

ESG



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OUR ESG REPORT

Since 2008, PGIM Real Estate has published an annual sustainability report to summarize the progress and commitments we have made toward our environmental, social and governance (ESG) objectives. The 2020–21 ESG Annual Report was prepared by PGIM Real Estate's ESG team. The quantitative data referenced in this report reflects the 2020 calendar year. Environmental performance indicators for energy, water, waste and emissions refer to performance by equity investments only. As appropriate, significant developments occurring in early 2021 may be referenced and will be expanded upon in subsequent reports.

Reporting guidelines include the Global Reporting Initiative's (GRI®) Sustainability Reporting Standards and Sustainable Development Goals (SDGs).

All references and data in the report involve PGIM Real Estate globally unless otherwise noted. References within the report at the PGIM level have been made and are indicated using the abbreviation *PGIM*; references to our parent company, Prudential Financial, Inc., have been made using either the abbreviation *PFI* or the expression o*ur parent company*.



ROCK SOLID & SUSTAINABLE BUSINESS

Net Zero by 2050 Goal

In May 2021, PGIM Real Estate became a signatory to ULI Greenprint's Net Zero by 2050 Goal

WHICH AIMS TO ACHIEVE NET ZERO OPERATIONAL CARBON BY 2050 ACROSS ALL MANAGED ASSETS

The goal is designed to accelerate the reduction of carbon emissions produced by buildings under operational control at all stages, including the planning and construction processes and during use.



With the future in mind, and through our expanded ESG program, we've accelerated efforts to significantly mitigate our impact on the environment by creating a multi-year plan for our assets, which includes deep energy retrofits, on- and off-site renewable energy, green utility power, and climate risk assessments. Given our global scale and footprint, we recognize that we have a significant opportunity to make a positive impact. We're committed to being a part of the solution by helping the world address our biggest climate challenges.

ERIC ADLER

President & CEO, PGIM Real Estate

LETTER FROM OUR PRESIDENT & CEO



Eric Adler
PRESIDENT & CEO,
PGIM REAL ESTATE

PGIM Real Estate has been a leader in our industry for 50 years, offering trusted expertise, long-standing industry relationships and a global platform that spans 32 cities. It is this scale and depth of experience — alongside our active ESG approach across investment, asset, risk and talent management — that has enabled us to consistently deliver strong performance for all of our stakeholders through market cycles.

The COVID-19 global pandemic presented extraordinary challenges and caused market volatility. And although an element of economic uncertainty remains, PGIM Real Estate has been strategically preparing for a market downturn for the past several years, which has enabled us to navigate obstacles with exceptional strength and resiliency. Our rigorous global investment and operational risk infrastructure and the liquidity throughout our debt and equity businesses enabled us to emerge from the pandemic in a position of strength, including having as much as \$20 billion available for real estate financing as we headed into 2021*.

To protect the health and safety of our workforce, we quickly transitioned to remote working at the beginning of the pandemic. It is a testament to our company culture that our teams adapted quickly and our commitment to delivering exceptional service and performance to our clients remained as strong as ever. We supported our teams with flexibility to care for their families and provided additional programs to support their well-being, such as virtual engagement sessions to combat pandemic-related stress and fatigue. This focus on our people — our greatest asset — was crucial to our ability to maintain frequent and transparent communications with our clients during a prolonged period of uncertainty. And for that focus on a positive workplace culture both before and during the pandemic, our parent company, PFI, was recognized by Fortune as one of the World's Most Admired Companies, in the Insurance: Life and Health Category.

In addition to the pandemic, the persistent and systemic racial inequity that was brought to the forefront by several events further propelled our passion to advance our equitable workplace culture and influence positive changes in our communities. To address pressing social issues, we conducted listening tours throughout 2020, partnering with our employees, our senior management teams and the Inclusion and Leadership Network (ILN) to develop workstreams aimed at advancing diversity, equity and inclusion (DEI). Those new workstreams will guide our DEI programs, with a focus on talent management, investment practices, community engagement, and the broader real estate industry.

In addition to our continued commitment to organizations such as YouthBuild International and KIPP, we expanded our opportunity youth engagement with a program called Project Destined. Further, we increased our investments to advance human rights, including a \$180 million commitment by PFI to support opportunity youth through 2025, together with \$1.25 million in new contributions in 2020 to support criminal justice, police reform, mentorship and narrative change.

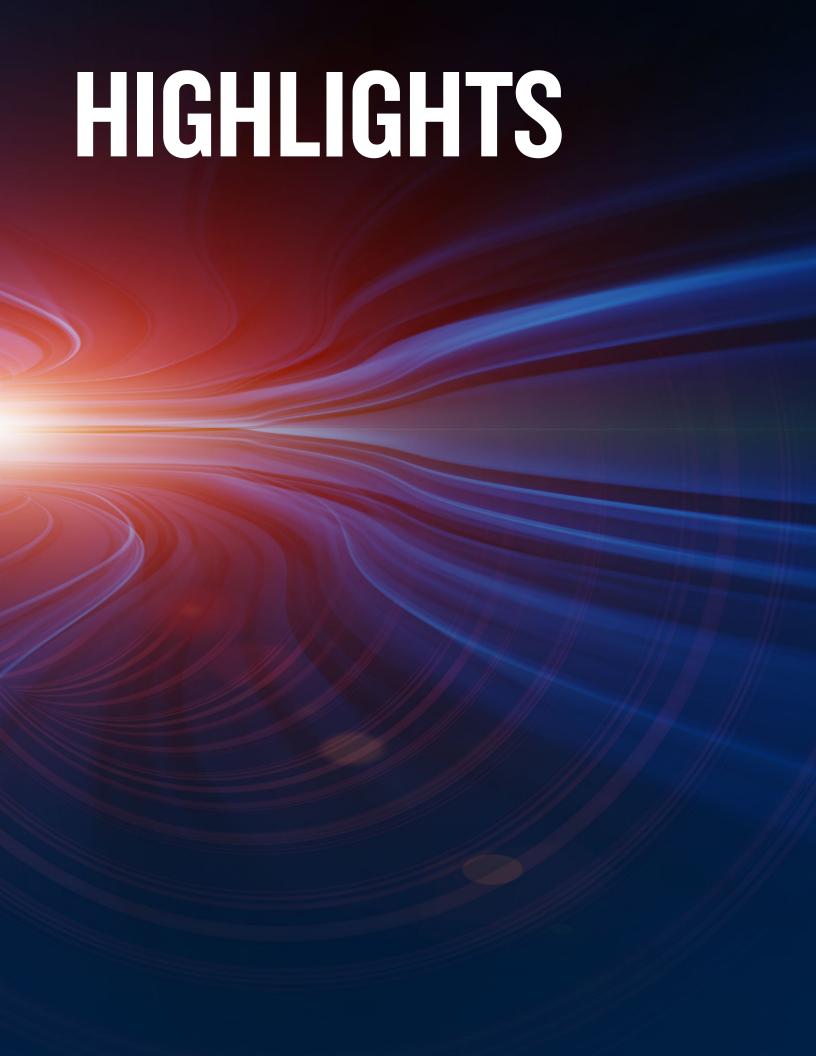
In 2020, we continued to strategically advance our ESG program. We developed asset-level work plans — to be rolled out in 2021 — and completed our first global Sustainability Attributes Survey to identify our stakeholders' key priorities. From 2019 to 2020, we saw a 49% increase by gross floor area (GFA) in properties with green building certifications. We demonstrated excellence in resilience, with all 18 funds that reported to GRESB ranking first in their peer groups on the Resilience Module. We also developed an ESG Loan Assessment, with a borrower engagement component, for due diligence to assess property resilience and environmental risks.

Our entire global platform, encompassing equity, debt and public REIT securities, made great strides in ESG in 2020 and we are proud to shine a light on our many programs and exceptional performance in this year's report. Looking ahead, we are confident in our ability to further our ESG objectives with a view to ignite positive environmental and social impact while engaging in activities that strengthen our communities.

Eric Adler

PRESIDENT & CEO, PGIM REAL ESTATE

^{*} Source: PGIM Real Estate completes nearly US\$30B in transactions worldwide in 2020



2020 TIMELINE

JANUARY

- ESG Team held the 2020 Annual ESG Strategy Meeting
- Debut of the Leading Harvest Sustainable Agriculture Standard

FEBRUARY

- Conducted Measurabl training webinar for all property managers globally
- Completed first global Sustainability Attributes Survey, with responses received from all four regions

MARCH

- Reported to Principles for Responsible Investment (PRI)
- Engaged in Earth Hour communications globally, encouraging office and multifamily tenants to participate
- First green bond backed by eligible green assets, including some of PGIM Real Estate's mortgage investments, issued by PFI

APRIL

- Celebrated Digital Earth Day and promoted energy, water and waste reduction among U.S. properties and employees
- Published ESG newsletter for employees in the second quarter of 2020
- Conducted Measurabl training webinar for all Regional ESG Council members

MAY

 Issued updated 2020 asset level work plans

JULY

 Completed environmental data assurance for nine funds (see page 121 for third-party data assurance)

AUGUST

- Submitted 18 funds to the 2020 GRESB Real Estate Assessment
- Socially Responsible Company Award to PGIM Real Estate in Mexico (9th year in a row)

SEPTEMBER

- Cohosted virtual ESG workshop with the Industrial REIT and PruMex IV and Mexico employees
- Issued 2021 ESG budgeting guidance and fund-level strategy

OCTOBER

 Observed ESG Awareness Week in Mexico

NOVEMBER

- ESG Team held 2021 Annual ESG Strategy Meeting
- · Launched ESG Debt Council

DECEMBER

- Distributed Energy, Water and Waste Awareness Campaign for tenants
- Hosted development workshop for Mexico developers
- Published 2020 fourth quarter ESG newsletter
- Rolled out 2021 asset level work plans
- Distributed the Asset Level Resilience Survey

PGIM Real Estate ESG PERFORMANCE

PRI

PGIM Real Estate has been a signatory since 2009, and since then has reported to PRI on senior leadership practices, organizational overview, investment and stewardship policies, and real estate investment practices.

2017 to 2020

A+

Strategy & Governance PRI Rating

A

Property PRI Rating

GRESB

The GRESB assessment is a leading global real estate ESG benchmark that assesses the ESG performance of selected PGIM Real Estate funds and benchmarks the results as compared to funds in their peer groups. GRESB uses data from the previous calendar year in order to calculate fund scores and ratings. The figures below are firmwide scores from the 2020 GRESB Management & Performance Benchmark.**

18

Funds participated 256.9M SQ FT across 1,210 assets was evaluated \$57B+

Gross asset value (GAV)*
was evaluated

85%

of global AUM* was evaluated

18 funds ranked #1

in their peer group on the Resilience Module

71%

of global equity AUM* earned 4-Star, 5-Star and/or Sector Leader designations

* GRESB-assessed as of December 31, 2019. For Management & Performance only.

** Figures refer to the 2020 GRESB Management & Performance Benchmark (for standing investments) which covers 15 of the 18 funds on which PGIM Real Estate reports. This is separate from the new GRESB Development Benchmark (for projects under development) where PGIM Real Estate scored 77/100 firmwide, compared to a 74 GRESB Average/75 Peer Average.

PGIM Real Estate

ESG PERFORMANCE

Diversity

AS OF DECEMBER 31, 2020 FOR PGIM REAL ESTATE EMPLOYEES GLOBALLY, UNLESS OTHERWISE NOTED

BOARD & UPPER MANAGEMENT DIVERSITY

31%

Women on Global

Management Council

31%

Women in Investment Roles

33% in the United States
25% in Latin America
23% in Europe
33% in Asia Pacific

44%

Women GLOBALLY

45% in the United States
38% in Latin America
42% in Europe
47% in Asia Pacific

25%

People of color (POC) in professional positions

EXCLUDES ADMINISTRATIVE POSITIONS; POC TRACKED IN UNITED STATES ONLY

53%

Workforce diversity
Women and Poc, in united states only

Community Involvement & Corporate Giving

AS OF DECEMBER 31, 2020 FOR PGIM REAL ESTATE EMPLOYEES GLOBALLY, UNLESS OTHERWISE NOTED

60+

Charitable & community virtual events
HOSTED OR SPONSORED IN 2020 DURING THE PANDEMIC

5,870+

Employee volunteer hours
IN THE UNITED STATES IN 2019 AND 2020

PGIM Real Estate's Ongoing Partnerships with Opportunity Youth Organizations in 2020







PGIM Real Estate ESG PERFORMANCE

Fitwel®

1st 3-Star Certification in the United States

Under the V2.I Built Certification Pathway Regions Plaza in Atlanta, in 2020

Green Building Certifications

A certified green building has been independently verified to be resource efficient, healthy, and cost effective. Global building certifications are an important proxy for building performance and continue to grow in number, area and value.

180

Total green-buildingcertified properties

52.3M SQ FT, \$27.9B GAV

106

LEED® certifications

33.0M SQ FT, \$21.8B GAV

76

ENERGY STAR® labels

25.IM SQ FT, \$14.2B GAV

20

SMART Blue® certifications

2.5M SQ FT, \$224M GAV

11

Fitwel certifications

6.9M SQ FT, \$3.78B GAV

Global Environmental Performance Metrics*

YEAR OVER YEAR (YOY) % CHANGE 2020 VERSUS 2019
(By both PGIM Real Estate and PFI)

-8.5%

Energy use intensity

-3.0%

Water use intensity

-8.0%

Total GHG emissions intensity

-2.0%

Waste diversion rate

43.5%

Waste diversion rate in 2020

^{*} Equity Investments Performance Only

OTHER AWARDS & RECOGNITIONS

Across PGIM Real Estate and our parent company, PFI

Prudential's commitment to doing business the right way, strengthening communities and providing an inclusive work environment is reflected in the awards and recognitions we have proudly received from national and global organizations. The following are recent awards as of December 31, 2020.

2020 Top Agency Lender

Fannie Mae[®]: #4
Freddie Mac[®]: #11

World's Most Ethical Companies®

Ethisphere Institute (2015-2020)

The Civic 50

Points of Light

100 Most Sustainable Companies in America

Barron's (2018-2020)

FTSE4GOOD

Index Series

100 Best Corporate Citizens

Corporate Responsibility Magazine

Socially Responsible Company Award

to PGIM Real Estate in Mexico (9th consecutive year)

Corporate Equality Index

Human Rights Campaign Foundation

America's Most Responsible Companies

Newsweek
(No. 37 out of 400 companies in 2021)

#5 World's Most Admired Companies

Fortune

(Insurance: Life and Health Category)

Corporate Inclusion Index

Hispanic Association on Corporate Responsibility

Top Employers & Top LGBT-Friendly Companies

HISPANIC Network Magazine

Top Companies for Executive Women

National Association for Female Executives

America's Best Employers for Veterans

Forbes

Best for Vets Employers

Military Times

Military Spouse Friendly® Employer

VIQTORY

Leading Disability Employer Seal™

National Organization on Disability

DEI Best Places to Work for Disability Inclusion

Disability:IN

100 Best Companies

Working Mother

100 Best Adoption-Friendly Workplaces

Dave Thomas Foundation for Adoption

COVID-19 RESPONSE

In early 2020, as the world started to experience the impact of the COVID-I9 pandemic, PGIM Real Estate began formulating adaptations to everyday business practices. We worked diligently to protect building occupant health and wellbeing while maintaining functionality to the greatest extent possible and while protecting the interests of investors by actively monitoring property performance throughout the crisis.

We prioritized real-time responses to investor requests for portfolio updates, increased our property assessment efforts and held frequent fund calls to keep investors informed. To support our borrowers, we formed a Borrower Response Team whose members are experienced investment professionals dedicated to supporting borrower communications during the COVID-19 crisis, and we hosted a series of calls with multifamily borrowers to keep them apprised of market developments.

Investment & Operational Risk Preparedness



After the financial crisis in 2008, we took steps to further strengthen our business to weather potential challenges, and, in 2018, we communicated to our Global Client Conference the Global Management Committee-approved amendments to PGIM Real Estate's Delegations

of Authority in case of a downturn. Enhanced governance procedures were developed and a global program to train and prepare operationally for an economic downturn was initiated. On a business-as-usual basis, we assessed our critical operational and third-party service providers for resiliency plans inclusive of a pandemic.

At the onset of COVID-19, strategies, including protocols for enhanced communications with global and regional investors; a more diverse product architecture; more mature products in Asia and

Europe; and a stronger and unified agency lending business were already in place.

For PGIM Real Estate employees, a weekly All Hands conference call was established to create a dialogue around steps taken with regards to COVID-19. The Global Management Council met on a weekly basis to drive business and strategic decisions. Regional Executive and Management Councils and a Business Continuity Plan team comprised of regional chief operating officers, Human Resources, Business Continuity Planning and Operational Risk met multiple times a week to assess the situation, construct plans and actions, share best practices, and make decisions. A COVID-19 global steering group was established in March 2020 and met three times per week to monitor the ongoing effectiveness of our COVID-19 approach and adjust our plans as the pandemic evolved. Finally, PGIM and Prudential-level Return to the Workplace Governance Teams met on a weekly basis to ensure that all Prudential business units, including PGIM Real Estate, opened their offices in a safe and consistent manner that did not put our business resiliency at risk.

COVID-19 Across Sectors

Retail — Tenant Engagement

PGIM Real Estate took several practical measures to maintain operations at its retail properties while protecting the health of guests and employees. Six of our shopping centers in the United States and five in Singapore achieved advanced cleaning certifications through the Global Biorisk Advisory Council or the Singaporean government by complying with best practices in their cleaning procedures. In the United States and Mexico, we made our tenants aware of guidance from the Centers for Disease Control and Prevention (CDC) and state and local regulations that affected their operations. When feasible, we arranged space for curbside pickup of purchases and outdoor seating for restaurants. And we conducted social media campaigns to promote awareness of our tenants' revised operating hours and service options.



FLYER FOR AVALON'S COVID PROTOCOL

Office — Building Occupant Safety

At many of PGIM Real Estate's office properties, occupancy in 2020 was greatly reduced because tenants' employees opted or were required to work from home. For those who continued to work at their offices, efforts to provide safe working environments were expanded. In line with CDC recommendations, wherever possible, building engineers increased filtration to the highest minimum efficiency reporting value (MERV) ratings and increased outdoor air flow. In restrooms, electric hand dryers were replaced with paper towels to reduce the airborne spread of the virus and foot openers were added on bathroom doors. In building lobbies, we removed seating to prevent tenants from congregating in groups, installed plexiglass shields at security desks and installed signage reminding occupants to maintain physical distancing. Going forward, building management will be considering how to more safely use amenity spaces based on what was learned during the pandemic.

