dealings around the world. Our parent company's policies address anti-discrimination, anti-harassment, non-retaliation, human trafficking and slavery, fraud prevention, data security, and data privacy. The company does not tolerate discrimination, harassment, retaliation, human trafficking/slavery, or corruption in any form. Consistent with our dedication to human dignity for all, we acknowledge and adhere to the UN Human Rights Council's Guiding Principles on Business and Human Rights.

Our culture of respect extends beyond our employees, and includes all individuals, including but not limited to independent contractors, interns, volunteers, agents, vendors, clients and customers. Our policies require compliance with all local laws regarding employment and labor, and the rights of both employees and the individuals with whom we conduct business around the globe. The company provides multiple avenues to report any concerns of inappropriate conduct without fear of retaliation, including an Anonymous Global Business Ethics and Integrity Help Line which is available to both internal and external parties. We work to help ensure that our policies and practices foster a work environment that upholds the highest standards of integrity, promoting responsible citizenship globally.

HEALTH AND SAFETY PROGRAMS AT PGIM REAL ESTATE*

- 10 On-site Health & Wellness Clinics
- Automated External Defibrillator (AED) Program
- CPR Training Program
- Ergonomics Program
- Emergency Preparedness Program
- Environmental Health and Safety Program
- Incident Oversight Team for Workplace Violence Prevention
- Pandemic and Emerging Health Concerns Program
- Travel Safety Program

*Through our parent company



“ PGIM Real Estate is committed to the protection and promotion of human rights throughout our company, and in all aspects of our business dealings around the world. Our culture of respect extends beyond our employees, and includes all individuals, including but not limited to independent contractors, interns, volunteers, agents, vendors, clients and customers. ”

BENEFITS

We believe that we have a responsibility to provide our employees and their families with a competitive benefits package which are standard for full-time employees, and includes, as a minimum: life insurance, health care, disability and invalidity coverage, parental leave, retirement provision, stock ownership, and others. Work-life effectiveness is actively promoted to support individuals in balancing work and personal commitments through programs and benefits such as flexible working arrangements, our fully paid parental leave for both mothers and fathers, and discounted child care. In support of workplace performance, all eligible full-time employees have an annual performance review and all eligible full-time employees have a career development plan.

EMPLOYEE BENEFIT STATEMENT

PGIM Real Estate provides competitive benefits to all full-time employees that include insurance, retirement and personal leave, according to local market practices. Our benefits frequently exceed legal requirements or local market practice.

PARENTAL LEAVE

We believe offering family time for new parents is important for the family and is the right thing to do. Benefits in the U.S. include eight weeks paid leave for birth mothers and four weeks for birth fathers and adoptive parents, and 22 weeks of unpaid job continuing time off to bond with their children. In Europe, benefits include six months maternity leave and 10 weeks paternity leave, both at full pay.



DIVERSITY & EQUAL OPPORTUNITY

From PFI's Commitment to Diversity statement to how we seek out employees, vendors, and business associates from a deep and diverse pool of accomplished professionals, we strive to be an employer of choice through initiatives that support, inform, develop, and increase the awareness and sensitivity of our workforce.

SOCIAL DIVERSITY METRICS



56%
WOMEN & PEOPLE OF COLOR



40%
WOMEN IN PROFESSIONAL POSITIONS
(excludes administration positions)

PROGRAMS SUPPORTING DIVERSITY

INCLUSION & LEADERSHIP NETWORK (ILN)

ILN's mission is to promote a workplace that attracts, develops, retains and elevates diverse talent through an inclusive culture. We host or participate in programming throughout the year that addresses professional development, cultural change, talent attraction and retention, and equal access.

SEO/PREA REAL ESTATE TRACK PROGRAM

The Pension Real Estate Association (PREA) and Sponsors for Educational Opportunity (SEO) have created a partnership dedicated to increasing diverse employment in the commercial real estate industry. PGIM Real Estate (through the PGIM Diversity office) has partnered with PREA/SEO.

TOIGO FELLOWS PROGRAM

Beginning June/July 2019, a TOIGO Fellow will participate in two one-year rotations in PGIM Real Estate and PGIM Real Estate Finance. TOIGO's mission is to foster career advancement for underrepresented talent.

THE SOPHOMORE TRAINING PROGRAM (PIPELINE PROGRAM)

A U.S. summer internship for diverse sophomores with little or no real estate experience completed a successful first year. In Madison, there were four sophomore interns (all women), to whom three offers were made and two will be returning for an internship in 2019. San Francisco will launch a sophomore training program in the summer of 2019.

GIRLS WHO INVEST PROGRAM

Through PGIM's Inclusion & Diversity office and their Accelerated Recruiting Program, we made two job offers to Girls Who Invest students. Girls Who Invest aims to transform the asset management industry by bringing more women into portfolio management and leadership.

CASE STUDY

A CULTURE OF ENGAGEMENT

CULTURE JAM CASE STUDY

In 2018, PGIM Real Estate participated in our parent company's "Culture Jam," a three-day online conversation to engage with our employees, and gain their perspectives about what is great about our culture and where we need to evolve to be even better.

Conversations in the Culture Jam were focused on:

- Why We Exist
- Keeping Our Promises
- Inclusion
- Unwritten Rules
- PFI at Our Best
- The Way We Work
- Your Career at PFI



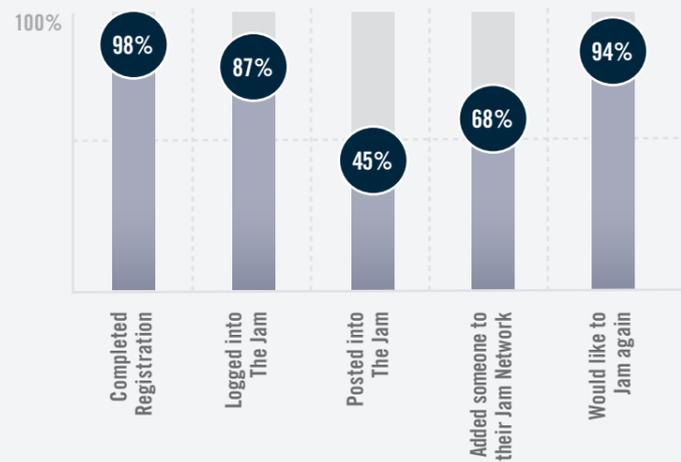
31

FACILITATORS

56

CONSECUTIVE HOURS

CULTURE JAM PARTICIPATION



10,219

TOTAL REGISTERED

19,724

TOTAL LOGINS

11,884

TOTAL CONVERSATIONS

■ SOCIAL

PEOPLE

WORKFORCE

At PGIM Real Estate, our people are at the heart of what we do. Each employee plays a vital role in furthering our legacy of innovation and strengthening our culture of performance excellence.

We have a range of practices and initiatives within our workforce that encourage and promote staff development, as well as staff diversity. An example of this is our Inclusion & Leadership Network (ILN), which elevates our focus on diversity across race, ethnicity, sexual orientation, economic and geographic background, and fosters a workplace that attracts, develops, retains and elevates diverse talent. Externally, we have a Responsible Contracting Policy which ensures that our vendors and projects are fair and open in their bidding processes and the labor they engage at our properties.

We are committed to attracting, developing and retaining the best people in pursuit of our goal to be the real estate employer of choice. Over the past two years, our parent company has received accolades from institutions and publications recognizing or renewing our status as an employer of choice:

WORLD'S MOST ADMIRED COMPANIES®

FORTUNE®

100 MOST SUSTAINABLE COMPANIES

BARRON'S

NO. 1 IN INSURANCE

LIFE AND HEALTH

TOP 50 COMPANIES FOR DIVERSITY

DIVERSITY INC.

WORLD'S MOST ETHICAL COMPANIES®

ETHISPHERE

TOP 10 OF 100 BEST COMPANIES

WORKING MOTHER

AMERICA'S BEST EMPLOYERS

FORBES

TOP 100 MILITARY FRIENDLY® EMPLOYERS

GI JOBS

PROFESSIONAL DEVELOPMENT

Supporting the ongoing growth and development of our employees is key to driving the engagement and job satisfaction of our employees. Our employee performance management program includes a clear definition of the skills and competencies required to effectively perform various job functions, as well as a forum for feedback and coaching.

PGIM Real Estate provides ongoing training and development opportunities from web-based and in-person training courses, to external training for vendors with specific industry and/ or functional expertise. We sponsor employee attendance at industry conferences and seminars and develop our own business lead custom training solutions. Furthermore, our culture of mobility enables us to provide formal development opportunities for 25% of our employees on average each year.

Initiatives specifically supporting PGIM Real Estate managers across the globe include the ASCEND program for new managers launched in early 2018 and the LIFT program for mid-level professionals in September 2018. We also launched a new PGIM Real Estate Talent & Performance Appraisal System (TPAS) and completed all mid-year reviews in the system.

HIGHLIGHTS

- Clearly communicated philosophy and process for performance management, including regular performance reviews
- Targeted rotations of high caliber employees: 25% of employees receive a formal development opportunity each year
- 30-50 associates per year attend annual week-long training for new hires
- Individual and group trainings
- Individualized executive coaching for employees targeting specific areas of development
- Global training program, short-term assignments and international transfers provide multi-regional career development opportunities

EMPLOYEE AWARDS & RECOGNITION

We believe that recognizing the accomplishments of our team is a key way of motivating and engaging our people and is a foundational component of our talent engagement strategy. We have established and articulated philosophies as well as clear and transparent merit-based processes for promotion and compensation. We also publicly recognize and acknowledge those who go above and beyond to support their colleagues, which helps foster an aligned culture focused on high performance.

ROCK STAR AWARDS

PGIM Real Estate Rock Stars, our annual employee recognition program established in 2015, recognizes individuals or teams who have demonstrated innovation, commitment to excellence, and teamwork on a deal or project contributing to PGIM Real Estate's objectives. In 2018, nine winners—three teams and six individuals from a pool of more than 70 nominations—were awarded by our chief executive officer at the 2018 annual Global Town Hall.

CASE STUDY

INCLUSION & LEADERSHIP NETWORK

INCLUSION & LEADERSHIP NETWORK

In 2013, PGIM Real Estate demonstrated global leadership in the real estate investment management industry by creating the Women's Leadership Network, with a mission to foster a workplace that attracts, develops, retains and elevates diverse talent through an inclusive organizational culture. In 2017, the program became the Inclusion & Leadership Network (ILN), with an expanded mission to include diversity across race, ethnicity, sexual orientation, economic and geographic background.

