

# **GREEN BUILDING CERTIFICATIONS & RATINGS**

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](https://pgimrealestate.com/esg)

# 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**

25.1M SQ FT, \$14.2B GAV AND 194 PROPERTIES  
WITH AN ENERGY STAR SCORE OF 75 OR MORE

**11**

**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%**

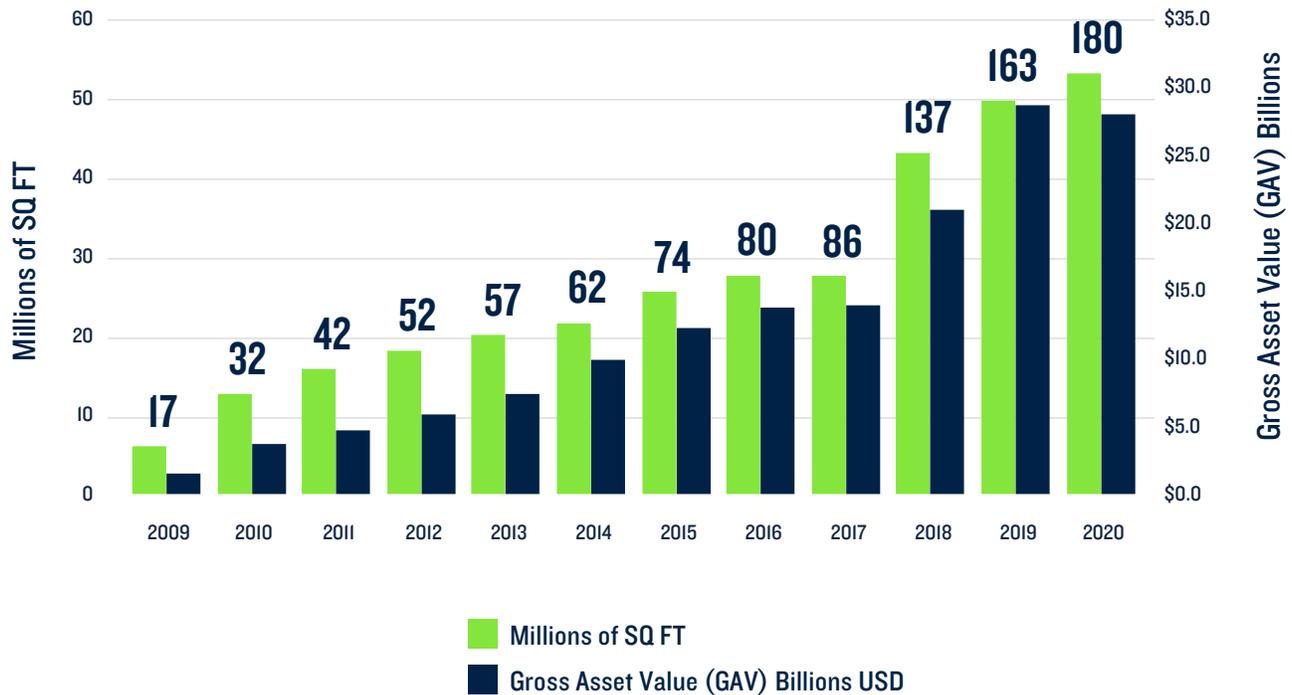
**of PGIM Real Estate  
equity offices and  
78% PGIM Real Estate  
debt offices in North America**

(BY SQ FT) ARE LEED CERTIFIED AT THE SILVER, GOLD,  
AND PLATINUM LEVELS

**POST MONTGOMERY CENTER**  
 Office property in San Francisco, California, United States  
 ENERGY STAR Score 87  
 LEED Platinum, Fitwel I Star, IREM® Certified Sustainable Property (CSP)

## 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

## 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

# WIREScore 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.

## BUILDING HEALTH HIGHLIGHT

# Regions Plaza Fitwel 3-Star Rating

1180 W Peachtree St, Atlanta, GA 30309



### REGIONS PLAZA

Office property in Atlanta, Georgia, United States  
LEED Silver®, Fitwel™ 3 Star, IREM® Certified Sustainable  
Property (CSP), WiredScore Gold

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

## CASE STUDY

# SMART BLUE<sup>®</sup> 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.

# 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  
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