Multifamily — Resident Health & Wellbeing

Our multifamily properties, of necessity, continued operations. Property managers took steps to align HVAC use with CDC-recommended best practices, including installing MERV 13 (hospital-grade) filters in all compatible HVAC systems. Management offices remained staffed, scheduled in staggered shifts so as to limit office occupancy. Leasing appointments were held virtually or by prior appointment only and with appropriate COVID-19 screening. Many building amenities closed, and those that remained open were regularly sanitized and set up for physical distancing. Maintenance staff wore appropriate protective coverings and underwent COVID-19 screenings prior to entering residential units. Finally, we kept tenants informed on updated protocols via property websites and signage.

Industrial — Recommendations for Tenants

The industrial sector remained open for business — in large part because tenants have almost exclusive control over their workplaces. Our property managers provided tenants with information, resources and recommendations based on CDC and World Health Organization best practices as well as state regulations to enhance their workspaces, including advanced housekeeping and disinfecting, the provision and use of personal protective equipment, physical distancing, quarantining, and tracking and reporting employees with symptoms or positive COVID-19 test results. Those recommendations have also included engineering alterations such as air filtration and touchless equipment in the forms of faucets, light switches and door openers.



Alternatives — Following Safety Guidelines

Our alternatives sector remained stable throughout

the pandemic, with our four major asset classes of student housing, storage, data centers and manufactured housing now returning to prepandemic operations. Efforts were taken within each asset type to follow COVID-19 safety guidelines, with special attention given to supporting tenants via physical distancing measures and sanitation. These property types have remained attractive in the current market, and valuations continue to increase, resulting in stability throughout our alternatives business.



Employee Safety

To safely manage and coordinate office visits and travel for PGIM Real Estate employees during the pandemic, we developed an in-house tool called iReserve, designed to streamline the process of returning to the office and business activities. The iReserve system enables the tracking of approved requests and the safe management of bookings for team members throughout our regional offices. Between June 2020 and February 2021, there were a total of 1,478 travel requests, 415 office visits, and 4,374 office seat reservations.



Supporting Our Tenants

As economies worldwide experienced slowdowns, meeting rental payment obligations became difficult for many of our tenants, and we took strategic steps to assist them. At our multifamily properties, we worked with tenants to identify and apply for government or other assistance. For our mall properties in Singapore, we passed through 100% of the government tax rebate to our tenants and permitted tenants to convert their cash security deposits to bankers' guarantees so as to provide them with additional liquidity. In all sectors, we offered rent deferral or rent relief options on a case-bycase basis. The need for rent deferral or rent relief varied by sector. Although our U.S. retail properties executed

rent-relief agreements with 47.4% of retail tenants, our U.S. and Mexico industrial assets collected 98% of 2020 rental payments, and our U.S. offices collected approximately 97% of rental payments since the beginning of the pandemic. In Europe, we recognized rent collection rates of more than 90% in the industrial sector and more than 80% in the office sector, whereas physical occupancy throughout the severe lockdown periods was significantly lower (less than 50%) because most government-imposed home office obligations. Physical occupancy in the industrial sector remained high throughout the pandemic.



Supporting Our Borrowers

PGIM Real Estate was quick to expand borrower outreach at the onset of the COVID-I9 pandemic. We hosted four multifamily borrowers calls, which reached an audience of more than 2,700 attendees. The themes covered during the calls were:

- + COVID-19 & U.S. Market Implications
- + State of the Market & Agency Updates
- + Global Implications & State of the U.S. Market
- + Bird's-Eye View & Ground-Level Implications

Guest speakers on the calls included top representatives from the Mortgage Bankers Association and the National Multifamily Housing Council, a national organization of more than 1,100 member firms involved in the multifamily housing industry. We take pride in being industry experts in the commercial mortgage industry; throughout 2020, we found it imperative to keep an open dialogue with our borrowers and investors through this series of calls, and we distributed 100 email communications to borrowers and other stakeholders during the course of the year. While those broad-based communications were ongoing through 2020, the Borrower Response Team oversaw the fielding of specific borrower inquiries. Marcia Diaz, head of U.S. Originations, and Bryan McDonnell, head of U.S. Debt and chairman of Global Debt, were recognized on Commercial Observer's 2020 Power Finance list for their leadership and the firm's response to the COVID-19 pandemic.



At the onset of the **COVID-19** pandemic, **PGIM Real Estate formed** the Borrower Response Team, composed of experienced investment professionals. The team was well positioned to respond thoughtfully to borrower and investor questions, communicating that we remained "open for business" during the quarantine peak. It meant we could continue to meet client needs while maintaining the strict disciplines that we always prioritize in managing our debt portfolio.

Bryan McDonnell

Head of U.S. Debt and Chairman of Global Debt



CORPORATE PROFILE

We strive 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 \$1.5+ trillion* global asset management business of Prudential Financial, Inc. (NYSE: PRU), and is one of the largest real estate managers in the world, with \$188 billion in gross assets under management and administration*†.

We engage in practices that ignite positive environmental and social impact while pursuing activities that strengthen communities around the world through our investment, financing, asset management and talent management approach. Our extensive industry insights are backed by a more-than-50-year legacy of investing in commercial real estate, an over 140-year history of real estate financing^ and the deep local expertise of professionals in 32 cities globally.

AT-A-GLANCE

1970

Year Established

\$188B

in Global AUM/AUA*†

1,000

Investment Professionals

Professionals in 32 Cities

Across 16 Countries in 4 Regions

\$67.4B

in Real Estate Equity AUM*§

\$121B

in Real Estate Debt AUM/AUA*†

\$57B

in GRESB Assessed Equity AUM**

4,400

Owned and Financed Properties* ‡

1,304

Owned Properties tracked in our Environmental Dashboard*

A goal of the ESG program is increasing utility data coverage of owned properties in the environmental dashboard, a key performance metric of which is total square feet of floor area with data coverage.

278.2M SQ FT

Floor Area of Owned Properties tracked in our Environmental Dashboard*

^{*} As of December 31, 2020.

^{**} As of December 31, 2019.

[†] Net assets under management total.

^{\$119.7} billion. Gross and net assets under management total \$42.8B of AUA.

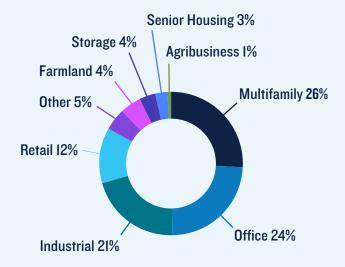
[§] Total net assets under management total \$47.4 billion.

[‡] Does not include properties for which we service a loan only.

Portfolio Composition

BY PROPERTY TYPE*

PGIM Real Estate invests across all property sectors — office, retail and multifamily — as well as industrial, storage, senior housing, land and manufactured housing.



*Includes Both Equity and Debt Investments

Investment Locations

Includes Both Equity and Debt Investments

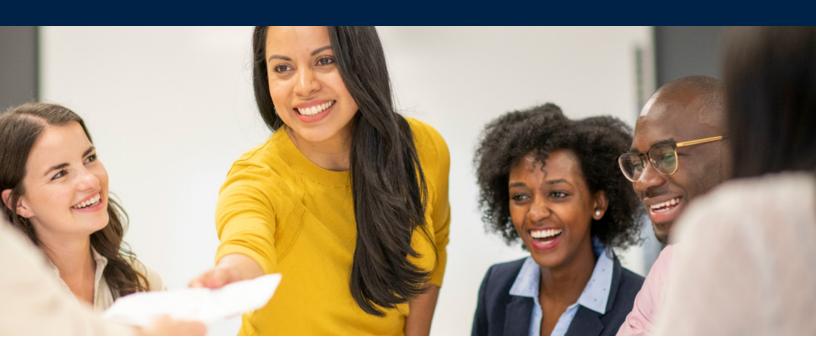
Our global business, inclusive of equity and debt investments, are found around the world in Australia, Austria, Canada, China, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, South Korea, Singapore, South Korea, Spain, Sweden, United Kingdom, and United States.



BOARD & MANAGEMENT DIVERSITY

Diverse perspectives and experiences among members of our leadership guide us toward more innovative solutions and make us better investment managers for our global client base.

Programs such as our Inclusion & Leadership Network (ILN) help PGIM Real Estate create an inclusive organizational culture that promotes the career development of diverse talent. Annual programming supports professional development, cultural change, talent attraction and retention, and equal access for professionals in our office locations around the world.



GOVERNANCE OVERVIEW



Corporate Governance

PGIM Real Estate's corporate governance is overseen by the Global Management Council (GMC). The GMC is made up of members of regional and global committees and councils responsible for executive oversight, each with a distinct charter of objectives.



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

Senior leadership focuses their governance efforts in three distinct areas – *Structure, Infrastructure, and Talent and Culture.*

Global ESG Council

The Global ESG Council, established in 2019, consults on ESG vision, strategy and policies, and addresses client needs and expectations as they progress toward their long-term targets. The council comprises a global working group and regional working groups that collectively identify opportunities, promote tools to implement initiatives, drive regional level implementation and track and report progress.

PGIM Real Estate's ESG approach has a robust governance framework as follows:

- + The global head of ESG is accountable for overall ESG implementation across the platform, overseeing the firm's ESG efforts at the vehicle and organizational levels.
- + The global director of ESG is responsible for implementation of the global ESG program, guiding strategy to accelerate the reduction of our worldwide environmental footprint and increase the impact of our social initiatives.
- + There is a Director of ESG, Americas (United States and Latin America) and a Director of ESG, Europe/Asia Pacific, both of whom are responsible for program implementation at the regional level.
- + The Global ESG Council consults on vision, strategy and policies across the firm and establishes long-term targets.
- + Lastly, regional ESG councils identify regional opportunities, promote tools for implementation and track and report on regional progress.



In 2020, we launched the U.S. Debt ESG Council to further integrate ESG processes into PGIM Real Estate's debt businesses. The council consults on debt-specific ESG goals, targets and policies.





Over the course of our 50+ year history,

PGIM Real Estate has developed solid foundations upon which we have built our ESG programs. As we look towards the future, we are rolling out plans for program expansion that are propelled by clear and actionable strategies that accelerate our performance and increase our impact throughout our global portfolio.

Christy Hill
Global Head of ESG

Stakeholders

Our stakeholders include organizations that are subject to our influence and impact or that are identified as part of our value or supply chains.



INTERNAL STAKEHOLDERS

Our direct employees

Other PFI employees

Shareholders

EXTERNAL STAKEHOLDERS

Investors

Borrowers

Joint venture partners

Property managers

Professional service suppliers

Communities where our assets are located and/or where we invest

Tenants, their employees, and their interests

Contractors, their employees, and their trade unions

Industry organizations

Property brokers

Local government

Society at large

Business Ethics

MAKING THE RIGHT CHOICES

We are committed to upholding high ethical standards by facilitating behavior consistent with the company's Code of Conduct, entitled Making the Right Choices. PGIM Real Estate had no bribery, fraud or corruption issues in 2020 or in any prior reporting years. In addition, we had no legal actions for anticompetitive behavior, antitrust or monopoly practices in 2020 or any prior reporting years.

PROCUREMENT & SUPPLY CHAIN

Our Vendor Code of Conduct and Terms of Engagement establishes our commitment to responsible, ethical and sustainable business practices. Those practices extend to our supply chain and include our core values and labor practices as well as antidiscrimination, antiharassment, antibribery and anticorruption compliance with the Foreign Corrupt Practices Act and 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 Global Business Ethics and Integrity unit.



ESG MISSION & 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 of our stakeholders. We strive to embed ESG best practices throughout our real estate investment, asset management, risk management and talent management processes.



OUR PEOPLE

HUMAN RIGHTS

OUR COMMUNITIES

ENVIRONMENT



Our environmental commitment is global and shared by all of our employees. By applying responsible resource reduction strategies, we enhance our environmental performance as well as our investment performance. We advocate for operating practices, materials and construction methods that protect human health and preserve biodiversity, increase the use of sustainable materials and renewable energy and reduce carbon dioxide (CO₂) emissions.



SOCIAL

Building on the strong foundation established by our parent company, we have always maintained a deep commitment to the global communities in which we invest and operate. In addition to corporate grants and charitable contributions, we make employee volunteering a priority by dedicating time, skills and resources to increase human potential, self-sufficiency, diversity, equity and inclusion. We aim to engage with all of our stakeholders to achieve our purpose: helping people grow and protect their wealth.



GOVERNANCE

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

ESG Framework

Our ESG framework is the foundation of our ESG efforts and enables us to set forth key objectives, better record and measure our activities, and showcase our commitment to ESG.



CASE STUDY

ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

PGIM Real Estate's ESG program aligns with all I7 of the SDGs adopted by the United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs set forth a clear blueprint of actions for a more sustainable future, with peace and prosperity for all. The agenda's strategies aim to tackle climate change and preserve oceans and forests while improving health and education, reducing inequities, spurring economic growth and ending poverty.

ENVIRONMENTAL



RISK MANAGEMENT

Our Risk Management team ensures that the firm is complying with internal policies, regulatory requirements and client obligations. It has developed policies and procedures and communicated them across the company to ensure that adequate controls exist to appropriately manage the business and fulfill our fiduciary duties to our clients. Risk Management also evaluates the company's risk profile and balances risks and resources to meet our long-term goals throughout investment life cycle. Using the best tools and processes in the industry for managing all facets of risk to our assets, we ensure effective risk management — from initial acquisition to disposition as well as for new loans.





Management of ESG Risks

ESG issues are carefully considered as part of our rigorous investment analysis and due diligence processes. We screen partners and vendors 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 (SSOGs) to reduce energy use; we continue to benchmark our properties' energy use; and we are completing assessments to determine how best to improve property performance.

We have also implemented resilience assessment criteria to review, assess and incorporate effective disaster preparedness and climate change mitigation and adaptation strategies into asset plans and operations. In addition to evaluating new acquisitions, we perform environmental and social due diligence for our existing assets to identify and prioritize improvements where needed. We have also developed an ESG Loan Assessment to identify risks and opportunities prior to financing.

ESG Policies & Guidelines

PGIM Real Estate has a broad range of corporate governance policies and guidelines that support our ESG program and encourage consideration of ESG criteria for investment management. Portfolio managers, asset managers and other employees are trained on policies and guidelines, including, but not limited to, the following issues.



GOVERNANCE

Bribery and corruption

Data protection and privacy

Employee remuneration

Executive compensation

Fiduciary duty

Fraud

Political contributions

Shareholders' rights

Whistle-blower protection

Antitrust and unfair competition



SOCIAL

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

Workers' rights

Human rights

Social resilience

Indoor environmental quality

Stakeholder engagement across all ESG areas



ENVIRONMENTAL

Energy consumption and management

Water consumption and management

Waste reduction and management

GHG emissions and management

Climate change mitigation and adaptation

Building resilience

New construction and renovation

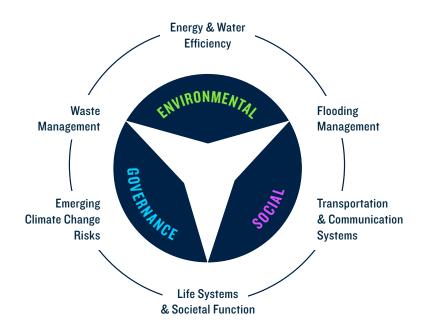
Equity ESG Due Diligence

for New Investments, Standing Assets, and New Developments

PGIM Real Estate's risk assessment framework includes criteria that enable us to better understand the ESG risks to and performance of our assets. The framework helps us appropriately evaluate potential capital investments to improve both the performance and marketability of the assets.

	New Acquisitions	Standing Assets	New Developments
Strategy	Prioritize ESG considerations in the acquisitions process	Prioritize building improvements and upgrades where needed to meet our ESG goals and targets	Prioritize green building and sustainable construction practices
Approach	Supplement existing property condition assessments with ESG assessments for new acquisitions	Perform periodic environmental and social due diligence	Conduct ESG assessments for new developments
Outcome	+ Minimize risk and maximize value for investors and tenants + Positively affect our capital investment decisions		

Key ESG issues covered by this framework:



- + Inform investment rationale
- + Preview ESG performance
- + Identify risks
- + Improve competitive position
- + Identify areas to mitigate resilience risks
- + Highlight climate risk exposure
- + Create value

Debt ESG Due Diligence

for New Core Loans

In 2020, PGIM Real Estate developed a proprietary ESG Loan Assessment, which will be completed during due diligence for all new core loans. The questionnaire assesses property resilience and environmental risks, and includes a borrower engagement component through a series of sponsor questions. The borrower questions are important as they engage the borrower in conversation around their own ESG initiatives, which can reveal best practices and help us better understand the risks associated with our debt investments. The ESG Loan Assessment also incorporates an evaluation of risk related to climate and environmental physical risks, which will facilitate portfolio climate risk exposure analyses.

The ESG Loan Assessment evaluates:

- + Environmental physical attributes, risks and opportunities that promote environmental stability
- + Resilience risks that measure climate-related physical risks
- + Social attributes and risks that measure property specifics that affect the living and social experiences at a property
- + Governance attributes and risks, including details on the borrower's ESG commitments

The ESG Loan Questionnaire is being rolled out in 2021

ESG STRATEGY

At PGIM Real Estate, all of our funds — across equity, debt and securities — are positioned to be leaders among their peers, with their performance driven through solid investment discipline and tailored ESG strategies to meet individual fund needs. The following strategies are indicative and best practices that we seek to apply, and so may not be applicable to each/all funds or mandates.



