

ESG

ANNUAL REPORT
2019-2020



TABLE OF CONTENTS

SPOTLIGHT	
<i>COVID-19</i>	8
2019 HIGHLIGHTS	12
PERFORMANCE	14

GOVERNANCE

CORPORATE PROFILE	18
BOARD & MANAGEMENT DIVERSITY	20
GOVERNANCE STRUCTURE	22
STAKEHOLDERS	24
BUSINESS ETHICS	26
PROCUREMENT & SUPPLY CHAIN	27
ESG COMMITMENT & FRAMEWORK	28
RISK MANAGEMENT	30
ESG POLICIES & GUIDELINES	32
ESG STRATEGY	34
RESPONSIBLE INVESTING	38
ESG PERFORMANCE	40
TRANSPARENCY & REPORTING	44

FEATURE

PGIM REAL ESTATE'S DEBT BUSINESS	46
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SOCIAL CAPITAL

OUR CULTURE	58
HUMAN CAPITAL DEVELOPMENT	60
INCLUSION & DIVERSITY	64
CASE STUDY	
<i>ILN 2019 Global Update</i>	66
ENVIRONMENTAL & ESG PROGRAM ENGAGEMENT	70
OUR COMMUNITIES	74
CASE STUDY	
<i>YouthBuild UK 2019 Launch</i>	77





About This Report

Since 2008, we have published an annual sustainability report to summarize PGIM Real Estate's progress and commitments made towards our environmental, social and governance (ESG) objectives. The 2019 ESG Annual Report was prepared by PGIM Real Estate's Sustainability and ESG teams. The qualitative and quantitative data referenced in this report reflect the 2019 calendar year and are illustrated by referencing the Global Reporting Initiative's (GRI) G2016 Guidelines. References within the report to our parent company, Prudential Financial, Inc., have been made and are indicated using either "PFI" or "our parent company."

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT SYSTEM	80
ENVIRONMENTAL PERFORMANCE	82
GREEN BUILDING CERTIFICATIONS & RATINGS	86
DATA COVERAGE & QUALITY	88
LEED CERTIFIED OFFICES	89
ENVIRONMENTAL RISK MANAGEMENT	90
CASE STUDY	
<i>GRESB Resilience Module</i>	92
SUSTAINABLE OPERATIONS	94
SUSTAINABILITY ATTRIBUTES SURVEY.....	96

SPOTLIGHT

ASIA PACIFIC	98
EUROPE.....	106
LATIN AMERICA	110
UNITED STATES	116

REPORTING & DISCLOSURE

GRI INDEX	125
OFFICE LOCATIONS	128
IMPORTANT INFORMATION.....	130

ROCK SOLID & SUSTAINABLE BUSINESS*



* Rankings for PFI overall



**A+ STRATEGY & GOVERNANCE
A PROPERTY**
2017 – 2019



FOUR #1 RANKS IN THEIR PEER GROUP

2019 GRESB RESILIENCE MODULE
ONE IN EACH REGION

53 GREEN STARS
2013 – 2019

FOUR 5-STAR RATINGS & NINE 4-STAR RATINGS
2017 – 2019

**AT LEAST ONE 2019 GRESB RESILIENCE 1ST PLACE
PEER GROUP RANKING IN THEIR PEER GROUP**



2019 WORLD'S MOST ETHICAL COMPANY
2015 – 2019
PRUDENTIAL

BARRON'S
THE DOW JONES BUSINESS AND FINANCIAL WEEKLY

100 MOST SUSTAINABLE COMPANIES
2 PRIOR YEARS
PRUDENTIAL

FORTUNE

2020 #1 WORLD'S MOST ADMIRABLE COMPANIES
IN THE INSURANCE: LIFE AND HEALTH CATEGORY
PRUDENTIAL

**FORTUNE'S CHANGE THE WORLD
2019 SUSTAINABILITY ALL STAR AWARD**

Letter from our President & CEO

As we reflect on the last 50 years of business at PGIM Real Estate and the challenges we collectively face entering this new decade, we remain grounded upon the strong foundation that we have carefully established to create exceptional value for our investors and partners within the global real estate market.

While the COVID-19 pandemic has shaken the world, our commitment to our fiduciary duties has not changed. In response to the pandemic, we rapidly adjusted our working arrangements to ensure business continuity while complying with guidance from leading authorities and health experts. With rock solid business practices in place, we dedicated ourselves to leading transparently, communicating proactively, and supporting employees, tenants and our communities to maintain a long-term focus for PGIM Real Estate as we navigate the pandemic.

Resilience remains top of mind for PGIM Real Estate with climate change, and now COVID-19, emerging as the predominant risks upon the horizon. With a robust ESG strategy and a rigorous risk management framework that is specifically designed for challenging market events, we are able to withstand large market shocks and appropriately balance our resources and risks. Our commitment to environmental stewardship remains stronger than ever as we seek to protect both the environment and our business far into the future.

More than ever, human rights and racial equity necessitates our active participation to create lasting and transformative change in our communities. We stand by the efforts to protect the lives of Black, Brown, native peoples and minority individuals, and the need to correct systemic injustices. We remain deeply dedicated to diversity and inclusion, as evidenced by a number of ongoing programs that have supported many people throughout our organization. From policies such as our parent company's Commitment to Diversity statement as well as continual improvement to board management and diversity across all levels of our organization, we understand that diversity and equality are essential for a sustainable, vibrant global future.

We set the stage in 2018 by expanding our sustainability program to a fully-integrated, global Environmental, Social and Governance (ESG) approach that measures, monitors and reports on building performance across our global portfolio. In 2019, we built upon this foundation and developed a new ESG Fund Level Strategy that established an in-depth, multi-year approach to address the unique needs of different regions and across all funds that report to GRESB. Through a dedicated focus on collaboration across regions and strategies, we have been able to strengthen not only our ESG program, but also how we create value for our investors and partners across our global platform.

The following strategic advances across our global regions are featured in this year's ESG report:

- In Asia Pacific, PGIM Real Estate produced strong GRESB results, spearheaded an innovative solar power generation project, developed health and well-being initiatives, and hosted diversity and inclusion events throughout the year.
- In Europe, we made strong progress with environmental performance, strengthened leadership and diversity initiatives, and commenced multiple innovative affordable housing projects.
- In Latin America, we made inroads with impactful renewable energy projects, sustainability education and ESG training, diversity and inclusion events supporting the LGBTQ community, and Kingsley Excellence awards for tenant engagement.
- In the United States, progress included an enhanced ESG communications strategy, ongoing community involvement with The Backpack Challenge, Holiday Cares, and YouthBuild International, and improved health and well-being through a Fitwel certification of one of our flagship buildings.
- PGIM Real Estate's U.S. debt platform has financed \$4.1B of affordable housing loans since 2004, with additional sustainable agriculture investments structured on a foundation that includes strategies to evaluate climate risk.

While the future may seem uncertain in light of the global crises we face, we are confident that our years of governance stability, environmental performance and social initiative contributions position us with the strength to face the challenges ahead of us. We continue to Do Business in a Rock Solid Way, and we will be resilient as a result of the ongoing dedication, energy and experience of the people who make PGIM Real Estate what it is today. As we take bold steps into the new decade, we are hopeful that we are advancing towards a thriving, equitable, and sustainable future for all.

ERIC ADLER

PRESIDENT & CEO, PGIM REAL ESTATE

SPOTLIGHT

COVID-19

PGIM Real Estate's Response to COVID-19

Uncertainty surrounding the COVID-19 outbreak has weighed on us all. In a March note to clients and the broader PGIM community, CEO David Hunt reminded us that during times of crisis, it's important that we look after each other. And that while markets will fluctuate, our obligation to meet our steadfast commitment to our fiduciary duties remains.

PGIM Real Estate is leveraging the breadth of its integrated global platform – closely monitoring public real estate market trends to capitalize on timely opportunities and assess the direction of the industry overall. We completely transformed our working arrangements, quickly implementing work-from-home business continuity plans while following the latest guidance and direction from authorities and health experts.

Our response was also in accordance with guidance found in the Principles of Responsible Investment's (PRI) Recommended Actions to respond to the COVID-19 crisis.

PRI RECOMMENDED ACTIONS FOR COVID-19

- ACTION 1** — Engage companies that are failing in their crisis management
- ACTION 2** — Engage where other harm is being hidden behind, or worsened by, the crisis
- ACTION 3** — Re-prioritize engagement on other topics
- ACTION 4** — Publicly support an economy-wide response
- ACTION 5** — Participate in virtual annual general meetings
- ACTION 6** — Be receptive to requests for financial support
- ACTION 7** — Maintain a long-term focus in investment decision making

Our Actions

LEADING TRANSPARENTLY

PGIM Real Estate strives to maintain the highest levels of transparency, accountability and ethics.

We employed a mix of internal and external resources, such as third-party fund administrative services, and valuations firms to provide unbiased perspective. Internal oversight from our parent company provides additional control.

We increased the frequency of our Global Management Committee meetings to drive strategic decisions. In addition, we formed a COVID-19 global steering group to meet three times a week to monitor the ongoing effectiveness of our COVID-19 approach and adjust actions as developments arise.



COMMUNICATING PROACTIVELY

Weekly all-staff calls provided COVID-19 updates, delivered with ongoing reassurance and encouragement for achieving work/life balance remotely, along with weekly management email communications about ongoing developments relative to the business and the virus' impacts.

On a business-as-usual basis, we assessed our critical service providers for resiliency plans inclusive of the pandemic. We continue to communicate with these providers regarding their plans and preparedness to ensure appropriate service levels.

In-person investor meetings and updates were moved to virtual platforms and include regular discussions of the impact of the pandemic. Additional investor phone calls were held to foster open communication.

Our marketing team mobilized to provide timely, accurate and consistent information to all investor inquiries via individualized responses and developing FAQ documents addressing common fund-level concerns.



SUPPORTING EMPLOYEES

Daily all-staff emails were sent directly to U.S. employees from both the global COO and Chair of Global Debt to share thoughts about the changing work-from-home environment, the broader community impacts personally faced, and how colleagues are managing personally during the epidemic.

We provide full coverage under company-paid medical programs for co-pay and co-insurance costs for COVID-19 testing.

We extended employee personal time off (PTO) under the COVID-19 Paid Sick Leave to 10 days of paid leave to care for family diagnosed or treated for COVID-19.

We implemented flexible work arrangements and eligibility of employees for Dependent Crisis Care reimbursement facilitating the ability to work during the pandemic.

An additional PTO day was granted to employees to be used in May or June to encourage physical and mental health, safety, and disconnecting.

We send regular employee reminders about the 24/7 Prudential Life Solutions line for immediate counseling and referrals to additional support services.

SUPPORTING TENANTS

Our overriding objective is to honor our fiduciary duty to investors by maintaining the long-term value of our assets. As a real estate manager, in many cases, that means accommodating some tenants' requests for relief so they may survive in the short-term and we may avoid unwanted vacancies.

SUPPORTING COMMUNITIES

In addition to our tenants, we are also mindful of our obligations to the communities in which we operate.

In recognition of the issues with availability of PPE supplies in the U.S., PFI, our parent company, donated

153,000
MASKS & RESPIRATORS

PFI committed to providing

\$1.5M
IN FINANCIAL SUPPORT TO COVID-19
SUPPORT ORGANIZATIONS

PFI committed to supporting small businesses in Japan and pledged contributions to

UNICEF AND The Fosun Foundation IN CHINA

PGIM Real Estate publicly shared

COVID-19 Perspectives
in several publications and we contribute to the global economic discussion regarding the virus via regularly issued commentary and white papers.

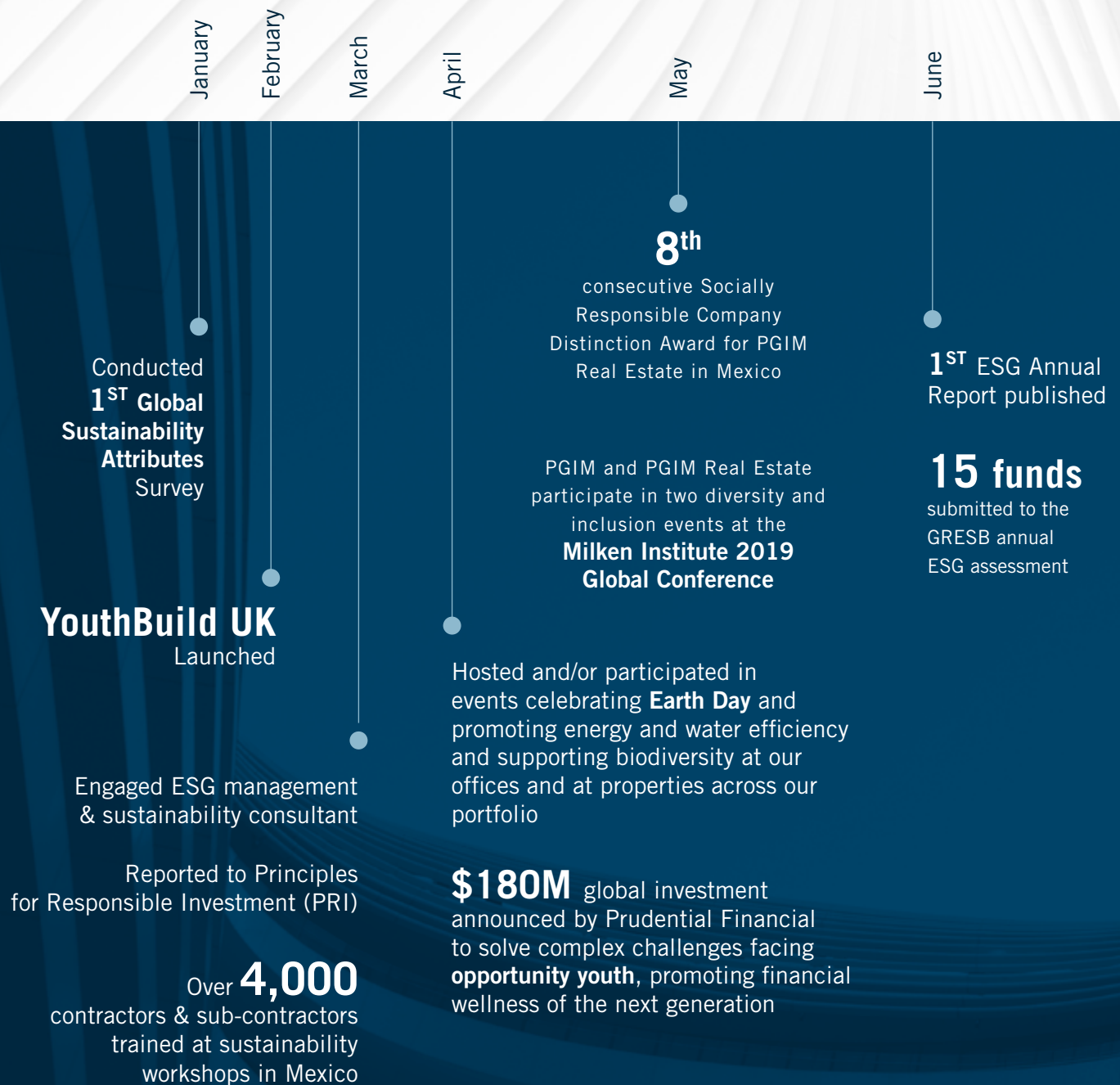
MAINTAINING A LONG-TERM FOCUS

Our robust risk framework is designed specifically for market events like these and ensures that we can continue to fulfill our client, regulatory, and stakeholder obligations under stress scenarios by maintaining the appropriate balance between resources and risks.

We regularly review our portfolio of initiatives and strategic investments as well as our fixed and discretionary expense base to ensure they are calibrated to the market environment.

With our focus on a long-term horizon, we adjust throughout the economic cycle, which often means we can be less reactionary to large market shocks.

2019 HIGHLIGHTS



July

August

September

November

December

Prudential earns
Fortune's **Change
the World 2019
Sustainability
All Star Award**

TOIGO's 2019 Groundbreakers
event hosted by PGIM's Chief
Inclusion and Diversity Officer,
Kathryn Sayko

**2019 Greenbuild International
Conference and Expo** in Atlanta.
PGIM Real Estate's ESG consultant
presented "Turning Risk into
Opportunity for Commercial
Real Estate"

GRESB

PRI

3rd
consecutive
year

'A+'
for Strategy &
Governance

'A'
for Property

4

#1 Ranks

in their peer group on the 2019
GRESB Resilience Module
ONE IN EACH REGION

8

#2 Ranks

in their peer group on the
Resilience Module

2

GRESB 4-Star Ratings
in Asia Pacific

**Energy, Water and Waste Awareness
Campaign** for employees and tenants

100%

of PGIM Real Estate
offices and 7 out of 9
PGIM Real Estate debt offices in North
America are LEED Certified at the

**Platinum, Gold
& Silver levels**

Published 2019 Fourth
Quarter ESG Newsletter

Established **Fund Level
ESG Strategy**

PERFORMANCE*

GOVERNANCE

A+

Strategy & Governance PRI Rating

A

Property PRI Rating

3rd year in a row

GRESB ASSESSED

75.8%

of AUM of 15 participating funds
comprised of 1,277 Standing Assets and
250.9M SQ FT

53

GRESB Green Stars designated
2013 – 2019

\$55.1B

GAV

74.8%

AUM earning Green Stars

Four #1 Ranks

in their peer group on the 2019 GRESB
Resilience Module
one in each region

12 of 15

GRESB submissions in 2019 earned

#1 or #2

ranks on the Resilience Module

TRANSFORMATIVE INVESTMENT

PFI and PGIM Real Estate

\$5.6B

in investments targeting affordable housing
since 2010

\$11B+

to projects sparking positive social change through
transformative infrastructure, organizational partnerships
and talent development
since 1980

\$180M

investment in opportunity youth announced
in 2019

DIVERSITY & INCLUSION

Real Estate equity only, not debt

31%

Women
on Global Management Council

38%

Women
on U.S. Management Council

30%

Women in Senior Positions
(VP or higher), globally

35%

Women in Senior Positions
(VP or higher), in U.S.

37%

Women in Professional Positions
(excluding administrative positions), globally

52%

Workforce diversity
women and people of color, in U.S.