The ILN is comprised of a global cross-section of professionals with a diverse range of responsibilities, experiences and tenure with the company. They all share the common goal to create an inclusive organizational culture that promotes the career development of diverse talent. Programming throughout the year addresses professional development, cultural change, talent attraction and retention, and equal access. We host or participate in events with our clients, partners and industry organizations that support the mission. In 2018, ILN held over 75 events globally, in the U.S., Europe, Singapore, Japan and Mexico. Over 400 employees participated in events in the U.S.

ILN EVENTS IN ASIA PACIFIC

In support of recruiting efforts to attract best talent and promote professional development through training, mentoring and sponsorship programs, the ILN hosted events throughout 2018 in Singapore and Japan. We held women in leadership conferences, industry workshops and seminars about personal branding and influence, anger management programs, and an ESG lunch and learn with the Urban Land Institute. Through our parent company's Office of Diversity and Inclusion, PGIM Real Estate also supports vendor and business partner initiatives that seek collaborative opportunities for high potential women and/or minority-owned financial institutions. In Singapore, the ILN held employee engagement events for International Women's Day, making contributions to a women's shelter called Star Charity NPO, a family day event focused on urban farming and sustainability and a corporate social responsibility (CSR) event with a visually handicapped society. In Japan the ILN hosted a seminar on social diversity and LGBTQ issues.



“ Fully integrating the goals of the ILN into the business strategy will help PGIM Real Estate achieve our objectives. ”

COMMUNITIES

COMMUNITY INVOLVEMENT

A strong sense of social responsibility and community citizenship is embedded in our company, guiding our efforts to help people now and in future generations achieve peace of mind and a more secure future.

PGIM Real Estate and our parent company have always maintained a strong commitment to the communities in which we operate and invest. The Corporate and Community Engagement team has a long history of growing and supporting communities globally. Our employees volunteer time, skills and resources to community organizations and initiatives that increase human potential and individual self-sufficiency.

We make a global impact with a variety of regional initiatives that contribute back to our local communities. The community engagement program in the United States is focused on youth well-being and development and includes The Backpack Challenge, Holiday CARES and YouthBuild International. In Latin America, PGIM Real Estate also hosts education and developmental events for YouthBuild students. Across Europe, PGIM Real Estate sponsors and volunteers with local community organizations that support homeless mothers and children, disabled individuals and charities providing resources to underprivileged individuals. In Asia Pacific, PGIM Real Estate provides support for charitable events to benefit local communities, environmental awareness for building tenants, community events for health promotion, and initiatives to support employee health and well-being.

CHARITABLE CONTRIBUTIONS

We are committed to playing an active role in our communities. We sponsored charitable events and raised money for organizations through events such as the Minds Matter 5K run at our Giralda Farms, Madison, NJ headquarters, Flags for Fallen Vets, community foodbanks, as well as others. In 2018, PGIM Real Estate contributed over \$143,000 to 20 organizations, including the PREA Foundation, Madison YMCA and 9/11 Memorial & Museum (U.S.), Touchstone Dream Kids (Asia), Atlantic Bridge (Europe), and University of Miami (Latin America).

EMPLOYEE PHILANTHROPY

PGIM Real Estate encourages its employees to invest in their communities by taking advantage of important PFI benefits.

4,600
VOLUNTEER HOURS

ONE PAID
VOLUNTEER DAY
PER YEAR PER EMPLOYEE

\$5K
ONE-TO-ONE MATCHING GIFTS

TENANT ENGAGEMENT

Tenant engagement across the PGIM Real Estate portfolio is integral to improving the environmental performance of buildings, and ensuring the overall health, safety and well-being of tenants. We work with our tenants on an ongoing basis in the following ways:

EDUCATION – Tenant engagement begins with leasing, and PGIM Real Estate has green lease tools and resources to help our tenants track and measure their building performance and reduce environmental footprints. For example, PGIM Real Estate implements green leases at nearly all of its assets in France; our green lease efforts earned the 2016 Green Lease Leaders Award from the U.S. Department of Energy and the Institute for Market Transformation.

TENANT SURVEY – In our annual tenant surveys, we review green certifications, green cleaning and pest management, indoor environmental quality, occupant comfort (heating and HVAC), and workspace ergonomics and lighting to further understand our tenant needs. To ensure we meet or exceed the expectations of our tenants, PGIM Real Estate has engaged a professional consultant to evaluate important tenant topics such as property management, leasing, maintenance, property features and sustainability.

ENVIRONMENTAL ENGAGEMENT – We host and provide education programs and social engagement throughout the year on topics of sustainability including e-waste drives, Earth Hour, Earth Day, World Water Day, Bike to Work Day, and energy and water conservation workshops. We also host community citizenship and volunteering activities such as holiday giving, food drives, opportunity youth development, health and fitness screenings and community education.



Environmental Engagement - World Water Day in Singapore

EDUCATION & AWARENESS

Employee and tenant education and training in sustainability and ESG practices is integrated into our business processes to improve the financial performance of our assets, become the landlord of choice, and to practice a global citizenship, starting with the communities in which we operate. As a fiduciary, our primary responsibility is to add economic value to our investors' portfolios, and one way is through improved building performance and ESG programs.

SUSTAINABILITY TRAINING

LEED GREEN ASSOCIATE TRAINING

PGIM Real Estate values training employees and asset management professionals to give them the best resources to support company operations. To further sustainability expertise across our real estate portfolio, we provide the opportunity for asset managers to achieve their LEED Green Associate certification. To date, 75 asset managers attended LEED Green Associate training.

VIRTUAL SUMMIT WEBINARS

We launched a new Virtual Summit initiative in 2018, offering webinars to asset managers covering topics such as power procurement and LED lighting.

SUSTAINABILITY WORKSHOPS

In Mexico, to continue accelerating sustainability in an emerging market, we held our 10th annual Sustainability Workshop in March 2019 for our partners and property managers to review green building best practices and ESG topics.

RESOURCES

- ESG section on website
- Sustainability Newsletter
- Annual ESG Report
- Quarterly Reports
- Sustainability Policies
- Tenant Surveys
- Case Studies
- Press Releases
- Social Media
- Sustainability Events
- Sustainability Workshops
- Industry Conferences
- "Virtual Summit" Webinars
- Awards and Recognition Programs
- LEED Green Associate Training

“Employee and tenant sustainability education and training is key to improving the financial performance of our assets.”



CASE STUDY

YOUTHBUILD



Established in 1978 in East Harlem in New York City, YouthBuild is a global non-profit that focuses on

opportunity youth between the ages of 16 and 24 who are out of school or employment. Over 148,000 YouthBuild students have performed 48 million community service hours and produced over 32,000 units of affordable, increasingly green housing in rural and urban communities across the U.S.

In 2018, PGIM Real Estate and our parent company led 17 YouthBuild programs in Chicago, Atlanta, San Francisco, Miami, Madison and Mexico. The Miami Chapter was added in 2018. Programs, events and activities included mock job interviews, home painting and urban gardening, technology laboratory installation, financial literacy training, property tours, communications workshops, earthquake disaster relief. It also included a day of construction and painting, a portfolio manager recruitment panel, mentoring days, and a lunch and learn with the Inclusion & Leadership Network.

56
EVENTS

737
STUDENT PARTICIPANTS

371
EMPLOYEE VOLUNTEERS

44
GRADUATES
Employed by PGIM Real Estate and its partners

\$21.55M
IN GRANT CONTRIBUTIONS
by Prudential Foundation
(Since program inception)

KEY PROGRAM INDICATORS

- Percentage of participants placed in either employment or training
- Percentage of participating employers gaining and retaining YouthBuild graduates
- Number of community assets improved
- Social value impact

Since program inception, there have been 56 events, 737 student participants, 371 employee volunteers, and 44 graduates employed by PGIM Real Estate and its partners.

CONTRIBUTIONS

The Prudential Foundation has committed over \$15 million in grants over the last 23 years, supporting programs in Newark, Jacksonville, Minneapolis and Philadelphia in the United States, as well as Brazil and Mexico. PFI provided further grants of \$2.75 million in 2015 and \$3.8 million in 2018 to support the global expansion of YouthBuild and strengthen the partnership with PGIM Real Estate, create a new global YouthBuild strategy and organizational model, and improve pathways for job placements for students.



Communication Workshop
YouthBuild San Francisco



Financial Literacy Workshop
YouthBuild Atlanta



Downtown Morristown, NJ Walking Tour
YouthBuild Madison

YOUTHBUILD GUIDING PRINCIPLES

INTELLIGENCE & POSITIVE ENERGY

The intelligence and positive energy of young people need to be enlisted in solving the problems facing our society.

LEADERSHIP

The leadership potential of the world's 1.2 billion young people is a precious resource that must be mobilized to address 21st century challenges.

DESIRE TO REBUILD

Young people in low-income communities want to rebuild their neighborhoods and lives and will do so if given the opportunity.

CONNECTION

Young people living in poverty can realize a lifetime of productivity when they are connected to supportive adults and opportunities for education, employment and leadership.



REGIONAL SPOTLIGHT ASIA PACIFIC

2018 REDUCTIONS

- 1.1%
WATER INTENSITY
- 0.9%
ENERGY INTENSITY
- 1.0%
WASTE
- 0.75%
GHG INTENSITY

RANKINGS & CERTIFICATIONS

GREEN STAR

GRESB
2012 to 2018

80

GRESB Sector Score
2018

Goldplus or
Platinum Certified

4 of 6 Singapore assets
Green Mark certified

ENVIRONMENTAL PERFORMANCE

Our Asia properties implemented many sustainability projects in 2018 with an emphasis on energy and water efficiency, social engagement for health and well-being, and environmental performance, all of which help produce overall cost savings and improve stakeholder experience.

