

## **Disclosures**

#### REGARDING THIRD-PARTY REFERENCES/RANKINGS MENTIONED THROUGHOUT THIS REPORT

#### **GRESB®**

GRESB is an independent rating agency. Participation is voluntary and administration fees were paid by PGIM Real Estate's various funds for this submission, which is a tiered, volume-based fee for all submitters negotiated directly with GRESB, and is required to participate in the ranking. For more information, please visit www.gresb.com/nl-en/.

PGIM Real Estate submitted 28 total funds/properties for GRESB evaluation in 2024, of which 24 were submitted for Management and Performance; 12 were also submitted for Management and Development; and 2 funds were submitted for Management only. The GRESB ratings published in October 2024 represented \$69.7 billion assets under management (AUM) for the 2023 calendar year and was submitted for assessment in June 2024.

### PRI

Principles for Responsible Investment® (PRI) is an independent rating agency. These latest ratings were published in November 2024 based on data from the 2023 calendar year. Participation is voluntary. PGIM Real Estate pays an annual signatory fee which includes access to the PRI reporting portal and data portal, as well as opportunities for learning and development, sharing best practices, and collaborative engagement by the PRI.

#### Measurabl®

PGIM Real Estate uses the environmental, social and governance (ESG) data platform Measurabl to collect and track data for its equity properties. Across all clients, Measurabl contained data for 18 billion square feet of commercial real estate across 93 countries as of August 20, 2024.

### **Green Building Certifications and Ratings**

A certified or rated green building has been independently verified. Participation in the green building certification or

rating is voluntary and each property pays prevailing market fees to participate in green building certification and rating programs. Generally, we share internationally recognized certifications such as:

BOMA

- IREM®
- BREEAM®
- LEED®

DGNB

TOBY®

EDGE

WELL

• Fitwel®

WiredScore

GBAC<sup>®</sup>

In addition, we track and report certifications and ratings relevant to particular countries and regions:

#### Asia Pacific:

- Certifications: BCA Green Mark, CASBEE, China Green Warehouses, Green Star, DBJ, NABERS\*, Water Efficient Building
- Ratings: BELS, NABERS

#### **Europe:**

- Certifications: HQE
- Ratings: Effinergie, EU EPC

#### Latin America:

- Certifications: Arc<sup>®\*</sup>
- Ratings: Arc<sup>®</sup>

#### **United States:**

- Certifications: Bicycle Friendly Business, CALGreen, NGBS®
- Ratings: ENERGY STAR® Label

<sup>\*</sup>A property is considered by GRESB to have an Arc or NABERS certification when the property has three qualifying Arc or NABERS ratings, respectively.

#### **Fitwel**

PGIM Real Estate has been a Fitwel Champion since 2020 and received the 2024 Best in Building Health Award. Through Fitwel certification, our properties integrate strategies that optimize health and wellness, with the aim of mitigating health and safety risks, improving tenant satisfaction, and enabling tracking and continuous improvement of our social metrics.

### **Empresas Con Distintivo ESR®: LATAM**

PGIM Real Estate Mexico was granted a Socially Responsible Company award by Empresas con Distintivo ESR in August 2024, based on data as of December 31, 2023. Empresas con Distintivo ESR is an independent rating agency that recognizes companies that voluntarily integrate socio-environmental value into their business operations. Participation is voluntary and administration fees were paid by PGIM Real Estate's Latin America business for this submission, which is required to participate in the ranking. For more information, please visit Empresas con Distintivo ESR (cemefi.org).

### **Report Images**

This report contains images that have been selectively included based on a set of criteria which includes certifications, ratings and sustainability features. The purpose of these criteria is to provide a visual representation of the content discussed in the report while also aligning with our commitment to transparency and compliance with relevant regulations, including those set forth by the U.S. Securities and Exchange Commission (SEC). Property images represent properties

that PGIM Real Estate was invested in as of December 31, 2023. Investors cannot participate in direct ownership of investments listed.

Photos used were selected based on visual appearance, are used for illustrative purposes only, and are not necessarily reflective of all the investments in the respective investment strategy(ies) or the investments such strategy(ies) will make in the future.