* As of december 31, 2019, unless otherwise noted

CITIZENSHIP & SOCIAL ENGAGEMENT

YOUTHBUILD

Since 2015, North & Latin
America and the UK

75

Events

1,054

Students

440

Employees

96

graduates

UK Expansion

in 2019

CHARITABLE GIVING

\$4.3M+

amount donated to
organizations OVER THE PAST
21 YEARS BY PGIM AND PGIM
REAL ESTATE

60+

of charitable/community
events HOSTED OR SPONSORED
IN 2019

267

of participating employees
in charitable/community
events IN 2019 BY PGIM AND
PGIM REAL ESTATE

5,130+

of employee
volunteer hours
IN 2019

ENVIRONMENTAL

GLOBAL PERFORMANCE METRICS

Year Over Year (YOY) %
Change 2019 vs 2018

-1.6%

Energy Use Intensity

-2.8%

Water Use Intensity

-0.5%

Waste Diversion Rate

-1.5%

Total GHG Emissions Intensity

39.5%

Waste Diverted from Landfill in 2019

GREEN BUILDING CERTIFICATIONS

163

Total Green Building
Certified Properties
49.6M SQ FT, \$28.6B GAV

105

LEED Certifications
36.3M SQ FT, \$20.1B GAV

69

ENERGY STAR Certifications
23.4M SQ FT, \$12.8B GAV

9

SMARTBlue Certifications
1.6M SQ FT, \$108.4M GAV

100%

of PGIM Real Estate equity
offices and 7 out of 9 PGIM
Real Estate debt offices in North
America are LEED certified
at the Platinum, Gold and Silver levels

DATA MANAGEMENT COVERAGE

1,450 Active Sites in the Environmental Dashboard

290.6M SQ FT Active Sites total floor area

1,188 Owned Sites in the Environmental Dashboard

238.6M SQ FT Owned Sites total floor area





Rock Solid

GOVERNANCE

PGIM Real Estate operates within a framework of principles, policies and procedures to uphold responsibility, fairness, ethics and transparency. Guided by our parent company, we are proud to be an award winning, demonstrated global leader in corporate governance.

CORPORATE PROFILE

As one of the largest real estate managers in the world with \$179.2 billion in gross assets under management and administration,¹ PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum.

PGIM Real Estate is a business of PGIM, the \$1.4 trillion global asset management business of Prudential Financial, Inc. (NYSE: PRU).

PGIM Real Estate's rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing,² and the deep local expertise of professionals in 32 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world.

At-A-Glance

Established in 1970

\$179.2B

Global AUM/AUA¹

\$68B+

Real Estate equity AUM/AUA²

\$100B+

Real Estate debt AUM/AUA²

\$55.1B

GRESB Assessed AUM³

1,300+

Properties²

1,188

Operational ESG-Managed Properties¹

181.1M

Square Feet (GFA) Across Office, Retail and Industrial Properties¹

86,220

Apartment Units¹

1,000+

Investment Professionals

Professionals in 31 Cities
across 16 Countries in 4 Regions

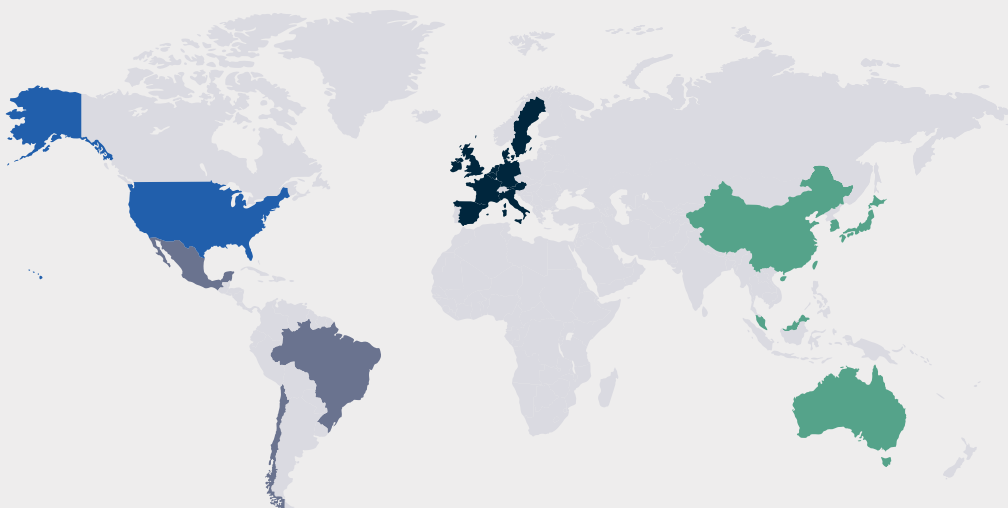
¹ as of December 31, 2019

² as of March 31, 2020

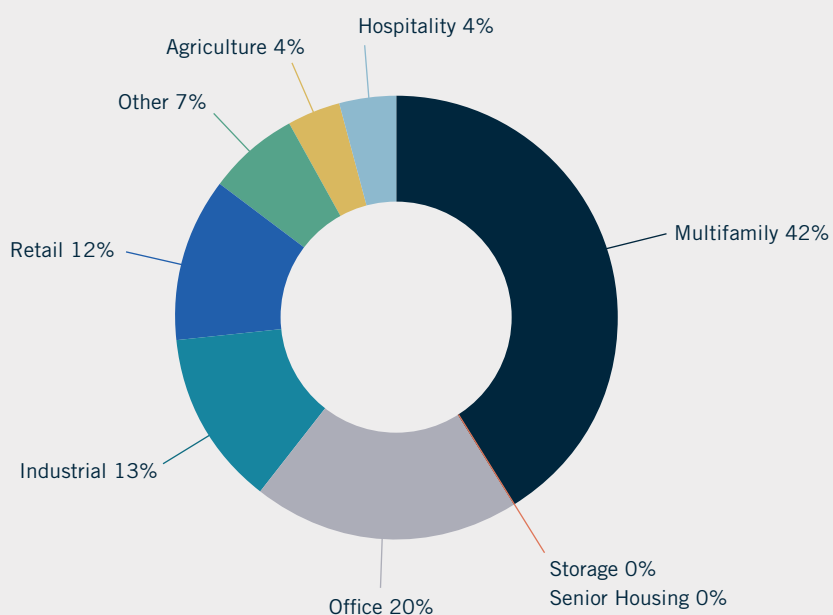
³ as of December 31, 2018

Portfolio Composition

PGIM Real Estate invests across all property sectors including office, retail, multifamily, as well as industrial, storage, senior housing, land and manufactured housing. We invest throughout the United States, and are one of the largest institutional real estate investors in Latin America, investing primarily in Mexico, Chile and Brazil. In Europe, we invest in the UK, Germany, France, Austria, Spain and the Netherlands. We also invest in Asia Pacific predominantly in Singapore, Japan and Australia, as well as China, Malaysia and South Korea.



PORTFOLIO COMPOSITION BY PROPERTY TYPE

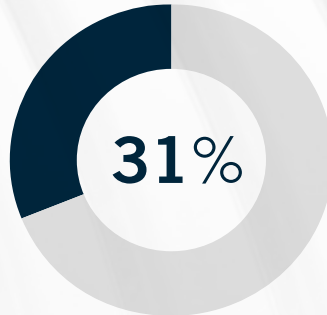


BOARD & MANAGEMENT DIVERSITY

We believe that having diversity of perspectives and experiences makes us better investment managers, as well as leading us towards more impactful and innovative solutions for our global client base. PGIM Real Estate's Inclusion & Leadership Network (ILN) seeks to fully integrate diversity and inclusion programs into leadership, management and talent initiatives, and business strategy. In 2019, our parent company was recognized once again (as in the 20 years prior) as **National Association for Female Executives** magazine's "Top Companies for Executive Women."

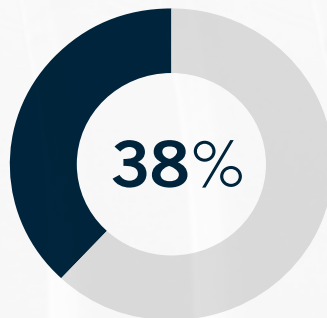


BOARD DIVERSITY



WOMEN

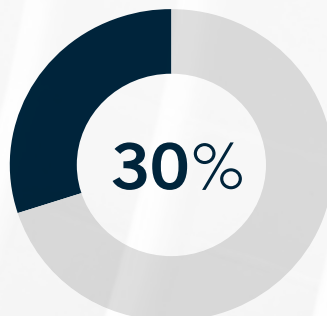
Global Management Council



WOMEN

U.S. Management Council

SENIOR POSITION DIVERSITY



WOMEN
IN SENIOR POSITIONS
(VP and above), globally

GOVERNANCE STRUCTURE

Global Management Council

PGIM Real Estate's governance structure starts with the Global Management Council (GMC), which oversees our corporate governance. The GMC is comprised of members of regional and global committees, and councils responsible for executive oversight and risk governance.

GMC 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

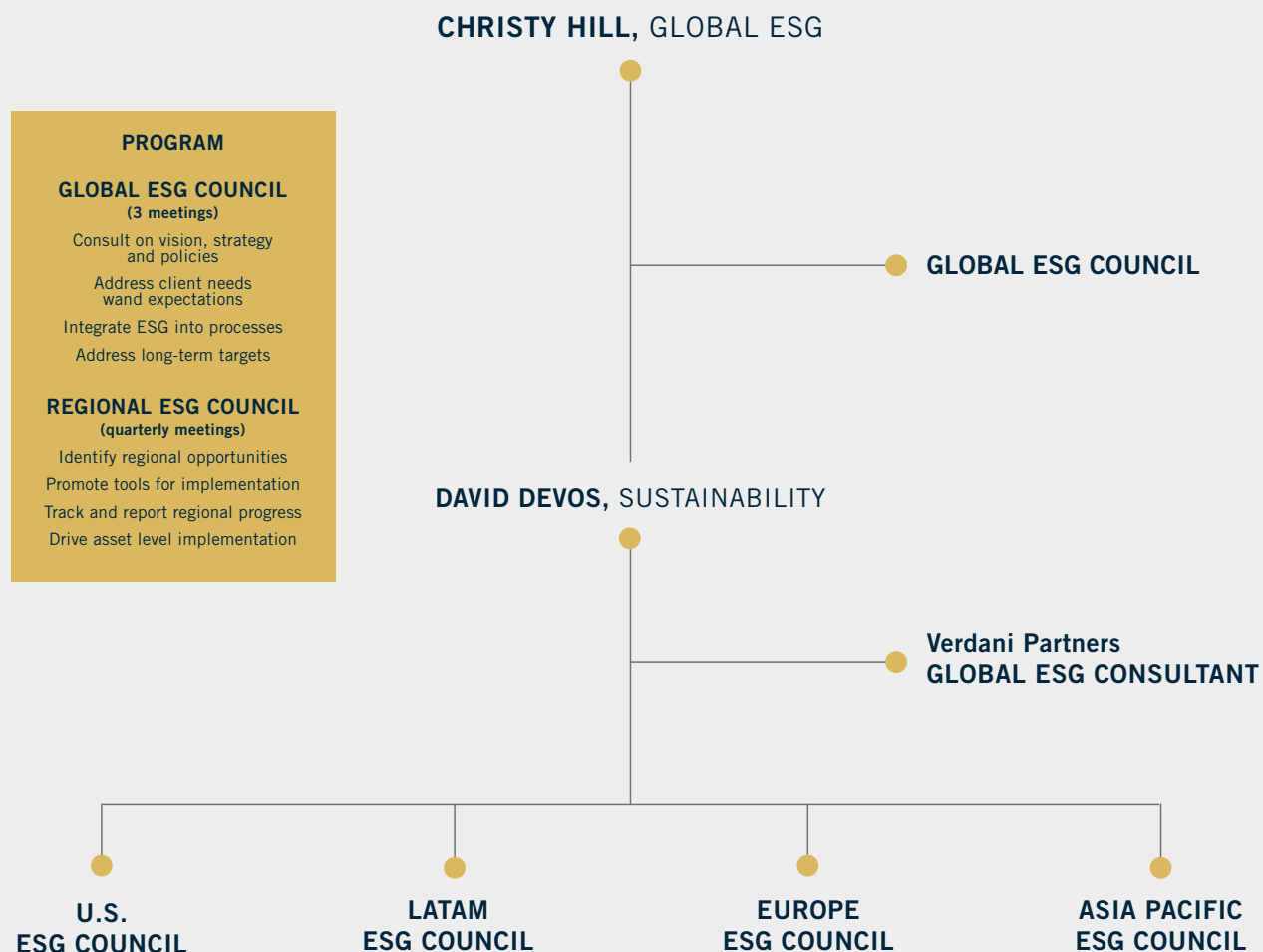
The senior leadership at PGIM Real Estate focuses their governance efforts on three distinct elements —
Structure, Infrastructure, and Talent and Culture.



ESG Council*

Established in 2019, the ESG Council is comprised of an Executive working group and Regional working groups. The Executive ESG Council consults on vision, strategy and policies, addresses client needs and expectations, integrates ESG into processes and addresses long-term targets.

The Regional ESG Councils identify regional opportunities, promote tools to implement initiatives, drive regional level implementation, and track and report regional progress.



*As of September 3, 2020

STAKEHOLDERS

Our stakeholders include organizations that are subject to our influence and impact or are identified as part of our value or supply chains. 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	Communities where our assets are located and/or where we are invested	Industry organizations
Joint venture partners		Property brokers
Property managers	Tenants, their employees, and their interests	Local government
Professional service suppliers	Contractors, their employees, and their trade unions	Society at large



Channels of Engagement

- In-person Conversations
- Customer Satisfaction Surveys
- Property Manager Surveys
- Employee Surveys
- Annual Partner Conferences
- Fund Advisory Councils
- Ad-hoc Investor Meetings
- Fund Reports Disclosure
- Annual Sustainability Reports
- Annual ESG Reports
- Press Releases
- Social Media

BUSINESS ETHICS

Making the Right Choices

We are committed to high ethical standards by facilitating behavior consistent with the company's Code of Conduct, Making the Right Choices. The Six Principles of our Code of Conduct include:

- Treat Employees Fairly
- Act Ethically
- Comply with Laws and Regulations
- Protect PFI Proprietary Information
- Manage Risk
- Collaborate Effectively

We did not have any bribery, fraud or corruption issues in 2019 or in any prior reporting years. In addition, we had no legal actions for anticompetitive behavior, anti-trust and monopoly practices in 2019 or any prior reporting years.



In 2019, our parent company earned the Ethisphere Institute World's Most Ethical Companies recognition for the fifth year in a row. This honor recognizes demonstrated excellence in quality of ethics and compliance program, organizational culture, corporate citizenship and responsibility, governance, and leadership and reputation.

PROCUREMENT & SUPPLY CHAIN

Our Vendor Code of Conduct and Terms of Engagement establishes our commitment to responsible, ethical and sustainable business practices, which extend to our supply chain and include the following areas:

- Core Values
- Labor Practices
- Anti-Discrimination and Anti-Harassment
- Anti-Bribery, Anti-Corruption and Foreign Corrupt Practices Act
- Environmental Responsibility

Suppliers report problems such as unethical or illegal conduct, fraud, concerns about accounting or financial reporting practices, and other problems to PFI's GBEI unit.





ESG COMMITMENT & FRAMEWORK

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.

Commitment

We operate within a framework of policies, procedures, principles and practices that were established by our parent company to ensure all its businesses embrace corporate responsibility, accountability, fairness, ethics and integrity, and transparency in their stakeholder relationships.

OUR PEOPLE

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.

HUMAN RIGHTS

We are committed to the protection and promotion of human rights throughout our company in all aspects of our business dealings around the world, including interactions with all individuals, including but not limited to independent contractors, interns, volunteers, agents, vendors, clients and customers.

OUR COMMUNITIES

Our parent company 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

By applying responsible resource reduction strategies, we enhance our environmental and 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.

ESG Framework

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.

Investing Responsibly & Sustainably



POLICY & GOVERNANCE

- Governance framework
- Risk management throughout the investment lifecycle



BUSINESS ENGAGEMENT

- Engagement with third parties
- Measurement and reporting of ESG progress

Stakeholder Engagement



TALENT

- Rewards & recognition
- Benefits & wellness
- Culture & work environment
- Professional & career development



BUSINESS ENGAGEMENT

- Employee initiated programs
- Employer initiated programs
- Occupant initiated programs

RISK MANAGEMENT

Enterprise Risk Management

Our Risk Management department assesses the risk profile of the company and balances risks and resources to meet our long term-promises throughout the investment lifecycle. We ensure effective risk management from initial acquisition through asset management and disposition using the best tools and processes in the industry to manage all facets of risk for our assets.

ESG Risk Management

We carefully consider ESG issues as part of our investment analysis and rigorous due diligence processes. We screen partners for potential conflicts of interest and ensure that our asset management protocols and regulatory reviews maximize value for our investors. We have implemented Sustainable Standard Operating Guidelines (SSOG) 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.

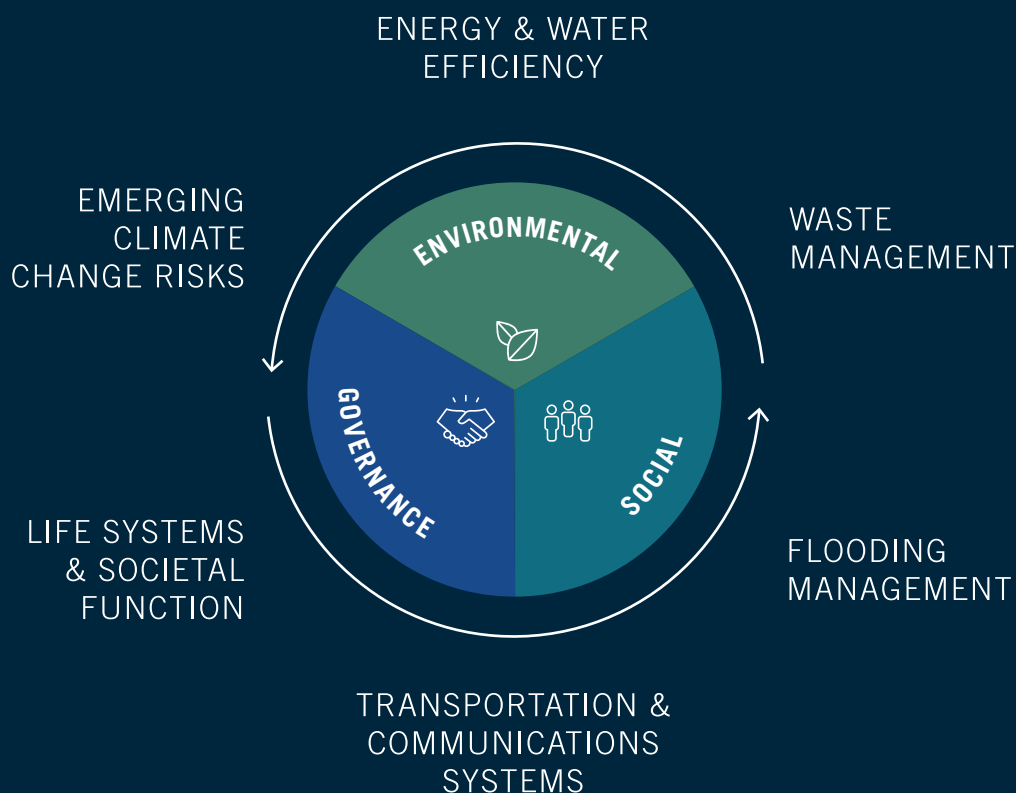


ESG Due Diligence

ESG FOR NEW INVESTMENTS AND STANDING ASSETS

As part of our risk assessment framework, PGIM Real Estate includes criteria that 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 aims to minimize risk, maintain competitiveness, maximize value for investors and tenants, and positively impact our capital investment decisions.