2018 PROJECTS

- Adopted the Guaranteed Energy Savings Performance (GESp) contract for air-conditioning system retrofit for Century Square
- Installed LED lights at Century Square for both landlord areas and tenants' premises during an Asset Enhancement Initiative (AEI)
- Embarked on Energy Performance Contracting at Tampines 1, White Sands and Tiong Bahru Plaza
- Installed water-efficient fittings, private meters and leak detection systems
- Expanded e-Waste Bins collaboration with Starhub to provide electronic waste recycle bins to White Sands and Century Square

2019 PLANS

- Continue to improve the performance of our assets by increasing data collection and management
- Implement more efficiency projects
- Conduct external data assurance on an annual basis going forward
- Continue to benchmark resource consumption and waste production at our existing buildings to optimize efficiency of assets
- Collaborate with SP Group to install Electric Vehicle Charging Units at the malls to encourage conversion to electric cars

SOCIAL ENGAGEMENT

TENANT ENGAGEMENT

- Carried out surveys to better understand tenant and property manager opinions on sustainability issues
- Conducted Joint Counter Terrorism seminar for tenants with Singapore Police Force & Ministry of Manpower

EMPLOYEE ENGAGEMENT

- Increased employee training hours for sustainability by 42% in 2018
- Hosted complimentary health screenings for employees, promoted monthly healthy eating initiatives and a Pandemic Awareness talk

ENVIRONMENTAL AWARENESS

- Celebrated PUB Singapore World Water Day to raise awareness of water conservation. PUB is the Public Utilities Board in Singapore.
- Engaged in Earth Hour activities: staggered lights off for selected services with increased participation from tenants from the previous year. The events were promoted on social media resulting in enhanced community awareness of energy consumption.

COMMUNITY ENGAGEMENT ACTIVITIES

- Continued fundraising programs for several health non-profits and food donation drives
- Supported the Singapore Children's Society which protects and nurtures children through art, community shopping, and holiday fundraising
- Hosted National Day Observance ceremony at Tiong Bahru Plaza

CHARITABLE EVENTS

- Volunteered with Association for Persons with Special Needs
- Hosted community awareness event with the Singapore Association of the Visually Handicapped
- Partnered with voluntary welfare organization Food from the Heart to receive food donations at Century Square Mall and distribute them to underprivileged families during the lunar new year



Escalators & Lifts Safety Seminar
Building Construction Authority



Promoting Active Lifestyle at Hougang Mall
Partnered with Health Promotion Board



Family Urban Camping & Drive-In Movie
White Sands

CASE STUDY

78 SHENTON WAY SINGAPORE

PROPERTY FACTS

- LOCATION:** 78 Shenton Way, Singapore
- PROPERTY TYPE:** Office
- YEAR BUILT:** 1988
- PROJECT CLASSIFICATION:** Energy and water retrofits, building automation systems enhancements, improved waste management strategies, indoor air quality

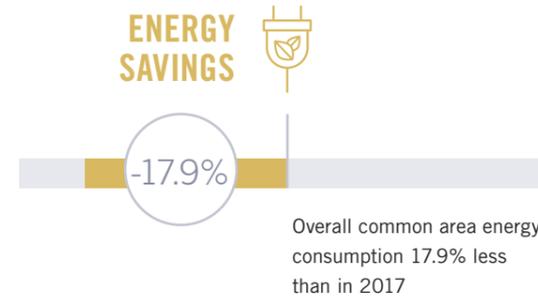
78 Shenton Way is a modern office property located in Singapore's District 02 - Tanjong Pagar.

- 494,374 GFA
- 95%+ occupancy
- Walking distance to MRT station, banks, hotels and restaurants



BCA GREENMARK GOLD CERTIFIED
2018-2021

SUSTAINABILITY OUTCOMES



100% COMPLIANCE

Environmental and major health and safety issues

2018 SUSTAINABILITY PROJECTS



Modernization of Tower 1 lifts with energy saving features



Green cleaning supplies, low VOC paints and eco-friendly consumables introduced



Replacement of Tower 1 chiller to improve efficiency



Tenant engagement activities during key holiday periods



Optimization of equipment use during operational hours

2019 PLANS

Continuing stakeholder engagement including:

- Energy, water and waste education initiatives
- Health and wellness initiatives with community partners
- Dissemination of Vendor Code of Conduct to all contractors
- Various social activities for tenant community
- Implementing further energy, water and waste management initiatives
- Developing a Resiliency Plan to improve emergency handling capabilities





A STABLE & SUSTAINABLE **ENVIRONMENT**

“ Environmental sustainability is an important contributor to our financial performance as well as the management of our risk. We address and communicate our environmental performance by reporting at the enterprise, business, fund and asset levels.”

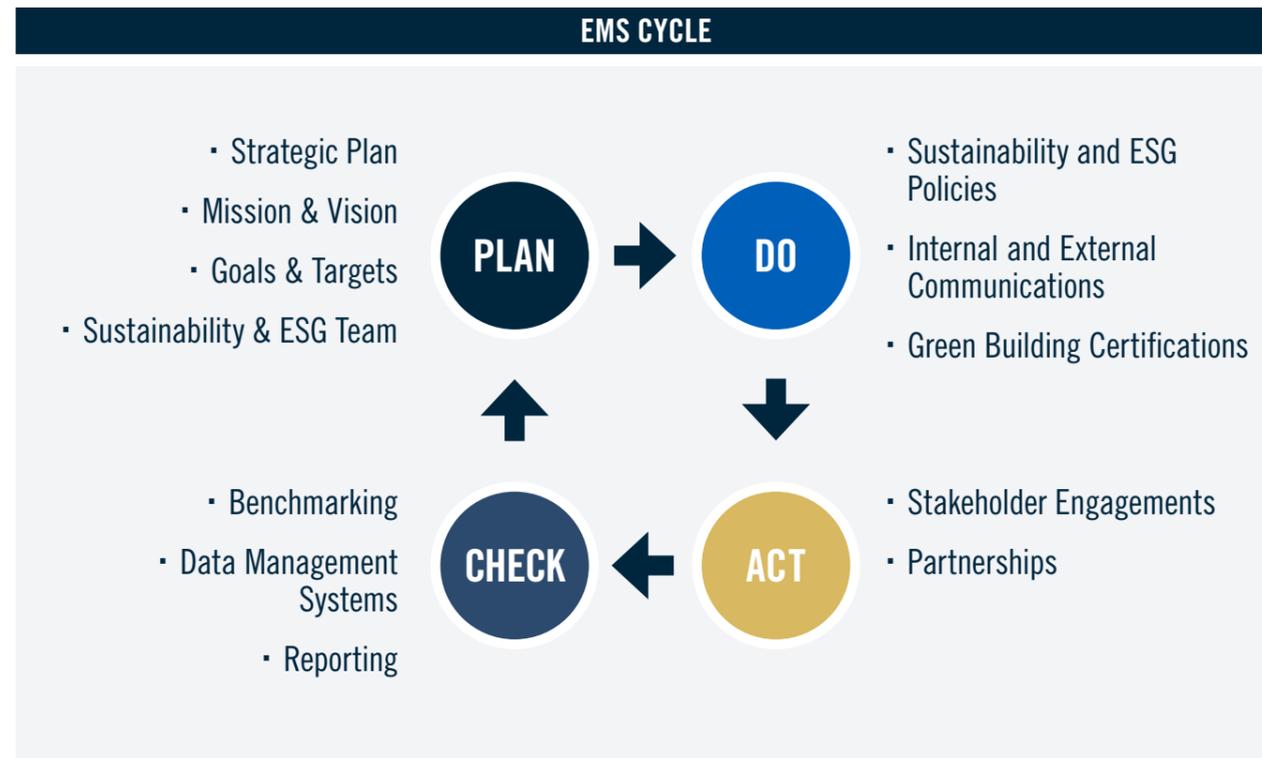
ENVIRONMENTAL RISK MANAGEMENT

We believe that environmental sustainability is an important contributor to our financial performance as well as the management of our risk. We address and communicate our environmental performance through a range of reporting at the enterprise, business, fund and asset levels.

Environmental risk management is how the company anticipates and manages future risk and opportunities to meet its long-term promises. Through a risk appetite framework, based on a scenario analysis of the impact of a comprehensive set of stressors on a range of different sustainability metrics, we identify, measure, evaluate and manage investment, market, insurance, liquidity and operational risks individually and in aggregate. This robust stress testing examines the sensitivity of long-term obligations and resources to possible financial, operational, behavioral and biometric risk.

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

PGIM Real Estate’s centralized EMS is designed to help prevent, diminish and mitigate environmental risks within the real estate ownership cycle. This four-step process is aligned with ISO 14001 and provides a strategic roadmap for our sustainability program, including risk management, data management, program implementation, assessments, measurement and reporting.