ENVIRONMENTAL

10-YEAR TARGETS:

EQUITY INVESTMENTS ONLY

- 20% Energy Intensity
- 20% Water Intensity
- 50% Landfill Waste

50% Waste Diversion Rate

- 20% GHG Intensity

SSOGS

LEED-CERTIFIED OFFICES

TRAVEL CO2 OFFSETS

COMMUTING SUBSIDIES

MINIMIZATION OF SINGLE USE PRODUCTS

GREEN CLEANING

AGENCY GREEN LENDING PROGRAMS

SUSTAINABLE AGRICULTURAL PRACTICES



SOCIAL

DIVERSITY INITIATIVES

- + ILN
- + Management Leadership for Tomorrow (MLT)
 - + Girls Who Invest
 - + PREA/SEO
- + Pipeline Training Programs
 - + Project Destined®

DIVERSITY TARGETS

HEALTH & WELLBEING INITIATIVES

- + Fitwel building health certifications
 - + Green cleaning

TRANSFORMATIVE INVESTMENT AND AFFORDABLE HOUSING LENDING

COMMUNITY ENGAGEMENT

- + YouthBuild®
- + KIPP Public Charter Schools®
- + Center for Land-Based Learning
 - + 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

ALIGNMENT WITH ESG FRAMEWORKS

- + GRI
- + SDGs

HIGHLIGHT

ASSET LEVEL WORK PLANS

PGIM Real Estate constantly strives to improve the ESG performance of its equity investment portfolio. With the help of our ESG consultant, Verdani Partners, we develop ESG initiatives that are considered key priorities in alignment with our corporate level ESG goals. Based on specific property characteristics and data, we match properties with appropriate ESG initiatives.

Fund-Level Strategies Using 2019 GRESB results as baseline, identify areas of improvement and 4-year plan. 2020, first year. Next update in 2023. **Asset-Level Property Manager Work Plans Action Plan** Make fund strategies actionable in key areas **Customize** and report including data coverage, proposed plans, resources efficiency measures, audits, and budgets. PMAP certifications and energy updated annually. ratings, ALWP updated annually.

The Asset-Level Work Plan serves several key purposes:

- + The Asset-Level Work Plan serves several key purposes:
- Offers budget guidance to property managers on efficiency measures, sustainability audits, certifications, and energy ratings
- + Centralizes asset-level information to improve data coverage and integrity for reporting season
- + Creates a baseline of current implementation status across the portfolio
- + Allows for more targeted implementation measures for future budget cycles

Asset level work plans include programs and initiatives such as :

- + Energy, Water and Waste Audits:
 ASHRAE Level I and II Audits, Sustainability Audits,
 Water Use Analyses, LED Lighting Surveys
- Energy and Water Efficiency Projects:
 LED Lighting Retrofits, High-Efficiency Water Devices,
 Smart Irrigation
- + Waste Management Projects:
 Recycling, Waste Sorting and Composting

- + Energy Use Ratings and Certifications: ENERGY STAR, EU EPC
- + Sustainability and Wellness Certifications: LEED, Fitwel, BREEAM®, BCA Green Mark, Green Globes®, SMART Blue, IREM CSP
- Utility Data Automation:
 Utility Data Platforms, ENERGY STAR Portfolio
 Manager[®], Measurabl[®], Arc[®]

RESPONSIBLE INVESTING

PGIM Real Estate's commitment to transformative development and ESG is made evident by our strong history of responsible investing.

Transformative Investment at PFI

Equity and inclusion have always been high priorities for PFI, with education, affordable housing and financial inclusion at the heart of our \$1 billion of impact-investing assets under management. Since 1978, PFI and the Prudential Foundation have invested more than \$920 million in grants and corporate contributions to close the financial divide. Currently, PFI has focused more than \$100 million in active corporate contributions and philanthropic grants to advance racial equity.

\$1B

Diversity, equity & inclusion impact investing AUM

\$920M

in grants and corporate contributions to close financial divide since 1978 \$180M

commitment to opportunity youth through 2025

\$1.25M

In new contributions to support criminal justice and police reform, mentorship and narrative change in 2020*

\$58.4IM

in new authorizations in 2020



\$412M

towards racial equity and justice issues for Black and Latinx communities

\$100M

actively focused on advancing racial equity

\$134M

Invested in creating pipelines to quality jobs for young adults around the world



^{*} Source: Prudential Financial, Inc. 2020 Annual Report



Impact Investing

Since 2010, PGIM Real Estate has invested over \$5 billion in the United States and Europe in real estate with impact characteristics which includes investments in affordable housing, low- and moderate-income areas and in real estate that has environmental benefits such as green certifications or remediation of contaminated sites.

IMPACT STRATEGY	STRATEGIES	IMPACT INVESTMENT
Environmental Impact	Multifamily	Affordable Housing
Social Impact	Affordable Housing	Investment in Low- Moderate Income Areas
Financial Return	Transformative Development	Investment in Real Estate with Environmental Benefits

\$5B+

Impact-Oriented Assets

WITH A FOCUS ON AFFORDABLE HOUSING AND TRANSFORMATIVE DEVELOPMENT

180

Affordable Housing & Urban Regeneration Projects

THAT HAVE BENEFITTED FROM IMPACT INVESTMENT
INITIATIVES SINCE 2010

Since 2010, more than 180 properties, including affordable housing and urban regeneration projects, have benefitted from our impact investment initiatives. Our impact strategy is further strengthened by PGIM Real Estate's robust ESG strategy and rigorous risk management framework, which helps support our impact driven approach to attain high standards for environmental sustainability, market leading impact reporting and accreditation, strong institutional sponsorship and alignment, and the cultivation of thriving communities in which to live, work and play.

Affordable Housing

Between 2010 and 2020, PFI and PGIM Real Estate have committed to a combined \$8.7 billion in investments with affordability components. These investments represent three primary groups as follows:



\$2.6B

PGIM Real Estate Equity

\$5.8B

PGIM Real Estate Financing through the Agencies

Fannie Mae, Freddie Mac and Federal Housing Administration (FHA) affordable-housing lending programs

\$300M Impact & Responsible

Investing Group at PFI





A notable change for 2021 will involve raising the percentage of mission-driven, affordablehousing lending that Fannie Mae and Freddie Mac must do from 37.5% to 50%. Within this category, 20% must come from units affordable to residents at 60% of area median income or below. We view this announcement as a positive outcome for liquidity and the stability of financing for multifamily owners while also going further than ever to support affordable housing.

Mike McRoberts
Chairman of Agency Lending

HIGHLIGHT

RESPONSIBLE INVESTMENT PERFORMANCE

One of the first institutionally managed woman-led impact investing funds in the industry, PGIM Real Estate's impact strategy received top recognitions in the 2020 GRESB Assessment as follows.

#

in Resilience

#

of I5 Americas / Non-Listed / Value-Add / Closed-End Funds

4-Star

Management and Development Rating ranking among the highest in its peer group

30 of 30

points earned for Management

Outperformed

each of the GRESB benchmark averages across E, S and G

84

Development score earned (against highest peer score of 87)

The impact strategy targets investments in U.S. affordable housing and mixed-use transformative developments, with a focus on underpriced locations across major U.S. markets with anticipated population and economic growth.



As we continue to measure our ongoing progress as a pioneer in impact investing, these results clearly demonstrate that we are on strong standing to achieve our impact strategy objectives: a dual mandate of achieving market-rate financial returns while creating healthy, safe and affordable communities for people with moderate and low incomes.

Lisa Davis
Impact Investing Portfolio Manager





PGIM Real Estate is proud to take part in a major effort to revitalize a Tulsa, Oklahoma, community with the new River West affordable-housing development. The master redevelopment plan comprises more than 450 mixed income housing units, a five-acre park, a grocery store and new roads and sidewalks funded by the city.

PGIM Real Estate is providing

\$5.1M

in permanent debt through Freddie Mac for Phase I of the project.

Construction is underway on Phase I, which consists of

74 affordable units

in I3 walk-up buildings and townhouses. The larger development will become the River West community and represents the largest affordable housing investment in Tulsa's history, with more than \$200 million dedicated from public-private partnerships.

HIGHLIGHT SUSTAINABLE AGRICULTURE STANDARD Long-term environmental stewardship would be incomplete without add

Long-term environmental stewardship would be incomplete without addressing sustainable land management and food production. Since 2017, PGIM Real Estate's Agricultural Investments team has been working alongside other members of a Sustainable Agriculture Working Group (SAWG) to develop the Leading Harvest® Farmland Management Standard, a comprehensive sustainability standard for agricultural properties. The owner/manager members represent approximately two million acres of farmland across 22 U.S. states and an additional two million acres in seven other countries. The emphasis is on environmental, social and governance that will generate long-term sustainability.



Debuted in 2020, the Leading Harvest Farmland Management Standard is U.S.-based today, but may be implemented globally to affect the greatest portion of agricultural acreage possible. The standard is performance based and designed to help land managers achieve sustainability through continuous improvement — SAWG members also agreed that managing a farm in a sustainable

manner can have a positive financial impact. Significant effort was made to ensure that the standard meets the needs of many stakeholders, including the investor, the farmer and the landowner. It sets forth 14 principles that represent key issues with regard to sustainable farming operations — from soil health and conservation to water management, to community involvement. It covers the key elements of a sustainable food industry, including food production and distribution.



Center for Land-Based Learning FARMS Leadership Program

PGIM Real Estate's Agricultural Investments team recently became a sponsor of the Center for Land-Based Learning, a nonprofit organization that engages and trains high school students starting to explore career paths as farmers and entrepreneurs in the field of agriculture. The sponsorship is designated specifically for the center's FARMS Leadership Program, which introduces, trains and recruits high school students for college and career opportunities in farming, agriculture and resource management for sustainability.

Best Practices in the Field

PGIM Real Estate's Agricultural Investments team has implemented best management practices in the field to maintain high quality and sustainability standards as follows.

- Introduction of mating disruption technology to manage and control insect pest populations to reduce the use of pesticides
- + Construction of a fertilizer containment structure to safeguard against nutrient runoff
- Conversions of ranches from flood irrigation to pressurized irrigation systems and use of soil moisture and evapotranspiration technology to conserve water and improve efficiency
- + Installation of variable frequency drives to improve the efficiency of irrigation pumps that results in further reductions in electricity usage
- + Installation of frost protection systems to reduce crop damage related to cold temperatures
- + Installation of on-site solar energy systems to offset electrical power usage

\$227M

Sustainable Farming with The Wonderful Company

The Wonderful Company has invested \$400 million to date in water-efficient irrigation systems, eco-friendly pest control, and creative ways to reduce energy use.

The Wonderful Company, a privately held California-based company committed to offering high-quality, healthy brands and helping consumers make better choices every day, has pomegranate, almond, pistachio, and citrus orchards in California's Central Valley. PGIM Real Estate has built a strong relationship with The Wonderful Company during the 40 years we have worked together and provided financing for them.

We are proud to partner with an organization with strong commitment to both sustainable farming and giving back to the communities it serves. The Wonderful Company invests tens of millions of dollars each year into its paradigm-changing, place-based approach to corporate social responsibility, focused on education, health and wellness, and community building in California's Central Valley, where the majority of its products are grown and where the majority of its workforce resides. They are also the largest agricultural business to join RE100, the global initiative committed to transitioning to 100% renewable electricity.

TRANSPARENCY & REPORTING

PGIM Real Estate provides our investors with increased transparency by voluntarily reporting our sustainability progress to two leading ESG performance benchmarks — the United Nations' Principles for Responsible Investment (PRI) and GRESB. Annually reporting to third-party organizations demonstrates our commitment to accountability and integrity and raises awareness with stakeholders about our comprehensive ESG initiatives.



2020 PRI Performance

Since 2009, PGIM Real Estate has been a signatory of the PRI Principles for Responsible Investment®. We complete the PRI Reporting and Assessment survey every year to evaluate our companywide ESG efforts to deliver the highest possible value for our investors. In 2020, for the fourth consecutive year, PGIM Real Estate earned a grade of A+ for Strategy and Governance and an A for Property. Our exemplary performance showcases our ongoing commitment to deliver the highest possible value for our investors as we improve our global ESG programs.



FOR PROPERTY

4th Consecutive Year

2020 GRESB Performance

PGIM Real Estate has been a member of GRESB since 2013. GRESB is an investor-led organization that assesses and benchmarks the ESG performance of our equity investments' real assets so as to provide standardized and validated ESG data for capital markets. Since the first GRESB survey in 2010, we have increased the number of participating global funds to 18, and we continue to see improvement in our GRESB scores year after year. Our 2020 GRESB Assessment results were as follows.



2020 GRESB Real Estate
Assessment

2 SECTOR LEADERS:
Mexico Industrial REIT
and Latin America Retail Fund

85%

of global AUM* for equity investments only, was evaluated

71%

of global equity AUM* earned 4-Star, 5-Star and/or Sector Leader designations

87%

of data submitted to GRESB was voluntarily assured with two 3rd-party environmental data assurance providers to improve data quality and build investor confidence

(see page I2I for third-party data assurance)

*as of December 31, 2019

MANAGEMENT & PERFORMANCE:

14 funds received

Green Star

designations

I fund received a

5-Star

and 3 received

4-Star

MANAGEMENT & DEVELOPMENT:

9 funds received

Green Star

designations

Funds received a 2-point average GRESB score increase from 2019 to 2020

All 18 reporting funds ranked

#1

in their peer groups in the Resilience Module

256.9M sq ft

across 1,210 GRESB-assessed assets

43

FEATURE

PGIM REAL ESTATE'S PUBLIC REIT SECURITIES BUSINESS

As ESG gains more prominence across equity markets, our Global Real Estate Securities (GRES) division has made significant efforts to incorporate sustainability into processes and procedures.

In 2020, we formally subscribed to GRESB as an Investor Member to align with the leading ESG benchmark for real assets and to have access to a global database and a uniform reporting process. In addition, ESG has been incorporated into the securities multifactor valuation model, which adjusts traditional real estate valuation metrics to achieve a warranted price target for every name in our benchmark. Our ESG approach incorporates ESG data provided by GRESB and is weighed so it is consistent with PGIM Real Estate's environmental and social priorities. We also reference third-party ESG resources such as Bloomberg and Green Street Advisors. Our proprietary ESG scores have a material effect on price target output, with the following factors driving scores for each company in our universe.



Environmental Scores

We use disclosures from GRESB to compare real estate investment trust (REIT) environmental standings based on PGIM Real Estate's environmental priorities. We focus on ESG case studies, building certifications, greenhouse gas emissions, and waste and water consumption rankings. Finally, we include an overall resilience score for each REIT's portfolio.



Social Scores

Our current methodology ranks companies based on disclosures with regards to diversity, stakeholder satisfaction and community engagement. REITs that currently provide this information in their annual ESG reports are rated on those factors. We also assess REITs' portfolio social standings, looking at affordable housing benefits and walkability measures.



Governance Scores

Our proprietary governance-ranking system accounts for multiple factors to create an overall governance quality score, including independent versus non-independent board composition, lengths of tenure of board members, proxy access, insider ownership of stock, non-staggered board, antitakeover provisions and business conflicts of interest with executive management teams. ESG governance scores are also factored in, because these rankings highlight a REIT's commitment to continued ESG oversight.

To create a comprehensive ESG score for each company, we use a weighted average system, and work continually with the REITs' executive management teams to refine our process and increase transparency. This scoring activity yields powerful new insights through peer performance comparisons and gives us a meaningful way to effectuate change in ESG throughout the industry.

ESG Virtuous Cycle

Our real estate securities group actively engages REIT management teams in discussion around environmental initiatives, advocating for thorough and transparent disclosures on relevant policies. We estimate that each member of the analyst team meets with the senior management of a REIT roughly a hundred times each year, which gives us ample opportunities to discuss our ESG priorities and methodologies.

As significant shareholders, we are in a strong position to influence ESG-related decisions for these REITs. REITs that elect to improve their ESG focus will see a corresponding increase in projected returns in our valuation methodology, thereby increasing the potential for increased ownership in their shares by our strategies.





Incorporating a comprehensive ESG assessment into our investment process has enhanced our stock selection capabilities and earned us industry recognition. For the second year in a row, the PGIM Real Estate Select strategy was recognized by Refinitiv Lipper as the #I Global Real Estate Fund for the three-year time period against 148 peer funds.

PGIM Real Estate Select

[

Global Real Estate Fund by Refinitiv Lipper

AGAINST 148 PEER FUNDS, SECOND YEAR IN A ROW

Community Contributions

Members of the Securities team participate in the following social programs that PFI offers:



YouthBuild

A securities team member is an ambassador for the Madison, New Jersey, office and contributes to YouthBuild initiatives that help connect low-income opportunity youth to quality livelihood opportunities by providing workforce-readiness coaching and construction training for the building of affordable housing in local neighborhoods.

LEAD Charter School

PFI helped fund the first charter school in the city of Newark, New Jersey, that exclusively serves opportunity youth who are not participating in school or the workforce. A team member serves as a board member for the school.

Girls Who Invest

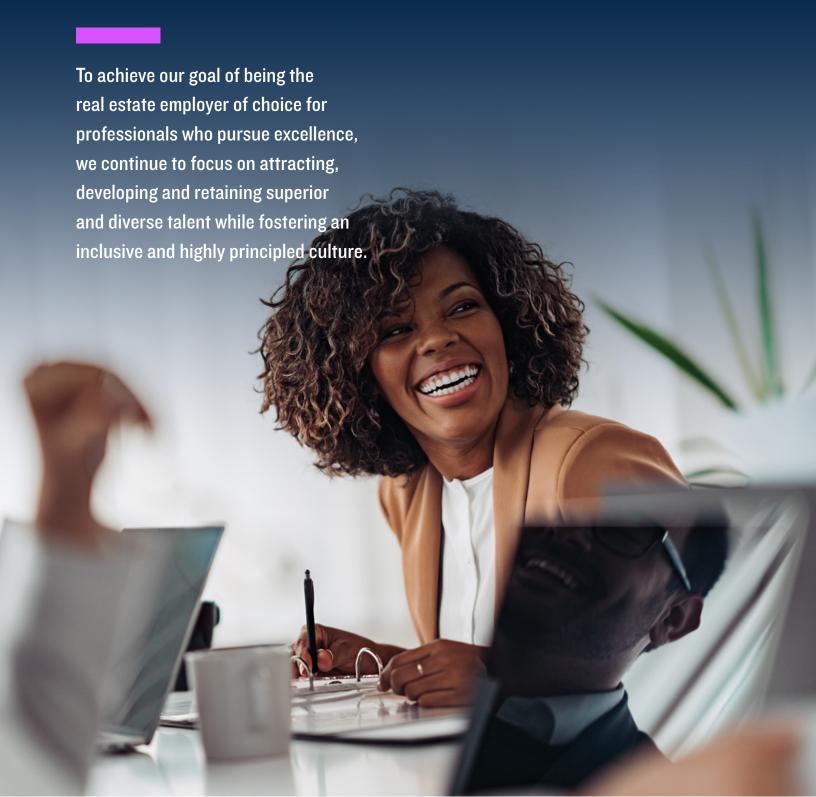
A team member is part of the Business Champion Program in the Girls Who Invest organization, which helps introduce more women into the asset management industry by promoting portfolio management and leadership.