In addition to evaluating new acquisitions, we also perform periodic environmental and social due diligence for our standing assets to prioritize needed improvements and upgrades where needed. The sustainability issues covered by this process include:



ESG POLICIES & GUIDELINES

We have a broad range of corporate governance policies and guidelines that support our ESG program and encourage consideration of ESG criteria in the broader context of investment management.

Employees, portfolio managers, asset managers and other professionals are all trained on many policies and guidelines covering 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 across all ESG areas

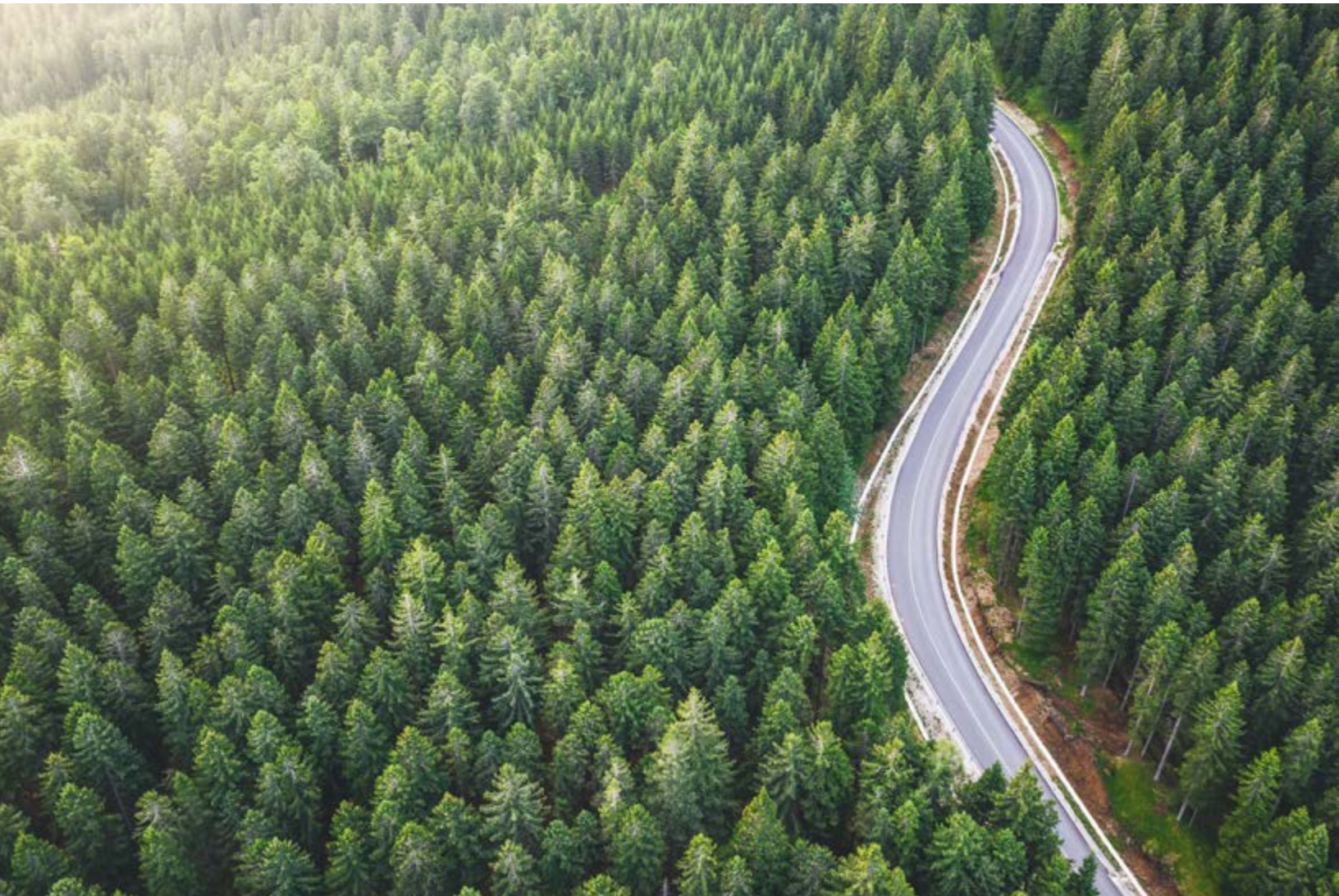


ENVIRONMENTAL ISSUES

- Energy consumption and management
- Water consumption and management
- Waste reduction and management
- GHG emissions and management
- Climate change and resilience
- New construction and renovation (new in 2019)

ESG STRATEGY

PGIM Real Estate believes that each fund should be positioned as a leader among their respective peer groups and that fund performance should be driven through solid investment discipline, as well as bespoke ESG strategies tailored to meet the needs of each individual fund.



Corporate-level ESG Strategy

ENVIRONMENTAL



10-YEAR TARGETS

↓ **20%**
Energy Intensity

↓ **20%**
Water Intensity

↓ **50%**
Landfill Waste

↑ **50%**
Waste Diverted

↓ **20%**
GHG Intensity

LEED CERTIFIED Offices

TRAVEL/CO2 Offsets

COMMUTING Subsidies

Minimize
SINGLE USE PRODUCTS

GREEN CLEANING

SOCIAL



DIVERSITY INITIATIVES

ILN, TOIGO,
GIRLS WHO INVEST,
PREA, PIPELINE
Training Programs

PFI/PGIM
Diversity Targets

HEALTH & WELL-BEING
Initiatives

FITWEL
(and other)
BUILDING HEALTH
Certified Offices

COMMUNITY ENGAGEMENT

YOUTHBUILD,
BACKPACK CHALLENGE,
HOLIDAY CARES

CHARITABLE GIVING

VOLUNTEER DAYS

GOVERNANCE



POLICY / FRAMEWORK

GLOBAL ESG POLICY

RESPONSIBLE
CONTRACTOR POLICY

GOVERNANCE
Framework

INVESTMENT Committees

ALLOCATION Committee

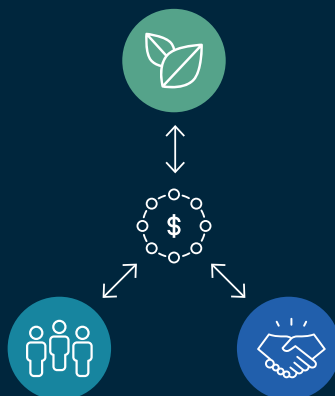
PORTFOLIO Reviews

DELEGATION OF AUTHORITY

OPERATIONAL RISK

INVESTMENT RISK

Partnerships/Affiliations:
PRI, GRESB,
URBAN LAND INSTITUTE (ULI),
AFFORDABLE HOUSING
COUNCIL



Fund-level ESG Strategy


PGIM Real Estate believes that our fund performance should be driven through solid investment discipline. Funds should be positioned as leaders among their respective peer groups, with ESG strategies tailored to meet the needs of each individual fund across our global portfolio.

In 2019, we developed and initiated the implementation of a new global Fund Level ESG Strategy that uses a data-driven approach to evaluate our current market position relative to the fund's peer group. With this information, PGIM Real Estate can identify potential opportunities for improvement to meet each fund's ESG objectives by providing strategic and tactical recommendations to property, asset and portfolio management teams. This strategy considers each asset over a multi-year period, aggregated to the fund level to meet the fund's ESG objectives.

THESE OBJECTIVES INCLUDE:

- Improving environmental performance
- Optimizing GRESB and UN PRI scores
- Adding value to our properties
- Reducing operating expenses

In addition to identifying improvement opportunities, our strategy provides fund-level budget estimates for recommended ESG projects, such as green building certifications and energy audits.



To make the fund strategy more actionable, PGIM Real Estate also created detailed asset-level work plans to be used in conjunction, which includes asset-by-asset assessments that prioritize and identify areas of improvement such as certifications or properties that could benefit from energy audits.



ASSET-LEVEL WORK PLANS



Asset-by-Asset
Assessments



Prioritize and Identify
Areas of Improvement



Certifications,
Energy Audits or
other Efficiency Projects

RESPONSIBLE INVESTING

We have a strong history of investing in transformative development and sustainability through our value-add platforms and multifamily housing, which includes affordable housing across many funds. Our team is guided by a Socially Responsible Investment Policy and 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 that are transformative in nature.



IN THE UK, WE HAVE
COMPLETED ABOUT
£20M
OF INVESTMENT
OVER THE LAST
SIX YEARS

Affordable Housing

Since the 1970s, our parent company has invested a portion of its balance sheet in strategies with both impact and return. About half of its impact investments target real estate strategies with a focus on affordable housing as well as transformative development. Our impact strategy explicitly targets both social and environmental impact and financial return, with impact characteristics defined in three ways:

- Investments in affordable housing
- Investments in low- and moderate-income areas
- Investments in real estate that has some environmental benefits such as green certifications or remediation of contaminated sites

In the United States, we focus on two strategies in impact real estate: multifamily and affordable housing and transformative development. We see the next generation of investors focusing on their values, which may include paying more attention to ESG issues. While in Europe, investors have emphasized developing with good environmental standards such as energy savings and increasing the affordable housing supply. In the United Kingdom, we have completed about £20 million of investment into affordable housing over the last six years and are looking to expand our footprint to France, then Germany, the Netherlands and Spain.

Sustainability All Star Award



Fortune's Change the World

2019 SUSTAINABILITY ALL STAR AWARDS

Our parent company earned a place on Fortune's 2019 Change the World program as a Sustainability All Star. Companies were assessed based on factors such as environmental innovation, resource use, and efforts to limit emissions.

PFI WAS RANKED

8

(OUT OF 52)

Based on steadily increasing
our environmentally sustainable investing
and PGIM Real Estate's nearly

\$14B

worth of buildings that meet high LEED certification standards
for emissions reduction and energy conservation

"Our strategy is a natural extension of Prudential's decades of real estate impact investment and of PGIM Real Estate's years of experience investing in real estate with impact characteristics."

Lisa Davis, Portfolio Manager, Impact Investing

ESG PERFORMANCE

ESG Objectives

INCREASE OPERATIONAL EFFICIENCIES & COST SAVINGS

Sustainability programs can improve efficiency as we undertake retrofit projects that can reduce operating and maintenance costs and improve risk-adjusted returns. Our global building certifications continue to increase in number and provide a proxy for building performance. As of December 31, 2019, certified properties represented \$28.6B of our global assets under management, excluding debt and securities.



OUR PROGRESS IN 2019



163

TOTAL GREEN BUILDING
CERTIFIED PROPERTIES

49.6M

SQ FT GFA

\$28.6B

GAV



105

LEED CERTIFIED
PROPERTIES

36.3M

SQ FT GFA

\$20.1B

GAV



118

ENERGY STAR (69)
& EU EPC (49)
CERTIFIED PROPERTIES

27.7M

SQ FT GFA

\$14.5B

GAV

BECOME A LANDLORD OF CHOICE

Reduce Common Area Charges

To better manage energy prices and reduce common area costs, we have implemented efficiency projects and power procurement strategies where feasible, reducing the total cost of occupancy.

Raise Stakeholder Awareness

Recognizing that tenants drive resource use at buildings, PGIM Real Estate and many of our property managers provide education and tenant guides to encourage efficient resource use and reduce environmental footprint.

OUR PROGRESS IN 2019

Green Leasing

New clauses for green leasing were implemented in 2019 in the U.S. for Office properties

1,450+

properties with an environmental dashboard

1,450+

properties with Utility Sync in Measurabl

Measurable Webinar

conducted for/offered to Regional ESG Councils and property managers

All U.S. asset managers received

Asset-level Workplan Training

Sustainability Best Management Practice Webinars and LEED Green

Associate Exam Training

offered to all employees and asset manager

Over 4,000 contractors and sub-contractors trained at sustainability workshops in Mexico in March 2019 receive their

SMARTBlue Credentials

ALIGN OUR VALUES WITH OUR STAKEHOLDERS

Property Manager Surveys

We perform an annual property manager survey to identify tenant and community engagement as well as procurement and sustainability issues, trends and opportunities.



OUR PROGRESS IN 2019

468

PROPERTY MANAGERS RESPONDED TO OUR ANNUAL SURVEY

50%

CONTINUE TO EMPLOY DEDICATED SUSTAINABILITY STAFF

100%

HAVE PERFORMED AN ENVIRONMENTAL AND/OR SOCIAL RISK ASSESSMENT WITHIN THE PAST THREE YEARS

TRANSPARENCY & REPORTING



PGIM Real Estate demonstrates our commitment to accountability and integrity by voluntarily reporting our ESG progress to the Principles for Responsible Investment (PRI) and GRESB as performance markers for assessing and improving our performance, raising awareness with stakeholders and providing our investors with increased transparency.



PRI PERFORMANCE

PGIM Real Estate has been a signatory of the Principles for Responsible Investment (PRI) since 2009 and we have completed the PRI Reporting and Assessment survey since joining to evaluate our company-wide ESG efforts to deliver the highest possible value for our investors. In 2019, for the third consecutive year, PGIM Real Estate earned an “A+” for “Strategy and Governance” and an “A” for “Property” on PRI’s Reporting and Assessment survey. Our strong global performance on this assessment demonstrates our ongoing commitment to deliver the highest possible value for our investors as we improve our ESG programs.

3RD

CONSECUTIVE YEAR

A+

STRATEGY & GOVERNANCE

A

FOR PROPERTY



GRESB PERFORMANCE

Since 2013, we have been a member of GRESB, an investor driven organization that assesses and benchmarks the ESG performance of real assets, providing standardized and validated data to capital markets. Since the first GRESB survey in 2010, we have increased the number of participating global funds and continue to see improvement in our GRESB scores.

2019 GRESB ASSESSMENT RESULTS

PGIM Real Estate is proud to announce our global results from the 2019 GRESB Assessment.

75.8%
OF GLOBAL AUM
WAS ASSESSED
(as of December 31, 2018)

Nearly
75%
OF OUR PORTFOLIO
(BY GFA) EARNED
A GREEN STAR
DESIGNATION

98.3%
OF AUM EARNED A
GOVERNANCE SCORE
OF 88 OR BETTER

1.9-Point
AVERAGE INCREASE
IN OUR GRESB SCORE
FROM 2018 TO 2019
*(2-point average improvement
from 2017 to 2018)*

4 funds earned a
#1 Rank
IN THEIR PEER GROUP ON
THE RESILIENCE MODULE

220.2M
SQ FT ACROSS 1,277
GRESB ASSESSED
ASSETS

13 OF 15 FUNDS
EARNED A
GREEN STAR,
INCLUDING TWO
FUNDS THAT
EARNED GRESB

**4 Star
Ratings**

FEATURE

PGIM REAL ESTATE'S DEBT BUSINESS

PGIM Real Estate is a leading real estate debt investment manager with global real estate and agricultural financing capabilities and a demonstrated history of being one of the world's largest non-bank lenders.



In 2019,
PGIM REAL ESTATE financed

\$20.59B

of assets including over

\$1B

IN AGRICULTURAL PROPERTIES

achieving the highest level of production volume in its history. Our enhanced focus on collaboration across regions and strategies enables us to optimize the ways in which we serve investors and borrowers to create value on their behalf.

Affordable Lending

PGIM Real Estate is committed to expanding financing for affordable housing

Our commitment to financing the growing affordable housing market is illustrated through our team of product, underwriting and servicing specialists. Our in-depth experience in affordable financing and our geographic market expertise position us to provide affordable housing to owners and developers.

Since 2010,
PGIM Real Estate has helped
finance more than

\$3.7B

in affordable housing loans
through FHA, Fannie Mae, and
Freddie Mac - and over

\$4.1B

in affordable housing loans
since 2004

**7,314 TOTAL AFFORDABLE
UNITS FINANCED IN 2019**

(financed through the Core Debt and Agency Programs)

CASE STUDY

Red Line Station (Houston)

AFFORDABLE HOUSING

INCREASING HIGH-QUALITY AFFORDABLE HOUSING (2020)



PGIM Real Estate arranged a \$48 million Freddie Mac unfunded forward commitment to provide permanent financing for Red Line Station, a planned 300-unit mixed-income apartment complex in Houston.

The borrower, The NRP Group, a vertically integrated, best-in-class developer, builder and manager of multifamily housing, will use the 10-year loan with a 35-year amortization to pay off its construction loan and refund a portion of sponsor equity at conversion to permanent. The land and building will be subject to a ground lease from an affiliate of the City of Houston requiring that at least 50% of the units be rent- and income-restricted to families earning less than 80% of the Area Median Income (AMI). The transaction is also expected to spur economic development in the area by encouraging further residential — as well as commercial — construction that will draw additional residents and businesses to the community.

Green Building & Certifications

All of our offices are ENERGY STAR Certified with a score of 75 or higher, and seven offices are LEED-certified at the Platinum, Gold and Silver levels. The majority of offices are spaces in non-Prudential owned buildings. For larger offices, we aim to lease from LEED-certified buildings.



San Francisco, CA	Los Angeles, CA	Chicago, IL	New York, NY
Platinum ENERGY STAR	Gold ENERGY STAR	Gold ENERGY STAR	Gold ENERGY STAR

Atlanta, GA	Newark, NY	Arlington, VA	Dallas, TX	Lisle, IL
Gold ENERGY STAR	Gold ENERGY STAR	Silver ENERGY STAR	ENERGY STAR	ENERGY STAR

In addition to the PGIM Real Estate U.S. debt offices, over 60% of our affiliated investor's global office mortgage portfolio is green certified as of December 31, 2019, demonstrating a commitment to pursuing sustainable loan production (percentage is based on loan balance outstanding by property).

Finally, PGIM Real Estate offers an expanded line of multifamily property financing options through Fannie Mae, Freddie Mac, and FHA. Each of these lending programs offers a multifamily Green financing program for qualifying properties based on energy and water savings requirements. PGIM Real Estate Green loan production through these programs (Freddie Mac GreenUp, Fannie Mae Green Rewards, and FHA Green Loan) has totaled over \$3.76B since 2016.