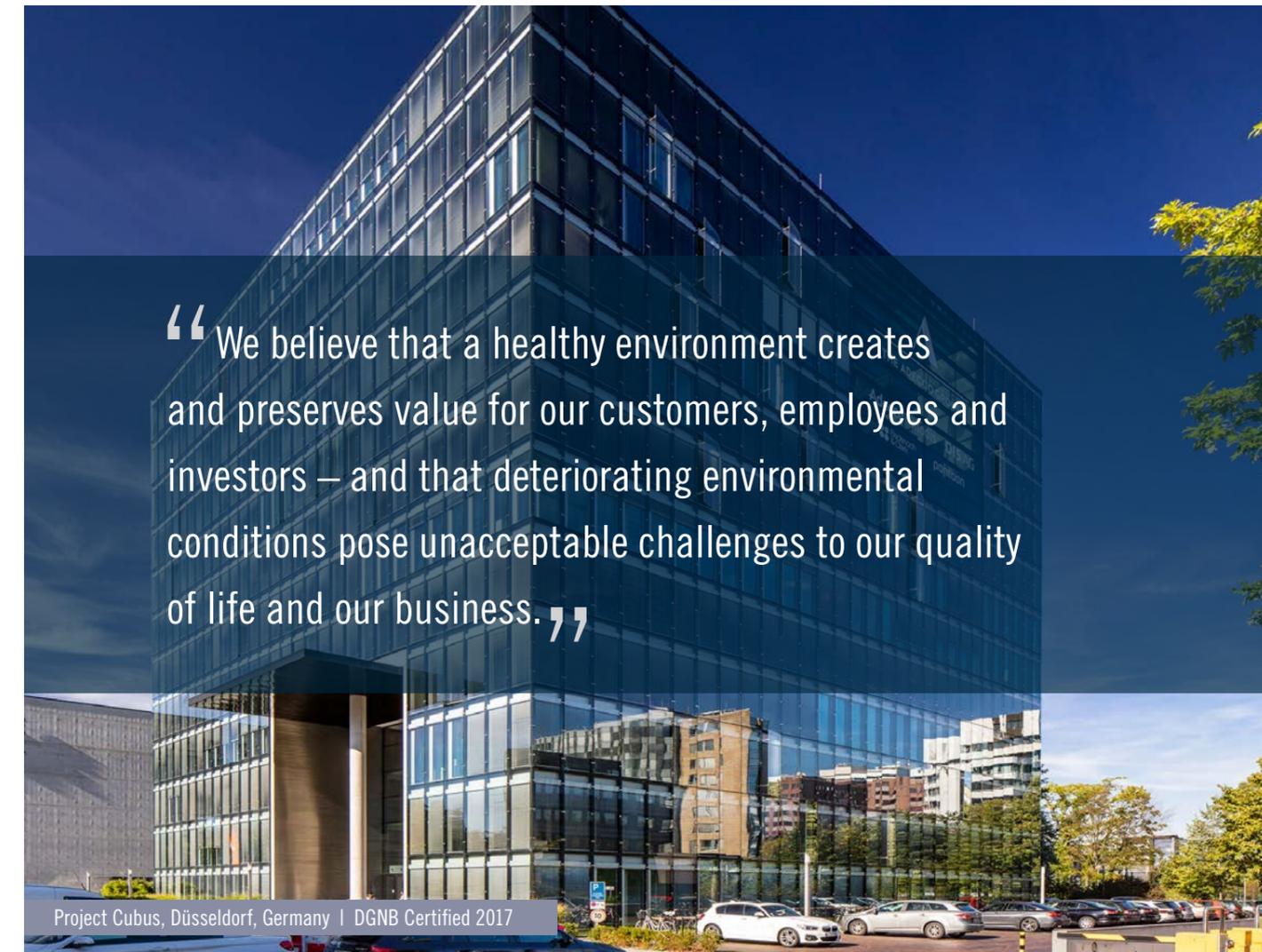


CLIMATE CHANGE AND BUILDING RESILIENCE

CLIMATE CHANGE

As a corporate citizen of the world, PGIM Real Estate and our parent company consider the implications of climate change on our company, communities, customers, and employees. Climate change could increase the frequency and severity of weather-related disasters, impact reinsurers and affect the value of real estate investments. Potential impacts are evaluated over time as part of the ongoing risk informed decision-making process and are integral to keeping long-term promises to our customers.

We will continue to develop our understanding of climate change and take actions that protect the environment and strengthen our businesses. We are focused on instilling environmental stewardship and building resilience throughout our global businesses. We believe that doing so benefits our clients, employees, shareholders and future generations, while at the same time improving the potential for higher investment returns.



BUILDING RESILIENCE

As part of Investment Committee summaries, our sustainability team prepares due diligence enhancement reports which include socio-economic trend considerations, comprised of influence of new technologies and an impact evaluation of ESG factors. We also created guidelines for transactions and research teams to be rolled out globally.

In 2018, we evaluated more than 850 global properties for water risk including water supply, drought and flooding. We also evaluated more than 350 properties for renewable energy and energy supply, as well as 550 properties for energy retrofits through electric utility incentives and rebates. We also perform a Property Managers Survey to take inventory of our portfolio's evaluation of environmental and/or social risks (internal or external analysis), among many other criteria. Through our 2018 survey, we have established a baseline for our resiliency program to be implemented in 2019.

850
PROPERTIES EVALUATED
FOR WATER RISKS

350
PROPERTIES EVALUATED
FOR RENEWABLE ENERGY

550
PROPERTIES EVALUATED
FOR ENERGY RETROFITS

RESILIENCE PROGRAM TOPICS

- Climate Change Preparedness
- Climate Change Adaptation
- Natural Hazards
- Water Supply Risks
- Energy Supply Risks
- Regulatory Risks
- Biodiversity Risks
- Socio-economic Risks
- Transportation Risks

RESILIENCE INITIATIVES IN 2019

- Evaluate and develop resilience recommendations and strategy with counsel from a consultant
- Conduct a portfolio-wide risk assessment of building and regional level risks based on over 50 resilience indicators
- Develop and implement metrics to help assess asset level resiliency
- Implement a comprehensive Building Resilience Policy
- Establish an education and training program for stakeholders



ESG DUE DILIGENCE

ESG FACTORS FOR NEW ACQUISITIONS AND STANDING ASSETS

We strive to incorporate sustainability into all facets of building operations, including our acquisitions process. As part of our risk assessment framework, PGIM Real Estate includes criteria which allows us to better understand the ESG risks and performance of our assets. This criterion helps us appropriately evaluate potential capital investments to improve both the performance and marketability of the asset. By supplementing existing property condition assessments, our acquisition team expects to:

- Positively impact our capital investment decisions
- Minimize risks
- Maintain competitiveness
- Maximize value for our investors and tenants

In addition to evaluating new acquisitions, we also perform periodic environmental and social due diligence for our standing assets. The sustainability issues covered by this process include energy and water efficiency, waste management, flooding, transportation and communications systems, life systems and societal function, and other emerging climate change risks. The results of these due diligence assessments help our management teams prioritize needed improvements and upgrades where needed.

DUE DILIGENCE ENHANCEMENT REPORT

PGIM Real Estate prepares an ESG Due Diligence Enhancement Report for standing assets and new acquisitions using a "Technology Impact Analysis and ESG Elements" attributes template. The reports are developed on a monthly basis for the Committee Investment summary. The template inventories and evaluates existing ESG attributes and opportunities as follows:

TECHNOLOGY: IDENTIFY DISRUPTIVE TRENDS, IMPACT, TIME HORIZON

Environmental	Social	Governance
<ul style="list-style-type: none"> • Certifications • Energy • Water • Waste • Air quality • Transit score • Sustainability policies and guidelines • Resilience risk assessment 	<ul style="list-style-type: none"> • Social Influence (reputation of impact) in community • Job creation, opportunities for employment • Social engagement in community • Programs supporting community improvement and development • Programs supporting social resilience 	<ul style="list-style-type: none"> • Influence (reputation of impact) in community as a governing body • Programs and initiatives to further advance policy implementation • Education and awareness of policies and procedures • Responsible/impact investment

OPPORTUNITIES: IDENTIFY IMPROVEMENT OPPORTUNITIES, ESTIMATE COST OF IMPROVEMENTS, ESTIMATE HARD AND SOFT COSTS AND SAVINGS ACROSS ESG FROM IMPROVEMENTS

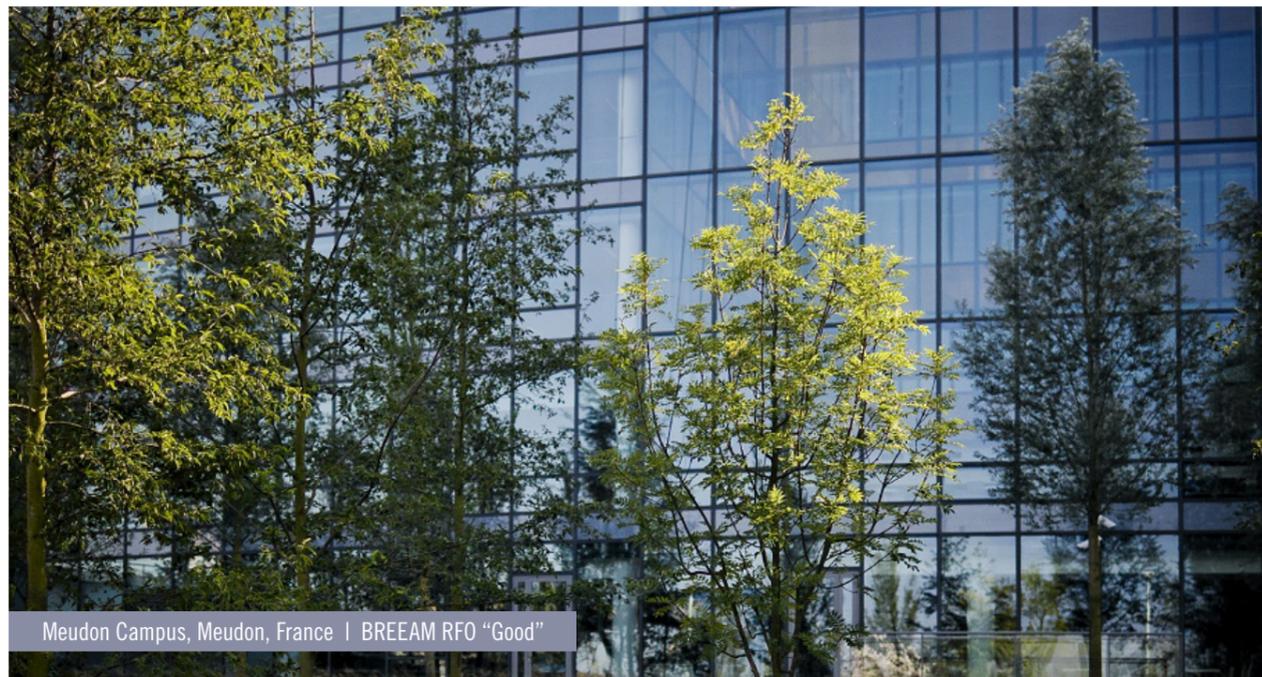
OPERATIONAL SUSTAINABILITY

PGIM Real Estate and our parent company are committed to reducing the environmental impact of our business operations. Promoting sustainability in our operations is a key component of our ESG strategy and supports our goals to operate efficiently, strengthen our resilience and reduce costs.

To operate our business responsibly and sustainably on a day-to-day basis, PGIM Real Estate has implemented policies and guidelines covering energy, water, waste management, and GHG emissions. We work with our stakeholders, from employees to vendors, to ensure a successful sustainability program. This includes reducing our energy and water consumption, maintaining a comprehensive recycling program, ensuring sustainable paper procurement and use, and offering employees options to reduce emissions from commuting.

- Reducing energy consumption
- Reducing water consumption
- Comprehensive recycling program
- Sustainable paper procurement and use
- Alternative transportation for employees

We believe that by focusing on the sustainability of our daily operations, we build a strong foundation for incorporating environmental principles in our real asset investments.



Meudon Campus, Meudon, France | BREEAM RFO "Good"

OUR LEED CERTIFIED OFFICES

● HEADQUARTERS

7 Giralda Farms
Madison, NJ 07940



LEED PLATINUM
2012



7 Giralda Farms, Madison NJ

● NYC Offices

1540 Broadway
New York, NY 10036



LEED GOLD
2016

● Atlanta Offices

Tower Place 200
3348 Peachtree Road
Atlanta, GA 30326



LEED GOLD
2012

● Mexico City Offices

Paseo de la Reforma, 412
Colonia Juárez
Delegación Cuauhtémoc,
Mexico City, 06600



LEED CERTIFIED
2015

SUSTAINABILITY FEATURES



Ergonomic offices & furnishings



Energy, water & waste management programs



Access to gyms through discounted memberships



Employee health & well-being initiatives



Active social & community engagement



Close proximity & access to alternative modes of transportation



Access to healthy food choices

ENVIRONMENTAL PERFORMANCE

METRICS

The performance of sustainability programs can be measured by efficiency improvements such as the reduction in resource use and in outputs such as waste and emissions.

