



DIVERSITY, EQUITY & INCLUSION

A Strategy For Impact

PGIM, the investment management business of Prudential Financial Inc., has a long-held commitment to advancing diversity, equity and inclusion, rooted in the belief that this is not just the right thing to do, but is a prerequisite for PGIM's success and sustainability.

Our DEI strategy is championed by the chief executive officer of each PGIM business, and permeates each department and team, across every level of talent. This work is spearheaded by an in-house team of experts in the PGIM Global Office of Diversity, Equity & Inclusion (DEI) that was established over a decade ago, as one of PGIM's first executive functions.

While our commitment to DEI over the past ten years has been unwavering, our focus continues to evolve to meet the changing needs of our times. Our DEI strategy is centered on five areas of impact: talent, culture, industry, investing and community.

OUR FOCUS

PGIM strives to have a fully inclusive and equitable workplace, with a workforce that reflects the communities where we work and invest. We believe a diverse team, working in an inclusive environment, drives the best outcomes for our clients. As a leading asset manager with a global footprint, we also leverage our reach to advance social justice and equity. We believe in the power of transparency and accountability, and we apply a rigorous framework to measure and track our progress.

- In 2018, we committed to a "5-over-5" goal to increase diverse representation at the senior-most levels of PGIM by 5% over five years.
- In 2020, we committed to a 50:50 goal to ensure gender balance in our internship cohort and a greater than 30% make-up of underrepresented groups across our early talent hires.
- In 2021, PGIM launched the Prudential DEI Portfolio, with a \$200 million commitment to early-stage private equity firms with diverse ownership with a goal of increasing AUM for women and minority-owned investment firms.
- In 2022, we launched Inclusion Counts, a global program to teach and implement inclusive behaviors, with a goal of at least 70% of PGIM leadership consistently putting newly learned inclusive behaviors into practice annually.

Through the advocacy of senior leaders, the expansion of our global culture initiatives, and a growing network of external partners, we are tracking to meet these goals.

FIVE AREAS OF IMPACT



TALENT

ATTRACT, DEVELOP, PROMOTE, AND RETAIN TALENT AT ALL LEVELS

Our work as a global asset manager is entirely dependent on a skilled and diverse workforce. The recruiting challenge we face is not the quality or quantity of talent, but rather a lack of awareness of our industry among underrepresented groups, combined with barriers to entry. We are actively working to open the pipeline by removing these barriers and working to change the perception of groups who do not see a place for themselves in this industry.

We partner with a curated set of global and regional diversity organizations, including Girls Who Invest, Sponsorship for Educational Opportunity (SEO), Management Leadership for Tomorrow (MLT), 10K Black Interns, Modern Guild, and BLK Capital Management to bring the best and brightest into PGIM.

From the moment people join PGIM—whether as an intern, an entry-level analyst, a work-placement program hire, or as an experienced employee—we commit to ensuring everyone can excel personally and professionally via a wide range of benefits and development programs. These are available to all employees, and include initiatives targeted at specific groups to ensure equitable progression.

Spotlight: Ron Andrews Diversity Scholarship

In 2020, PGIM founded the Ron Andrews Diversity Scholarship Program to help advance the diversity of the asset management industry. The program is open to any student that accepts a PGIM Summer Internship and identifies as Black, Hispanic/Latinx, Indigenous Peoples, Asian Pacific Islander, LGBTQ+, Veteran, a student with a disability, and/or a first-generation college student. Our paid internships and scholarship program are designed to provide equitable access to the career mobilizing power of an internship and build a diverse bench of future leaders.



CULTURE

EVOLVE PGIM'S CULTURE TO BE FULLY INCLUSIVE—WHERE EVERYONE HAS A VOICE, AND FEELS UNDERSTOOD, RESPECTED AND VALUED

Diversity of perspectives enables us to make the best decisions for our clients. Because diversity goals are hollow if we don't empower people to share their ideas and innovations, we invest in inclusion and we are intentional about creating a workplace where all employees have a sense of belonging and are able to thrive.

In our offices in the Americas, Asia, and Europe, we focus on raising the voices of employees from underrepresented communities, expanding awareness of, and connection to, different lived experiences, and engaging allies. Our annual calendar of affinity months and diversity celebrations, coupled with an expansive Prudential network of [employee-led business resource groups](#) offers employees regular opportunities to recognize and embrace our differences, learn and connect.

Established in 2019, our Inclusion Council is comprised of CEOs from each PGIM business who play an active role in listening to our people, responding with equitable solutions, and driving progress via transparent reporting and accountability for results. In 2020, we formed the Black and Latinx Executive Leadership Teams, to serve as key advisors to PGIM CEOs and in the creation of PGIM's Racial Equity Commitments. Our LGBTQ+ Think Tank was launched in 2021 and is tasked with identifying opportunities to highlight LGBTQ+ voices across the company and to create a platform to share, educate and continue to foster a safe environment. Our global Women's Advisory Council composed of senior women leaders and portfolio managers sponsors and develops junior level employees, educates women externally on careers in asset management, and serves as brand ambassadors for the firm.