CASE STUDY

315 Hudson St. (Manhattan)

EFFICIENCY

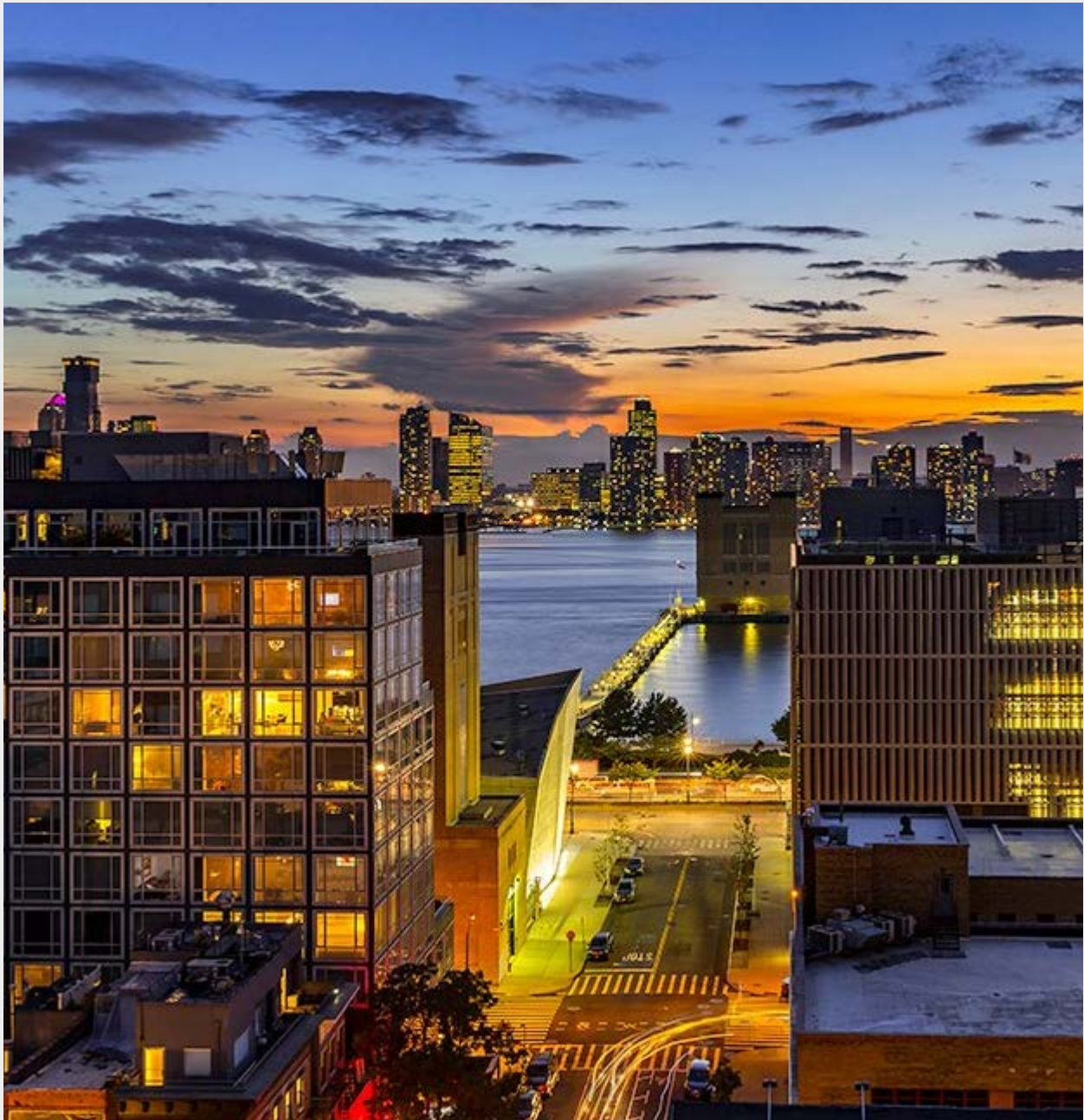


EFFICIENCY UPGRADES

In 2019, PGIM Real Estate provided a \$200 million refinancing loan to Jack Resnick & Sons for 315 Hudson St. in Manhattan.

The 10-year, fixed-rate loan will be used to refinance existing debt and fund the remaining costs of a renovation program that will be completed in 2019. The entire property is being redeveloped into a state-of-the-art Class-A office building to meet the needs of today's and tomorrow's office tenant.

The renovations include an expanded lobby, new mechanical systems, emergency generator, and new windows that will complement tenant amenities that include bike storage, showers & lockers, and a 10,000 square foot landscaped green roof. Located at the epicenter of New York City's dynamic creative industry in Hudson Square, steps from Soho, TriBeCa, and the recently-opened Hudson River Park, 315 Hudson offers proximity to an eclectic mix of restaurants, boutique hotels and shopping, as well as the Hudson River waterfront. This property is LEED EB:OM Certified with the U.S. Green Building Council.



CASE STUDY

Helios Plaza (Houston)

SUSTAINABILITY AND RISK MANAGEMENT



POSITIVE INVESTMENT SCREENING FOR CLIMATE-RELATED RISKS

Helios Plaza is a 6-story office property located in Houston's Energy Corridor, which is 100% leased to BP Corporation North America.

There was initial resistance to the opportunity due to it transpiring within a month of Hurricane Harvey, the Category 4 hurricane in Houston, that resulted in \$125B of damage in total (one of the costliest tropical cyclones on record). With more analysis and due diligence, PGIM Real Estate decided to pursue the opportunity based on the following:

Helios Plaza did not sustain flood damage during Hurricane Harvey in 2017, although road closures and flooding impacted its immediate surroundings. The following LEED elements of the project will help maintain the property's LEED certification and reduce utility costs:

1

A 400,000 gallon underground cistern that harvests rainwater

2

Recycled and re-purposed building materials

3

High-tech shading, skin glazing, roofing material, and laminated glass



Community Involvement

KIPP: KNOWLEDGE IS POWER PROGRAM

Over the years, PGIM Real Estate employees have been active in making a meaningful impact on the various communities where we work and live. We have shown that our desire to do well for our business is matched by our desire to do well by others. While amplifying individual impact is the primary goal of working together for a compelling cause, there is a secondary opportunity to enhance our personal connection to our co-workers and to be proud that we deliver strong business results as well as help people in our local communities.

In 2017, after many months researching unified community involvement opportunities that would inspire, match the geography and skill set of our people, and offer multiple volunteer opportunities, PGIM Real Estate's debt leadership advisory group established a partnership with KIPP: Knowledge is Power Program.

Only 14.6% of students from the lowest-income quartile households will earn a bachelor's degree. ~ National Center for Education Statistics, 2019

KIPP is a non-profit network of 209 free, open enrollment college-preparatory, public charter schools educating early childhood, elementary, middle, and high school students. PGIM Real Estate is proud to support the KIPP, whose vision is that one day, all K-12 public schools will help children develop the knowledge, skills, character, and habits necessary to achieve their dreams while making the world a better place. KIPP's mission is to create a respected, influential, and national network of public charter schools that are successful in helping students from educationally underserved communities develop the knowledge, skills, character, and habits needed to succeed in college and the competitive world beyond.

To lay the foundation for a life of choice, opportunity and success, KIPP believes it takes great schools, providing rigorous academic preparation, infused with character education, and exceptional college and career guidance taught by great teachers and great leaders.

Since 2006, KIPP alumni have doubled the college graduation rate as well as exceeded the national average for all of their students regardless of income or demographics.



As of 2019, we partner with KIPP in six regions:

Atlanta, Bay Area, Chicago, Dallas/Fort Worth, New Jersey and Washington D.C. Each quarter, our employees have the opportunity to visit KIPP campuses to:

- See their impact in-person
- Participate in a summer service day
- Hear from students about their KIPP experience in small groups
- Volunteer in various capacities at schools in the fall





**Our Culture, People
& Community**

SOCIAL CAPITAL

In the pursuit of our goal to be the real estate employer of choice, we work to attract, develop and retain the best people to further our legacy of innovation and strengthen our culture of excellence.

OUR CULTURE

Work Environment

PGIM Real Estate is guided by our parent company's core values detailed in our Code of Conduct, Making the Right Choices, which holds all employees accountable for integrity in every aspect of their work around the world.

We provide training to ensure our employees are refreshed on our policies, guidelines and procedures, and are promoting our culture of interdependence, accountability, performance, inclusion and diversity.

Health & Well-being

We adhere to 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.

Our parent company's Health Management plan includes resources to help employees achieve their wellness goals as well as a commitment to minimizing work function limitations related to a disability or impairment through workplace accommodations. Employees also have the option of taking the Prudential Health Solutions health risk assessment that can provide the information to monitor their health and become eligible for PFI's Wellness Incentive.



HEALTH & WELL-BEING INITIATIVES IMPLEMENTED IN 2019

CONDUCTED A FITWEL
CERTIFICATION PILOT
AND ACHIEVED A

Fitwel 2-Star

CERTIFICATION FOR
11 TIMES SQUARE
IN NEW YORK CITY.

Please read the case study in our U.S. Region Spotlight.

DEVELOPED AN EDUCATION AND TRAINING PROGRAM FOR
STAKEHOLDERS, INCLUDING
AN ON-DEMAND WEBINAR ABOUT

Indoor Environmental Quality (IEQ)

HIRED CONSULTANT TO
EVALUATE AND PROVIDE

Health & Well-being RECOMMENDATIONS

Human Rights & Safety

PGIM Real Estate is dedicated to human dignity for all and we work hard to protect and promote human rights throughout our global company for all stakeholders with policies that address discrimination, harassment, retaliation, human trafficking and slavery, fraud prevention, data security, and data privacy. We acknowledge and adhere to the UN Guiding Principles on Business and Human Rights and we do not tolerate discrimination, harassment, retaliation, human trafficking/slavery, child labor, or corruption in any form.

We provide multiple avenues to report any concerns of inappropriate conduct without fear of retaliation, including an Anonymous Global Business Ethics and Integrity Help Line. 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 & SAFETY PROGRAMS AT PGIM REAL ESTATE INCLUDE:

- 10 On-site Health & Wellness Clinics
- Emergency Preparedness Program
- Environmental Health & Safety Program
- Incident Oversight Team for Workplace Violence Prevention
- Pandemic & Emerging Health Concerns Program

OUR PARENT COMPANY HAS EARNED A
100% SCORE
ON THE 2019 HUMAN RIGHTS CAMPAIGN
“Corporate Equality Index”
(AND 16 YEARS PRIOR)

HUMAN CAPITAL DEVELOPMENT

Workforce

People are at the heart of what we do at PGIM Real Estate. 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. Our workforce practices and initiatives encourage employee development and diversity. Externally, we have a Responsible Contracting Policy that requires our vendors and projects to be fair and open in their bidding processes and they have responsible labor practices at each property.

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®
No. 1 in Insurance Life and Health

Best Places to Work
WITH A TOP SCORE OF 100%
Disability Equality Index® (DEI®)

**World's Most
Ethical
Companies®**
Ethisphere

**Top 100 Military
Friendly® Employers**
GI Jobs

**Top 50 Companies
for Diversity**
Diversity, Inc.

**100 Most
Sustainable Companies**
Barron's

**TOP 10 OF 100
Best Companies**
Working Mother

**America's Most
Responsible Companies**
Newsweek
(No. 28 out of 300 companies in 2020)

Benefits

We provide our employees and their families with a competitive benefits package that is 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. We support individuals in balancing work and personal commitments through programs and benefits such as flexible working arrangements, discounted childcare, and fully paid parental leave for both mothers and fathers.

To support 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

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



Parental Leave

To support new parents in our organization, 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. In Asia, parental leave ranges from four to 12 months.

Employee Support FOR COVID-19

Throughout the pandemic, we have increased our personal and health benefits for our employees including the following:

- Full coverage under company-paid medical programs for co-pay and co-insurance costs for COVID-19 testing and virtual nursing appointments
- Extended employee paid time off (PTO) under COVID-19 for up to 10 days of paid leave to care for family diagnosed with or treated for COVID-19
- An additional PTO day to encourage health, safety and time to rest
- Flexible work arrangements
- Parent support through the Dependent Crisis Care Reimbursement program

Integrating a diversity of perspectives and experiences into our organization makes us better investment managers and informs how we conduct our business.



Professional Development

Our employee performance management program supports the ongoing growth and development, and satisfaction of our employees. We provide a clear definition of skills and competencies required to effectively perform various job functions, as well as a forum for feedback and coaching.

PGIM Real Estate offers ongoing development opportunities through in-person and online courses for employees and vendors. We also create custom training solutions and sponsor employee attendance at industry conferences and seminars. In addition, our culture of mobility enables us to provide formal development opportunities for approximately 25% of our employees on average each year through programs such as “ASCEND” for new managers and “LIFT” for mid-level professionals. We also launched a new Talent & Performance Appraisal System (TPAS) and completed all mid-year reviews in the system.

A global training program, short-term assignments and international transfers provide multi-regional career development opportunities, along with an annual week-long training for new hires, formal development opportunity each year, and individualized executive coaching for employees targeting specific areas of development.

ESG Goal

AS AN EMPLOYEE COMPETITIVE ADVANTAGE

PGIM Real Estate's employees are integral to the success of our ESG program. All employees are encouraged to actively participate in the program at a corporate and/or property level. A goal to make the commitment to ESG a competitive advantage has been added to all employees' annual performance reviews. Employees are encouraged to strive for this goal by championing our code of conduct, being a catalyst for the company's social policies and programs, and advocating for company guidelines and initiatives that address environmental sustainability.

Employee Awards & Recognition

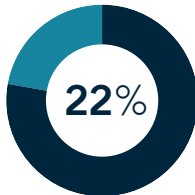
A foundational component of our talent engagement strategy is recognizing the accomplishments of our team through employee awards and recognition. Our established philosophies, and clear and transparent merit-based processes for promotion and compensation as well as public recognition for those who go above and beyond, fosters an aligned culture focused on high performance.

INCLUSION & DIVERSITY

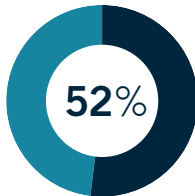
We are an equal opportunity employer and an employer of choice through initiatives that support, inform, and develop awareness and sensitivity of our workforce. PFI's Commitment to Diversity statement as well as our process for seeking out employees, vendors, and business associates from a deep and diverse pool of accomplished professionals encourages diversity and equal opportunity throughout our organization.

WORKFORCE DIVERSITY*

PEOPLE OF COLOR
(POC)
U.S. Employees

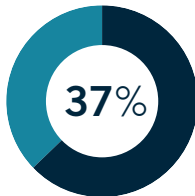


DIVERSE EMPLOYEES
(Women and POC)
U.S. Employees



WOMEN IN
PROFESSIONAL
POSITIONS
Global Employees

(excluding administrative positions)



* PGIM Real Estate equity business only.
Does not include the debt business.



Programs Supporting Diversity

INCLUSION & LEADERSHIP NETWORK (ILN)

ILN promotes 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, equal access, and talent attraction and retention.

THE SOPHOMORE TRAINING PROGRAM (PIPELINE PROGRAM)

Our Pipeline Program, a U.S.-based summer internship for diverse sophomores with little or no real estate experience, completed a successful second year. Two sophomores (both women) returned for an internship in 2019.

SEO/PREA REAL ESTATE TRACK PROGRAM

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

TOIGO FELLOWS PROGRAM

TOIGO's mission is to foster career advancement for underrepresented talent. Selected TOIGO Fellows participate at PGIM Real Estate in two one-year rotations.

GIRLS WHO INVEST PROGRAM

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

CASE STUDY

ILN 2019 Global Update

PGIM Real Estate created the Women's Leadership Network in 2013 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 within the company. Each region focuses their attention on global issues through their unique local lens, mirroring or complimenting PGIM Real Estate's global concentration on Pride, International Women's Day and an Inclusion Month.

PGIM Real Estate recognizes it is especially important, when most of our employees are working remotely, to make sure they feel supported and engaged, and we are tapping into the ILN to provide additional touchpoints and engagement. In the United States, we have formally integrated the debt and equity teams into the ILN, and this team will work within their offices and regions to support our employees. The global ILN teams in each region will also continue to leverage their platforms to build diversity and inclusion awareness and employee engagement.



Recruit, Retain and Elevate

The ILN's Recruit, Retain and Elevate framework supports recruiting efforts to attract the best talent. We promote professional development through training, mentoring and sponsorship programs, to retain and elevate talent.



RECRUIT

Hiring & Interviewing

- Diverse panel (interviewees and interviewers)
- Interviewing skills training
- Intern alumni

Promoting PGIM

- Sponsor industry events or training
- Recruitment talks or mentoring program in universities or schools



RETAIN

Flexible Working

- Flexible work hours

E-commuting

- Incorporate to handbook and communicate



ELEVATE

Training & Coaching


- Structured / curriculum
- Tailored to individual

Networking

- Internal
- External

Mentoring

- Reverse mentoring
- Mentoring
- Set objectives and framework
- Training mentor and mentees



Programming throughout the year addresses professional development, cultural change, talent attraction and retention, and equal access.

In 2019, the ILN continued to focus on its Recruit, Retain and Elevate framework with a number of internal and external events including targeted networking events, activities around diversity charters, and Lunch and Learns. At MIPIM, a four-day international real estate event in Europe with over 26,000 attendees, the ILN hosted a networking event with a guest speaker on the topic of gender imbalance for 110 female attendees. At EXPO REAL, the largest real estate and investment trade fair in Europe with over 46,000 participants, the ILN hosted its first women-only luncheon with 40 of Europe's leading female real estate and investment executives to network and share best practices.

OTHER EDUCATION, EVENTS & ACTIVITIES HOSTED BY OUR REGIONS INCLUDE:

- Women in Leadership events
- Gender Equality conference “Men Speaking About Women”
- Unconscious bias training
- Mental Health First Aiders (MHFA) training
- Leading with Presence and Personal Brand workshop
- Mentorship programs
- Communication and team building with senior management and junior staff
- Local “Diversity Day” activities
- Tolerance Museum guided visit
- Family Day events
- Partnerships with youth-at-risk and youth development organizations
- Pride Month Parades



TOIGO's Ground Breakers 2019

During the 2019 TOIGO Foundation Ground Breakers Women in Leadership conference, PGIM was represented by Kathryn Sayko, Chief Inclusion & Diversity Officer, who served as one of the speakers on the Leadership 360 panel, a full-circle view of leadership from groundbreaking women in finance. The discussion opened up important topics for women in leadership such as risk taking, assessing tradeoffs, work-life balance, resilience and courageous conversations. The event aimed to provide practical advice to think and act boldly, serving as a gathering place for women on the rise.



Milken Institute Global Conference 2019

Kathryn Sayko was also a panelist at the 2019 Milken Institute Global Conference, discussing the fundamental impact the adoption of D&I-focused policies has had on shifting corporate culture as companies are increasingly investing in programs to create a more diverse and inclusive workplace. In addition, PGIM Real Estate sponsored a Women's Day event at the conference moderated by Asia Pacific Managing Director and Chief Operating Officer, Geklang Lee. PGIM is a Strategic Partner of the Milken Institute and has been a proud sponsor of the Milken Institute Global Conference since 2015.