Latinx Diversity, Equity & Inclusion

The Securities team supports PGIM Real Estate's initiatives to ensure Latinx representation at recruiting events and other talent initiatives such as the mentoring of Latinx interns and new hires.

Our Culture, People & Community

SOCIAL CAPITAL





HEALTH & WELL-BEING

Our parent company, PFI, works hard to ensure wellness in the workplace across all dimensions of health. From a robust health and wellness strategy that encourages our people and communities to reach their greatest potential, to the Health Management plan that helps employees reach their wellness goals, our employees are provided with the best resources in the industry. By taking the optional Prudential Health Solutions health risk assessment, employees can also become eligible for PFI's Wellness Incentive and receive more information about how to monitor their health.



Health & Well-being Initiatives

IMPLEMENTED AT PROPERTIES IN 2020

Continued to offer on-demand webinars about Indoor Environmental Quality (IEQ) to stakeholders.

Key IEQ strategies include:

- + Lighting control and daylighting
- + Thermal comfort and temperature
- + Acoustics: loud and quiet zones and background-noise control
- + Ergonomics: seating, desk height, distance from computer screen
- + Indoor air quality: ventilation

Educated tenants on COVID-19 health and safety

via print and email communications, including:

- + Personal protective equipment (PPE) best practices as recommended by WHO and the CDC
- + Guidance for physical distancing and quarantining
- + Guidance for working from home

Achieved 10 Fitwel certifications

including 3-Star rated Regions Plaza in Atlanta, Georgia, the first Fitwel 3-Star certification under the v2.1 Built Certification Pathway in the United States. Fitwel's seven health impact categories include, among other things:

- + Strategies for increasing opportunities for physical activity and access to healthy foods
- + Strategies for supporting social equity for vulnerable populations and improving impact on community health

Please read the case study in our United States Spotlight for further information.

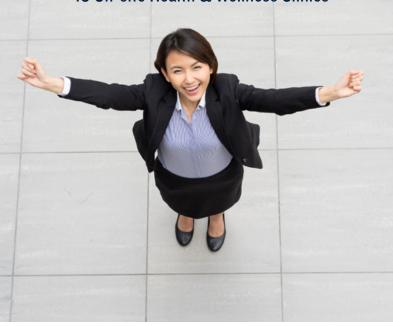
HUMAN RIGHTS & SAFETY

PFI's policies and practices ensure a work environment that upholds our high standards of integrity.

We acknowledge and adhere to the UN Human Rights Council's Guiding Principles on Business and Human Rights, and strongly promote human dignity for all by means of our policies that address discrimination, harassment, retaliation, human trafficking and slavery, fraud, data insecurity and breaches of data privacy. PFI provides multiple avenues to report any concerns about inappropriate conduct without fear of retaliation, including an Anonymous Global Business Ethics and Integrity Help Line. Our commitment to making the right choices promotes responsible citizenship globally and provides employees with an inclusive work environment that encourages diversity and ensures both fair treatment and equal opportunity.

HEALTH & SAFETY PROGRAMS

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





Our parent company earned a score of

100%
on the 2020 Human
Rights Campaign
Foundation's Corporate
Equality Index - and has
done so for the past

17 years

HUMAN CAPITAL DEVELOPMENT



Workforce

We believe that our success depends on the collective capability of our people. We endeavor to support and encourage employees at every level to both further our legacy of innovation and strengthen our culture of performance excellence. We attract, retain and engage talented people with diverse backgrounds, skills and experiences in pursuit of our goal to be the real estate employer of choice. We empower our employees to thrive by helping them develop critical leadership and professional skills and embrace collaboration and inclusion with a view to discovering new solutions and perspectives.

Benefits

We recognize the importance of supporting our employees with a comprehensive suite of compensation and benefit programs. We offer employees a competitive benefits package that is standard for full-time employees and includes — at a minimum — life insurance, health care insurance, disability and invalidity coverage, parental leave benefits, retirement provisions and stock ownership.

To help our employees balance work and personal commitments, we offer such programs and benefits as flexible working arrangements, discounted childcare, fully paid parental leave for both mothers and fathers and access to a behavioral health services and Employee Assistance Program. To further support workplace performance, all eligible full-time employees undergo an annual performance review and have access to a career development plan.

Employee Benefit Statement

We provide for all full-time employees several competitive benefits that include insurance, retirement, and personal leave. PGIM Real Estate and PFI benefits often exceed legal requirements or local market practices.

Parental Leave

To support new parents in our organization, parental leave benefits in the United States consist of eight weeks of paid leave for birth mothers and four weeks for birth fathers and adoptive parents, as well as an additional 22 weeks of unpaid time off to bond with their children. In Asia, parental leave ranges from four to 12 months. In the UK, maternity leave is 52 weeks plus public holidays that occur within that period. Statutory maternity pay is for 39 weeks (12 weeks full pay) however PGIM Real Estate pays the first 26 weeks of that at full pay. We pay 10 weeks paternity at full pay.



Employee Support for COVID-19

To support our teams throughout the pandemic, we increased our personal and health benefits for our employees as follows.

- Extended employee paid time off (PTO) under COVID-19 for up to IO days of paid leave to care for family members diagnosed with or treated for COVID-19
- + Flexible work arrangements and an additional PTO day in 2020 to encourage health, safety and time to rest
- COVID-19 dependent care resources, including caregiving support and backup care assistance, primary care through day care centers, nanny placement and childminding agencies, and school support through tutoring and learning pods

To further support our employees' physical and mental health, PFI also offered:

- + Co-pay and coinsurance coverage for employees and dependents requiring testing for COVID-19
- Full coverage of diagnostic testing and treatment of COVID-19 for employees enrolled in PFI's medical programs
- Free mental health resources for employees and their families through our Employee Assistance Program
- Regular remote consultation sessions hosted by our Global Health team to answer COVID-19related questions
- + Wellness resources, such as live and recorded yoga and mindfulness classes and health coaching, available to all employees

3663

Professional Development

Our employee performance management program supports the ongoing development and satisfaction of our employees. With clear definitions of success for various job functions, we provide opportunities for feedback and coaching as well as ongoing development opportunities for employees and vendors by means of custom trainings and sponsorship to attend industry conferences and seminars. Through our suite of management training programs, including Ascend, Lead and LIFT, 25% of our employees are offered development opportunities each year through internal and geographic mobility, increased job scope/responsibility and/or promotion.

Specific areas of development for employees are supported by:

- + Annual performance and talent management process
- + Targeted training programs
- + Individualized executive coaching for employees
- + Internal transfers, rotations and international assignments



ESG Program Employee Goal

All employees at PGIM Real Estate are encouraged to actively participate in our ESG program at the corporate and/or property and investment level. In addition, making the commitment to ESG as a competitive advantage is a goal that has been added to all employees' annual performance reviews. Employees are encouraged to strive to meet that 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.

DIVERSITY, EQUITY & INCLUSION

PFI honors the power of people and believes that talent comes in every color, gender, origin, religion, sexual orientation and physical capability.

As an equal opportunity employer and an employer of choice, we implement inclusion and diversity initiatives that support, inform and develop the awareness and sensitivity of our workforce. Our Commitment to Diversity statement and our process for seeking out employees, vendors and business associates from a deep and diverse pool of accomplished professionals together encourage diversity and equal opportunity throughout our organization.



PGIM Real Estate Workforce Diversity

% Who Are Women



44%Globally

45% in the United States 38% in Latin America 42% in Europe 47% in Asia Pacific

% Who Are Women In Investment Roles



31% Globally

33% in the United States25% in Latin America23% in Europe33% in Asia Pacific



53%
Workforce diversity
women and POC; United States only



25%
POC in professional positions
excluding administrative positions; United States only



Programs Supporting Diversity

AS OF DECEMBER 31, 2020 FOR PGIM REAL ESTATE EMPLOYEES GLOBALLY, UNLESS OTHERWISE NOTED

EQUITY IN MULTIFAMILY HOUSING

Freddie Mac recently launched an "Equity in Multifamily Housing" initiative to promote diversity, equity, and inclusion in the multifamily housing industry. PGIM Real Estate is actively collaborating with Freddie Mac to advance these efforts by exchanging ideas on best practices and new processes like "diverse borrower" disclosure forms, seeking avenues to help tenants improve financial wellness, and creating and preserving affordable housing in the multifamily space.

INCLUSION & LEADERSHIP NETWORK

The ILN represents a global cross section of professionals who work together to build an inclusive organizational culture by developing programming that directly supports the attracting, developing, retaining and elevating of diverse talent. Throughout the year, we host or participate in programming that addresses professional development, cultural change and equal access.

PROJECT DESTINED

Project Destined offers classes in professional skills and real estate business fundamentals to high school and college students and military veterans. PGIM Real Estate employees volunteer as mentors and executive speakers in the program.

PREA/SEO REAL ESTATE TRACK PROGRAM

The Pension Real Estate Association (PREA) and Sponsors for Educational Opportunity (SEO) created the TRACK program, which is 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 the initiative.

GIRLS WHO INVEST PROGRAM

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

THE SOPHOMORE TRAINING PROGRAM (PIPELINE PROGRAM)

Our Pipeline Program is a United States-based summer internship for diverse sophomores with little or no real estate experience. Several of the interns hired into the 2021 Sophomore Training Program were sourced from our partnerships with diverse organizations, including Project Destined, PREA/SEO and Girls Who Invest.

2021 INTERNATIONAL WOMEN'S DAY

As part of PGIM's global 2021 International Women's Day celebrations in March, we donated a total of

\$15,000

to four women's charities across our four global regions.

The charities selected were:







Her Justice



LATIN AMERICA

Yo Quiero Yo Puedo



EUROPE

Women for Women



ASIA PACIFIC



CASE STUDY

ADVANCING DEI WORKSTREAMS

Regardless of our Regardless of our differences in our cultures, genders, religious beliefs or the color of our skin, when we truly feel accepted for who we are, we perform our best. Having been a part of the **Inclusion & Leadership Network for** several years and now the advancing diversity, equity and inclusion workstreams. I have seen firsthand how PGIM Real Estate's DEI efforts have significantly evolved. We now have an integrated approach that starts at the senior management level and is channeled through various coordinated workstreams comprising a diverse cross section of team members to raise awareness and, ultimately, change behavior throughout the entire organization.

Ed Siddons
Alternatives Asset Management Sector Head

Advancing DEI is a clear priority at PFI and PGIM Real Estate's highest levels. As an organization, we recognize that we have a responsibility to advocate for racial justice and equity and to actively be part of the solution by mobilizing our global resource base. With offices around the world and established business practices, we recognize that we have an opportunity to develop a more focused framework for change.

In 2020, our senior management teams collected feedback from employees and partnered with the Inclusion & Leadership Network to develop the advancing diversity, equity and inclusion workstreams framework. As part of the process, our teams conducted listening tours with employees, reviewed current business practices and evaluated new initiatives that reflect the collective voice of our employees and that will result in meaningful and enduring change.

The outcome was a new framework comprising the following key areas of impact to guide our commitment to advancing diversity, equity and inclusion.



Commitment to Advancing Diversity, Equity & Inclusion

PGIM Real Estate values the principles of diversity, equity and inclusion and seeks to engage with like-minded firms that exemplify those values and strive for a more equitable workplace. In that effort, we will work to have a better understanding of the groups we are doing business with and will look to expand our relationships with both existing and new people and partners that value those same principles.



Talent Management

Attract diverse talent, retain diverse talent and hold people accountable to support the effort

Investment Practices

Convey the importance of inclusion and diversity to our key stakeholders and grow the base of business done with diverse firms

Real Estate Industry

Advance diversity, equity and inclusion initiatives through industry groups by involvement, influence and education

Community Engagement

Create a more inclusive culture in which diverse talent thrives, and help advance racial equity in society

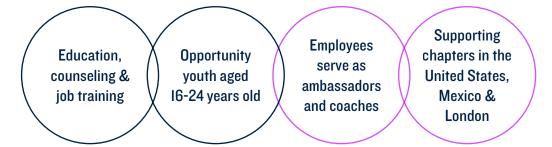
CASE STUDY

OPPORTUNITY YOUTH ENGAGEMENT

PGIM Real Estate's commitment to doing the right thing extends into the communities the firm operates and invests in. Our desire to serve our communities, in combination with our dedication to diversity, equity and inclusion, led us to focus on three organizations that serve disadvantaged youth: YouthBuild, KIPP (Knowledge Is Power Program), and Project Destined.



PGIM Real Estate has enjoyed a long-standing partnership with YouthBuild International, a global nonprofit organization that provides education, counseling and job training for opportunity youth, who are those aged 16 to 24 years and are neither in school nor employed. PGIM Real Estate employees serve as ambassadors and coaches to YouthBuild chapters in the UK, Mexico and the United States.



In 2020, despite the COVID-19 global pandemic, in Mexico and in the U.S., 85 employees donated 325 hours by participating in virtual workshops and coaching sessions that involved mental health discussions, personal finance classes and communications and image workshops.

In 2020

employees

volunteer hours

225

laptops

To maintain program activities during the pandemic, in Mexico and in the U.S., PGIM Real Estate and PFI donated 225 laptops to help move YouthBuild's quarterly activities, coaching sessions, and even a graduation ceremony to a virtual platform. One PGIM Real Estate YouthBuild ambassador stated that despite the difficulties caused by the pandemic, "we were able to resume this [2020/21] school year, and everyone has done a commendable job of adapting. There has been no lack of enthusiasm from our volunteers, who have provided consistent engagement support. The students have been juggling a lot, and our PGIM Real Estate team has been there to keep them engaged and ensure the program remains impactful."



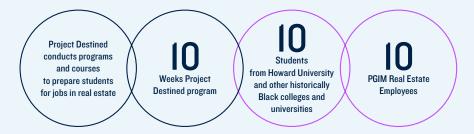
Since 2017, PGIM Real Estate has been proud to partner with KIPP, a nonprofit network of 255 tuition-free college-preparatory public charter schools, at their campuses in Dallas-Fort Worth, TX; Newark, NJ, and Washington, D.C. By combining high academic expectations and a focus on the development of character strengths by means of excellent teaching and resources that extend beyond school walls, KIPP provides an education that leads alumni to go on to graduate from four-year colleges at higher rates than the national average and at almost double the rates of students in alumni's same socioeconomic situations. In addition to financial assistance, PGIM Real Estate employees also provided direct assistance by reviewing students' college entrance essays and hosting commercial real estate career-related programs at KIPP campuses around the country.



Although most events held in 2020 were virtual because of the pandemic, the Dallas–Fort Worth PGIM Real Estate KIPP ambassadors noted that "these activities helped us maintain our strong relationship with KIPP and proved to be rewarding and inspiring, especially during a time that community engagement and social interaction were restricted."

PROJECT DESTINED

Project Destined recognizes that many young people in underserved communities do not receive education in financial and real estate investment literacy. With classes in professional and presentation skills, business fundamentals and real estate, Project Destined prepares high school and college students and military veterans to obtain scholarships, internships and employment in real estate professions. Students also compete in live-deal competitions, as well as in preparing investment memos and presenting them to leading real estate executives.



In 2020, 10 PGIM Real Estate employees served as mentors to 10 students from Howard University throughout a 10-week fall program, and our team took first place in the final competition. The PGIM Real Estate volunteers and Project Destined staff declared the partnership "transformative." One Project Destined mentor said, "Collectively, we all felt the opportunity to positively and significantly affect the life of a young person enhanced our overall work experience — especially in a remote environment." Cedric Bobo, cofounder of Project Destined, said the partnership resulted in several Project Destined students' joining PGIM Real Estate's Sophomore Internship Program. "We are now leveraging the PGIM Real Estate X Howard model to grow our work at [historically Black colleges and universities] across the country."

ENGAGEMENT IN OUR ESG PROGRAM



Environmental Engagement

To engage our stakeholders and communities throughout the year, we annually host educational events and activities that center on environmental-sustainability topics, including e-waste drives, energy and water conservation workshops, and Earth Hour, Earth Day and World Water Day campaigns. Although 2020 was a challenging year because of the COVID-19 pandemic, globally we continued to host remote events when possible.

ESG Program Communications

Our robust ESG program's communications activities help increase awareness and adoption of sustainability strategies and engage stakeholders throughout the company. Ongoing communications strategies involve:

- + Sharing fund-level ESG strategies with portfolio managers
- + Administering asset-level ESG work plans with asset managers and hosting a webinar to explain the plans
- + Publishing ESG newsletters for all PGIM Real Estate employees and property managers throughout regions
 - + Distributing information on climate risk events to asset and property managers
 - + Distributing ESG budget recommendations to asset and property managers
 - + Distributing energy, water and waste awareness signage to property managers for sharing with tenants
 - + Circulating environmental best practices for construction and renovation projects to property teams
 - + Publishing public-facing GRI-aligned annual ESG reports



ESG + Sustainability Education & Training

PGIM Real Estate invests in sustainability and ESG training to maximize the performance of our investments. We provide information and education about sustainability and ESG practices for our employees, property managers and tenant base, as well as about the improved environmental, social and financial performance of assets through strategic sustainability efforts.

We make it a priority to provide employees with the best training and resources to support company operations. In addition to in-person workshops and courses available in all regions, PGIM Real Estate's ESG consultant offers sustainability management best-practice webinars and LEED Green Associate exam training. The online courses, offered to all employees and asset managers, cover sustainability topics such as green-building certifications, sustainability budgeting, water and energy efficiency and indoor environmental quality, with the goal of teaching actionable, sustainable real estate strategies. PGIM Real Estate's debt and equity teams also receive training on physical climate risk and resilience.

MODES OF COMMUNICATION. EDUCATION & OUTREACH





- + ESG Section on our Website
- + ESG Memos and Newsletters
- + Annual Employee and Tenant **Environmental Awareness** Campaigns
- + Annual ESG Report
- + Quarterly Reports
- + Investor Due Diligence Questionnaires and Requests for Information
- + Sustainability Policies
- + Property Manager Surveys
- + Green Leases
- + Tenant Surveys
- + Case Studies

- + Press Releases
- + Social Media
- + Sustainability Events for Employees, Tenants and Our Communities
- + On-Demand Sustainability Best **Management Practice Webinars**
- + Virtual Summit Energy **Efficiency Webinars**
- + LEED Green Associate Training
- + Industry Conferences
- + Awards and Recognitions **Programs**

Property Manager Surveys

Our global property manager survey helps us identify property issues, trends and opportunities regarding tenant and community engagement, procurement and sustainability.