Spotlight: Inclusion Counts

In 2022, we launched Inclusion Counts. Through this global initiative, we are building the skills and mindset needed for inclusion to be a "way of being" at PGIM. This is a multi-year program that continuously improves day-to-day inclusive behaviors, particularly among managers. Manager playbooks and ongoing learning sessions offer actionable steps for implementation. This program goes beyond measuring the diversity of our workforce and creates accountability among managers to measure the inclusivity of their team culture and their own behaviors.



FIVE AREAS OF IMPACT



INDUSTRY

BE A RECOGNIZED AGENT OF CHANGE IN THE DRIVE TOWARDS A MORE EQUITABLE ASSET MANAGEMENT INDUSTRY

The asset management industry stands at the intersection of capital, communities and households. We recognize the significant impact of our investment decisions on people and society. This is why diversity of thought is critical to equitable and accessible investment solutions. And this is why we participate, and actively engage with our peers, in the effort to create a more diverse and inclusive industry. In 2022, we became a founding signatory to the CFA Institute DEI Code in the USA and Canada.

We actively work to dismantle barriers to entry for top talent to find a career at PGIM, and asset management in general. In 2022, to provide students from Historically Black Colleges and Universities (HBCUs) with real-world investing experience, we established a program to create and maintain student-run investment funds at select HBCUs, along with support and training, as well as scholarships for HBCU students to increase education affordability. We believe this initiative will help to funnel more incredible talent into the industry.

Financial news media paints a gender-imbalanced picture of our industry that can prevent women from envisioning a career in asset management, leading to less diversity of thought and skill within teams. In 2019 PGIM launched Diverse Voices, a multifaceted program to boost gender diversity among our bench of spokespeople via a dedicated training program, introductory opportunities to engage with the media, and rigorous efforts to bolster representation in internal and external events.

Spotlight: Lenox Park Solutions

PGIM is a founding partner of Lenox Park Solutions, an organization building consistent DEI reporting tools for the asset management industry and helping to eliminate bias from capital allocation decisions. Through this work we are collaborating with our peers to develop a methodology for comparing the impact of DEI practices and establishing the first industry standards for how to transparently measure an inclusive environment.



INVESTING

DEPLOY CAPITAL TO INVESTMENTS THAT ADVANCE EQUITY AND SOCIAL JUSTICE, WHILE REMAINING TRUE TO OUR FIDUCIARY RESPONSIBILITIES

Asset managers possess enormous potential to direct much-needed capital to the most pressing issues our society faces, including education, affordable housing, and the racial wealth gap.

With a 50-year track record in sustainable and responsible investing, we've built a \$1 billion portfolio of impact investments that delivers societal and financial return simultaneously. In 2018, we launched a private equity real estate fund built on an impact thesis with market rate returns, which invests in sustainable affordable housing and transformative development.

As an active manager, we integrate relevant and material environmental, social and governance (ESG) factors into our investment processes. We bring deep expertise to help our clients understand how ESG factors, including those related to DEI, can provide superior risk management, and serve as a driver for better outcomes and returns.

Spotlight: DEI Portfolio

To provide equity of opportunity for segments that often face challenges in the fundraising process, in 2021 we committed \$200 million to a DEI Portfolio. These investments focus on limited partner stakes with substantial ownership and/or management by women and minorities, particularly those raising capital for first or second funds. By providing intellectual and financial capital, and by serving as an advocate for this segment, we are seeking to break down the structural barriers that prevent diverse-led teams from raising capital.



FIVE AREAS OF IMPACT



COMMUNITY

ENGAGE OUR WIDER COMMUNITY TO PROMOTE SOCIAL JUSTICE AND EQUALITY

Given our size and global footprint, at PGIM we have an opportunity—and a responsibility—to leverage our reach to advance social justice and equity more broadly. We care about and support the global communities in which we operate, combining the aspirations of our employees and clients with meaningful firmwide projects that leave a lasting impact on our world.

We partner with dozens of community organizations globally, whose work spans education and job readiness, food security and healthcare. We seek out opportunities for our employees to volunteer their time and skills to support these organizations in a meaningful way. Our generous employee match platform, PruCares, matches employee donations of up to \$5,000 annually to over thousands of nonprofit organizations globally.

We have a multiyear, multifaceted partnership with YouthBuild International, an organization that prepares and empowers opportunity youth to make a positive impact in their community through service and leadership. We drive outcomes through financial contributions and by partnering the skills and expertise of PGIM employees to over 75 projects globally.

As part of our diversity events and affinity month celebrations, we work with local, minority-owned businesses, vendors and artists. To find suppliers, we reach out to the diverse business community in a variety of ways, particularly through our memberships in prominent [supplier diversity organizations](#).

Spotlight: HBCU Investment Strategies

HBCUs provide a path to high quality education, lucrative careers and economic mobility for Black students, thereby reducing the racial wealth gap. Yet HBCUs have long faced disadvantages in raising funds and creating robust endowments to sustainably support their students compared to their peer institutions across the country. In 2022 we launched an investment initiative to provide investment management education and training for select HBCU decision-makers that manage endowments to support their work as stewards.