ENVIRONMENTAL & ESG PROGRAM ENGAGEMENT

PGIM Real Estate hosts engagement activities and events, and provides education programs throughout the year for environmental sustainability topics including e-waste drives, Earth Hour, Earth Day, World Water Day, Bike to Work Day, and energy and water conservation workshops.



Communication & Education

Our primary responsibility is to add economic value to our investors' portfolios, and one approach is through improved building performance and ESG programs. We improve the financial performance of our assets by starting with the communities in which we operate, and providing employee and tenant communications, education and training about sustainability and ESG practices.

ENHANCED ESG PROGRAM COMMUNICATIONS

In 2019, PGIM Real Estate enhanced its ESG program communications within the firm to further engage stakeholders in our organization, and increase awareness and adoption of sustainability strategies. We engaged new stakeholders by adding members of our transactions team to each regional ESG Council, as well as adding property managers to our ESG Council in Europe.

New communications strategies include:

- Sharing fund-level ESG strategies with portfolio managers
- Administering asset-level ESG work plans with asset managers and hosting a webinar explaining these work plans
- Publishing ESG newsletters for all PGIM Real Estate employees
- Distributing ESG budget recommendations to asset and property managers
- Allocating energy, water, and waste awareness signage to property managers for sharing with tenants
- Circulating environmental best practices for construction and renovations projects to property teams





SUSTAINABILITY AND ESG EDUCATION AND TRAINING

We believe in giving our employees the best training and resources to support company operations. In addition to in-person workshops and training available in all of our regions, PGIM Real Estate's ESG consultant offers sustainability management best practice webinars and LEED Green Associate Exam Training courses for professionals and students. Starting in 2019, the online courses, offered to all of our employees and asset managers, cover sustainability topics such as green building certifications, sustainability budgeting, water and energy efficiency, indoor environmental quality, and more, with the goal of teaching actionable and effective sustainable real estate strategies.

MODES OF COMMUNICATION, EDUCATION & OUTREACH

- ESG Section on our Website
- Sustainability Memos and Newsletters
- Annual Employee and Tenant Environmental Awareness Campaigns
- Annual ESG Report
- Quarterly Reports
- Sustainability Policies
- Green Leases
- Tenant Surveys
- Case Studies
- Press Releases
- Social Media
- Sustainability Events for Employees, Tenants and our Communities
- Participation and Leadership in Industry Organizations
- Sustainability Workshops
- Sustainability Best Management Practice On Demand Webinars
- “Virtual Summit” Energy Efficiency Webinars
- LEED Green Associate Training
- Industry Conferences
- Awards and Recognition Programs

Property Manager ESG Program Award

In 2019, we were proud to recognize the following property managers in the United States and Mexico for their participation in the ESG program during 2018-2019.

These individuals helped us track the environmental performance of our buildings and strengthened our portfolio's sustainability reporting scores by engaging in these valuable efforts:

Training Participation: Attended or watched the December 2018 CBRE webinar

Timely Data Submission: Recorded all energy, water and waste data in Measurabl (or ENERGY STAR Portfolio Manager) by March 1, 2019

Sustainability Survey Completed: Completed our 2018 Property Manager Sustainability Survey

AMERICAN INDUSTRIES

Hanna Zermeño
Ivan Guirado

AMISTAD

Eunice Dominguez
Manuel Sanchez

CARROLL MANAGEMENT GROUP

Ashley Meeks
Jennifer Trapaso
Michelle Mgbo-Reed
Tracy Brooks

CBRE

Carlos Mata
Gustavo Ávila
Patrick Hennessy
Travis Brittingham

CENTRAL DE ARQUITECTURA

Milton Pech

COLLIERS INTERNATIONAL

Brian Yanahan
Jim Shemanski
Joell Molk

CUSHMAN & WAKEFIELD

Chris Brown
Paul Baker

GLENSTAR PROPERTIES

Chuck Fendrich
Courtney Coleman
Dave Solaya
Thuy Luu

GREYSTAR

Karina Estebanez
Melissa Hill
Shpresa Paloka
Jocelyne Sori

HARVEST PROPERTIES

Dana Boyd

INTERMEX

Carla Flores

JLL

Benji Wolfenberger
Jennifer Young
Randy Shuayto

KORMAN COMMUNITIES

Amanda Hauffe
Tara Decker

MADISON MARQUETTE

Ann Christ
Michael McLean

MATRIX RESIDENTIAL

Martha Lansden

MCCARTHY COOK & CO.

Megan A. Allen

MID-AMERICA ASSET

MANAGEMENT
Dean Siampos

MILL CREEK RESIDENTIAL

Derek Silvestri

POAG SHOPPING CENTERS

Andrew Moth

SILBERT REALTY & MANAGEMENT COMPANY

Lori Griffith

SJP PROPERTIES

Gary Oravsky

SKB MANAGEMENT SERVICES

Matt Tucker
Traci Wall

STILES PROPERTY MANAGEMENT

Judy Carter

THE CHIOFARO COMPANY

John Benoit
Maddy Cammarata

Tenant Engagement

Engaging PGIM Real Estate tenants is central to optimizing the environmental performance of buildings and ensuring the health, safety and well-being of building occupants.

GREEN LEASES

We utilize green lease tools and resources to help our tenants track building performance and reduce their environmental footprints. In 2019, we enhanced our green lease clauses for office and retail to include tenant education in sustainability best practices, use of green cleaning supplies, and additional energy reduction goals in the United States. In France, we implemented green lease clauses for nearly all of our assets.

TENANT SURVEYS

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. Our annual tenant surveys 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.

GLOBAL ENERGY, WATER AND WASTE AWARENESS CAMPAIGN

In December 2019, PGIM Real Estate rolled out its first Energy, Waste and Water Awareness campaign across our global portfolio. This month-long annual campaign is aimed at educating PGIM Real Estate's tenants about easy, low or no-cost ways they can reduce their environmental impact, reduce operating expenses and help PGIM Real Estate move toward achieving our environmental targets. The ESG team shared memos and posters with property managers to share with tenants to post on their company intranets and social media, as well as place in common areas such as employee lounges, and building and elevator lobbies to help them take simple actions to reduce their environmental impact.

OUR COMMUNITIES

Within our culture is embedded a strong sense of social responsibility and community citizenship that guides our efforts now and far into the future. Our Corporate and Community Engagement team has a long history of growing and supporting communities globally and our employees volunteer time, skills and resources to community organizations and initiatives that increase human potential and individual self-sufficiency.

Our regional initiatives around the world contribute back to our local communities. In the United States, our community engagement program is focused on youth 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

Corporate Giving

We are deeply committed to supporting our communities by playing an active role in non-profit and charitable organizations and raising money through events such as the annual Minds Matter

5K run at our Madison, NJ, headquarters, Flags for Fallen Vets, community foodbanks and others. Across our regions, over the past 21 years, PGIM and PGIM Real Estate have supported and contributed over \$4.3 million to organizations around the world such as CARE Singapore in the Asia Pacific region, Atlantic Bridge in Europe, University of Miami in Latin America, and the 9/11 Memorial & Museum and KIPP in the United States.

EMPLOYEE-DRIVEN PHILANTHROPY

To support our communities, PGIM Real Estate encourages employees to make the most of important PFI benefits, matching gift programs and other initiatives.

Over

5,130

employee volunteer hours in 2019

One paid volunteer day
per year per employee

\$5K

one-to-one matching gifts



Community Involvement & Holiday Giving Campaigns



THE BACKPACK CHALLENGE

The Prudential Backpack Challenge (BPC) has collected nearly 75,000 backpacks in over 1,000 locations since 1999, providing children from underserved communities with the supplies they need to start the school year prepared and ready to learn. The BPC is one of the many ways Prudential is working with community nonprofit partners across the country to make lives better by solving the financial challenges of a changing world. In 2019, the 20th anniversary of the Backpack Challenge, PGIM Real Estate employees donated and delivered 74 backpacks (13 more than last year) to the West Orange Community House for a total of 215 backpacks donated since 2016.



In 2019, PGIM Real Estate employees sponsored
20 FAMILIES BENEFITTING A TOTAL OF 79 FAMILY MEMBERS

ADOPT-A-FAMILY

As in past years, PGIM Real Estate took part in the Adopt-A-Family program to provide gifts, clothing, toiletries and other basic necessities to local families in need, to help them celebrate the holidays. In 2019, PGIM Real Estate employees sponsored 20 families benefitting a total of 79 family members. Also during the holiday season, employees at our Madison, NJ, headquarters participated in shopping trips and gift-wrapping events in the office. For many of our employees, it was a highlight of the year to see all the wrapped gifts in our lobby ready to be delivered to families at the West Orange Community House.

OPERATION GRATITUDE

In early 2019, PGIM Real Estate's equity and debt teams in our Atlanta office hosted a charity event to benefit Operation Gratitude, a charity that sends gift bags to first responders including police officers and firefighters.

CASE STUDY

YouthBuild UK 2019 Launch

Since 2015, PGIM Real Estate has partnered with YouthBuild International in the U.S. to support opportunity youth who are out of school or unemployed to learn new skills. These programs, events and activities have included mock job interviews, technology laboratory installation, financial literacy training, property tours, communications workshops, earthquake disaster relief and support building affordable housing and other community assets.

In 2019, London was established as the seventh PGIM/YouthBuild chapter, where we hosted a launch event and two volunteer days for associates from the London office. Associates joined YouthBuild students to help them complete their Community Asset Build Day, where they renovated an external yard at the YouthBuild training center. Over two days of hard work, PGIM Real Estate staff and students transformed the yard into a safe recreation space for students in the program. Future plans include working with YouthBuild to provide workshops for the students on presentation skills, effective resume writing and mental first aid. Also in 2019, a coaching program was added to many of our sites.

Since the start of YouthBuild International's relationship with PGIM Real Estate in 2015, we have engaged 440 PGIM Real Estate employee participants and 1,054 YouthBuild participants in 75 regional activities, with 102 graduates employed through PGIM Real Estate or its partners.



YouthBuild International's relationship with PGIM Real Estate started in the United States in 2015. Since then, in the United States, Latin American and the U.K., we have engaged 440 PGIM Real Estate employee participants and 1,054 YouthBuild participants in 75 regional activities, with 102 graduates employed through PGIM Real Estate or its partners.





A Sustainable & Resilient

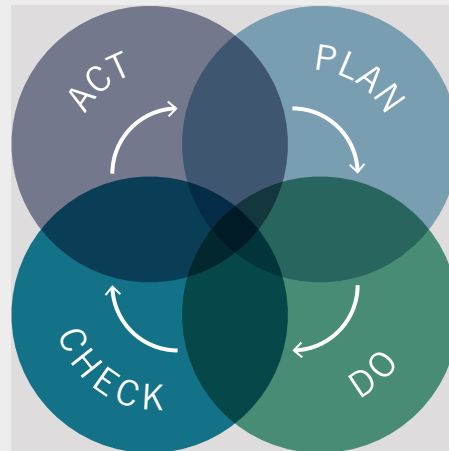
ENVIRONMENT

Our sustainability efforts help us manage risk and drive environmental and financial performance. We measure and report the progress of our portfolio at the enterprise, business, fund and asset levels.

ENVIRONMENTAL MANAGEMENT SYSTEM

Within the real estate ownership cycle, we use a centralized EMS to help prevent, diminish and mitigate environmental risks. 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.





ISO 14001 DEFINES A COMPLETE EMS CYCLE THAT INCLUDES FOUR STAGES:

1 Plan

- Define the scope of the entity's environmental policy
- Define and maintain environmental objectives and targets (short-term and long-term)
- Define the materiality matrix, based on priority sustainability issues
- Identify relevant legal requirements and environmental legislation
- Define emergency procedures

2 Do

- Ensure the implementation of the action plan established in stage one and the maintenance of the systems in place
- Assign responsibility for the overall development and maintenance of the system
- Offer training and/or support to the people in charge to ensure conformity with the policy

3 Check

- Establish appropriate communication channels with the people in charge
- Monitor and document progress
- Ensure compliance with applicable legal requirements
- Identify and correct non-conformity

4 Act

- Schedule periodic management reviews on results and next steps
- Evaluate performance against targets
- Determine corrective and preventative actions
- Provide feedback and suggestions for improvement
- Prepare and/or update procedures and supporting documentation

ENVIRONMENTAL PERFORMANCE

Targets & Goals

PGIM Real Estate's efficiency reduction targets align with the U.S. Department of Energy Better Buildings Challenge federal goals, which have been adopted by more than 900 public and private organizations. In addition to making investments in innovative technologies, helping companies leverage new energy-saving technologies, and expanding networks and collaborations, the federal targets aim to improve building portfolio efficiency by at least 20% over 10 years, and to share strategies and results on an annual basis.

ENVIRONMENTAL TARGETS & 2027 PERFORMANCE GOALS



ENERGY INTENSITY

-20%



WATER INTENSITY

-20%



LANDFILL WASTE

-50%



WASTE DIVERTED

+50%



GHG INTENSITY

-20%

2027 performance goals from a 2017 baseline

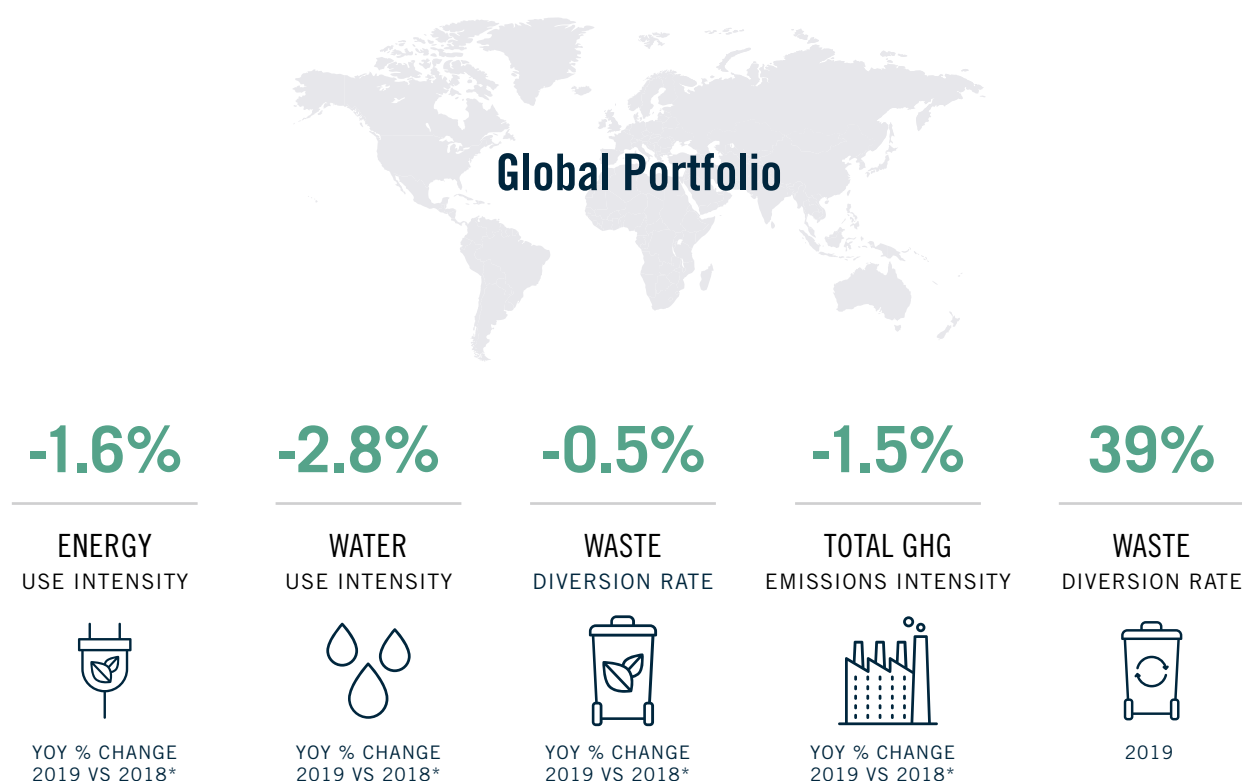
Performance Metrics

2019 VERSUS 2018

PGIM Real Estate tracks property-level environmental performance data in Measurabl, an online environmental data management platform. Measurabl supports automatic upload of utility data from more than 3,400 utility providers. In 2019, maintained data in Measurabl for 1,450 currently and previously owned properties.¹

Our ESG consultant calculated the performance metrics presented in the graphic. The results are based on like-for-like datasets for the calendar years of 2019 versus 2018. For each metric, the like-for-like dataset includes properties that were fully owned and operational for 24 months (during calendar year 2018 and calendar year 2019), had 24 months of data as aggregated to the property-level, and had less than 25% year-over-year change. The energy and GHG datasets included properties with 24 months of electricity data, plus either zero or 24 months of fuel data plus either zero or 24 months of district energy data. Data with less than 10% data coverage, due to a low number a data points (properties) included, due to threshold requirements.

In 2020, we are enhancing our data management and coverage through continued increased engagement with property management teams and data quality control by our ESG consultant, and will be auditing and assuring our data through a third-party independent reviewer.



1. Data are recorded in Measurabl by property managers, with limitations in the high-level quality checks performed by Measurabl and Verdani Partners. Therefore, the data coverage and data accuracy are dependent upon property manager inputs.