761

Property managers responded to our annual property manager survey in 2020

63% increase over 2019



Property Manager ESG Program Award

In January 2021, we were proud to recognize property managers throughout our global equity investment portfolio for their participation in the ESG program during 2019–20.

177

Property managers were awarded an ESG Program Award in 2021

for program participation in 2020

Those property managers helped us track the environmental performance of our buildings in our equity portfolio and strengthened our sustainability reporting scores by engaging in the following valuable efforts.

Recorded sufficient utility data in Measurabl or ENERGY STAR Portfolio Manager in a timely manner

Achieved a green-building certification in 2020

Tenant Engagement

Optimizing the environmental performance of buildings while ensuring the health, safety and well-being of building occupants is central to our tenant engagement strategy at PGIM Real Estate.



Green lease tools and specialized resources help our tenants track their building performance. In recent years, we have enhanced our green lease clauses for office and retail to include tenant education in sustainability best practices, the use of green cleaning supplies and additional energy reduction goals.

Our green leases cover such topics as:

- + Waste management
- + Energy efficiency
- + Water efficiency
- + Sharing of utility data
- + Indoor air quality
- + Green cleaning
- + Green-building certifications

In 2021, we will continue to enhance our green lease clauses in United States, Europe and Latin America.

Tenant Satisfaction Surveys

PGIM Real Estate has engaged a professional consultant to evaluate important tenant topics such as property management, leasing, maintenance, property features and sustainability to ensure we meet or exceed our tenants' expectations. To further understand our tenants' needs, we gain important insights from our annual tenant surveys that review green certifications, green cleaning, green pest management, indoor environmental quality, occupant comfort with regard to HVAC and workspace ergonomics and lighting. In 2020, surveys included criteria to evaluate the tenant experience and impacts of the COVID-19 pandemic.

Global Energy, Water and Waste Awareness Campaign

In 2020, PGIM Real Estate rolled out its second annual Energy, Water and Waste Awareness Campaign at select assets across our global portfolio. Over the course of a month, the campaign educated tenants on easy, low cost or no cost ways they could reduce their environmental impact, lessen operating expenses and help PGIM Real Estate move toward achieving our environmental targets. The ESG team shared memos and posters with property managers to distribute via email and display in building common areas such as elevators and lobbies. Because of the pandemic, many of our properties experienced low occupancy in 2020. As a result, our campaign was implemented selectively, such as in Asia Pacific, where there was higher occupancy.

OUR COMMUNITIES



Deeply embedded within our culture at PGIM Real Estate is an ethic of community citizenship and social responsibility.

Our Corporate and Community Engagement team has a long history of growing and supporting communities. Globally, our employees volunteer time, skills and resources to community organizations and initiatives that increase human potential and individual self-sufficiency.



ACROSS EUROPE



PGIM Real Estate sponsors and volunteers with YouthBuild International as well as local community organizations that provide resources for underprivileged and disabled individuals as well as homeless parents and children.

IN ASIA PACIFIC



PGIM Real Estate supports charitable events for local communities, initiatives for employee health and well-being, community events for health promotions and environmental awareness events for building tenants.

IN LATIN AMERICA



In Latin America, PGIM Real Estate hosts education and development events for YouthBuild students. Latin America is the region with the most

employees who are YouthBuild coaches, representing nine out of 12 across the organization. We also maintain constant communication with tenants and provide ongoing training and education, and partner with such organizations as Construyendo.

IN THE UNITED STATES



The community engagement program focuses on youth development and includes the Backpack Challenge, Holiday CARES, YouthBuild International and KIPP.

PHILANTHROPY & COMMUNITY ENGAGEMENT



Charitable Contributions

CORPORATE GIVING

We support our communities by playing an active role in nonprofit and charitable organizations. Despite the challenges presented by the COVID-19 pandemic, PFI and PGIM Real Estate have continued finding ways to support our communities even in a remote or physically distanced environment. For the past 22 years, we have contributed to organizations around the world such as CARE Singapore in the Asia Pacific region, Atlantic Bridge in Europe, the University of Miami in Latin America and the National September 11 Memorial & Museum, KIPP and the Center for Land-Based Learning in the United States.

EMPLOYEE-DRIVEN PHILANTHROPY

PGIM Real Estate encourages employees to make the most of important PFI benefits, matching gift programs and other initiatives to support our communities. In addition to one paid volunteer day per year per employee, we provide:

5,870 employee volunteer hours

in 2019 and 2020, in the United States



The Backpack Challenge

The PFI Backpack Challenge is an annual initiative to collect backpacks and essential school supplies for children in underserved communities so as to help them get ready for the school year. Despite the COVID-19 pandemic, PFI orchestrated a successful campaign with close to 5,000 back-to-school items collected from our generous employees.



Nearly 40 nonprofits across the United States received

1,500 backpacks & 30 Chromebooks

that were safely purchased in an all-virtual donation drive. Other donations were headphones, keyboards, laptop desks, flash drives and computer mice, along with paper, pencils & pens to support student learning.

PGIM Real Estate donated

82 backpacks, 3 Chromebooks, an iPad

and various other school supplies as well as a monetary donation to the human-I-T campaign.

In 2020, an extra giving campaign of donations and matching dollars raised nearly

\$75,000

toward the purchase of 300 laptops, high-speed Internet connections for 415 students for one year, tech support or mobile hot spots for 750 students for one year or fully refurbished desktop computers for

1,500 students

5,000

Back to school items were collected

1,500

Backpacks were distributed

\$75,000

In additional donations and matching funds

Adopt A Family

PGIM Real Estate continues to participate in the Adopt A Family program, which provides gifts, clothing, toiletries and more for local families in need to help them celebrate the holidays.



In an unprecedented year that saw exceptionally high participation rates despite all operations being virtual because of the pandemic, 2020's event organizers coordinated carefully to collect hundreds of gifts, wrap and drop them off directly to West Orange Community House and Boys & Girls Clubs[®]. In 2020, 29 families were supported and 115 family members received gifts.

In addition, our PGIM Real Estate San Francisco office organized a giving campaign for the San Francisco Hamilton Families homeless shelter, where 25 employees participated, marking an expanded giving effort during a year of enormous need.

families were supported in 2020

115 family members received gifts

employees participated



Senior Housing Support

The COVID-19 pandemic placed tremendous pressure on essential senior care workers in our senior housing communities. The staff diligently worked long hours to protect and care for residents while they managed the hardships and uncertainties presented by the pandemic.

To show our support in 2020, we participated in a giving project to remotely send tokens of appreciation to our senior housing staff, including meals and care packages with snacks, handwritten notes and gift cards. Our employees could safely participate in the charitable effort while in quarantine by signing up and donating online to the senior housing community of their choice.



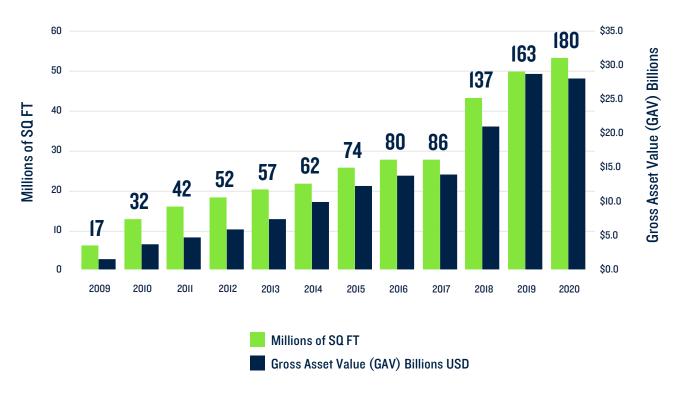
SUSTAINABILITY OBJECTIVES

INCREASE OPERATIONAL EFFICIENCIES & COST SAVINGS

Performing retrofit projects can reduce operating and maintenance costs and improve risk-adjusted returns and efficiency throughout our equity portfolio. Proxies for building performance are our global and regional building certifications, which continue to increase in number year after year. As of December 31, 2020, certified properties represented \$27.9 billion of our global assets under management, excluding debt and securities.

Green Building Certified Properties 2009-2020

Total # of Properties with Internationally Recognized Green Building Certifications



Numbers above the bars indicate total # of properties with green building certifications



Become a Landlord & Lender 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 when feasible, thereby reducing the total costs 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 footprints.

OUR PROGRESS IN 2020

- + 1,304 properties (278.2 million SQ FT) owned during 2020 were tracked in the environmental dashboard (Measurabl) and utility sync automation helped streamline data management
- An ESG Loan Assessment with a specific borrower engagement component was developed to be rolled out in 2021 for all new core loans
- New clauses for green leasing were implemented in 2019 in the United States for office properties and in Mexico for industrial and retail properties and continued through 2020
- Measurabl trainings were provided for regional ESG Council members and asset and property managers globally
- Asset level work plan training was provided for all global asset managers and regional ESG Council members
- SMART Blue credentials were earned by 4,000 contractors and subcontractors trained at sustainability workshops in Mexico in 2020 (100% of property managers and joint venture partners in Latin America)
- Sustainability best management practice webinars and LEED Green Associate exam training were offered to all employees, property managers and joint venture partners



Align Our Values With Our Stakeholders

TENANT SATISFACTION SURVEYS

To help ensure we meet or exceed our tenants' expectations, we evaluate important tenant topics such as property management, leasing, maintenance, property features and general tenant satisfaction. The goal of the assessments is to gauge tenant satisfaction throughout PGIM Real Estate's portfolio with a view to improving performance, increasing retention, maximizing portfolio value and achieving operational excellence. Tenant surveys are conducted every one to two years.

GRESB PROPERTY MANAGER SURVEY

Our global annual GRESB Property Manager Survey evaluates (1) properties' compliance with our ESG data-tracking program, (2) trends and opportunities regarding tenant and community engagement, (3) health and well-being initiatives and (4) exposure to extreme weather events.

SUSTAINABILITY ATTRIBUTES SURVEY

In Autumn, 2019, the first Global Sustainability Attributes Survey was rolled out to property managers at our global properties. The ESG team queried property managers about 60 sustainability attribute indicators, including such categories as lighting, roof efficiency, water efficiency, energy efficiency, waste management, transportation and refrigerants. The survey was completed in February 2020. Using the results, the ESG team created a Sustainability Attributes Survey Report for our UK diversified core fund, provided a snapshot of fund-level sustainability performance and made key recommendations for each category.

Our Progress in 2020

property managers responded to our annual GRESB Property

Manager Survey

577

properties (49%) across four regions responded to the Global Sustainability Attributes Survey completed in February 2020

ENVIRONMENTAL RISK MANAGEMENT



PGIM Real Estate's risk assessment framework is based on a scenario analysis that considers the impact of a comprehensive set of stressors on a range of different sustainability metrics. To anticipate and manage future risks and opportunities, 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 risks.



Climate Change & Building Resilience

To keep our long-term promises to our customers, PGIM Real Estate proactively considers the potential impact of climate change over time as part of an ongoing risk-informed decision-making process. In addition to considering climate risk, we focus on building resilience and environmental stewardship throughout our global businesses to both protect the environment and strengthen our businesses. That focus enables us to improve the potential for higher investment returns, and benefits our clients, employees and shareholders as well as future generations.

PGIM Real Estate remains committed to risk evaluation and continues to progress in developing tools and strategies to evaluate our global portfolio

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 enhancing our ESG due diligence for new acquisitions and developments by using those assessment criteria. For our equity investments, as part of Investment Committee summaries, our Research and Transactions teams prepare due diligence enhancement reports that include socioeconomic-trend considerations and the influence of new technologies, together with an impact evaluation of ESG factors. We have also established guidelines for transactions and research teams — to be rolled out globally — together with a Property Manager Survey that takes inventory of our equity portfolio's environmental and social risks and informs strategic initiatives for our resilience program.

RESILIENCE PROGRAM TOPICS



- + Climate Change Preparedness
- + Climate Change Adaptation
- + Natural Hazards
- + Water Supply Risks
- + Energy Supply Risks

- + Regulatory Risks
- + Biodiversity Risks
- + Socioeconomic Risks
- + Transportation Risks

RESILIENCE INITIATIVES IN 2020

For our equity investments, in 2020 we finalized resilience assessment criteria for our standing investments and continued to work with our ESG consultant to refine our criteria for new developments and acquisitions. The acquisitions criteria will supplement our existing impact evaluation of ESG factors and will aim to achieve the following goals:

- + Affect our capital investment decisions
- Better position PGIM Real Estate as a sustainability leader in the real estate sector
- + Help the firm remain competitive
- + Minimize risks
- + Create additional value for our investors, tenants and shareholders

In addition, for our standing equity investments, we rolled out our first asset-level resilience survey globally. The survey contains more than 50 questions on climate-related physical, social and transition risks and will help us determine which assets will require further resilience assessments and/or climate adaptation investments. Going forward, we plan to survey our global portfolio of standing investments every three years.

We have long recognized the connection between climate risk and an asset's long-term vitality, and we attempt to mitigate environmental risk. Our debt investments require full third-party engineering and environmental and impact assessment reports — including a review of sustainability — for every property we finance, and we complete a needs assessment of every property, which includes HVAC and other energy-related property functions. PGIM Real Estate's servicing team continues to monitor compliance with environmental and financial covenants throughout the life of the loan to ensure they have continued knowledge and understanding of the assets.

OUTSTANDING PERFORMANCE IN RESILIENCE

The 2020 GRESB Real Estate Assessment included an optional Resilience Module that increases access to information about how companies are assessing and managing risks associated with climate-related shocks and stressors.

The module responds to investors' growing demand for increased information on resilience. Using a framework to report on processes for risk assessment, the module evaluates 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. The GRESB Resilience Module addressed two fundamental dimensions of climate risk and resilience identified by the TCFD recommendations: (1) transition risk related to the ongoing shift to a low carbon economy and (2) physical risk associated with a myriad of shocks (for example, fire, flood events) and stressors (for example, changing heating and cooling degree days, precipitation levels). The module also provided a broader societal perspective by including indicators related to social resilience and physical security, categorized as social risks.

In 2020, all I8 of PGIM Real Estate's GRESB funds ranked first in their respective peer groups for the Resilience Module.

Key initiatives implemented that helped achieve this designation involved:

- + Completing a desktop study of regional-level physical, social and transition risks for select standing investments
- + Working with a consultant to create a climate risk mitigation plan for PFI business units, including PGIM Real Estate
- + Tracking building benchmarking laws and ordinances that affect our assets
- + Tracking property damage and insurance claims completed due to extreme weather events such as wind and flooding
- + Assessing ESG factors such as transportation connectivity and green building certifications during an acquisition's due diligence process
- + Evaluating the durability of specified construction materials to reduce the impact of physical climate risks such as windstorms and extreme temperatures

(\$)

Multifamily Green Financing

We have multifamily green-financing programs available for qualifying properties based on energy and water saving requirements from Fannie Mae Green Rewards, Freddie Mac Multifamily Green Advantage, and FHA Green. Eligible improvements include new ENERGY STAR certified appliances, energy efficient HVACs, WaterSense-labeled low-flow fixtures, LEDs, solar photovoltaic systems, and a free High Performance Building Report (energy and water audit).

PFI Green Bond Issuance

Furthering the Firm's commitment to sustainable investments that deliver positive environmental impacts, a collection of PGIM Real Estate–financed LEED Gold and LEED Platinum properties serve as eligible green assets that back Prudential's first green bond, which was issued in 2020. Highlights from the transaction are as follows:

- + First U.S. insurer to publish a green bond framework
- + First U.S. insurer to issue a green bond
- + Positive second-party opinion from Sustainalytics®

The green bond has a principal amount of \$500 million — representing the first by a U.S. life insurer — and was offered alongside an additional \$1 billion of Prudential debt. Net proceeds from the green bond will be allocated exclusively to existing or future investments that provide environmental benefits such as reduced greenhouse gas emissions and improved resource efficiency. Prudential's green bond is listed in the Bloomberg Barclays MSCI Green Bond Index, an independent, research-driven methodology that evaluates index-eligible bonds to check on adherence to established green bond principles and to classify them by their environmental use of proceeds.



Prudential Green Bond's Seven Eligibility Categories:

- + Renewable energy
- + Green buildings
- + Environmentally sustainable management of living natural resources and land use
- + Energy efficiency
- + Clean transportation
- + Sustainable water and wastewater management
- + Pollution prevention and control

SUSTAINABLE OPERATIONS & EMS



Sustainable Operations

PGIM Real Estate has detailed policies and guidelines covering environmentally sustainable operations. We work with our stakeholders — employees, 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 commuting emissions.

We ensure a strong and stable foundation for our real asset investments by monitoring environmental sustainability during our daily operations.



Core Sustainability Goals



Reduced Energy Consumption



Reduced Water Consumption



Comprehensive Recycling Programs



Sustainable Paper Procurement & Use



Reduced GHG Emissions Through **Alternative Transportation Programs** (for employees)



Increased Renewable Energy Use

Sustainability Policies

Through the following guidelines and policies, PGIM Real Estate maintains environmentally responsible operations and investment strategies across our global portfolio.





