



EUROPE SPOTLIGHT

Please note this is an extract from our
2020-2021 ESG Annual Report.

To view the complete report which includes
additional information and statements,
please visit pgimrealestate.com/esg

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 1.62M SQ FT

31% increase OVER 2019, by floor area

DGNB

7

Properties with 2.9M SQ FT

HQE

2

Properties with 130,060 SQ FT

EU EPC

69

Properties with 9.2M SQ FT

114% increase OVER 2019, by floor area



GRESB Performance

EQUITY INVESTMENTS ONLY

Our European core strategy
increased its Management &
Performance score by

16.9%

(or +11 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





ILN Europe Highlights

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 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%

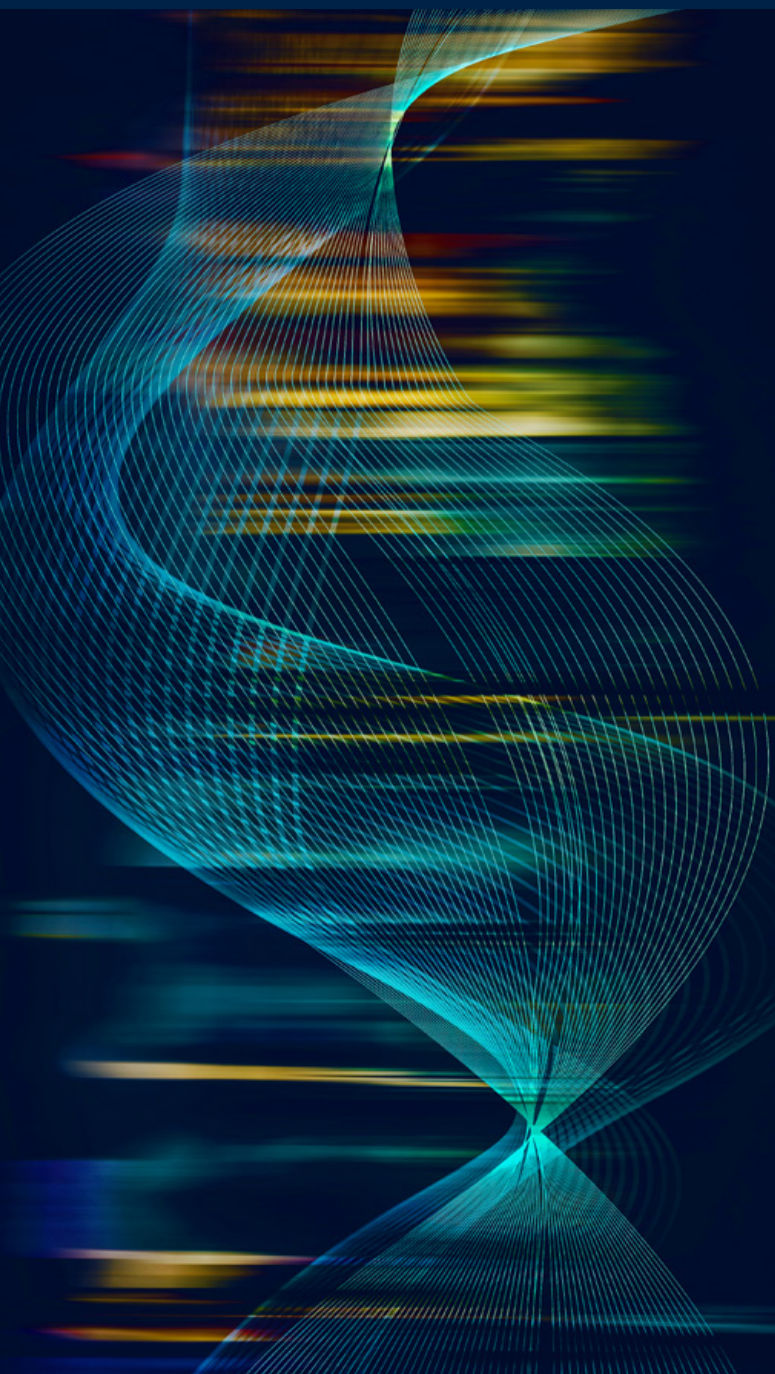
Building Management:

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 13 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.

IMPORTANT INFORMATION

For professional investors only.

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

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It should be noted that the RTS are still in draft form and subject to further changes before they become effective. As a consequence, PGIM Real Estate may need to adopt its implementation to meet the requirements as they enter into force by 1 July 2022. PGIM Real Estate is also in the process of implementing the applicable requirements as per EU Regulation on the establishment of a framework to facilitate sustainable investment (the "Framework Regulation"), which will apply from 1 July 2022.

Not all financial products mentioned in this ESG Annual Report do have as their objective sustainable investment and promote environmental or social characteristics for the purposes of the SFDR. Those financial products are therefore not subject to the additional disclosure requirements for financial products referred to in Article 8 or Article 9 SFDR. For the same reason, these financial products are not subject to the requirements of the Framework Regulation. The investments underlying those financial products do not take into account the EU criteria for environmentally sustainable economic activities. Please refer to the specific documentation for each individual financial product to assess its SFDR categorization.

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.

PGIM Real Estate
Ref ID 001521