*Energy Use Intensity Data Coverage is 39.4%, Water Use Intensity Data Coverage is 28.2%, Waste Diversion Rate Data Coverage is 18%, and Total GHG Emissions Intensity Data Coverage is 39.4%

United States⁶

-2.3%

ENERGY
USE INTENSITY



YOY % CHANGE
2019 VS 2018*

-0.6%

WATER
USE INTENSITY



YOY % CHANGE
2019 VS 2018*

-1.0%

WASTE
DIVERSION RATE



YOY % CHANGE
2019 VS 2018*

-2.2%

TOTAL GHG
EMISSIONS INTENSITY



YOY % CHANGE
2019 VS 2018*

32%

WASTE
DIVERSION RATE



2019

*Energy Use Intensity Data Coverage is 51.0%, Water Use Intensity Data Coverage is 33.9%, Waste Diversion Rate Data Coverage is 23.2%, and Total GHG Emissions Intensity Data Coverage is 51.0%

Asia Pacific³

-0.4%

ENERGY
USE INTENSITY



YOY % CHANGE
2019 VS 2018*

-6.4%

WATER
USE INTENSITY



YOY % CHANGE
2019 VS 2018*

-0.5%

WASTE
DIVERSION RATE



YOY % CHANGE
2019 VS 2018*

-0.4%

TOTAL GHG
EMISSIONS INTENSITY



YOY % CHANGE
2019 VS 2018*

49%

WASTE
DIVERSION RATE



2019

*Energy Use Intensity Data Coverage is 59.3%, Water Use Intensity Data Coverage is 74.2%, Waste Diversion Rate Data Coverage is 61.6%, and Total GHG Emissions Intensity Data Coverage is 59.3%

Latin America⁴

-0.5%

ENERGY
USE INTENSITY



YOY % CHANGE
2019 VS 2018*

-5.5%

WATER
USE INTENSITY



YOY % CHANGE
2019 VS 2018*¹

-1.9%

WASTE
DIVERSION RATE



YOY % CHANGE
2019 VS 2018*¹

-0.9%

TOTAL GHG
EMISSIONS INTENSITY



YOY % CHANGE
2019 VS 2018*

84%

WASTE
DIVERSION RATE



2019

*Energy Use Intensity Data Coverage is 11.3%, Water Use Intensity Data Coverage is 9.4%, Waste Diversion Rate Data Coverage is 0.4%, and Total GHG Emissions Intensity Data Coverage is 11.3%

Europe^{1, 5}**-13.9%**ENERGY
USE INTENSITYYOY % CHANGE
2019 VS 2018***-12.1%**WATER
USE INTENSITYYOY % CHANGE
2019 VS 2018***-0.0%**WASTE
DIVERSION RATEYOY % CHANGE
2019 VS 2018***-15.1%**TOTAL GHG
EMISSIONS INTENSITYYOY % CHANGE
2019 VS 2018***100%**WASTE
DIVERSION RATE

2019

*Energy Use Intensity Data Coverage is 4.5%, Water Use Intensity Data Coverage is 5.9%, Waste Diversion Rate Data Coverage is 1.1%, and Total GHG Emissions Intensity Data Coverage is 2.3%

ULI GREENPRINT PERFORMANCE

PGIM Real Estate Outperforms ULI Greenprint Members

With the support of our global team, PGIM Real Estate is accelerating progress towards achieving our 2027 environmental performance goals. In 2019, ULI Greenprint reported their members' 2018 average energy, water and GHG emissions performance. Based on our global performance from 2017 to 2018, our energy use, water use and greenhouse gas (GHG) emissions reductions outpaced the ULI Greenprint member averages. Additionally, we demonstrated above average energy performance by property type.

		PGIM Real Estate Performance	Average Greenprint Member Performance
GLOBAL PERFORMANCE	Energy Use	-1.0%	-0.1%
	Water Use	-2.0%	-0.6%
	GHG Emissions	-2.0%	-1.5%
ENERGY CONSUMPTION BY PROPERTY TYPE	Office	-1.5%	+1.02%
	Multifamily	-3.2%	-1.62%
	Retail – Shopping Center	-2.1%	-1.62%

1. Results with < 10% data coverage (by floor area).

2. Total GHG emissions at the property-level are presented in the table. These values may include Scope 3 emissions, meaning tenant emissions.

3. PGIM Real Estate has operational control of 44.1% of the Asia-Pacific region's portfolio. Asia-Pacific metrics have uncertainty, as the datasets range between 9 and 12 data points total.

4. Latin America metrics have uncertainty. Due operational control of <1% of the region's portfolio, data coverage is low.

5. Europe metrics have very high uncertainty. Due operational control of 6% of the region's portfolio, data coverage is low.

6. PGIM Real Estate has operational control of 34.9% of the United States region's portfolio.

GREEN BUILDING CERTIFICATIONS & RATINGS



Global building certifications are an important proxy for building performance and continue to grow in number, area and value. Around the world in 2019, PGIM Real Estate had a total of

163

CERTIFIED PROPERTIES (UP FROM 137 IN 2018)

with an internationally recognized green building
certification or energy rating totaling

49.6M SQ FT

&

\$28.6B GAV

We have

105 LEED certified properties

totaling 36.3 million square feet and \$20.1 billion GAV, and 69 ENERGY STAR
certified properties, totaling 23.4 million square feet and \$12.8 billion GAV.

GREEN BUILDING CERTIFICATIONS & ENERGY RATINGS*	Count	SQ FT	GAV \$USD (billions)	% change (SQ FT) from 2018	% change (GAV) from 2018
Green Building Certifications	186	--	--	--	--
Certified Properties	163	49,574,055	\$28.6	+15%	+36%
Energy Ratings	118	27,672,801	\$14.5	--	--

GREEN BUILDING CERTIFIED PROPERTIES	Count	SQ FT	GAV \$USD (billions)	% change (SQ FT) from 2018	% change (GAV) from 2018
LEED	105	36,260,857	\$20.1	+20%	+44%
BREEAM	16	1,238,625	\$0.9	--	--
NAHB National Green Building Standard (NGBS)	15	4,648,869	\$1.6	--	--
SMART Blue (Latin America)**	9	1,648,989	\$0.1	--	--
BCA Green Mark (Singapore)	6	2,919,760	\$3.8	--	--
CALGreen	5	1,204,174	\$0.6	--	--
Happy Toilet (Singapore)	5	1,681,948	\$2.1	--	--
NEA 3R Award	5	1,681,948	\$2.1	--	--
Water Efficient Building	4	1,301,050	\$1.6	--	--
BOMA 360	3	3,044,735	\$0.9	--	--
Florida Green Building Certification	2	767,371	\$0.2	--	--
Fitwel	1	1,133,833	\$1.4	--	--
WELL	1	101,506	\$0.0	--	--
WIRED Score	1	1,483,999	\$0.4	--	--
Other Certifications***	8	1956129	\$13.4	--	--

ENERGY RATING CERTIFICATIONS	Count	SQ FT	GAV \$USD (billions)	% change (SQ FT) from 2018	% change (GAV) from 2018
ENERGY STAR	69	23,398,392	\$12.8	-4%	+12%
EU EPC	49	4,274,409	\$1.7	--	--

* PGIM Real Estate equity only. Does not include debt.

** As of December 31, 2019, in Latin America there are 9 SMARTBlue Certified Properties

*** Other Certifications include: Arlington Transportation Commercial Champion, DGNB, Effinergie, HQE Existing Building, Humanitarian Award, NF HQE Bâtiment Tertiaires, PGIM Real Estate ESG Award and Universal Design Award For Family-Friendly Business

DATA COVERAGE & QUALITY

To track our utility data and improve data coverage and quality, PGIM Real Estate employs ENERGY STAR Portfolio Manager and Measurabl's Utility Sync system. Measurabl's utility sync system automatically pulls data from utility bills and uploads it to ENERGY STAR Portfolio Manager. In 2019, our ESG consultant's engineering team enhanced our data quality control process to ensure the data for our properties is accurate, complete and up to date.

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 2019:

Data coverage of properties with active sites in Measurabl increased to

1,450
(FROM 1,392)

1,188

properties owned and operational

93

properties with an ENERGY STAR score of 75 or more

69

total ENERGY STAR certified properties, \$12.8B GAV, 23.4M SQ FT

LEED CERTIFIED OFFICES

Through LEED certifications, PGIM Real Estate advances our portfolio's ESG goals by demonstrating high performance in energy and environmental design for our buildings. In 2019, we reached the important milestone of LEED certifying 100% of our PGIM Real Estate equity offices in North America.



Madison, NJ – 7 Giralda Farms
LEED PLATINUM

Atlanta, GA – 3348 Peachtree
LEED GOLD

Mexico City, Mexico
BUILDING IS LEED GOLD

New York, NY – 1540 Broadway
LEED GOLD

**San Francisco, CA – 101
California**
BUILDING IS LEED PLATINUM

Miami, FL – 800 Brickell
BUILDING IS LEED SILVER

Chicago, IL – Two Prudential
BUILDING IS LEED GOLD

In addition, seven out of nine PGIM Real Estate's debt offices in the United States, the majority of which are located in non-Prudential owned buildings, are also located in LEED certified properties.

- San Francisco, CA – LEED Platinum
- Los Angeles, CA – LEED Gold
- Chicago, IL – LEED Gold
- New York, NY – LEED Gold
- Atlanta, GA – LEED Gold
- Newark, NY – LEED Gold
- Arlington, VA – LEED Silver

ENVIRONMENTAL RISK MANAGEMENT

PGIM Real Estate anticipates and manages future risks and opportunities through our environmental risk management practices. Through our 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. Our robust stress testing process examines the sensitivity of long-term obligations and resources to possible financial, operational, behavioral and biometric risk.

Climate Change and Building Resilience

Climate change is likely to increase the frequency and severity of weather-related disasters, impact reinsurers and affect the value of real estate investments. PGIM Real Estate considers the potential impacts of climate change over time as part of the ongoing risk-informed decision-making process that is integral to keeping long-term promises to our customers.

We are focused on instilling environmental stewardship and building resilience throughout our global businesses to both protect the environment and strengthen our business. 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.

Our Research and Transactions teams prepare due diligence enhancement reports as part of Investment Committee summaries, which include socio-economic trend considerations, including the influence of new technologies and an impact evaluation of ESG factors. We have also created guidelines for transactions and research teams to be rolled out globally.

PGIM Real Estate remains committed to risk evaluation and continues to progress in developing tools and strategies to evaluate our global portfolio in light of changing circumstances. Our resilience risk assessment tools are aligned with the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommendations and we are currently enhancing our ESG due diligence for new acquisitions and developments assessment criteria. Building upon the foundation established through our 2018 Property Managers survey, we were able to take inventory of our portfolio's environment and social risks (internal and external), among many other important criteria. The data collected from 850 global properties for water risk, 350 properties for renewable energy and energy supply, and 550 properties for energy retrofits through electric utility incentives and rebates provided us with a strong baseline for work undertaken during the 2019 calendar year.

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

In 2019, we evaluated and developed resilience assessment criteria for our standing investments, as well as new acquisitions with counsel from our ESG consultant. We created metrics to perform high-level climate risk and preparedness assessments. Going forward, we will be conducting portfolio-wide risk assessments based on over 70 indicators. We will also be adopting a Building Resilience Guide and establishing education and training for our stakeholders.

CASE STUDY

GRESB Resilience Module



G R E S B

4 FUNDS EARNED #1 RANKS

IN THEIR PEER GROUP ON THE
2019 GRESB RESILIENCE MODULE AND REPRESENTED

30%

OF THE FLOOR AREA SUBMITTED TO GRESB IN 2019

The GRESB ESG benchmark for real assets includes an optional Resilience Module that increases access to information about how companies are assessing and managing risks in light of social and environmental shocks and stressors. The Module responds to the growing demand from investors for increased information on resilience by evaluating how real estate and infrastructure organizations and funds are assessing long-term trends, preparing for potentially disruptive events and changing conditions, and increasing resilience over time through a framework to report on processes for risk assessments.

The GRESB Resilience Module addresses two fundamental dimensions of climate risk and resilience identified by the TCFD recommendations, including both transition risk related to the ongoing shift to a low carbon economy, and physical risk associated resilience to a myriad of shocks (e.g., fire, flood events) and stresses (e.g., changing heating and cooling degree days, precipitation levels). Importantly, the Module also provides a broader societal perspective with indicators related to social resilience and physical security, categorized as social risks.

The four 1st place funds represented one from each global region. Furthermore, 12 of 15 (or 80%) 2019 GRESB submissions earned 1st or 2nd place in resilience.

Submission Peer Group	SQ FT
Americas, Retail, Non-listed	1,879,993
Diversified, Office/Residential, Non-listed	18,714,305
Europe, Office, Non-listed	1,715,143
Asia, Retail, Non-Listed	5,652,058
Global, Industrial	47,390,413
Total No. 1 Ranks in Resilience	75,351,912
% of floor area submitted to GRESB in 2019	30%

SUSTAINABLE OPERATIONS



To operate our business responsibly and sustainably day to day, PGIM Real Estate has implemented policies and guidelines covering core environmental sustainability. We work with our stakeholders, from employees to tenants and vendors, to ensure a successful sustainability program that reduces our energy and water consumption, maintains a comprehensive recycling program, ensures sustainable paper procurement and use, and offers employees opportunities to reduce emissions from commuting.

We believe that by focusing on environmental sustainability in our daily operations, we ensure a strong and stable foundation for our real asset investments.

THE CORE GOALS INCLUDE:

- Reducing energy consumption
- Reducing water consumption
- Comprehensive recycling programs
- Sustainable paper procurement and use
- Reducing GHG emissions through alternative transportation programs (for employees)
- Increasing renewable energy use

Sustainability Policies

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

STANDARD SUSTAINABLE OPERATING GUIDELINES®

(2011, UPDATED 2019)



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

SOCIALLY RESPONSIBLE INVESTMENT POLICY

(2011, UPDATED 2019)



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

STANDARD SUSTAINABLE OPERATING GUIDELINES®

(2009, UPDATED 2019)



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

SUSTAINABILITY ATTRIBUTES SURVEY

In 2019, PGIM Real Estate rolled out our first sustainability attributes survey, which received responses from

577

properties across

four continents

or 49% of all operational assets.

Our ESG team identified over

60

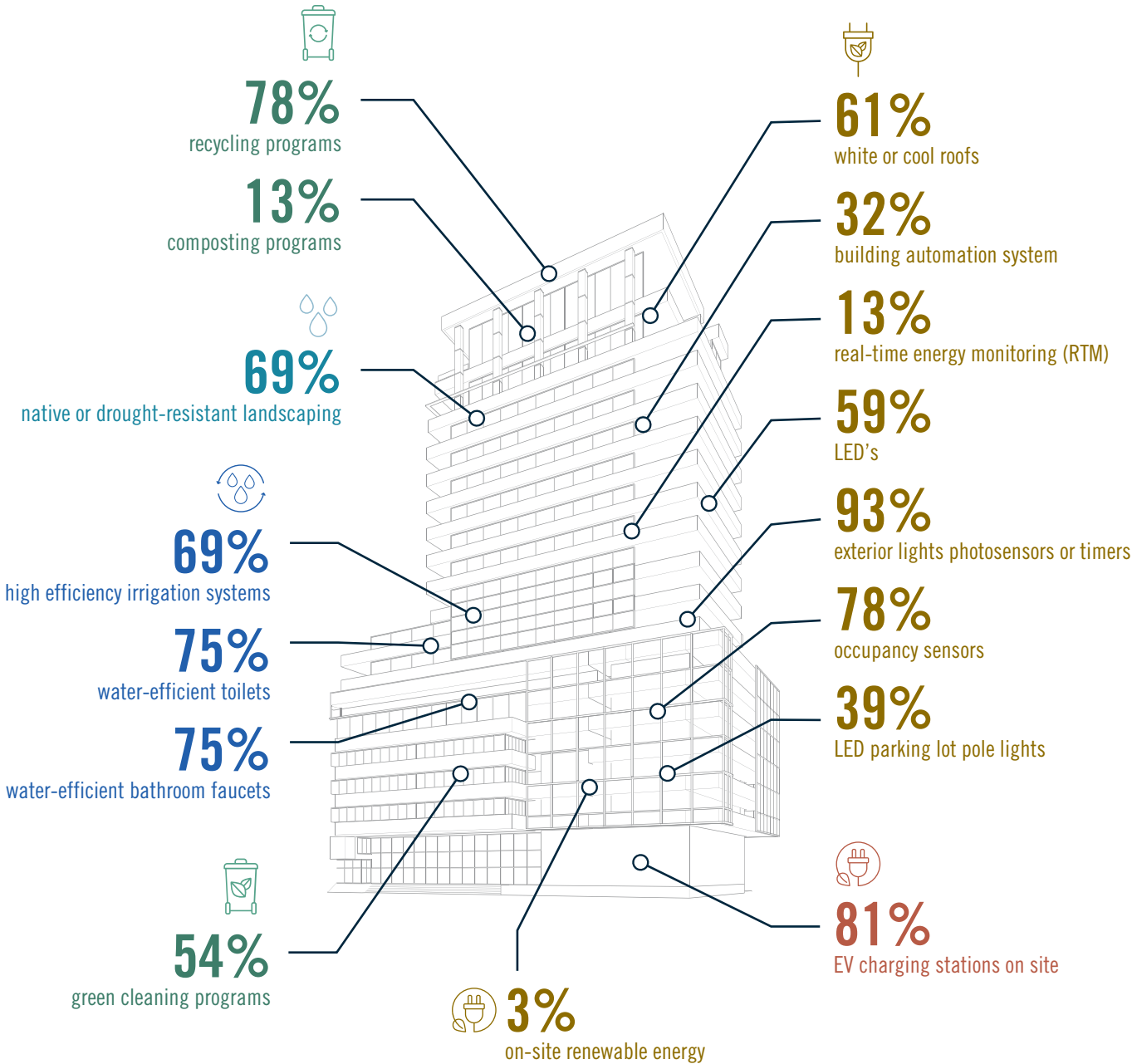
indicators

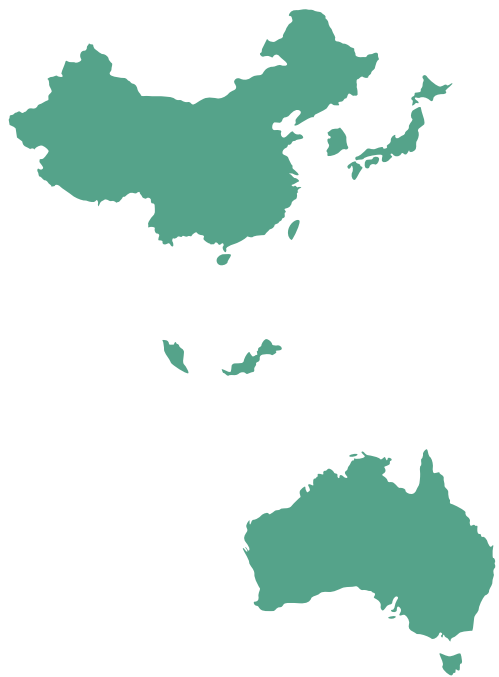
across our portfolio

including categories such as lighting, roof efficiency, water efficiency, energy efficiency, waste management, transportation and refrigerants.

The Sustainability Attributes Survey Report provides a snapshot of fund-level sustainability performance, as well as key recommendations for each category, and will be shared with portfolio management teams in the coming months.

2019 GLOBAL
Sustainability Attributes Survey Results





SPOTLIGHT

ASIA PACIFIC

PGIM Real Estate's Asia Pacific region's portfolio is primarily made up of large retail/ shopping mall properties. Between 2013 and 2018, Asia Pacific has performed well with significant energy and water savings at



Performance Metrics^{1*}

YOY % change 2019 vs 2018

-0.4%

ENERGY
USE INTENSITY



DATA COVERAGE
59.3%

-6.4%

WATER
USE INTENSITY



DATA COVERAGE
74.2%

-0.5%

WASTE
DIVERSION RATE



DATA COVERAGE
61.6%

-0.4%

TOTAL GHG
EMISSIONS INTENSITY



DATA COVERAGE
59.3%

WASTE
DIVERSION RATE

2018
48%



2019
49%

DATA COVERAGE
61.6%

¹ PGIM Real Estate has operational control of 44.1% of the region's properties. Asia-Pacific metrics have uncertainty, as the datasets range between 9 and 12 data points total.