Sustainable Standard Operating Guidelines

(2009, updated January 2020)

CONTAINS GUIDANCE FOR:

EQUITY

- Reduction of energy use, water use, waste production and CO₂ emissions
- + Use of sustainable and recycled materials and avoidance of toxic substances
- + Use of renewable energy
- + Green building certifications
- + Preservation of biodiversity
- + Environmental due diligence

DEBT

- Assessment of environmental and physical risks involved in prospective investments
- Active participation in green lending programs through Fannie Mae, Freddie Mac and the FHA
- + Discussions of environmental sustainability strategies with borrowers

SECURITIES

+ Use of disclosures from GRESB and engagement with REIT management teams in discussions around environmental initiatives

CONTAINS GUIDANCE FOR:

- + Lighting
- + Temperature settings and HVAC
- + Management of vacant and unoccupied space
- + Water efficiency and water heating





Environmental Management System

We use a centralized environmental management system (EMS) to help prevent, reduce and mitigate environmental risks within the real estate ownership cycle. This four-part process is aligned with ISO I400I and provides a strategic road map for our sustainability program, covering the areas of risk management, data management, program implementation, assessments, measurement and reporting. ISO I400I defines a complete EMS cycle that includes four stages:

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

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

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

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 INITIATIVES

Energy, Water & Waste Audits

64 audits completed in 2020

audits planned for 2021

Utility Automation to Improve Data Reporting

166
properties (37.0 million SQ FT) with utility sync as of April 23, 2021

Properties activated utility sync in 2020

Energy & Water Efficiency Projects

energy projects conducted in 2020

27water projects conducted in 2020

Energy Use Rating & Certification

by the applicable government authority

9.84% of PGIM Real Estate's U.S. properties are ENERGY STAR certified, receiving

scores of 75 or higher in 2020



Data Coverage & Quality

PGIM Real Estate uses ENERGY STAR Portfolio Manager and Measurabl's Utility Sync system to track our utility data and improve data coverage and quality. Our ESG consultant's engineering team monitors our data quality control process is to ensure that all of the data for our properties are accurate and complete. By using these data management tools, each property receives an ENERGY STAR score in Portfolio Manager and becomes eligible for an ENERGY STAR certification with a score of 75 or more. In 2020, data coverage of properties with owned sites in Measurabl increased to 1,304 properties (up from 1,188 in 2019, or a 16.6% increase in floor area) for a total of 278.2 million square feet. 76 properties earned an ENERGY STAR score of 75 or more and 69 total properties became ENERGY STAR certified (\$14.2 billion gross asset value, 25.1 million square feet).

Sustainability & Wellness Certifications

13.27%

of PGIM Real Estate properties in North America are LEED certified

11

properties in Mexico are SMART Blue certified, with an additional 8 SMART Blue and 9 LEED certifications pending in 2021

19

properties have received or have applied for Fitwel certification

Renewable Energy Projects

St

large solar portfolio in New York City through \$186 million green loan for energy improvements

34

sites with either a renewable project logged in Measurabl or have generation data being tracked

12

renewable (solar PV) projects currently logged in Measurabl

Energy generation: 5,665 MWh in 2019 and 15,901 MWh in 2020

ENVIRONMENTAL PERFORMANCE



Targets & Goals

Our efficiency reduction targets and 2027 performance goals for our equity investments align with the U.S. Department of Energy's Better Buildings Challenge federal goals, which have been adopted by hundreds of public and private organizations across multiple market sectors. The federal targets aim to improve building portfolio efficiency by at least 20% in IO years and to share strategies and results annually. Aiming for ambitious goals helps companies enhance their resilience, take advantage of new energy saving technologies, expand networks and collaborations, and reduce operational costs and their environmental footprints.

10-Year, 2027 Targets

from a 2017 baseline



↓20%

Energy Intensity



120%

Water Intensity



150%

Landfill Waste



50%

Waste Diversion Rate

↓20%

GHG Intensity



Global Performance Metrics

2020 vs 2019

Equity properties only, owned and operational for all of 2017-2019 and 2020.











↓8.5% ↓3.0% ↓2.0% 43.5% ↓8.0%

Energy Use Intensity

Water Use Intensity

Waste Diversion Rate

Waste Diversion Rate in 2020

Total GHG Emissions Intensity



Global Performance Metrics 2017 to 2020

Equity properties only, owned and operational for all of 2017-2019 and 2020.

Global Energy, Water and GHG Emissions Intensities Reductions



PGIM Real Estate's IO-Year Target from a 2017 Baseline

Methodology

These performance metrics are based on a "like-for-like" comparison of calendar years 2019 and 2020. For each metric, the like-for-like dataset includes properties that were fully owned and operational for 24 months (during calendar years 2019 and 2020), had 24 months of data, and had less than 25% year-over-year variation. The metrics are not normalized by occupancy. Data coverage is the percent of the total floor area of all owned and operational assets in a given region.

PGIM Real Estate continues to enhance data management and coverage through increased engagement with property management teams and tenants. Additionally, in 2021 we increased the number of funds included in data assurance by a third-party independent reviewer. It is important to note that data coverage is limited by tenant participation. A significant portion of PGIM Real Estate's properties and building spaces are tenant controlled, meaning data is typically not available to us. In an effort to improve data coverage, we are increasing the implementation of green leases, which allows for better sharing of environmental performance data between tenants and landlords.



WASTE DIVERSION RATE

It is possible the decrease in waste diversion rate is explained by properties tracking landfill waste but not diverted waste. The sophistication of data tracking typically lags behind an increase in data coverage.

IMPACTS OF THE COVID-19 PANDEMIC

The annual reduction in energy use intensity (EUI) and GHG emissions intensity from 2019 to 2020 is greater than in previous years. We believe this is at least partly explained by the reduced occupancy and operations at many of our assets during the pandemic in 2020. The performance metrics are not normalized by occupancy or any measure of operations. Although we predict we may see the opposite effect when evaluating reductions from 2020 to future years as occupancy and operations trend back towards pre-pandemic conditions, we are committed to making progress toward our 10-year targets. We continue to implement energy efficiency, water efficiency, and waste management improvements as part of a globally coordinated plan that is reevaluated and updated annually.

GREEN BUILDING CERTIFICATIONS & RATINGS

Global building certifications of our equity investments are important indicators of high building performance and continue to grow in number, area and value.

Around the world in 2020, PGIM Real Estate equity investments had:

180

Total Green Building Certified Properties

WITH INTERNATIONALLY RECOGNIZED GREEN BUILDING CERTIFICATIONS OR ENERGY RATINGS 52.3M SQ FT, \$27.9B GAV

106
LEED Certifications

33.0M SQ FT, \$21.8B GAV

76 ENERGY STAR Labels

25.IM SQ FT, \$14.2B GAV AND 194 PROPERTIES WITH AN ENERGY STAR SCORE OF 75 OR MORE

Fitwel Certifications

6.9M SQ FT, \$3.7B GAV

Regions Plaza in Atlanta Fitwel

> 3-Star Rating

Highest Scoring Fitwel
Multitenant Base Building Built
Certification project of 2020

RECOGNIZED IN FITWEL'S 2021 BEST IN BUILDING HEALTH AWARDS

100%
of PGIM Real Estate
equity offices and
78% PGIM Real Estate
debt offices in North America

(BY SQ FT) ARE LEED CERTIFIED AT THE SILVER, GOLD, ${\rm AND\ PLATINUM\ LEVELS}$

HIGHLIGHT

PROPERTIES FINANCED WITH GREEN CERTIFICATIONS

PGIM Real Estate has financed more than \$9.5 billion in loans secured by properties with green certifications, including ENERGY STAR labels. More than 60% of our affiliated investors' office portfolio is green certified as of December 31, 2020, demonstrating a commitment to the pursuit of sustainable loan production.

\$9.5B

loans secured by properties with green certifications

60%

affiliated investors' office portfolio is green certified

\$5.6B

green loan production since 2016

through Freddie Mac GreenUp, Fannie Mae Green Rewards and FHA Green Loan

PGIM Real Estate also offers an expanded line of multifamily-property financing options through Fannie Mae, Freddie Mac and the FHA. Each of those 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 the Freddie Mac GreenUp, Fannie Mae Green Rewards and FHA Green Loan programs has totaled more than \$5.6 billion since 2016.

HIGHLIGHT

WIREDSCORE SMART COUNCIL

In July 2020, PGIM joined the WiredScore Smart Council, the first dedicated smart-building advisory council in the world. WiredScore is the world's only global rating system for digital connectivity in real estate, with

650 million square feet

committed to certification globally.

The WiredScore Smart Council provides leadership and guidance on what constitutes a smart building by bringing together forward-thinking landlords, tenants and real estate leaders to assess, quantify and drive the impact of smart buildings in the real estate industry. In partnership with WiredScore, the Smart Council will develop criteria that properties must meet to become certified as smart, leading to the launch of a new smart-building rating system.

CASE STUDY

SMART BLUE® CERTIFICATION SYSTEM

In 2012, PGIM Real Estate created a proprietary environmental management and sustainability building-certification platform called SMART Blue for its projects in Mexico. The intent behind the creation of this certification platform is to bridge the gap between no certification and a complicated, nonlocal third-party certification that factors in Mexican national laws and local regulations.

The SMART Blue certification program addresses five priority areas for new construction.



Energy



Water



Waste



Social Responsibility
/ Quality of Life



Risk Prevention

Engagement and training on best practices in the SMART Blue certification system, green construction and ESG performance are important components of the program for our contractors and subcontractors. Our workshops prepare our employees and partners to take an active role in driving innovation in green construction in the emerging Latin America market. In 2020, while in-person trainings could not be held because of the COVID-19 pandemic, attendance at our 12th Sustainability Town Hall and Workshop virtual training was at an all-time high, with 112 people attending three webinars on green construction, tenant data collection and green development.

All new, expanded or renovated PGIM Real Estate properties in Mexico are built to SMART Blue specifications. In 2020, 11 new properties and 1.1 million square feet of expansions achieved SMART Blue certification. The SMART Blue requirements also set forth guidelines for the operations and maintenance of existing buildings.

By pursuing SMART Blue certification, buildings are well positioned to also pursue LEED certification. Many of the SMART Blue prerequisites and optional credits overlap with the prerequisites and credits of LEED v4 for Building Design and Construction. Eight of the buildings that achieved SMART Blue certification in 2020 will be submitted for LEED Building Design and Construction certification but because the application and review process takes a significant amount of time, certification is not expected until 2021.

SMART Blue & LEED for Building Design & Construction (BD+C) Comparison

	SMART Blue	LEED for BD+C
Covers all LEED prerequisites	Yes	Yes
Covers Mexican laws and regulations	Yes	No
Includes training component for developers, consultants and property managers on environmental awareness, safety and health	Yes	No
Cost of compliance	2–4% of total development	8-10% of total development
Time for completion	Certification awarded by completion of construction	Certification awarded after completion of construction
Third-party verification eligible for GRESB points	Not currently	Yes



ASIA PACIFIC

Real Estate Capabilities

6 Offices

85

Professionals

27-Year

Investment Heritage

\$7B AUM

(Net AUM is \$5B. Excludes AUA)

One of the most

Experienced

&

Longstanding **Platforms**

in Asia Pacific

Transaction volume of

\$16.2B

since 1994

Comprehensive investment coverage across

11 Markets

Established

Primary Real Estate Loan Origination Resources

based in Sydney & Tokyo

Performance Metrics

YOY% CHANGE 2020 vs 2019, EQUITY INVESTMENTS ONLY



Energy Use Intensity

Data Coverage 45.5%



Water Use Intensity

Data Coverage 7.9%



Total GHG Emissions Intensity

Data Coverage 45.5%



Change in Waste **Diversion Rate**

Data Coverage 25.6%



Waste Diversion Rate in 2020

Data Coverage 25.6%

Certifications and Ratings

EQUITY INVESTMENTS ONLY

6

BCA Green Mark Platinum and Gold Plus

NEX and 78 Shenton Way

5 Happy Toilet

bizSAFE Workplace Safety and Health Program

Level

STAR

Risk Management Certificate

NEX

5

NEA 3R (Reduce, Reuse & Recycle) Award Merit Award or Certificate of Participation



2020 GRESB Assessment

EQUITY INVESTMENTS ONLY

Our ongoing participation in the GRESB Real Estate Assessment in Asia Pacific demonstrates our commitment to performance benchmarking and encourages adoption of ESG best practices throughout the region. Our funds performed competitively on the 2020 assessment, with the following results.

PROPERTIES IN ASIA RETAIL

our retail-focused strategy, earned another

GRESB 4-Star Rating

for Standing Investment — retail centers, shopping center, core and scored above the benchmark average in every aspect within the Management component

GOLDRIDGE

a single retail asset fund, earned another

GRESB 4-Star Rating

for Standing Investment — retail centers, shopping center, core and placed

2nd out of 21

in its peer group for Management score within Asia non-listed, core, closed end. Goldridge also scored above the benchmark average in every aspect within the Management component

DIVERSITY, EQUITY & INCLUSION

47%

Employees are Women

Asia Pacific

33%

Women in Senior Positions

Asia Pacific

33%

Women in Professional Positions

Investment Professionals only, excluding administrative positions



Inclusion & Leadership Network

The ILN maintained a strong presence in 2020, with programming to build diversity and inclusion awareness through employee communication, events and activities as follows.

- + PGIM Inclusion Month: mental health activities
- + International Women's Day celebration lunch and video
- + Community engagement with CARE in support of vulnerable youths at risk
- Virtual-run fundraising for Run for the Cure Foundation, Japan's leading breast cancer foundation
- Lunch and Learn sessions with Transient Workers Count Too — to learn about the challenges migrant workers face in the construction industry — and with CARE to build personal resilience skills

- Participation in Urban Land Institute Singapore Annual Conference, Australia 2020 Summit and APAC Summit 2020 in Tokyo
- Partnership with the Urban Land Institute on Asia Pacific Women in Leadership initiative program to raise the visibility of woman leaders and develop female leadership
- Ongoing mentorship program to recruit, retain and elevate talent
- Inaugural internship alumni program in 2020 in Japan and China (Singapore in 2021)



Community Engagement

PRIDE MONTH AWARENESS CAMPAIGN

In Japan, LGBT Finance sponsored a webinar during Pride Month to raise awareness about how the COVID-19 pandemic has affected the LGBTQ community. The webinar was led by Fumino Sugiyama, a leading transgender activist, CEO of New Canvas and LGBT adviser for the Shibuya district in Tokyo, which is Japan's first municipality to officially recognize same-sex partnerships.

CARE COUNSELING SERVICES SUPPORT

To contribute to PGIM Real Estate's Inclusion Month on Mental Health, PGIM Singapore sponsored CARE student counselling sessions. In return for sponsorship, PGIM Real Estate staff were offered limited general counselling sessions to address stress or family issues. In addition, the ILN organized a donation drive for CARE to fulfil a gift wish list for less privileged students.

RUN FOR THE CURE /WALK FOR LIFE 2020

The 2020 virtual marathon event raised funds for the foundation's community outreach programs, including breast cancer seminars and workshops and publication of PiNK magazine. These programs all work to improve the quality of life for people affected by breast cancer and to raise greater awareness in Japan.

Sustainability Projects

Craigieburn Junction Solar Power Project

Craigieburn Junction, Melbourne

Annual carbon abatement of

1,359 tonnes of CO,

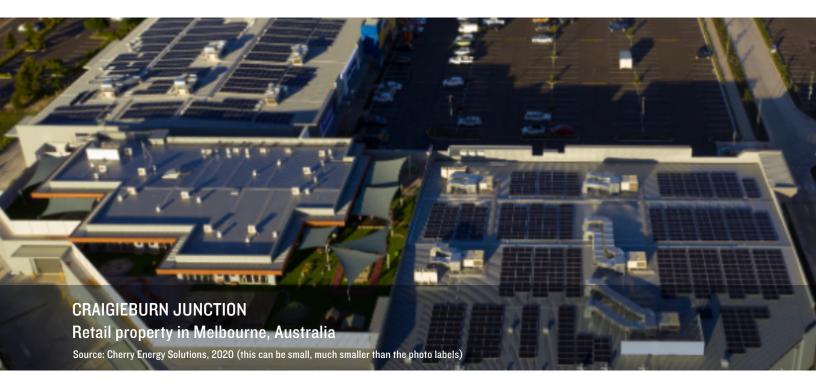
I-megawatt (MW) solar PV system generating

1,332

megawatt-hours hours (MWh) annually

\$227,920

annual reduction in electricity costs



Craigieburn Junction (CJ), a new, large-format shopping destination in Melbourne, recently sought a solar solution to its increasing energy costs. With 21,000 square meters of rooftop space available, CJ underwent a competitive procurement process for selection of a solar panel installation to offset energy use. Despite the challenges presented by the COVID-19 pandemic, close collaboration with project consultant SolutionStrict ensured minimal disruption to operations and the customer shopping experience. The 1-MW solar PV system was successfully installed on schedule, resulting in reduced environmental impact and energy usage for CJ now and into the future.

Singapore NEX Shopping Mall (NEX)

Northeast region of Singapore

As the biggest mall in the northeast region of Singapore, NEX, which opened in 2010, was developed by PGIM Real Estate and is part of a retail asset fund. NEX represents an important hub of activity, with its eclectic mix of retail, entertainment and dining options.

2020 SUSTAINABILITY HIGHLIGHTS

- + GRESB Assessment participation for the seventh consecutive year, earning a 4-Star Management & Performance rating
- + E-waste recycling program expanded in partnership with StarHub
- + Smart water metering installed to efficiently track water usage, detect leaks quickly, eliminate manual water meter checks by technicians and gain the ability to store historical data
- LED lighting retrofits installed to replace existing
 T5 lighting fittings, achieving an average savings of
 about 50% on the lighting portion of the shopping
 center's electricity consumption and cost savings
 of about \$1,300 per month
- + High walk score of 93 due to its strategic location and full integration with the Serangoon Bus Interchange and Serangoon Mass Rapid Transit Interchange Station



The strategic improvements completed at NEX, geared toward furthering the sustainability of the asset, are demonstrative of PGIM Real Estate's experience in driving sustainability initiatives, as well as a broader commitment to incorporating ESG principles across our global portfolio.

Benett Theseira Head of Asia Pacific

CHILLER PLANT OPTIMIZATION

- \$110,000 in recurring annual reduced operating costs
- + 7.5% average annual savings in power consumption
- + Reduced carbon footprint
- + Upgrade to BCA Green Mark Gold Plus

Following a chiller plant optimization feasibility study in 2017, an efficiency project was implemented to reduce power consumption and operating costs at the chiller plant system by 7.5% annually on average. Upgrades were made by the fine-tuning of operating parameters and definitions of set points of condenser/chilled-water pumps and cooling towers while interfacing with various new technologies and the building automation system. Closer monitoring and observation of the sensors and conditions at NEX helps the mall provide a better internal environment for tenants and visitors and improves occupant satisfaction.

These optimization efforts for the chiller plant resulted in significant energy savings and earned an upgrade to BCA Green Mark Gold Plus status. This project, in addition to enhancements to recycling, implementation of a green procurement policy and formation of a green committee with tenants and other initiatives enabled NEX to refinance and secure a \$900 million green loan. The deal represents significant progress in the area of sustainable finance for PGIM Real Estate in the region.