PERFORMANCE METRICS

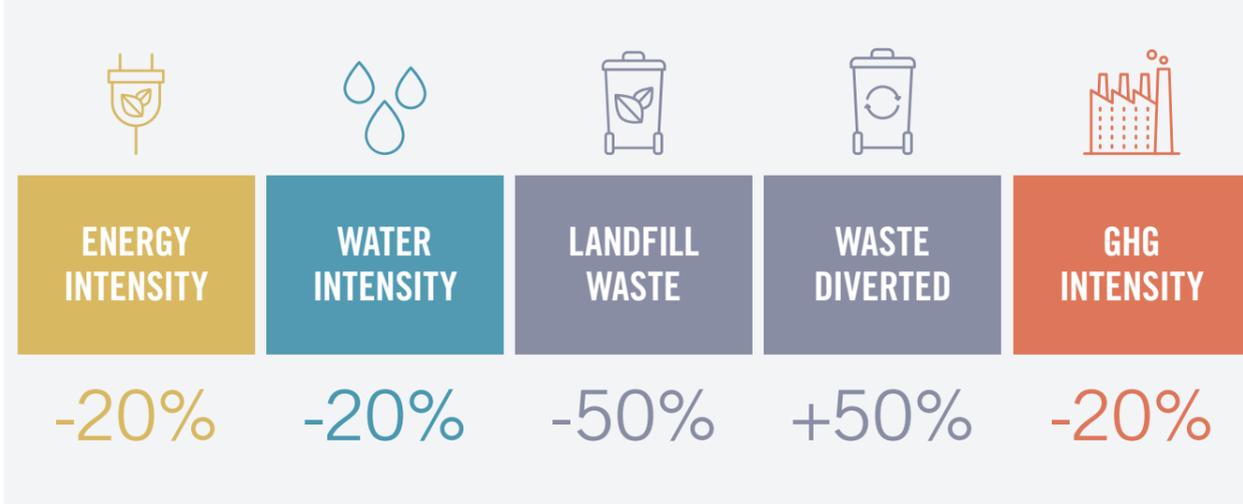
- Green Building Certifications achieved
- GAV of certified assets
- Square feet of floor area for certified assets
- Certifications as percentage of AUM
- Global and regional—total energy, energy saved, annual energy cost savings, and energy use intensity
- Global and regional—total water, water saved, annual water cost savings, and water use intensity
- Global and regional—total landfill waste and waste diverted from landfill
- Global and regional—total GHG emissions, GHG emissions reduced, and GHG intensity



TARGETS AND GOALS

In parallel with implementing our Global ESG Policy (2018), PGIM Real Estate has recently updated its efficiency reduction targets to better align with the U.S. Department of Energy Better Buildings Challenge federal goals. These goals have been adopted by more than 900 public and private organizations that are committed to improving the efficiency of their portfolio of buildings by at least 20% over 10 years and to share their strategies and results on an annual basis. PGIM Real Estate's former targets were aligned with ULI Greenprint's long term greenhouse gas emissions reduction targets.

ENVIRONMENTAL TARGETS AND 2027 PERFORMANCE GOALS



2027 PERFORMANCE GOALS FROM A 2017 BASELINE

SUSTAINABILITY POLICIES

PGIM Real Estate's commitment to environmental responsibility has been established and implemented through the following guidelines and policies:

Global ESG Policy (2018)

- Consider impacts on human health
- Diminish the quantity of resources used and waste generated over the property life cycle including through the use of sustainable and recycled materials, and renewable energy
- Protect the habitat and the environment, and preserve biodiversity
- Avoid toxic substances and reduce CO2 emissions

Socially Responsible Investment Policy (2011)

- Environmental Considerations
- Social Responsibility
- Corporate and Fund Governance
- SRI Disclosure and Reporting

Standard Sustainable Operating Guidelines® (2009)

- Guidance for Lighting
- Operational Guidance for Temperature Settings and HVAC
- Management of Vacant and Unoccupied Space
- Operational Guidance for Water Efficiency and Water Heating

CASE STUDIES

Identifying and implementing cost saving sustainability initiatives can reduce operating costs, maintenance and improve risk-adjusted returns. The following case studies include efficiency retrofit projects are aligned with our commitment to continuous environmental improvement. We intend to grow our percentage of ESG-integrated properties broadly and expand our targets and goals for our entire portfolio in 2019.



ENERGY EFFICIENCY – 3333 WESLEYAN

PROPERTY FACTS

LOCATION: Houston, TX
PROPERTY TYPE: Multifamily
SIZE (UNITS): 528

PROJECT TYPE: LED Lighting Retrofit
CLASSIFICATION: Energy Reduction Project

STRATEGY

In April 2018, 3333 Wesleyan was selected for a full LED lighting retrofit in the common areas, hallways, and parking areas. The project was initiated due to the aging appearance and associated maintenance cost of outdated bulbs. Property curb appeal was affected by outdated fixtures. Additionally, tenants had expressed concerns about the dimly lit hallways and common areas.

A lighting and retrofit consultant was hired to develop, implement, and install an energy-efficient LED solution with the goal to reduce energy costs while improving appearance and safety of the community.

Property management company, The Morgan Group, engaged Houston-based energy consultant GreenLogic to propose an LED retrofit taking advantage of their local knowledge of rebates and incentives offered by energy companies and state/city programs.



KEY FEATURES

- Improved property appearance with more desirable brightness and light color output
- Increased safety in common areas, specifically parking garage
- Energy savings provided 2.1 year payback on project costs

SUSTAINABILITY OUTCOMES

- Total cost \$123,000, \$27,000 rebate, net cost \$96,000 (CenterPoint Rebate approximately 22% of cost)
- Estimated 70% reduction in kWh energy usage or savings of \$47,000 annually
- Estimated 80% savings in annual maintenance costs and bulb replacements
- Increased safety and tenant satisfaction through significantly brighter common areas, hallways, and courtyards



MULTIPLE STRATEGIES – HIGHLAND OAKS

PROPERTY FACTS

LOCATION: Tampa, FL
PROPERTY TYPE: Office
SIZE (RSF): 576,000

PROJECT TYPE: Outdoor Tenant Amenity with water, energy, and biodiversity strategies
CLASSIFICATION: 5 Building Office Park

STRATEGY

The Highland Oaks office park constructed a new WiFi and A/V enabled outdoor courtyard area with new furniture. Conveniently located directly adjacent to the on-site cafe and conference center, all tenants of the five-building office park will have access to this amenity space. The project, completed in the fourth quarter of 2018, encourages an active and engaged tenant community and creates a central location for tenants to socially interact as well as hold company-wide meetings. Tenants also have the option to reserve this courtyard to host special events. The courtyard renovation was initiated to enhance the already attractive natural surrounding of the office park while also adding a tenant amenity that will help to effectively compete with other office product in the market. PGIM Real Estate conceptualized the vision for this project, while property managers implemented the plan with a landscape design consulting firm.



KEY FEATURES

- Approximately 3,600 square feet of new outdoor amenity space
- A/V equipment, including surround sound audio system
- WiFi network accessible and several power outlets available
- Mixture of teak wood and wicker furniture
- Artificial turf section provides large open area for tenant events
- Lighting for night time events as well as safety and security

SUSTAINABILITY OUTCOMES

- Over 700 new native plants, including 11 different species
- Drip line irrigation that uses reclaimed water for all new landscaping
- Artificial turf provides optimal use of floor space without the maintenance and resources required for sod
- Efficient LED lighting

CASE STUDIES



BIODIVERSITY – MISSION TOWER GARDEN & BEEHIVE

PROPERTY FACTS

LOCATION:	Santa Clara, CA	PROJECT TYPE:	Garden & Beehive
PROPERTY TYPE:	Office	CLASSIFICATION:	Biodiversity, Occupant Engagement
YEAR BUILT:	2000-2001		

STRATEGY

The Garden and Beehive at Mission Towers transformed under-utilized landscape area into a 200 square foot production garden that produces 150-200 lbs of vegetable produce annually and supports the onsite café, Mission Kitchen, which is a subsidized amenity accessible to building tenants and open to the public. Production from the garden offsets some of the procurement and lowers the subsidy by approximately \$750-\$1,000 every year.

Bees support local pollination, and the initiatives enrich the tenant experience, providing locally sourced honey. The hives are projected to produce 20lbs of honey in 2018, and potentially increase to 50-60lbs per year going forward. Ultimately, ownership intends to create tenant driven programs around sustainability, composting/fertilization, gardening, and bee education.



SUSTAINABILITY OUTCOMES

- Reduced greenhouse emissions
- Organic vegetable production
- Pollination and production of seed
- Education



KEY FEATURES

- Seasonal organic vegetables
- Unique strain of honey bees “Carnica” which are less aggressive and help the local environment.
- Offset purchasing for the Café
- Future educational platform



LEED GOLD CERTIFICATION – 22 WEST WASHINGTON

PROPERTY FACTS

LOCATION:	Chicago, IL	PROJECT TYPE:	LEED Certification
PROPERTY TYPE:	Office	CLASSIFICATION:	GOLD
SIZE (SQ FT):	439,434		

STRATEGY

The LEED certification project at 22 West Washington was initiated to document all of the energy and sustainability projects that have been implemented, highlighting the property’s high performance attributes. 22 West Washington is committed to running at its most efficient, to provide tenants with a healthy environment, and to produce cost saving measures.

The biggest challenge during the project was to increase the ENERGY STAR score to be eligible to apply for LEED designation. The goal was to increase the ENERGY STAR score from a 49 to a least 80 or above. This was accomplished through metering, retro commissioning, retrofits and a vigorous demand response program. The result was an ENERGY STAR score of 87.

The Senior Manager, Chief and Assistant Chief Engineers were all an integral part of the project. All have received their LEED Green Associate and are now pursuing their LEED AP. They also partnered with the City of Chicago, ComEd, Goby and Cpower to maximize the outcome.



SUSTAINABILITY OUTCOMES

- Building lighting fixtures were retrofitted to LED internal driver with no need for ballasts along with Ultrasonic Motion Sensors saving 38,000 watts with an annual cost equivalent of \$34,000.
- The Energy Load Shed Program through Cpower has achieved savings of \$8,000 in 2016, \$20,000 in 2017, and an estimated savings of \$60,000 in 2018. With projected savings of \$52,000 in both 2019 and 2020, the total cost savings is projected to be \$185,000 over five years.
- Efficient plumbing fixtures were installed that use 30% less water saving 1,473,000 gallons of water annually.
- Retrocommissioning projects were completed with a savings of 262,000 kwh per year and a reduction of carbon footprint by 195 metric tons per year.
- Instituted a low-impact hardscape and landscape program, installed high quality air filtration with Merv 13 filters, used low-impact cleaning products, and started an integrated pest management plan to provide for high quality tenant health and comfort.