* Data coverage is by floor area in 2019.

ESG in Action Framework



ENVIRONMENTAL

Consumption and Emissions Data

Energy, Water and Waste
Reduction Initiatives

Resiliency



SOCIAL

Resident/Tenant Engagement

Inclusion and Diversity

Community Involvement

Talent Development



GOVERNANCE

Comprehensive Due Diligence
and Risk Management Framework

Robust Risk Management

Standardization of Documents
and Reporting

Certifications & Ratings



BCA GREEN MARK

Platinum and Gold Plus

HAPPY TOILET

All properties

BIZSAFE3 WORKPLACE SAFETY & HEALTH PROGRAM

Risk Management Certificate

REDUCE, REUSE AND RECYCLE AWARD

MeritAward
and Certificate of Participation



2019 GRESB Assessment

We are proud to be a leader in GRESB in Asia Pacific, as it demonstrates excellence in performance benchmarking and empowers the spread of ESG best practices around the world. Several of PGIM Real Estate's assets demonstrated strong performance on the 2019 GRESB Assessment.

Properties in ASIARETAIL, our retail-focused strategy, improved by

6.3%

(OR +5 POINTS) FROM 2018
performing 6.3% above its peer
average and earned another

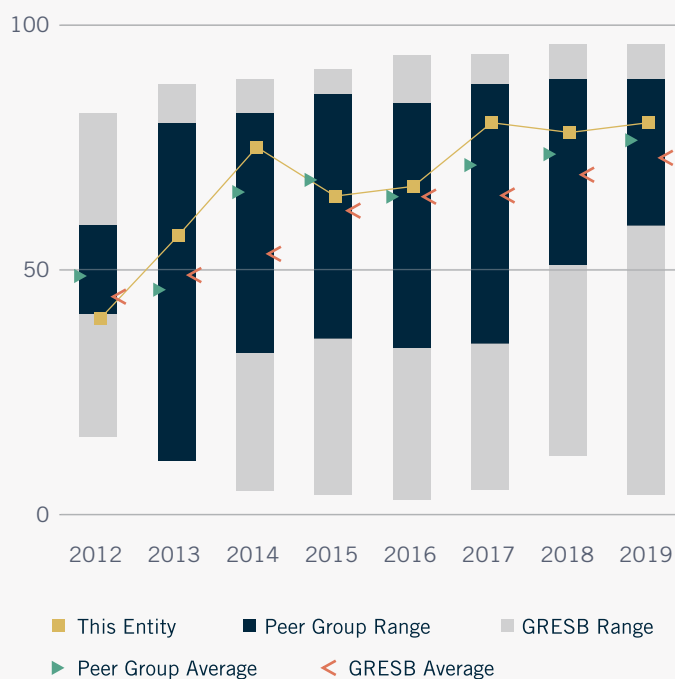
GRESB 4 Star Rating

GOLDRIDGE, a single retail asset fund, which increased by

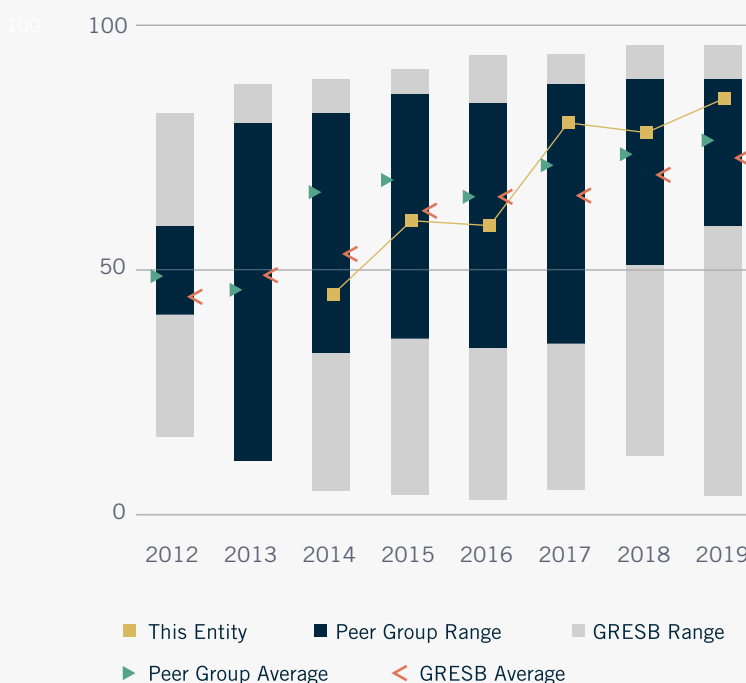
10.5%

(OR +8 POINTS) FROM 2018
performed 5% above its peer average
and earned another GRESB 4 Star Rating

ASIARETAIL 2019 GRESB PERFORMANCE



GOLDRIDGE 2019 GRESB PERFORMANCE





Diversity & Inclusion

EMPOWERING WOMEN AT PGIM ASIA PACIFIC

Across Asia Pacific, we have made a concerted effort to develop and support the talented women throughout our organization by providing training and networking opportunities. We have also focused on diversifying our talent pipeline through strengthening our candidate sourcing and selection process. In addition, we have an ongoing review of our recruitment process, which includes joint shortlisting by Human Resources and business units with objective recruitment tests.



2019 HIGHLIGHTS

- Women in Leadership Summit
- Leading with Presence and Personal Branding workshop
- Sponsorship of ULI breakfast event with Kathy Sayko, PGIM's Chief Inclusion & Diversity Officer
- Internal networking and support with visiting middle management and senior colleagues

2020 GOALS

- Partnership with ULI on Asia Pacific Women's Leadership Initiative (WLI) program to raise visibility of women leaders and develop female leadership
- Sponsorship of women's event at ULI APAC summit
- Measure and improve gender diversity performance in the workplace



2019 INTERNATIONAL WOMEN'S DAY EVENTS



Singapore



Tokyo



Seoul

COMMUNITY ENGAGEMENT

With ample space at our Asia Pacific shopping mall properties to convene the community, PGIM Real Estate engages with our stakeholders, including tenants, community organizations and families, in activities themed across environmental, health and safety topics. Social events in 2019 included:

- World Water Day
- Earth Hour
- Weekly Mall Workouts
- “Stay Healthy, Age Well” Active Ageing Events
- Family Fun Challenge
- Mother’s & Father’s Day Workshops
- National Day Observance Ceremony
- Merdaka Generation Package program
- CNY Tenants LoHei Event



Health & Well-being

PGIM Real Estate strives to provide an environment that is safe and contributes to the general well-being of our employees, tenants and customers. We comply with PGIM Real Estate's Occupational Health and Safety (OHS) policies, including policies on overtime, security and work environment. These policies reinforce the importance of health, safety and well-being for our employees, all of whom receive medical benefits such as complimentary health screenings and insurance coverage.

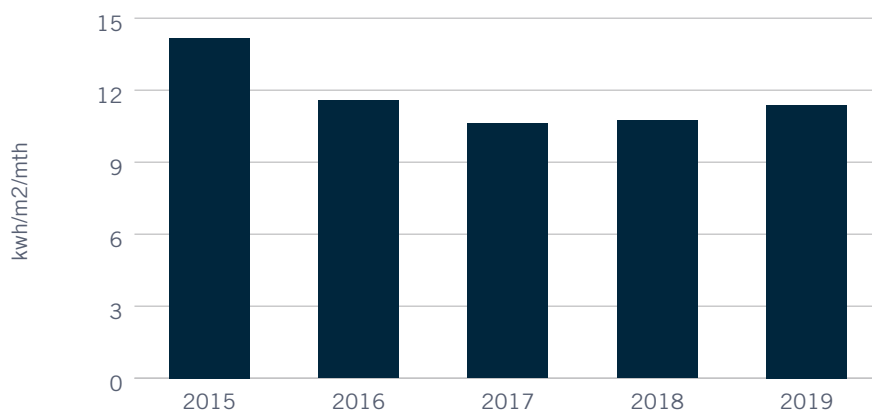


Enhanced Air Quality AT 78 SHENTON WAY

In September 2019, during the dry season when haze pollution was widespread, **carbon filters** were installed in all air handling units and **fresh air ducts** to control the inflow of poor outdoor air into the air-conditioning distribution system. This assisted in maintaining a **clean indoor environment** and provided **better air quality** for the tenants.

Energy Performance

In 2019, the Energy Efficiency Index increased from 10.73 kwh/m² per month to 11.38 73 kwh/m² per month due to sustained efforts to improve equipment efficiency through replacement of air handling units (AHUs) and fan coil units (FCUs), LED light fittings, as well as energy performance contracting at three shopping center properties in Singapore:



TAMPINES 1

A 265,000 SQUARE FOOT 7-STORY SHOPPING CENTER IN TAMPINES

WHITE SANDS

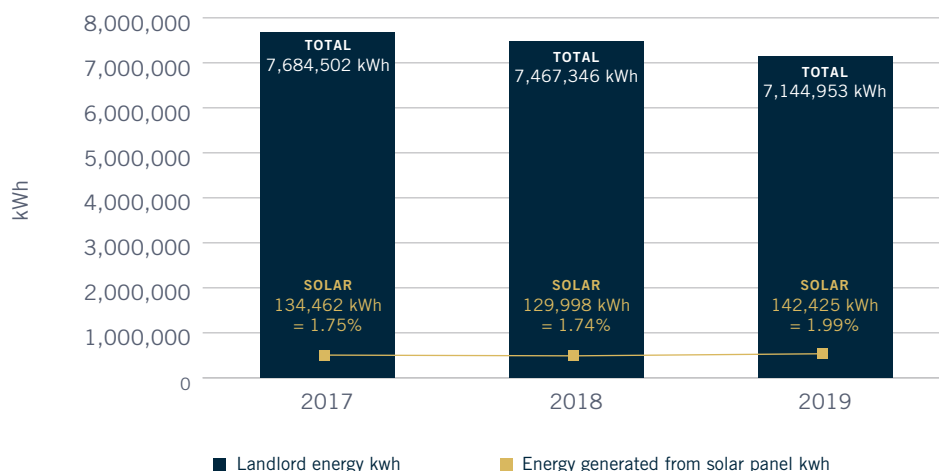
A 150,000 SQUARE FOOT, 7-STORY SHOPPING CENTER AND PARKING COMPLEX IN PASIR RIS

TIONG BAHRU PLAZA

A 190,000 SQUARE FOOT, 20-STORY OFFICE TOWER AND A 9-STORY SHOPPING, ENTERTAINMENT AND PARKING COMPLEX, IN BUKIT MERAH.

SOLAR ENERGY — SINGAPORE

The solar energy system installed at Tiong Bahru Plaza generated 142,425 kWh of electricity in 2019, equivalent to 2% of total building consumption, translating into an annual savings of approximately \$22,274.35. We have achieved year-on-year reduction in energy use via solar energy since 2016.

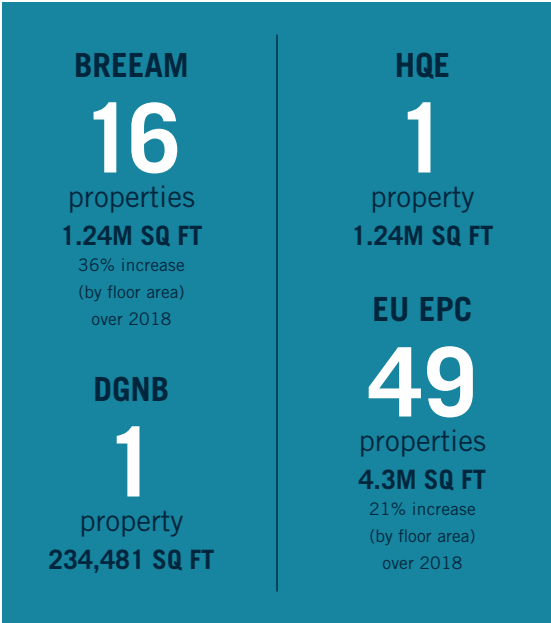




SPOTLIGHT

EUROPE

Certifications & Ratings



Performance Metrics^{1**}

YOY % change 2019 vs 2018

-13.9%

ENERGY
USE INTENSITY*



DATA COVERAGE**
4.5%

-12.1%

WATER
USE INTENSITY*



DATA COVERAGE**
5.9%

-0.0%

WASTE
DIVERSION RATE*



DATA COVERAGE**
1.1%

-15.1%

TOTAL GHG
EMISSIONS INTENSITY*



DATA COVERAGE**
2.3%

WASTE
DIVERSION RATE

2018
100%



2019
100%

DATA COVERAGE**
1%

¹ Europe metrics have very high uncertainty. Due operational control of 6% of the region's portfolio, data coverage is low.

* < 10% data coverage (by floor area).

** Data coverage is by floor area in 2019.

Diversity & Inclusion

Since 2013, we have been strengthening our leadership and diversity initiatives across Europe for all of our people, regardless of skin color, gender, disability and sexual orientation.

UK

Multi-Activity Day: For the third consecutive year, achieved a 50/50 gender balance (compared to 1/60 women in its first year)

PGIM London Pride Discussion: Offsite event, with guest speaker Gareth Thomas, that raised awareness of LGBTQ issues and encouraged open discussions on sexual orientation. Over 100 people in attendance.

Mental Well-being: Multiple events including attendance at a mental well-being conference and a Lunch & Learn focusing on the issues of depression and suicide; Mental Health First Aiders (“MHFAs”) training program commenced with the aim of creating a MHFA network providing cross-business unit support

FRANCE

“Apprentis d’Auteuil”: Negotiated a partnership with this youth development charity program focused on social mobility (partnership will be effective in 2020)

Improved Gender Balance: Increased female investment professionals in the office in 2019 (aiming to achieve equal balance in 2020)

GERMANY

Diversity Charter: Signed and committed to the charter, which will be effective in 2020

Job Sharing: Initiated our first job-sharing arrangement in Germany, where two women share an asset management support role (i.e. only one headcount) in a flexible part-time schedule

Training and Education: The ILN sponsored two (out of a cohort of six) students to attend Expo Real, an important real estate conference in Munich attended by PGIM Real Estate

LUXEMBOURG

Diversity Charter Lëtzebuerg: Signed in September in the presence of the Minister for Family and Integration of Luxembourg and Patron of the Diversity Charter Corinne Cahen

Diversity Day: Involved in workshops marking the National Diversity Day of Luxembourg in May, as well as a mailing campaign where the diversity logo was featured in email signatures for a two-week period



EUROPE

CASE STUDIES

Affordable Housing



Project Silver

Meeting Senior Citizens' Affordable
Housing Needs in France



Newton Mearns

High-quality affordable
housing in Glasgow

Project Silver is a partnership with a developer in France to deliver over 2,000 units throughout the country over a four-year period. The developer specializes in delivering affordable housing in small to medium-sized turnkey projects located in the greater vicinity of large cities. Our investment includes units in major cities in France including Paris (26%), Montpellier (26%), Toulouse (25%) and Bordeaux (8%).

Both affordable social housing and affordable senior housing are significantly underfunded in France. On a national level, about 1.5 million units are needed by 2025 to meet a regulatory requirement to achieve 25% of affordable housing nationally. Approximately two million households in France are awaiting an affordable housing solution.

SOCIAL OUTCOMES

- Progress towards addressing the fundamental lack of supply of high quality social and intermediate housing in France
- Created many local jobs related to senior housing and care
- Assisted local governments to comply with the French law on their minimum social housing ratios

This property was acquired in 2018 as part of a portfolio for a UK segregated mandate managed by PGIM Real Estate. The portfolio is composed of more than 100 units of residential accommodation in gateway locations within the UK. All properties were new-builds and comprised high-quality accommodation, leased to local residents that met affordability criteria.

With significant under-supply of affordable residential properties throughout the United Kingdom, Newton Mearns is an example of a high-quality, affordable residential development. The portfolio includes “rent to buy” accommodation, with the opportunity to purchase, after a five-year minimum term, at agreed open-market Vacant Property Value (VPV) minus either 50% of total rent paid by the tenant or 10% of the headline purchase price, whichever is lower.

SOCIAL OUTCOMES

- Housing for local key workers (e.g. nurses, electricians, civil servants) in a supply-constrained market
- Reduced social issues through incentivized tenants
- Low attrition rate from tenants
- Low levels of bad debt (rent arrears)
- Outdoor amenities to create community
- Alternative commuting promoted by cycle storage outside housing



SPOTLIGHT

LATIN AMERICA

Certifications & Ratings

2018-2019
SMART Blue
Certifications

9

properties
1.6M SQ FT

2013-2019
Total Overall

24

properties
3.2 M SQ FT

Performance Metrics^{1**}

YOY % change 2019 vs 2018

-0.5%

ENERGY
USE INTENSITY



DATA COVERAGE
11.3%

-5.5%

WATER
USE INTENSITY*



DATA COVERAGE
9.4%

-1.9%

WASTE
DIVERSION RATE*



DATA COVERAGE
0.4%

-0.9%

TOTAL GHG
EMISSIONS INTENSITY



DATA COVERAGE
11.3%

WASTE
DIVERSION RATE*

2018
86%



2019
84%

DATA COVERAGE
0.4%

¹Latin America metrics have uncertainty. Due operational control of <1% of the region's portfolio, data coverage is low.

* Results with less than 10% data coverage.

** Data coverage is by floor area in 2019.

Education & Training

PGIM REAL ESTATE'S 11TH SUSTAINABILITY TOWN HALL & WORKSHOP

“Calling for Urgent ESG Transformation in Real Estate”

In March 2019, PGIM Real Estate's Mexico City office held its 11th Sustainability Town Hall and Workshop. Topics at this event included real estate certifications, updates on Mexico's energy reform, and considerations in implementing 2020-2030 ESG and resiliency measures.