EUROPE

AS OF DECEMBER 31, 2020, UNLESS OTHERWISE NOTED

Real Estate Capabilities

6 Offices

200

Professionals

39-Year

Investment Heritage

\$14B AUM

(Net AUM is \$12B. Excludes AUA.)

Investing across the risk spectrum in both debt and equity, with total transaction volume of

\$27B

since 2012

Leading UK Investor

in long income and inflation-linked investments since 2009

First to establish a

UK-Based Nonbank Lending Platform

in 2009

Strategic Expansion

to develop core real estate debt capabilities in 2011

Performance Metrics

YOY% CHANGE 2020 vs 2019, EQUITY INVESTMENTS ONLY



-0.7%

Energy Use Intensity

Data Coverage 6.4%



-9.3%

Water Use Intensity

Data Coverage 21.5%



-2.3%

Total GHG Emissions Intensity

Data Coverage 4.4%



-6.3%

Change in Waste Diversion Rate

Data Coverage 3.5%



56.8%

Waste Diversion Rate in 2020

Data Coverage 3.5%

Certifications & Ratings

EQUITY INVESTMENTS ONLY

BREEAM

18

Properties with I.62M SQ FT

31% increase OVER 2019, by floor area

DGNB

7

Properties with 2.9M SQ FT

HQE

2

Properties with I30,060 SQ FT

EU EPC

69

Properties with 9.2M SQ FT

II4% increase OVER 2019, by floor area



GRESB Performance

EQUITY INVESTMENTS ONLY

Our European core strategy increased its Management & Performance score by

16.9%

(or +II points) from 2019, performed

15.2%

above its peer average and increased its GRESB Star rating to 3 Stars, earning

2nd Place

in its peer group.

Our European value-add strategy increased its Management & Performance Score by

23.3%

(or +14 points) from 2019, performed

4.2%

above its peer average and increased its GRESB Star rating to 4 Stars.

Diversity, Equity & Inclusion

42%

Employees Are Women

21%

Women in Senior Positions

23%

Women in Professional Positions

INVESTMENT PROFESSIONALS ONLY, EXCLUDING ADMINISTRATIVE POSITIONS



PGIM Real Estate is committed to advancing the social aspects of ESG and having a positive impact within our communities by improving inclusion and diversity throughout our European offices. In 2020, we created voluntary working groups comprising ILN members that took ownership and responsibility for programs that address LGBTQ+ issues, gender balance, racial equity, mental health and social mobility. In 2020, several events were hosted in person prior to the pandemic, with the bulk of them held virtually for the remainder of the year. Some examples include:

LGBTQ+ AWARENESS

+ Bobbi Pickard, founder of Trans in the City, facilitated a training session on transgender awareness.

The session provided insights into being trans-inclusive, understanding gender-neutral language and how to be an ally.

RACIAL EQUITY

+ A presentation about racial equity was hosted to discuss ways of creating a more respectful workplace and provided guidance with regard to how to talk about race.

MULTIGENERATIONAL AWARENESS

+ Paul Redmond from the University of Liverpool delivered a virtual training session that helped explain the importance of understanding how different generations relate to one another in the workplace. The session included guidance on how to respect one another and how to work best together.

MENTAL HEALTH & WELLBEING

- + A leading sleep and personal performance coach delivered a virtual session about techniques to help with motivation, wellness and personal performance.
- + An International Men's Day presentation explored important mental health issues specific to men.
- + A session hosted by our German team focused on techniques for handling stress in the home office.

Social Initiatives

For the first time ever, we have had a 100% pass rate on the [Construction Skills **Certification Scheme**] tests and have placed 60% of the group into employment so far. We are, as always, grateful for your input and have felt overwhelmed by your commitment and sincerity not only as the **PGIM** Real Estate firm but also as individuals who support our learners on their journeys.

- YouthBuild Team

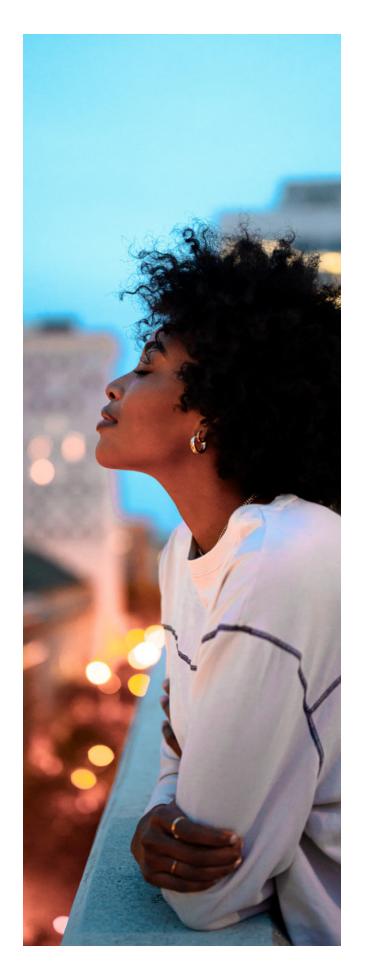
YOUTHBUILD EUROPE

With the onset of the COVID-19 pandemic, programming for YouthBuild activities shifted online to regular Zoom calls. Topics in the online sessions covered skills for coping with the lockdown, issues in mental health, preparing young people for the world of work, managing finances and budgeting for the future. We also participated in YouthBuild's four-week intensive Bootcamp to prepare youth for the world of work. PGIM Real Estate hosted sessions on writing résumés and cover letters, managing one's social media footprint, dressing for success and mock interviews.

WOMEN FOR WOMEN — UK AND GERMANY

Since 1993, Women for Women International has supported half a million women across eight conflict-affected countries to overcome war trauma and work toward better futures for themselves and their families. The program creates sister-to-sister connections between isolated women in Bosnia and individual sponsor sisters around the world.

As part of the ILN program, PGIM Real Estate's German team sponsors one woman to educate her about health, rights, business skills and potential support networks, thereby helping to give her the skills to transform her life and her community. For International Women's Day 2021, PGIM donated \$3,750 to Women for Women to support ongoing programming.



INTERNATIONAL WOMEN'S DAY — UK

PGIM Real Estate's London office celebrated International Women's Day in March 2020 by hosting an event with Smart Works, a UK-based charity that helps unemployed women get back into the workplace. The offer was joined by the Sweet Charity Choir, which performed for attendees.

APPRENTIS D'AUTEUIL — FRANCE

For 153 years, the Apprentis d'Auteuil Foundation has been serving vulnerable children, families and young people facing serious academic, social, family or risk-of-exclusion problems. To date, 30,000 young people have been helped in 31 countries, including affiliated activities and overseas partners. PGIM Real Estate is preparing to work with the organization in support of its five fields of action: child protection, education and schooling, support for families, advocacy for youth and professional training.

Apprentis d'Auteuil's Pro'Pulse Program supports young people between the age of 15 and 29 who are not participating in education, employment or training to develop professional projects, find apprenticeships and avoid academic or professional dropping out. The program helps these youth regain self-confidence and teaches practical business skills through local initiatives in Meudon and Thiais, where 70 youth interested in working in the construction industry have access to electrician training for eight months as well as basic academic and technical training and six months of soft skills training.

PGIM Real Estate plans to help Apprentis d'Auteuil by organizing one workshop per month with at least two employees to teach youth in the program about professional business skills and by hosting trade workshops focused on the real estate and construction industry.

Affordable Housing

AFFORDABLE HOUSING STRATEGY — UK

In December 2020, PGIM Real Estate launched its UK affordable housing strategy. This strategy is the culmination of a collaboration with Northern LGPS and Brunel Pension Partnership — with an initial capital raise totaling £190 million which it has the ability to leverage, deploying up to £250 million at launch.

The strategy is focusing on investing in and developing affordable homes for working people and families across the UK after a collapse in affordable housing supply in the UK that has lasted since the 1970s. This investment will both help alleviate the supply-and-demand imbalance in the affordable-housing sector and strengthen PGIM Real Estate's long commitment to sustainability.



Sustainability Projects

DERWENT HOUSE - UK

Derwent House is a Grade A office space located in Sheffield's city center with seven floors of large, open plan floor plates. Boasting excellent views of the surrounding city center and high performance building features, Derwent House is both an appealing office environment and a strong performer in the BREEAM In-Use Certification.

With the goal of continual improvement on the annual GRESB Assessment, PGIM Real Estate selected BREEAM In-Use as a certification framework in the UK that would help achieve our corporate sustainability target to independently verify the performance of our assets through portfolio certification during operation, refurbishment or new construction, using appropriate green building certification schemes.

With the support of a consultant who helped guide and support the property management team and ensured that the required aspects were obtained and quality-checked, the property achieved a "good" rating overall.

Sustainability highlights are:

- + LED lighting with occupant controls
- + On-site recycling
- + Secure bicycle racks
- + Water-efficient toilets and bathroom faucets
- + Proximity to public transit

BREEAM In-Use Certification Score:

Asset Performance:

3 Stars, Good & Overall Score

45.6%

Building Management:

3 Stars, Good & Overall Score

42.7%

ESG PropTech

PGIM Real Estate sources innovative and impactful ESG PropTech through its network of innovation councils, which includes the global ESG Innovation Council, one of I3 Innovation Councils that cover all regions and property types. The ESG Innovation Council researches innovative PropTech companies for partnerships on implementing products and services across the global portfolio. Further, PGIM Real Estate tracks ESG PropTech through our global database to help coordinate these strategic partnerships.



ENERGY DATA MANAGEMENT

In one particular instance, the European Innovation Council sought solutions for tracking energy consumption data.

The key objectives were:

- To automate reporting to GRESB and Measurabl
- To achieve energy efficiency within the assets
- To analyze and understand data analytics so as to gain insights into trends and predictive maintenance issues

After scouring the market and performing a thorough RFI and RFP process that included 23 PropTech solutions, the council selected three solutions — Deepki, WestBridge and Demand Logic — for pilots that will commence in early 2021.

LATIN AMERICA

AS OF DECEMBER 31, 2020, UNLESS OTHERWISE NOTED

Real Estate Capabilities

1 Office

Proven Track Record

in industrial, residential, retail and mixed-use sectors

48

Professionals

Socially Responsible

Company Award (9th year in a row)

19-Year

Investment Heritage

Developed 2,000

Multifamily Units since 2009 in Mexico

One of the Largest

Institutional Real Estate Investors in Latin America

(based on market capital and GLA)

\$3 Billion

AUM

(Net AUM is \$2B. Excludes AUA)

Performance Metrics

YOY% CHANGE 2020 vs 2019, EQUITY INVESTMENTS ONLY



-8.5%

Energy Use Intensity

Data Coverage 5.3%



-1.2%

Water Use Intensity

Data Coverage 5.7%



-9.0%

Total GHG Emissions Intensity

Data Coverage 5.3%

Certifications & Ratings

EQUITY INVESTMENTS ONLY

20

SMART Blue® Certified Properties

2.5M SQ FT, \$224M GAV

34

Total Overall
Certified Properties
2013-2020

3.2M SQ FT, \$332M GAV

18

Properties with ARC Certificates

2.3M SQ FT, \$123M GAV 16 energy, II water and I waste performance certificates

GRESB Performance

EQUITY INVESTMENTS ONLY

Sector Leaders

First Among Their Peer Groups

Mexico Industrial REIT — Development — Industrial:

Americas

Latin America Retail Fund —
Development — Retail:

Americas

5-Star Fund

Mexico Industrial REIT —
Development — Industrial:
Americas

Diversity, Equity & Inclusion

38%

Women

8%

Women in Senior Positions

25%

Women in Professional Positions

INVESTMENT PROFESSIONALS ONLY, EXCLUDING ADMINISTRATIVE POSITIONS



ILN SURVEY

 In early 2020, the Latin America ILN team conducted a survey to learn more about our teams. Key feedback included recommendations to promote more engagement and more participation by senior management in ILN activities.

INTERNATIONAL WOMEN'S DAY CONFERENCE

+ To celebrate International Women's Day, Claudia Vazquez of PFI presented at a conference in Mexico City on her experiences as a Latina woman leader in the United States. She spoke of her career and her role in the Red Shoe Movement and Juntos, PFI's Hispanic business resource group.

RED SHOE MOVEMENT KICKOFF

+ This special event was hosted for PGIM Real Estate women (associates and analysts) in our Mexico City office, where Claudia Vazquez taught the first Red Shoe Movement (RSM) circle with a focus on how to identify, develop and strengthen your personal brand. RSM is a global DEI organization dedicated to the career and leadership development of women.

A DAY WITHOUT WOMEN EVENT

+ In support of the national movement against gender violence, PGIM Real Estate in Latin America participated in raising awareness about the daily femicides in Mexico. We supported our woman colleagues' participation in "disappearing" for a day from daily activities in order to highlight the importance of women and the impact of their absence during a "day without women."

PRIDE MONTH NEWSLETTER

 Our June 2020 ILN newsletter demonstrated our support of Pride Month and explored the meanings of inclusion and diversity throughout our organization.

MARION REIMERS CONFERENCE

+ For our Pride event, we organized a conference on diversity and discrimination with Marion Reimers, a Mexican journalist and sports commentator. The presentation shared how our unconscious biases can affect the ways we express ourselves and how we can change those biases by becoming more aware of privilege.

STRESS MANAGEMENT WORKSHOP

 In November 2020, we hosted a workshop with Benefit Lab, who presented information on how to manage stress and anxiety and shared important tools for recognizing symptoms and stabilizing emotions.

YEAR END EVENT: STAND-UP SHOW

 Actress and comedian Michelle Rodriguez joined us in December for a stand-up show, sponsored by the ILN, about the LGBT community, being a woman in Mexico and discrimination based on skin color and weight.

COMPUTER DONATION FOR OPPORTUNITY YOUTH

 85 laptop computers were donated to young people who participate in the Jóvenes con Rumbo program. Jóvenes con Rumbo is the regional partner of Youthbuild in Mexico.

HOSPITAL DONATIONS FOR COVID-19

 \$16,000 was donated to two hospitals to support their COVID-I9 pandemic efforts: Hospital General de Juarez in Chihuahua and Hospital General de Soledad in San Luis Potosí. Both donations were made through PYMO, a start up dedicated to generating social impact through technology.

ESG Real Estate Awareness Week September 27 - October 2, 2020

In 2020, we hosted a special ESG Real Estate Awareness Week that included a series of five emails with tips and recommendations for tenants to encourage sustainable behavior. As with previous years, property managers distributed the newsletters to tenants to help them learn about energy savings, climate change, carbon emissions and ESG best practices. The content focused particularly on the COVID-19 pandemic and is part of a larger endeavor to support ongoing education and engagement with our tenant base.

ESG Real Estate Awareness Week encouraged tenants to consider their impact on natural ecosystems as well as economic, social and health factors. We specifically identified sustainability performance as an area of focus and encouraged better measurement of energy, water and waste, as well as sustainable procurement and consumption (i.e., biodegradable, nontoxic, fair trade and/or recyclable products, and products with less packaging).



Governance Highlights

For PGIM Real Estate in Latin America, 2020 was an important year for progressive updates to policies and procedures. Tenant green lease agreements were formalized by adding an addendum about LEED certifications for building features, forcing an alignment with certification requirements for our industrial funds. Also, green leases for data collection were added to lease/renewal agreements. In addition, our Code of Ethics was more formally integrated into vendor contracts and lease agreements, thereby ensuring greater awareness of our ethical procedures starting in 2021.

Industrial REIT

EXPANDED ESG COMMITMENTS

The industrial REIT expanded its ESG commitments and actions in 2020 when it:

- + Drafted an ESG policy for the REIT
- + Published its first ESG report
- + Participated in the UN Global Compact
- + Declared a human rights statement
- + First submitted to RobecoSAM, scoring well above industry peers in all ESG dimensions
- Made a commitment to LEED certify all new developments and to LEED certify 15% of portfolio by 2030

SOCIAL IMPACT POLICY

The progressive Social Impact Policy of the industrial REIT places people at the center of the development process, recognizing them as agents of change for a sustainable future. The policy sets forth procedures and guidance for strengthening human capability and promoting participation in the development process. With the goal of raising awareness of the joint responsibility to care for societies and the environment, the industrial REIT seeks to practice values that create an environment of commitment and develop a culture of internal and external responsibility with all employees and stakeholders.



Tenant Experience Assessment

Kingsley Associates was commissioned to conduct the 2020 Tenant Experience Assessment for the Mexico industrial fund. The goal of the assessment was to gauge tenant satisfaction throughout the PGIM Real Estate portfolio as a means of improving performance, increasing retention, maximizing portfolio value and achieving operational excellence. The 2020 assessment of II7 qualified properties included a new COVID-I9 section to survey tenants about financial challenges and satisfaction with facility management during the pandemic.

A new ESG section was also included to gain more insight into green teams or other ESG initiatives under way. Overall, despite the pandemic, we had an increased survey response rate — of 199 responses, all 117 properties earned the Kingsley Award for having high satisfaction scores, and the majority of respondents (73%) reported satisfaction, with an increase in renewal intentions since the previous survey.

117 Properties

earned the Kingsley Award for having high satisfaction scores





Sustainability Projects

Ramos Arizpe I High-Performance Facility

Among the buildings in or portfolio, the Ramos Arizpe I facility stands out with its numerous high-performance and sustainable features.

- + Automated lighting system installed in 2018 with an automatic start ignition powered by photocells
- Product area lighting with motion sensors and dimmable controllers that adjust for natural light
- + Software that measures energy consumption and provides periodic reporting
- Cool-roof technologies with three-inch fiberglass insulation ceilings using thermoplastic polyolefin insulation in the office area
- + Restrooms outfitted with water saving fixtures

- + A park certified as a Safe Park by the National Association of Industrial Parks of Mexico
- Regional gardens on the property that are sustained by treated water from the park's absorption well
- + Tenant and Employee Services:
 - Transportation was provided for all employees and a social gathering kiosk was built for social events
 - Employee cafeteria menu is carefully selected by a health consultant and approved by the safety and hygiene department
 - Tenant amenities include medical staff inside the facility, ATM, grocery store and day care center

Juarez BTS Facility

In 2020, PGIM completed construction of its first property in Mexico to be built to LEED specifications. Having already received its SMART Blue certification, the Juarez BTS facility in Ciudad Juárez is anticipated to achieve LEED Certified status under the LEED v4 Building Design and Construction: Warehouses and Distribution Centers rating system in October 2021.