KEY FEATURES

- Reduction in energy usage
- Reduction of carbon footprint
- Recycling program including 1,434 pounds of e-waste recycled
- Reduction of water usage

CASE STUDY



LEED GOLD CERTIFICATION – 11 MADISON

PROPERTY FACTS

LOCATION: New York, NY
PROPERTY TYPE: Office
SIZE (SQ FT): 2.3M

PROJECT TYPE: LEED Certification
CLASSIFICATION: GOLD
AWARD: Nominated for 2019 BOMA TOBY Award (Outstanding Building of the Year)

STRATEGY

The goals for this project were to achieve LEED Gold and realize reductions in energy and water consumption. Pursuing LEED gives assurance that the project is committed to sustainability and is aligned with organizational and city-wide carbon reduction goals. To achieve LEED at 11 Madison, a collective effort was required across various stakeholders, including property management, engineering, sustainability consultants, tenants and building vendors.

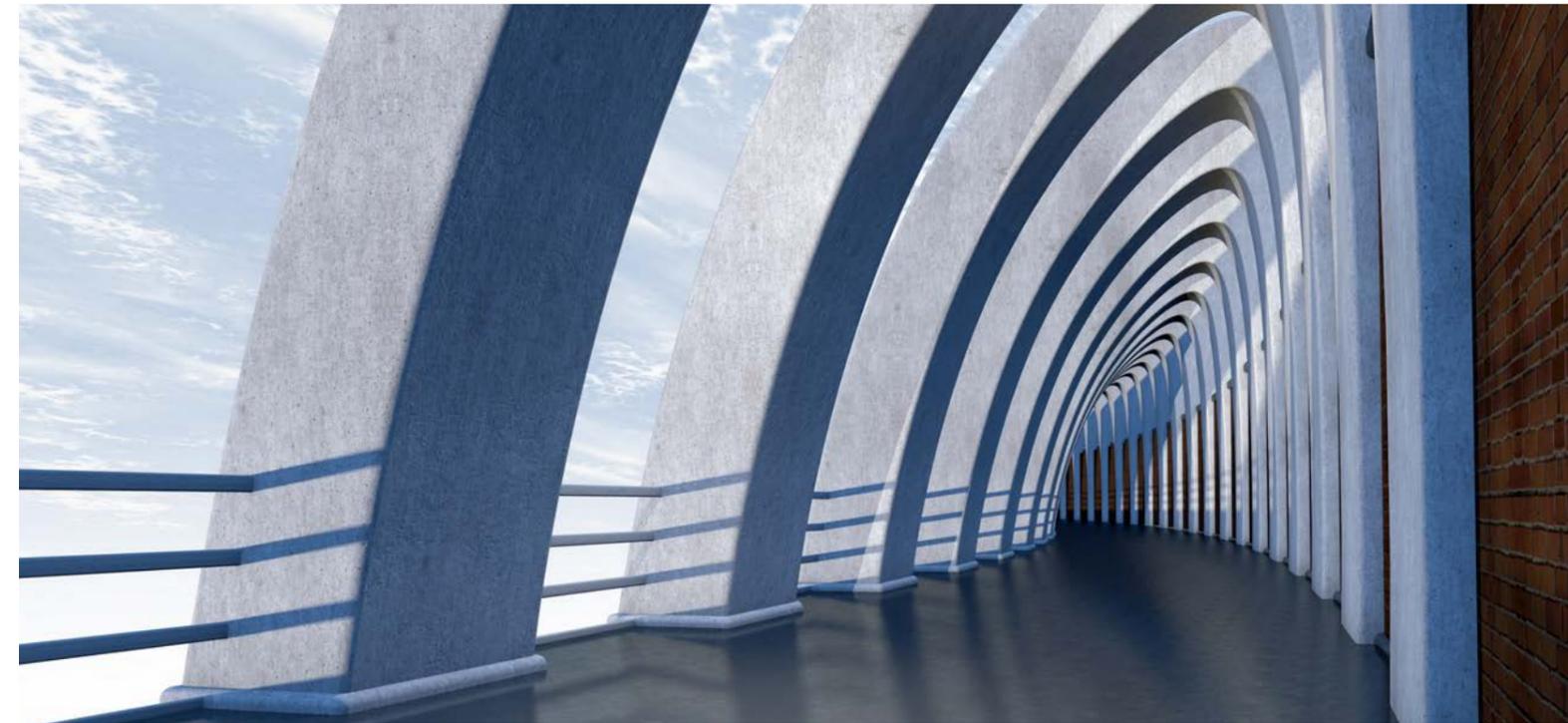


SUSTAINABILITY OUTCOMES

- Earned LEED Gold at 67 points
- Achieved ENERGY STAR score of 87, which puts the building in the top 13% in terms of energy efficiency for similarly-sized office buildings
- Reduced water use by 45.7%, which equates to 5,804,509 gallons of water saved per year
- Purchased 93% of janitorial products meeting sustainability criteria
- 97% of building occupants use sustainable forms of transportation to commute to the building
- Earned an Exemplary Performance credit for building cleanliness that promotes occupant health

KEY FEATURES

- Implemented a cooling tower chemical management plan that maximizes cycles of water while maintaining appropriate chemical concentration rates to reduce harmful bacteria and improve water quality
- Conducted a waste stream audit to identify quality of recycling practices at the property and make plans for improvements
- Used MERV-14 air filters in the building's air handlers, which improves indoor air quality by filtering out contaminants
- Implemented various energy projects over the last few years, including: lighting upgrades, a steam station installation, BMS integration and an elevator project. The estimated savings for these projects are 1 million kWh of electricity and 11,000 Mlbs of steam



DATA MANAGEMENT

PGIM Real Estate tracks utility data on ENERGY STAR Portfolio Manager. To ensure the data for these properties is accurate and up to date, PGIM Real Estate also utilizes Measurabl's utility sync system in which data is automatically pulled from utility bills and uploaded to Portfolio Manager. Once the data is tracked in Portfolio Manager, each property receives an ENERGY STAR score and becomes eligible for an ENERGY STAR certification if the score is 75 or more. In 2018, we focused on increasing the number of active sites that were actively tracked in Measurabl.

1,362

ACTIVE SITES
up from 950 in 2017

43%

INCREASE IN
ACTIVE SITES TRACKED
in our data management
system in 2018 from 2017

73

TOTAL ENERGY STAR
CERTIFIED PROPERTIES
\$11.4B GAV
24.5M SQ FT

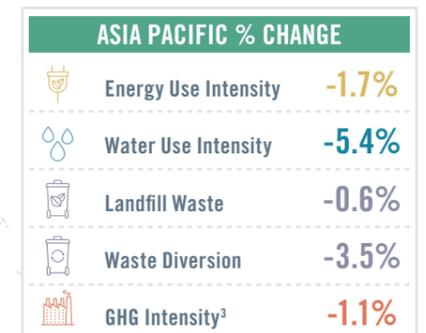
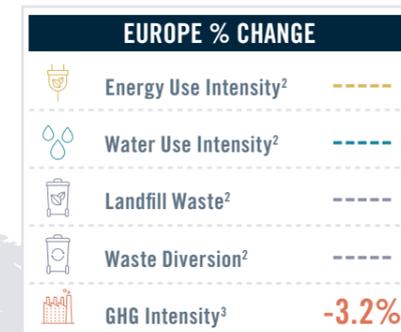
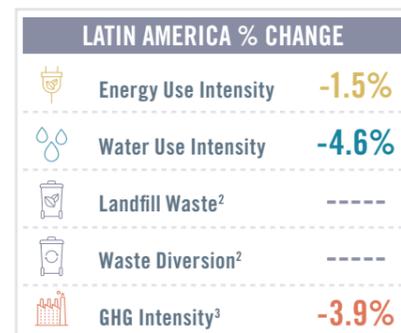
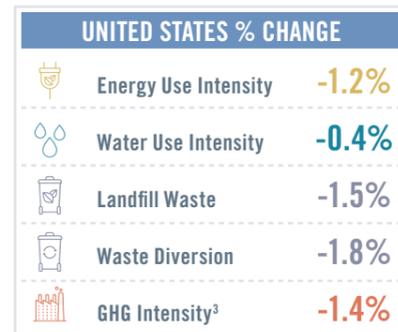
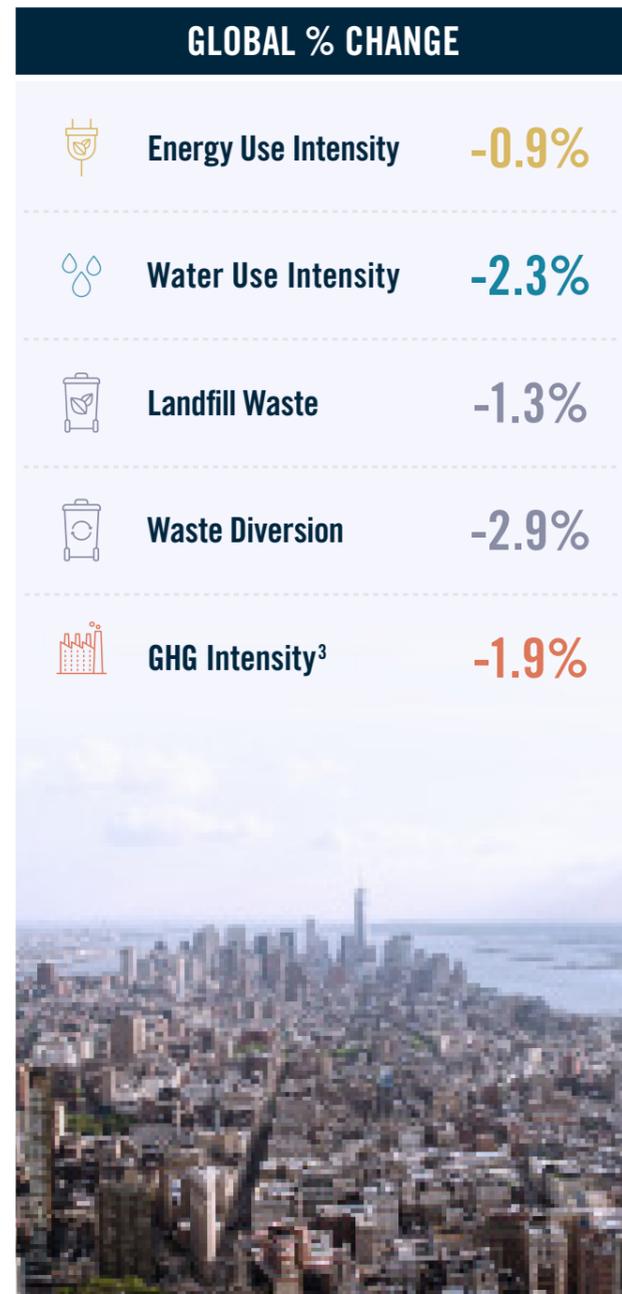
110

PROPERTIES WITH AN
ENERGY STAR SCORE
OF 75 OR MORE
(75 is the minimum score to
be eligible for ENERGY STAR
certification)

PERFORMANCE METRICS 2018 vs 2017

In 2016 and 2017, PGIM Real Estate migrated their environmental data tracking into Measurabl. This data management platform allows automatic upload of utility data from more than 3,400 utility providers. In addition to simplifying data collection, Measurabl provides data quality alerts to help quickly identify any issues.