Since 2009, PGIM Real Estate has developed tailored sustainability trainings for both our employees and joint venture partners (JVP) in Latin America, including property managers, developers and subcontractors. This annual event highlights the importance and long-term commitment PGIM Real Estate has placed on sustainability with support of the following key aims:

Empowering an emerging market such as Mexico with a sustainable real estate transformation

Recognize employee and joint venture partner efforts in ESG to continually inspire improvement

Implementing PGIM Real Estate's ESG strategy in a holistic manner

Promote and improve stakeholder engagement practices

TRAINING EMPLOYEES AND OUR SUPPLY CHAIN IN ESG BEST PRACTICES, WITH HIGH-QUALITY SPEAKERS



PGIM Real Estate's 11th Sustainability Workshop, Mexico City, March 2019



LATIN AMERICA

Diversity & Inclusion

SUPPORTING OUR LGBT COMMUNITY

PGIM celebrates the diversity of its employees and communities throughout the world with events, initiatives, awareness campaigns, and training. In Latin America, our Mexico City office celebrated Pride Month in 2019 with several events for our associates and communities, including:

- A guided visit to the Tolerance Museum to raise awareness about LGBT inclusion and diversity
- Participation in the Mexico City LGBT Parade
- A PGIM Real Estate LGBT Allies breakfast





Tenant Engagement

KINGSLEY EXCELLENCE AWARD

Open and consistent feedback is crucial to improve tenant satisfaction and helps us achieve one of PGIM Real Estate's goals to be a Landlord of Choice. PGIM Real Estate developed a Tenant Engagement Program based on opportunities uncovered through a tenant satisfaction survey that sought to increase tenant satisfaction and retention.

In 2019, we obtained 100% coverage of our Tenant Engagement Programs for both our industrial and retail portfolios. Based on 2019 Kingsley Satisfaction reports, our response rates increased by 16% to 58% in industrial, and by 4% to a 30% response rate in retail. In our industrial portfolio, all KPIs (such as overall satisfaction and renewal intentions) were improved or maintained. PGIM Real Estate received Kingsley Excellence Awards for 35% of the properties that obtained Overall Satisfaction above Kingsley's global average. The key measures we used to improve tenant engagement were:

- Improving property management services through the establishment of communication software and hiring more property management personnel

- Implementing improvements such as LED lighting replacements and water efficiency

- Developing alliances with NGOs
(UNICEF, Un Kilo de Ayuda)

- Establishing social projects within the malls

- Increasing data collection in common and leased areas, with about 43% of properties giving environmental performance data

- Sending tenant sustainability tips and creating an environmental awareness campaign





Renewable Energy

Industrial Renewable Energy Analysis: PGIM Real Estate, TERRAFINA, PIIMA, AMPIP, WRI and GIZ

Several years ago, the Mexican government began a comprehensive energy reform process that created a marketplace for independent generation, transmission, distribution and commercialization companies. PGIM Real Estate sought renewable energy opportunities within this new regulatory and commercial framework.

THE PROJECT

In 2019, PGIM Real Estate was chosen by the Mexican Association for Industrial Parks (AMPIP), the German Agency for International Cooperation (GIZ) and the World Resources Institute (WRI) to participate in a solar renewable energy study specific to the industrial real estate sector to identify opportunities and feasible business models to increase renewable energy consumption and diminish its carbon footprint. AMPIP, GIZ, and the WRI selected and evaluated five potential PGIM Real Estate properties:

- **Intermex:** ITESA, HCP and Cessna (Chihuahua)
- **Amistad:** Wolverine (Coahuila)
- **American Industries:** Apodaca (Nuevo León)

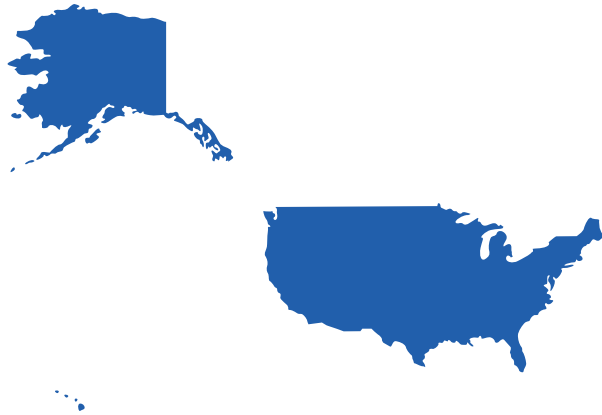
RESULTS

The analysis determined that the most attractive (and easiest to implement) model for PGIM Real Estate's industrial properties was distributed generation (< 0.5 MW), which was selected for Wolverine and Cessna.



UNCOVERED OPPORTUNITY

During development of new industrial parks we can enable the reselling of solar energy to tenants without the necessity of energy commercialization permits through the reconfiguration of internal electric grids. Solar panels in the Mexican market are now available with more capacity, averaging from 300 to 500 kWp, which diminishes the range of return on investment to 3.5 to 5 years. PGIM Real Estate will review the business model to present it to the tenants and evaluate its implementation.



SPOTLIGHT

UNITED STATES

Performance Metrics¹

YOY % change 2019 vs 2018

-2.3%

ENERGY
USE INTENSITY



DATA COVERAGE
51.0%

-0.6%

WATER
USE INTENSITY*



DATA COVERAGE
33.9%

-1.0%

WASTE
DIVERSION RATE*



DATA COVERAGE
23.2%

-2.2%

TOTAL GHG
EMISSIONS INTENSITY



DATA COVERAGE
51.0%

WASTE
DIVERSION RATE*

2018
33%



2019
32%

DATA COVERAGE
23%

¹ PGIM Real Estate has operational control of 34.9% of the United States region's portfolio.

*Results with less than 10% data coverage.

** Data coverage is by floor area in 2019.

Certifications & Ratings

LEED
105
properties
36.3M SQ FT

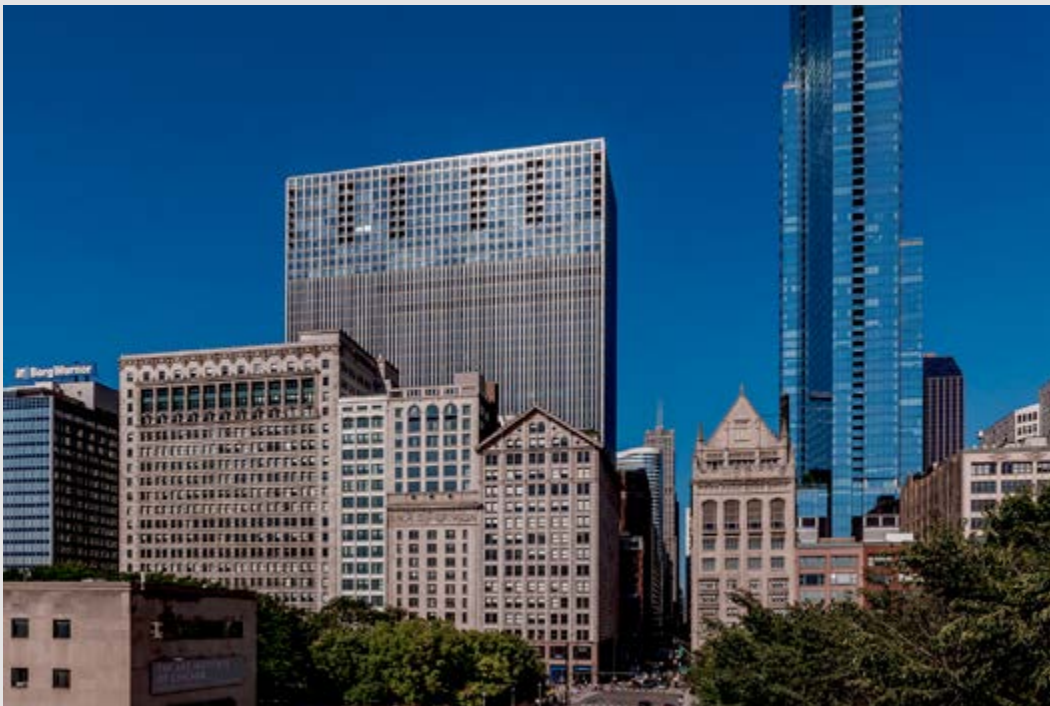
NAHB NGBS
15
properties
4.65M SQ FT

WIRED
1
property
1.5M SQ FT

**ENERGY
STAR**
69
properties
23.4M SQ FT

**BOMA
360**
3
properties
3.0M SQ FT

Fitwel
2
STAR RATING
1 property
1.13M SQ FT



OTHER CERTIFICATIONS INCLUDE FLORIDA GREEN BUILDING CERTIFICATION, PGIM REAL ESTATE ESG AWARD, ARLINGTON TRANSPORTATION COMMERCIAL CHAMPION, AND OTHERS



UNITED STATES

CASE STUDY

One Sansome SAN FRANCISCO

LEED PLATINUM

In the heart of San Francisco, One Sansome reaches upwards with 41 stories and panoramic views of the city and is one of the tallest buildings in the city skyline. The Class A office tower is strategically situated on the corner of Sutter and Sansome streets, in close proximity to numerous dining options, luxury hotels, the convention center and museum district, and the world-famous Union Square.

PGIM Real Estate and Barker Pacific Group own One Sansome in a joint venture, and Barker Pacific Group professionally manages the building. Since the 2010 acquisition, over \$20 million in capital improvements have been invested into the building to improve interior spaces as well as the long-term performance and operations of the property.

Class A, 41-story office tower

738,880 SQ FT
of floorspace

LEED v4 O+M: EB Platinum
BOMA 2012 Earth Award

Ample

Tenant amenities

with historic Conservatory, nearby restaurants, shops and services

Direct elevator access to

BART/Muni station

with bicycle storage and showers on-site

Safety measures

for tenants with cardkey-secured floors and 24-7 lobby attendant





LEED Platinum Certification

One Sansome was awarded the prestigious LEED Platinum v4 certification in 2014 by the U.S. Green Building Council (USGBC). At the time, this designation recognized One Sansome as the second building in the world to achieve this exceptional level of building performance, as well as the first major office building in the world to attain the highest level in the green building standard. The property had previously earned LEED Gold-level certification from the USGBC in 2010, and the upgrade to Platinum during recertification marked a significant achievement. Due to these remarkable achievements, One Sansome was the winner of BOMA 2012 Earth Award.

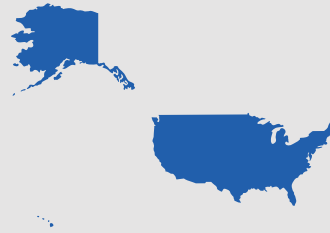
Notable Achievements

- High performance in energy, with 28/38 energy points and high ENERGY STAR score of 95, placing the building in the top 5% of similar buildings in the U.S.
- Strong outcomes for water, with 10/12 water points and 34% indoor water use reductions, equating to 894,621 gallons of water saved annually.
- Excellent performance for transportation credits, with many building occupants using alternative transportation 85% of the time with easy access to BART near the building as well as walking, biking, telecommuting, carpools and green vehicles.
- High percentage of sustainable cleaning materials by cost, with 91% sustainable products and materials used according to the property manager building maintenance policy.





UNITED STATES



Health & Well-being

CASE STUDY

Fitwel Certification FOR 11 TIMES SQUARE



Eleven Times Square is a LEED Gold-certified office and retail tower constructed in 2010. The property was designed and constructed with an air quality system that met the requirements of a LEED Platinum certification. Our leases and contracts include language about and requirements for our green policies. SJP Properties prides itself on providing unparalleled white-glove service to our tenants.

In 2019, this unparalleled service took the form of securing a Fitwel 2-Star Rating certification to highlight how the building's construction, management and location contribute to a healthy work environment. This was accomplished by promoting the use of building stairwells for intra-floor travel by the tenants, updating and installing new signage regarding our tobacco free policy in and around the property, and reminding tenants about our covered bike parking and other healthy features of the building.

Key features include:

- Bike racks inside the building loading dock entrance
- Public transit available within half a mile of main entrance
- Signage in entrance areas establishing a tobacco-free area
- Map of all walking-distance amenities and accessible stairwells promoting an active lifestyle
- Floor to ceiling windows provide natural daylight and active workstations accessible to staff to improve performance
- AED on every common area floor
- Certified first responder for every 100 regular occupants
- Entryway systems maintained weekly







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.”

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 are documented herein. In prior years we released an annual sustainability report focused primarily on our environmental sustainability.

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ The performance data reporting period:
JANUARY 1 TO DECEMBER 31, 2019 | <ul style="list-style-type: none"> ▪ Reporting Cycle:
YEAR 2019 |
| <ul style="list-style-type: none"> ▪ Date of most recent report:
EXACT DATE NOT LISTED | <ul style="list-style-type: none"> ▪ 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.

Global Reporting Initiative

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 #	DESCRIPTION	PAGE #
ORGANIZATIONAL PROFILE		
102-1	Name of organization	1
102-2	Activities, Brands, Products, and Services	18, 19, 28
102-3	Location of Headquarters	128
102-4	Location of operations	18, 19, 130, 131
102-5	Ownership and Legal Form	130, 131
102-6	Markets Served	18
102-7	Scale of the Organization	19
102-12	External Initiatives	28, 29
102-13	Membership of Associations	35
STRATEGY		
102-14	Statement from Senior Decision Maker	6, 7
102-15	Key Impacts, Risks, and Opportunities	30, 82, 83
ETHICS AND INTEGRITY		
102-16	Values, Principles, Standards and Norms of Behavior	14, 20, 21, 26, 28, 29, 44, 59, 60, 61, 64, 65, 73
102-17	Mechanisms for advice and concerns about ethics	20, 21, 60
GOVERNANCE		
102-18	Governance Structure	20, 21
102-20	Executive-Level Responsibility for Economic, Environmental, and Social Topics	20, 22
102-21	Consulting Stakeholders on Economic, Environmental, and Social Topics	24, 25, 29, 43, 59
102-22	Composition of the Highest Governance Body and its Committees	21, 22, 23
102-26	Role of Highest Governance Body in Setting Purpose, Values, and Strategy	21, 22, 23
102-27	Collective Knowledge of Highest Governance Body	21, 22, 23
102-29	Identifying and Managing Economic, Environmental, and Social Impacts	23
102-30	Effectiveness of Risk Management Processes	23

GRI #	DESCRIPTION	PAGE #
STAKEHOLDER ENGAGEMENT		
102-40	List of Stakeholder Groups	23
102-43	Approach to Stakeholder Engagement	24, 25, 27, 29, 33, 35, 43, 63, 70, 71, 73, 74
102-44	Key Topics and Concerns Raised	40, 42, 43, 47
REPORTING PRACTICE		
102-50	Reporting Period	124
102-51	Date of Most Recent Report	44
102-52	Reporting Cycle	45
102-53	Contact Point for Questions Regarding the Report	124
102-54	Claims of Reporting in Accordance with the GRI	124
102-55	GRI Content Index	125, 126, 17
MANAGEMENT APPROACH 2016		
103-2	The Management Approach and Its Components	28, 26, 59, 80
103-3	Evaluation of the Management Approach	22
ECONOMIC PERFORMANCE		
201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	90, 91, 92, 93
ENERGY		
302-1	Energy Consumption within the Organization	83, 84, 85, 98, 99, 105, 106
302-3	Energy Intensity	15, 82, 83, 84
302-4	Reduction of Energy Consumption	15, 82, 83, 84
WATER AND EFFLUENTS		
303-5	Water consumption	35, 82, 83, 84, 85, 98, 106, 110, 116
EMISSIONS		
305-5	Reduction of GHG Emissions	35, 82, 83, 84, 85, 98, 106, 110, 116
WASTE		
306-1	Waste generation and significant waste-related impacts	13, 15, 33, 35, 70, 95, 96
306-2	Management of significant waste-related impacts	13, 15, 33, 35, 70, 95, 96

GRI #	DESCRIPTION	PAGE #
GRI 400: EMPLOYMENT		
401-2	Benefits Provided to Full-Time Employees that are not Provided to Temporary or Part-Time Employees	60, 61, 62, 63
401-3	Parental Leave	61
OCCUPATIONAL HEALTH AND SAFETY		
403-5	Worker training on occupational health and safety	58
403-6	Promotion of worker health	59
TRAINING AND EDUCATION		
404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	65, 72, 73, 113
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	63, 65
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of Governance Bodies and Employees	14, 20, 21
LOCAL COMMUNITIES		
413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	56, 76, 77, 78, 79, 111
GRI 416: CUSTOMER HEALTH AND SAFETY		
413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	54, 74, 75, 76, 77

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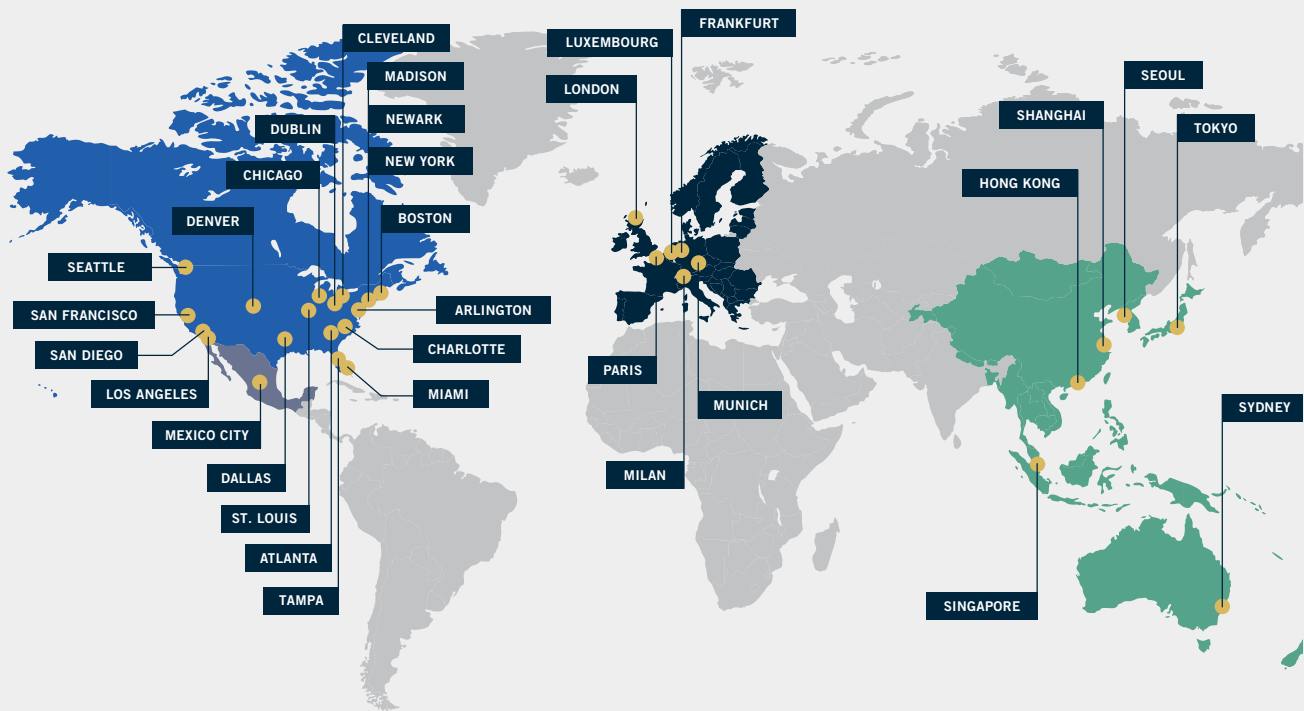
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