Several of the project's design features contribute to the building's sustainability.

- + Prismatic domes in the roof reduce the need for artificial lighting during the day
- + LED lighting and occupancy sensors are incorporated to reduce energy use
- The HVAC system was designed to meet American Society of Heating, Refrigerating and Air Conditioning Engineers ventilation standards rather than the less-stringent Mexican building codes
- The building automation system manages the HVAC system in order to balance energy efficiency and occupant comfort

- Indoor water use is reduced by high-efficiency plumbing fixtures and fittings
- Exterior water use is minimized by Xeriscaping with native plants that require little additional irrigation
- + Emissions associated with employee commuting are reduced by providing tenant transportation services
- Employee wellbeing is enhanced by amenities such as an on-site infirmary and cafeteria

This project has been made possible because of the commitment of both tenants and owners to creating a sustainable facility. The contractors involved also received additional training and were enthusiastic to learn about green building practices. The strategies implemented and lessons learned demonstrate that sustainable building is not only possible but also desirable.

UNITED STATES

As of December 31, 2020, unless otherwise noted.

Real Estate Capabilities

19

Offices

51-Year

investment heritage

140-Year

lending heritage*

794

Professionals

Strong Track Record

across real estate equity, debt and specialized strategies across the risk spectrum \$121B

AUM
(Net AUM is \$105B. Excludes AUA.)

Industry Leader

in expansion of core real estate asset types: Self-storage (1997), senior housing (1998), impact-oriented value-add fund (2018)

Largest Nonbank Real Estate Lending Platform

in the United States[^], with a portfolio that extends to 4,700 loans supported by 32 focused primary loan origination teams

* Includes legacy lending through PFI

Performance Metrics

YOY% CHANGE 2020 vs 2019, EQUITY INVESTMENTS ONLY



-8.6%

Energy Use Intensity

Data Coverage 51.0%



-2.7%

Water Use Intensity

Data Coverage 27.7%



-7.9%

Total GHG Emissions Intensity

Data Coverage 51.0%



+0.6%

Change in Waste Diversion Rate Data Coverage 8.5% 0

21.2%

Waste Diversion Rate in 2020

Data Coverage 8.5%

[^] Source: Mortgage Bankers Association Annual Origination and Master Services Rankings. Note: As of December 31, 2020.

Certifications & Ratings

EQUITY INVESTMENTS ONLY

103

LEED

Certified Properties

31.7M SQ FT

13

NAHB-NGBS Certified Properties

3.9M SQ FT

4

WiredScore Certified Properties

2.6M SQ FT

76

ENERGY STARCertified Properties

25.IM SQ FT

3

BOMA 360 Certified Properties

3M SQ FT

9

Fitwel I-Star-Rating Certified Properties

6.9M SQ FT

Fitwel 2-Star-Rating Certified Property

I.I3M SQ FT

Fitwel 3-Star-Rating Certified Property

532,119 SQ FT



GRESB Performance

EQUITY INVESTMENTS ONLY

5-Star Fund

U.S. Core Fund — Standing Investment
U.S. Diversified Core

4-Star Funds

U.S. Core Plus Fund — Standing Investment
U.S. Diversified Core

II Times Square — Standing Investment U.S. Office Core

U.S. Impact Fund — U.S. Residential Multifamily Value Added

Our diversified strategy increased its Management & Performance score by

10.4% (or +8 points)

from 2019

performed

19.7%

above its peer average, earning a 5-Star rating

Our multi-family-focused strategy performed

12%

above its peer average, earning a 4-Star rating

Diversity, Equity & Inclusion

45%

Women
U.S. AND REGIONS

30%

Women in Senior Positions U.S. ONLY

33%

Women in Professional Positions

INVESTMENT PROFESSIONALS ONLY, EXCLUDING ADMINISTRATIVE POSITIONS

25%

POC in Professional Positions

EXCLUDING ADMINISTRATIVE STAFF, U.S. ONLY

2020 ILN Activities

Throughout the pandemic, the ILN stepped up to engage our employees with listening tours during the summer. Employees reported that communication and trust were essential for building a culture of inclusion and diversity in our offices, as well as for helping us further integrate our PGIM Real Estate U.S. equity and debt businesses.

ILN Isolation Breakers in the United States

As all of our teams transitioned to remote work during lockdowns, we were concerned about the separation and isolation from friends and colleagues that we were collectively experiencing. To help unite our teams, the tristate ILN team hosted Isolation Breaker virtual networking and social events for employees and new hires. The New York and New Jersey ILN team worked to unite teams virtually by creating a fun and easy forum for people to express themselves and become more visible to one another. Employees were able to share stories and pictures and participate in virtual meet-and-greet activities. Participation was optional, and responses were compiled in a slide show that was shared with regional PGIM Real Estate offices to keep everyone connected and engaged.



We have all adjusted to working from our home offices, including adapting to new coworkers — be they our kids, spouses, partners, dogs, cats, plants, etc. Let's get to know one another's new "coworkers" so we can have a bit of fun over this extended stretch of working from home.

- ILN Isolation Breakers coworkers image collage

The upcoming holiday season is full of traditions — either traditions you are looking forward to completing or have already completed this year — or perhaps new traditions that have been or will be born out of the pandemic as silver linings and the sharing of traditions new and old that are dear to your heart.

- ILN Isolation Breakers holiday collage

BUILDING HEALTH HIGHLIGHT

Regions Plaza Fitwel 3-Star Rating

II80 W Peachtree St, Atlanta, GA 30309



Built in 2001, this Class A, 24-story office building recently achieved a Fitwel 3-Star rating using the Fitwel v2.1 Multi-Tenant Base Building Scorecard and Institute of Real Estate Management Certified Sustainable Property Certification. Regions Plaza achieved the first Fitwel 3-Star rating in Georgia and the first Fitwel 3-Star rating under the Built Certification Pathway applying v2.1 in the United States. Regions Plaza currently performs in the top 6% of Fitwel projects in the United States, and in 2020, it was the highest-scoring project applying Fitwel Multi-Tenant Base Building v2.1.

This certification reflects PGIM Real Estate's commitment to prioritizing the health and wellness of its employees and tenants. Despite the COVID-19 pandemic and resulting reduced occupancy and temporary closures to local amenities, the project team successfully executed a variety of health and wellness measures to enhance work and shared spaces and to improve healthy food and beverage access, building-level policies, and outdoor spaces.

KEY FEATURES

- + Educational handwashing signage was added to all owner-controlled restrooms
- + A water management program was implemented, and building systems were tested for Legionella through coordination with vendor Underwriter Laboratories
- Indoor air quality testing was conducted by Underwriter Laboratories, and results were shared with all building occupants
- + Motivational signs promoting the health benefits of taking the stairs were added to all 24 floors
- + Amenities are available to building tenants such as an on-site bank and restaurant
- + Indoor plants and active workstations were provided in owner-controlled workspaces
- + A parent's room and a quiet room were added to the building as private spaces for building staff

SUSTAINABILITY OUTCOMES

The Fitwel strategies implemented at Regions Plaza feature the following health impacts.

- + 94% of strategies positively affect community health
- + 88% of strategies reduce morbidity and absenteeism
- + 88% of strategies support social equity
- + 87% of strategies provide healthy food options
- + 83% of strategies instill feelings of well-being
- + 83% of strategies promote occupant safety
- + 82% of strategies increase physical activity

REPORTING & DISCLOSURE

PGIM Real Estate reports annually to our investors on our ESG performance. We work within a framework of policies and procedures that ensure corporate responsibility, accountability, ethics, integrity and transparency in our stakeholder relationships.

REPORTING PRACTICES

This report describes the ESG initiatives, practices and achievements of PFI's wholly owned subsidiary, PGIM Real Estate. The entities covered by this report are REITs, non-listed debt and equity real estate investment funds, single-client accounts and real estate securities. The material included in this report relates to nonfinancial performance on environmental, social and governance issues. Although previous reports covered only environmental sustainability, our stakeholders have identified social and governance issues as material and thus such issues have been included in our expanded ESG reports. Economic performance is reported through communications with investors; information on economic performance is not made public.

The performance data reporting period:

January 1 to December 31, 2020

Date of most recent report: Exact date not listed.

Reporting cycle: Year 2020

Restatement of information: None

CONTACT

For additional information about this report or about PGIM Real Estate's ESG Program, please contact:

Shubha Maheshwari Global Director of ESG pgim.real.estate.esg@pgim.com

To learn more about our ESG program, visit www.pgimrealestate.com/esg.

GLOBAL REPORTING INITIATIVE

Global Reporting Initiative (GRI) is an international independent standards organization that helps businesses, governments and other organizations understand and communicate their sustainability impacts. The GRI Standards are the most widely accepted and comprehensive sustainability reporting standards. By providing a framework for reporting on critical sustainability issues such as energy intensity, waste generation, diversity and equal opportunity and occupational health and safety, GRI helps businesses, governments and private citizens make better, more-informed decisions. This report has been prepared with reference to the standard disclosures in the GRI sustainability reporting guidelines. The preparation of this report considered all GRI principles for sustainability reporting, including guidelines for principles involving the defining of report content and report quality. The process for the defining of content and boundaries reflects our previous sustainability reporting practices, feedback from stakeholders and discussions with subject matter experts.

GRI Content Index

The following content index displays disclosure titles, numbers and descriptions from the GRI content index — based on the GRI Standards — and indicates the locations (page numbers in this report or the corporate website) on which the disclosure topic is addressed.

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Independent Assurance Statement

Introduction

DNV Business Assurance USA, Inc. (DNV) has been commissioned by the management of PGIM Real Estate (PGIM) to carry out an independent verification of its Energy consumption, GHG emissions Inventory (*Scope 1 and 2*) and Water consumption. These assertions are relevant to the 2020 calendar year.

PGIM has sole responsibility for preparation of the data and external report. DNV, in performing assurance work, is responsible to the management of PGIM. The assurance statement, however, represents DNV's independent opinion and is intended to inform all stakeholders including PGIM.

Objective

The objective of this verification is to verify:

- Conformance with applicable verification criteria, including the principles and requirements of relevant standards or GHG programmes, within the scope of the verification;
- The organization's GHG emissions inventory;
- any significant changes in the organization's GHG emission inventory since the last reporting period;
- the organization's GHG emission-related controls.

Scope of Assurance

Emissions data verified includes:

- Scope 1 and Scope 2
- Additional environmental metrics verified include:

Energy Consumption (Electricity, and Fuel) Water Consumption

Organizational Boundary for Reporting GHG emission

- Funds in Scope
 - o U.S. Core Fund
 - o U.S. Core Fund Plus
 - o U.S. Value-Add Fund
 - Single Client Account

DNV Business Assurance USA, Inc., 155 Grand Ave. Oakland, CA 94612

- U.S. Senior Housing Fund
- Mexico Industrial REIT
- o Europe Core Fund
- o European Value-Add Fund
- Asia Pacific Core Fund
- Asia Pacific Value-Add Fund
- Goldridge
- Latin America Retail Fund
- Operation control
- Global sites

Reporting Period

1 January 2020 to 31 December 2020

Verification Criteria:

- World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (Scope 1 & 2)
- GRESB 2021 Real Estate Reference Guide

Verification Protocols:

International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

Level of Assurance

We performed a limited assurance engagement in accordance with the *International Standard* on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less detailed than those undertaken during a reasonable assurance engagement, so the level of

assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. This includes but is not limited to square footage, occupancy rates, data coverage, and financial/operational control. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Verification Methodology

DNV used a risk-based approach throughout the assurance engagement, concentrating on the areas that we believe are most material for both PGIM and its stakeholders. DNV applied a materiality threshold of five percent for all GHG emissions, Energy Consumption, and Water Consumption.

The following methods were applied during the verification of PGIM Energy, GHG and Water Data and management processes, the data that supports the company's Environmental data presented by the company:

- Review of documentation, data records and sources relating to the corporate environmental data and emission assertions
- Review of the processes and tools used to collect, aggregate and report on environmental data and GHG emissions;
- Assessment of environmental data and GHG information systems and controls, including:
 - Selection and management of all relevant data and information;
 - Processes for collecting, processing, consolidating, and reporting data and information;
 - Systems and processes that ensure the accuracy of the data and information;
 - Design and maintenance of the information system;
 - Systems and processes that support the GHG information system.
- Performed sample-based audits of the processes for generating, gathering and managing the quantitative and qualitative data included in the Report.
- Examination of the Energy, GHG and Water data and information to develop evidence for the assessment of the Data assertions;
- Confirmation of whether the organization conforms to verification criteria;

• Evaluation of whether the evidence and data are sufficient and support PGIM's GHG, Energy and Water assertion;

Data Verified

• U.S. Core Fund

o Greenhouse Gas Emissions

	Scope 1 Emissions	3,787 (MtCO₂e)
	Scope 2 Emissions (Location based)	65,745 (MtCO ₂ e)
0	Energy	785,656,610 kWh
0	Water	3,893,170 m ³

U.S. Core Plus Fund

Greenhouse Gas Emissions

	Scope 1 Emissions	4,475 (MtCO ₂ e)
	Scope 2 Emissions (Location based)	23,446 (MtCO ₂ e)
0	Energy	236,785,850 kWh
0	Water	2,665,901 m ³

U.S. Value-Add Fund

o Greenhouse Gas Emissions

•	Scope 1 Emissions	267 (MtCO ₂ e)
•	Scope 2 Emissions (Location based)	3,815 (MtCO ₂ e)
Energy	У	70,303,490 kWh
Water		540,554 m ³

• Single Client Account

0

o Greenhouse Gas Emissions

	Scope 1 Emissions	1,575 (MtCO₂e)
	 Scope 2 Emissions (Location ba 	sed) 2,796 (MtCO₂e)
0	Energy	23,598,720 kWh

o Water 37,456 m³

• U.S. Senior Housing Fund

o Greenhouse Gas Emissions

	Scope 1 Emissions	1,043 (MtCO ₂ e)
	Scope 2 Emissions (Location based)	6,494 (MtCO ₂ e)
0	Energy	49,994,680 kWh
0	Water	338,267 m ³

• Mexico Industrial REIT

o Greenhouse Gas Emissions

	Scope 1 Emissions	0 (MtCO ₂ e)
	 Scope 2 Emissions (Location based) 	82 (MtCO ₂ e)
0	Energy	508,328,810 kWh
0	Water	2,092,466 m ³

European Core Fund

o Greenhouse Gas Emissions

Scope 1 Emissions	94 (MtCO ₂ e)
 Scope 2 Emissions (Location based) 	209 (MtCO₂e)
Energy	64,958,770 kWh
Water	62,534 m ³

• European Value-Add Fund

o Greenhouse Gas Emissions

	Scope 1 Emissions	0 (MtCO₂e)
	Scope 2 Emissions (Location based)	55 (MtCO₂e)
0	Energy	11,778,690 kWh
0	Water	28,109 m ³

Asia Pacific Core Fund

o Greenhouse Gas Emissions

	Scope 1 Emissions	108 (MtCO₂e)
	Scope 2 Emissions (Location based)	2,381 (MtCO ₂ e)
0	Energy	5,663,900 kWh
0	Water	28,516 m ³

Asia Pacific Value-Add Fund

o Greenhouse Gas Emissions

	Scope 1 Emissions	70 (MtCO ₂ e)
	 Scope 2 Emissions (Location based) 	1,995 (MtCO ₂ e)
0	Energy	21,741,300 kWh
0	Water	64,821 m ³

• Goldridge

o Greenhouse Gas Emissions

	Scope 1 Emissions	1 (MtCO₂e)
	Scope 2 Emissions (Location based)	6,093 (MtCO₂e)
0	Energy	38,272,540 kWh
0	Water	125,726 m ³

• Latin America Retail Fund

o Greenhouse Gas Emissions

	Scope 1 Emissions	0 (MtCO ₂ e)
	 Scope 2 Emissions (Location based) 	840 (MtCO ₂ e)
0	Energy	12,019,690 kWh
0	Water	71,779 m ³

Assurance Opinion:

Based on the verification process conducted by DNV, we provide a Limited Assurance of the GHG, Energy and Water Assertions for PGIM. DNV found no evidence that the assertion:

- is not materially correct;
- is not a fair representation of the GHG emissions information; and
- is not prepared in accordance with the Reporting Criteria

Independence

DNV was not involved in the preparation of any part of PGIM's data or report. We adopt a balanced approach towards all stakeholders when performing our evaluation.

DNV Business Assurance USA, Inc. *October 20, 2021*

Signature Lead Verifier Alexa Kandaris Signature Technical Reviewer Weidong Yang

Signature Approver Kathleen Wybourn

Hathleen P. Wylow

The purpose of the DNV group of companies is to promote safe and sustainable futures. The USA & Canada Sustainability team is part of DNV Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnvglsustainability.com

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St. Louis

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

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1111 Brickell Ave, FL 10 Miami, FL 33131

*Employees located in Miami office as well (Miami included in U.S. office count).

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Milan

Via Vittor Pisani 6/20, 20124 Milano, Italy

Munich

Wittelsbacherplatz 1 Munich, Germany

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15 avenue Matignon F-75008 Paris, France

Asia Pacific

Hong Kong

The Center 99 Queen's Road Central Hong Kong

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Level 21, Seoul Finance Center, 136 Sejongdae-ro, Jung-gu, Seoul 04520, Korea

Shanghai

Five Corporate Avenue 150 Hubin Road Shanghai 20021, China

Singapore

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Sydney

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Tokyo

The Prudential Tower 2-13-10 Nagata-cho, Chiyoda-Ku Tokyo 100-0014, Japan

IMPORTANT INFORMATION

For professional investors only.

All investments involve risk, including the possible loss of capital.

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Coronavirus

Occurrences of epidemics, depending on their scale, may cause different degrees of damage to national and local economies that could affect the value of the Fund and the Fund's underlying investments. Economic conditions may be disrupted by widespread outbreaks of infectious or contagious diseases, and such disruption may adversely affect real estate valuations, the Fund's investments, and the Fund and its potential returns. For example, the continuing spread of COVID -19 (also known as novel coronavirus) may have an adverse effect on the value, operating results and financial condition of some or all of the Fund's investments, as well as the ability of the Fund to source and execute target investments. The progress and outcome of the current COVID -19 outbreak remains uncertain.

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