In 2019, PGIM Real Estate engaged a sustainability/ESG consultant to help manage their environmental data. The consultant performed data cleaning¹ before calculating the performance metrics presented in the graphic. These results are like-for-like data for 2018 versus 2017.



ENERGY USE INTENSITY

SELECT PROPERTY TYPES % CHANGE

Asia Retail (Shopping Center)	-2.1%
North America Office	-1.5%
North America Residential (Multifamily and Senior Housing)	-3.2%
Global Office	-1.1%
Global Residential	-3.2%
Global Retail (Shopping Center)	-1.5%

FOOTNOTES

- The like-for-like datasets exclude assets that 1) were missing one or more months of data during 2017-2018, 2) were not operational at the time of analysis, 3) had a Data Quality Alert in Measurabl, 4) had > 25% variance in the given metric from 2017 to 2018, or 5) were identified as having likely data errors.
- Results with < 5% data coverage are excluded from the tables.
- Scope 2 emissions are presented in the table. Scope 1 Emissions 2017-2018 percent change: Global 1.4% increase, North America 1.2% increase, Latin America N/A (< 5% data coverage), Asia 0.1% increase.

GREEN BUILDING CERTIFICATIONS

Building certifications provide a proxy for building performance and may help to mitigate risk. Global building certifications continue to increase in number, area and value. In 2018, globally, PGIM Real Estate had 137 buildings with an internationally recognized green building certification or energy rating, totaling 43.1 million square feet. We also have 73 ENERGY STAR certified buildings totaling 24.5 million square feet.

CERTIFICATIONS (YE2018)	NUMBER OF BUILDINGS	GAV (USD \$BILLIONS)	AREA (MILLION SQ.FT.)
LEED	87	13.90	30.90
National Green Building Standard	14	1.40	5.20
Energy Star Certified (incremental)	24	2.10	3.80
BREEAM	3	0.09	0.21
BCA Greenmark	5	2.90	1.70
NABERS	2	0.30	0.65
Green Key Eco-Rating	1	0.21	0.15
DGNB	1	0.05	0.48
TOTALS	137	20.95	43.10
Total Energy Star Certified Buildings	73	11.40	24.50
SMART Blue Certifications*	19	-----	2.80
Other Certifications**	19	-----	7.18

*As of December 2018, in Latin America there are 19 SMART Blue certified properties.

**Other Certifications include Space Coast Daily Humanitarian Award, BOMA 360, CALGreen, Energy Certificate, Florida Green Building Certification (Operational), WiredScore, Happy Toilet (Singapore), BEAM Plus - Existing Buildings, Universal Design Award For Family-Friendly Business, and PUB Water Efficient Building (Singapore).



GREEN BUILDING CERTIFICATIONS TIMELINE

- 2018**
 137 green building certifications totaling \$21 billion and 43.1 million SQ FT
 Includes 87 LEED certifications totaling \$13.9 billion and 30.9 million SQ FT
- 2017**
 19 SMART Blue certifications, 2.8 million SQ FT
 86 LEED building certifications \$13.9 billion, 27.6 million SQ FT
- 2016**
 Earns LEED Gold for PGIM Real Estate NYC Office
 15 SMART Blue certifications, 2.3 million SQ FT
 80 LEED certifications \$13.8B 27.4 million SQ FT
- 2015**
 10 SMART Blue certifications, 1.8 million SQ FT
 74 LEED certifications \$12.2B, 25.5 million SQ FT
- 2013**
 1st SMART Blue certification, 132,268 SQ FT
- 2012**
 Earns LEED Platinum for PGIM Real Estate Headquarters in Madison, NJ



RECENT SUSTAINABILITY AWARDS



LEED PLATINUM
PR 790 East Colorado, Pasadena, CA
2018



BUILDING PERFORMANCE RETROFIT AWARD
2017



PREMIOS VERDE AWARD
Latin America
2016



GREEN LEASE LEADERS AWARD
U.S. Department of Energy and
Institute for Market Transformation
2016



SUPERIOR ENERGY PERFORMANCE
301 Congress, Austin, TX
2013-2017



TOBY EARTH AWARD
Sabadell Financial Center at 1111 Brickell
100,000 TO 249,999 SQUARE FEET TOBY AWARD
550 Biltmore Way
2017



REGIONAL SPOTLIGHT
EUROPE

QUADRUPLE CERTIFICATION PROPERTY IN DEVELOPMENT

SWELL is a new flagship property to be delivered in 2020 with quadruple certification: WELL “Silver”, BREEAM “Very Good,” HQE “Excellent” and Effinergie. To optimize the health and well-being of building occupants, the highest standards have been applied to SWELL’s technical specifications, including the installation of high-performance Class F9 filters that will filter particles three times finer than in a standard office building, such as tobacco and metal oxide smoke. The 200,000 square foot project, initiated in 2018, includes 27,000 square feet of biophilic garden terraces with outstanding views of the Seine River. Designed as a new entrance to the city of Clichy-la-Garenne, SWELL is part of an urban regeneration project in the Bac d’Asnières Urban Development Zone, a former industrial area in the first ring of Paris currently being fully remodeled with extensive support of local authorities.



SWELL, Bac d’Asnières, Clichy, France

CERTIFICATIONS ACROSS EUROPE



FRANCE—1 EXISTING
4 PENDING 2019-20
U.K.—3 PENDING 2019-20



FRANCE—2 PENDING 2020



FRANCE—1 PENDING 2020



GERMANY—1 EXISTING
1 PENDING 2019-20



FRANCE—1 PENDING 2020

COMMUNITY INVOLVEMENT



LOCAL ORGANIZATIONS

PGIM Real Estate’s European business has various programs supporting local communities. In Germany, we support the Horizont e.V organization dedicated to supporting homeless mothers and their children in Munich. We also support the SOS Children’s Villages International that works to protect children without parental care, providing support across 135 countries around the world. In Luxembourg, PGIM Real Estate provides support for handicapped people by contributing to The Bottle Top Project. We volunteer with organizations that provide affordable clothing for men, women and children with markets held twice a year and at Christmas time.



YOUTHBUILD EXPANSION

PGIM Real Estate’s YouthBuild UK pilot program was launched in London in February 2019 and Peabody Thamesmead in April 2019. Core objectives are to collaborate with YouthBuild students on a community project, deliver personal development sessions at YouthBuild centers, link graduates to opportunities with construction partners, and introduce YouthBuild to the wider network of PGIM Real Estate’s business partners.

REPORTING & DISCLOSURE

“ Utilizing sustainability standards and frameworks guides our reporting and disclosure process, providing stakeholders with the required level of transparency to maintain effective engagement. ”

ABOUT THIS REPORT

This report provides an overview of our management policies, procedures and practices, key initiatives, strategies, targets, and programs, and industry recognition. The properties identified in this report represent the total global asset portfolio for the 2018 calendar year, owned by PGIM Real Estate. The performance data includes like-for-like data for energy, water, waste and greenhouse gas emissions for the 2018 calendar year from January 1, 2018 to December 31, 2018. Governance and social initiatives, activities and events, performance metrics, as well as awards and recognitions achieved in other years may be referenced to provide context for and/or comparison to events in 2018. In addition, as appropriate, significant developments occurring in early 2019 may be referenced and will be more fully developed in subsequent reports.

PERFORMANCE METRICS METHODOLOGY

To accurately measure our performance indicators, PGIM Real Estate partners with ULI Greenprint. Through ULI's partnership with the Measurabl platform, we pull data directly from ENERGY STAR Portfolio Manager and ensure the highest levels of data quality. We oversee all data supplied to ENERGY STAR, LEED, and GRESB, to ensure that no discrepancies are found while utilizing like-for like calculations when preparing these rates. In the future, PGIM Real Estate will consider third party data quality assurance from an accredited provider.

REPORTING PRACTICES

This report addresses the ESG initiatives, performance and plans of Prudential's wholly owned subsidiary PGIM Real Estate. The entities include REITs, non-listed debt and equity real estate investment funds, single client accounts and real estate securities. These investment vehicles are reported separately and aligned to provide investors with material information for their specific investments. As previously mentioned, the key issues identified by stakeholders include economic, environmental, social and governance performance. Economic performance is reported through investor communications and is not public information. Many of the non-financial performance issues of are documented herein. In prior years we released an annual sustainability report focused primarily on our environmental sustainability.

The reporting period:	January 1 to December 31, 2018
Date of most recent report:	Exact date not listed
Reporting Cycle:	Year 2018
Restatement of Information:	None

CONTACT

For more information about this report or PGIM Real Estate's Sustainability and ESG programs, please contact David DeVos, global head of Sustainability at david.devos@pgim.com.

ENDNOTES

\$168.4B AUM/AUA, 31 CITIES, 12 COUNTRIES, 1000+ PROFESSIONALS, 597 INVESTMENT PROFESSIONALS

¹ Reflects the combined capabilities of PGIM's private real estate businesses, PGIM Real Estate and PGIM Real Estate Finance. As of December 31, 2018, Combined gross assets under management and administration across its PGIM Real Estate and PGIM Real Estate Finance businesses. AUA equals \$33.1 billion.

\$AUM AND GAVS USED FOR THE 2018 GREEN BUILDING CERTIFICATIONS FIGURES CALCULATIONS

² Reflects PGIM Real Estate's gross assets under management of \$72.7B as of December 31, 2018. Total net assets under management equal \$50.8B.

