

PGIM Real Estate (UK) Limited

Strategic Report for the Year Ended 31 December 2023

The Directors have a regard to the matters as set out in section 172(1) of the Companies Act 2016 (CA 2016) as detailed below. Sections 465 to 467 of CA 2016 do allow for certain exemptions from this disclosure on the basis of size or materiality, however the Company is excluded from benefiting from these exemptions on the basis that it forms part of an ineligible group, that is a group which, amongst other criteria, contains a MiFID investment Firm or UCITS management company.

a) The likely consequences of any decision in the long term

The Directors regularly assess the Company's strategy from both a commercial and risk perspective to ensure the long term consequences of any strategic decision are understood and are taking into account when making decisions.

The Directors continue to pursue their longer term strategy of aligning the Company's activity to that of the PGIM Real Estate Division with the launch of the Global Data Centre Fund during the year.

The Directors consider the potential impact regulatory change, for example the impact of the new UK Investment Firms Prudential Regime, on the performance, cash flows and capital of the Company when assessing whether the Company has sufficient liquidity and capital adequacy to make dividend payments and to meet its obligations as they fall due. An interim dividend of £5,000,000 was proposed for the year 2023 (2022: £8,000,000). No final dividend was proposed for the year 2023 (2022: £nil).

The Directors are mindful of the economic and social impact of the long term decisions made within the Company and to support the management of the Company with its Economic and Social Governance. The Global Head of ESG is based in the London office.

b) The interests of the Company's employees

The Company has no direct employees and is therefore exempt from reporting on employee engagement.

c) The need to foster the Company's business relationships with suppliers, customers and other stakeholders

The Company works to foster positive business relationships with suppliers, customers and other stakeholders. Relationships with customers are governed by written contracts to ensure transparency and clarity of expectation of performance. The Company has established good working relationships with its suppliers and seeks to ensure a responsible payment culture, with the publishing for the Group of its Business Payment practices and clarity of expectation of performance.

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The Company maintains good performance payment practices ensuring that suppliers continued to be paid in a timely manner.

d) The impact of the Company's operations on the community and the environment

The Group encourages its employees to contribute to the community in which the Company operates by offering the opportunity to take part in local charity and volunteering initiatives.

The Group seeks where possible to minimise its impact on the environment and has developed in-house initiatives, such as an internal recycling scheme and the provision of employee cycle racks, to support this aim. The Group has set a quantitative and qualitative target for its business, aimed at reducing its overall environmental impact of its operations. The Company's Grand Building offices uses 100% renewable energy for its electricity supply.

e) The desirability of the Company maintaining a reputation for high standards of business conduct

There is worldwide engagement with employees regarding their individual conduct and the high standards of ethics and integrity expected of employees is outlined in Prudential's Code of Conduct "Making the Right Choices". The Code of Conduct is supported by ongoing training and annual re-certification.

f) The need to act fairly between members of the Company.

The Company is a private limited company with a sole shareholder.