\$AUM AND GAVS USED FOR THE 2018 GRESB FIGURES CALCULATIONS

³ Reflects PGIM Real Estate's gross assets under management of \$69.0B as of December 31, 2017.

190M SF GFA

⁴ Inclusive of office, retail and logistics only, as of December 31, 2018.

REPRESENTATIVE OFFICE LOCATIONS

⁵ The 31 office locations, inclusive of the PGIM Real Estate and PGIM Real Estate Finance businesses, can be found here: www.pgimrealestate.com/re/our-locations.shtml

GLOBAL REPORTING INITIATIVE

ABOUT GRI

The Global Reporting Initiative (GRI) is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. GRI's Sustainability Reporting Standards have transformed reporting from a niche practice to one that is globally adopted. With thousands of reporters in over 100 countries, GRI provides the world's most widely used standards on sustainability reporting and disclosure, enabling businesses, governments, civil society and citizens to make better decisions based on information that matters.

This report has been prepared with reference to the Standard Disclosures from the GRI Sustainability Reporting Guidelines. 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 our previous sustainability reporting practices, feedback from stakeholders and discussions with subject matter experts.

GRI INDEX

The index below displays the referenced GRI Content Index based on the G2016 indicators, and includes disclosure titles, numbers and descriptions, and the location in this report of material that references each GRI disclosure by page number.

GRI REFERENCE	DESCRIPTION	PAGE NUMBER
ORGANIZATIONAL PROFILE		
102-1	Name of organization	1
102-2	Activities, Brands, Products, and Services	8, 18, 19
102-3	Location of Headquarters	92
102-4	Location of operations	18, 19, 69, 92
102-5	Ownership and Legal Form	18
102-6	Markets Served	18
102-7	Scale of the Organization	18
102-12	External Initiatives	9, 25
102-13	Membership of Associations	34, 47
STRATEGY		
102-14	Statement from Senior Decision Maker	5
102-15	Key Impacts, Risks, and Opportunities	26, 27, 38, 70, 78
ETHICS AND INTEGRITY		
102-16	Values, Principles, Standards and Norms of Behavior	9, 23, 40, 42, 43, 44, 45
GOVERNANCE		
102-18	Governance Structure	20, 21
102-20	Executive-Level Responsibility for Economic, Environmental, and Social Topics	20, 21
102-21	Consulting Stakeholders on Economic, Environmental, and Social Topics	22
102-22	Composition of the Highest Governance Body and its Committees	20, 21
102-26	Role of Highest Governance Body in Setting Purpose, Values, and Strategy	20, 21
102-27	Collective Knowledge of Highest Governance Body	20, 21
102-29	Identifying and Managing Economic, Environmental, and Social Impacts	20, 21
102-30	Effectiveness of Risk Management Processes	26, 64, 65, 66, 67
STAKEHOLDER ENGAGEMENT		
102-40	List of Stakeholder Groups	22
102-43	Approach to Stakeholder Engagement	25, 30, 32, 58
102-44	Key Topics and Concerns Raised	31, 38, 43, 58, 65

REPORTING PRACTICE		
102-50	Reporting Period	6
102-51	Date of Most Recent Report	32
102-52	Reporting Cycle	33
102-53	Contact Point for Questions Regarding the Report	88
102-54	Claims of Reporting in Accordance with the GRI	89
102-55	GRI Content Index	90, 91
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The Management Approach and Its Components	9, 20, 23, 28, 35, 44, 70, 71
103-3	Evaluation of the Management Approach	20, 25
GRI 201: ECONOMIC PERFORMANCE		
201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	64, 65, 66, 67
GRI 300: ENVIRONMENTAL		
302-1	Energy Consumption within the Organization	38, 58, 78, 79
302-3	Energy Intensity	78, 79
302-4	Reduction of Energy Consumption	12, 58, 70, 72, 78, 79
305-4	GHG Emissions Intensity	78, 79
305-5	Reduction of GHG Emissions	12, 58, 70, 72, 78, 79
GRI 400: EMPLOYMENT		
401-2	Benefits Provided to Full-Time Employees that are not Provided to Temporary or Part-Time Employees	46, 50, 58
401-3	Parental Leave	46
GRI 404: TRAINING AND EDUCATION		
404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	50, 55
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	46, 50
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of Governance Bodies and Employees	13, 21, 47
GRI 413: LOCAL COMMUNITIES		
413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	31, 35, 36, 37, 52, 53, 56, 57
GRI 416: CUSTOMER HEALTH AND SAFETY		
416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	61

REPRESENTATIVE OFFICE LOCATIONS⁵

GLOBAL HEADQUARTERS

7 Giralda Farms
Madison, NJ 07940

AMERICAS—UNITED STATES

Atlanta
Tower Place 200
3348 Peachtree Road, Suite 1100
Atlanta, GA 30326

Chicago
Two Prudential Plaza
180 N. Stetson Avenue, Suite 3275
Chicago, IL 60601-6217

Miami
800 Brickell Avenue, Suite 902
Miami, Florida 33131

New York
1540 Broadway, 36th Floor
New York, NY 10036

San Francisco
101 California Street
San Francisco, CA 94111

AMERICAS—LATIN AMERICA

Mexico City
Paseo de la Reforma # 412, 18th floor
Col. Juarez, Mexico City, 06600

EUROPE

Frankfurt
Tausanlanlage 18
60325 Frankfurt, Germany

London
Grand Buildings, 1-3 Strand
Trafalgar Square
London, WC2N 5HR
United Kingdom

Luxembourg
2 Boulevard de la Foire, 2nd Floor
L-1528, Luxembourg

Munich
Wittelsbacherplatz 1
D-80333 Munich, Germany

Paris
15 Avenue Matignon
F-75008 Paris, France

ASIA PACIFIC

Hong Kong
Suite 3107, 31F Alexandra House
18 Chater Road, Central
Hong Kong

Seoul
Prudential Tower, 3rd Floor
298 Kangnamdae-ro, Kangnam-gu
Seoul, 06253 Korea

Shanghai
Unit 2357, Level 23, Five
Corporate Avenue
150 Hubin Road
Shanghai 200021, China

Singapore
1 Raffles Place, #26-61
One Raffles Place, Tower 2
Singapore 048616

Sydney
Level 23, Deutsche Bank Place
126 Philip St.
Sydney 2000, NSW 2000
Australia

Tokyo
The Prudential Tower, 16th Floor
2-13-10 Nagata-cho, Chiyoda-ku
Tokyo 100-0014, Japan

IMPORTANT INFORMATION

This report is for informational and educational purposes only and should not be construed as investment advice or an offer or solicitation in respect of any products or services to any persons who are prohibited from receiving such information under the laws applicable to their place of citizenship, domicile or residence. The information is not intended as investment advice and is not a recommendation about managing or investing assets. Your capital is at risk and the value of investments can go down as well as up. In providing these materials, PGIM is not acting as your fiduciary as defined by the Department of Labor.

This report is for informational and educational purposes only and should not be construed as investment advice or an offer or solicitation in respect of any products or services to any persons who are prohibited from receiving such information under the laws applicable to their place of citizenship, domicile or residence. PGIM, Inc., is the principal asset management business of PFI and is a registered investment advisor with the US Securities and Exchange Commission. PGIM Real Estate is PGIM's real estate investment advisory business and operates through PGIM, Inc. PGIM is a trading name of PGIM, Inc and its global subsidiaries. In the United Kingdom, and various European Economic Area jurisdictions, information is issued by PGIM Limited, an indirect subsidiary of PGIM, Inc. PGIM Limited registered office: Grand Buildings, 1-3 Strand, Trafalgar Square, London, WC2N 5HR is authorized and regulated by the Financial Conduct Authority of the United Kingdom (registration number 193418) and duly passported in various jurisdictions in the EEA. These materials are issued to persons who are professional clients or eligible counterparties for the purposes of the Financial Conduct Authority's Conduct of Business Sourcebook. In Japan, investment management services are made available by PGIM Japan, Co. Ltd., ("PGIM Japan"), a registered Financial Instruments Business Operator with the Financial Services Agency of Japan. In Hong Kong, information is presented by representatives of PGIM (Hong Kong) Limited, a regulated entity with the Securities and Futures Commission in Hong Kong to professional investors as defined in Part 1 of Schedule 1 of the Securities and Futures Ordinance. In Singapore, information is issued by PGIM (Singapore) Pte. Ltd. ("PGIM Singapore"), a Singapore investment manager that is licensed as a capital markets service license holder by the Monetary Authority of Singapore and an exempt financial adviser. These materials are issued by PGIM Singapore for the general information of "institutional investors" pursuant to Section 304 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and "accredited investors" and other relevant persons in accordance with the conditions specified in Sections 305 of the SFA. In South Korea, information is issued by PGIM, Inc., which is licensed to provide discretionary investment management services directly to South Korean qualified institutional investors.

PFI of the United States is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom. PGIM, the PGIM logo and Rock design are service marks of PFI and its related entities, registered in many jurisdictions worldwide. The information contained herein is provided by PGIM Real Estate. This document may contain confidential information and the recipient hereof agrees to maintain the confidentiality of such information. Distribution of this information to any person other than the person to whom it was originally delivered and to such person's advisers is unauthorized, and any reproduction of these materials, in whole or in part, or the divulgence of any of its contents, without the prior consent of PGIM Real Estate, is prohibited. Certain information in this document has been obtained from sources that PGIM Real Estate believes to be reliable as of the date presented; however, PGIM Real Estate cannot guarantee the accuracy of such information, assure its completeness, or warrant such information will not be changed. The information contained herein is current as of the date of issuance (or such earlier date as referenced herein) and is subject to change without notice. PGIM Real Estate has no obligation to update any or all of such information; nor do we make any express or implied warranties or representations as to its completeness or accuracy. Any information presented regarding the affiliates of PGIM Real Estate is presented purely to facilitate an organizational overview and is not a solicitation on behalf of any affiliate. These materials are not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services. These materials do not constitute investment advice and should not be used as the basis for any investment decision.

These materials do not take into account individual client circumstances, objectives or needs. No determination has been made regarding the suitability of any securities, financial instruments or strategies for particular clients or prospects. The information contained herein is provided on the basis and subject to the explanations, caveats and warnings set out in this notice and elsewhere herein. Any discussion of risk management is intended to describe PGIM Real Estate efforts to monitor and manage risk but does not imply low risk.

PGIM Real Estate
REF: 19KESKO-BD8KTS