#### **CERTIFICATIONS AND RATINGS**

Images have been chosen if they relate to buildings that hold recognized certifications or ratings relevant to the subject matter of this report. The inclusion of images associated with certified or rated entities aims to provide visual context that supports the claims and information presented in the report.

#### **SUSTAINABILITY FEATURES**

Images have been included if they depict activities, practices, or initiatives that align with positive sustainability considerations. These images serve to visually communicate the commitment of our properties to sustainable business practices and responsible corporate behavior, as discussed in the report. The images aim to provide stakeholders with a more comprehensive understanding of the sustainability aspects of our properties.

#### TRANSPARENCY AND FAIR REPRESENTATION

The images presented in this report have been carefully selected to provide a fair and accurate representation of PGIM Real Estate. Efforts have been made to ensure that the images do not mislead or present a biased view of the subjects. The goal is to enhance the reader's comprehension of the report's content by supplementing it with relevant visual content.

## **Important Information**

For Professional and Institutional Investors only. All investments involve risk, including the possible loss of capital. Links to videos and websites are intended for informational purposes only and should not be considered investment advice or recommendation to invest. This report is for informational and educational purposes only and should not be construed as investment advice or an offer or solicitation in respect of any products or services to any persons who are prohibited from receiving such information under the laws applicable to their place of citizenship, domicile or residence. The information is not intended as investment advice and is not a recommendation about managing or investing assets.

PGIM Real Estate is the real estate investment management business of PGIM, the principal asset management business of Prudential Financial, Inc. ("PFI"), a company incorporated and with its principal place of business in the United States. PGIM is a trading name of PGIM, Inc. and its global subsidiaries. PGIM, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission (the "SEC"). Registration with the SEC does not imply a certain level of skill or training. PFI of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom. Prudential, PGIM, their respective logos and the Rock symbol are service marks of PFI and its related entities, registered in many jurisdictions worldwide. In the United Kingdom, information is issued by PGIM Private Alternatives (UK) Limited with registered office: Grand Buildings, 1–3 Strand, Trafalgar Square, London, WC2N 5HR. PGIM Private Alternatives (UK) Limited is authorised and regulated by the Financial Conduct Authority ("FCA") of the United Kingdom (Firm Reference Number 181389). These materials are issued by PGIM Private Alternatives (UK) Limited to persons who are professional clients as defined under the rules of the FCA. In the European Economic Area ("EEA"), information is issued by PGIM Luxembourg S.A. with registered office: 2, boulevard de la Foire, L1528 Luxembourg. PGIM Luxembourg S.A. is authorized and regulated by the Commission de Surveillance du Sector Financier in Luxembourg (registration number A00001218) and operating

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All data is accurate as at presentation date unless otherwise stated.

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#### **SFDR**

Not all financial products mentioned in this Sustainability Annual Report have a sustainable investment objective and promote environmental or social characteristics for the purposes of the Sustainable Finance Disclosure Regulation (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.

#### **RISK FACTORS**

Investments in commercial real estate and real estate-related entities are subject to various risks, including adverse changes in domestic or international economic conditions, local market conditions and the financial conditions of tenants; changes in the number of buyers and sellers of properties; increases in the availability of supply of property relative to demand; changes in availability of debt financing; increases in interest rates, exchange rate fluctuations, the incidence of taxation on real estate, energy prices and other operating expenses; changes in environmental laws and regulations, planning laws and other governmental rules and fiscal policies; changes in the relative popularity of properties risks due to the dependence on cash flow; risks and operating problems arising out of the presence of certain construction materials; and acts of God, uninsurable losses and other factors which are beyond the control of the manager and the fund. As compared with other asset classes, real estate is a relatively illiquid investment. Therefore, investors' withdrawal requests may not be satisfied for significant periods of time. Other than its general fiduciary duties with respect to investors, PGIM Real Estate has no specific obligation to take any particular action (such as liquidation of investments) to satisfy withdrawal requests. In addition, as recent experience has demonstrated, real estate is subject to long-term cyclical trends that give rise to significant volatility in real estate values. An investor could lose some or all of its investment in the fund.

Ref: 016571

## **Table of Contents**

- 2 Disclosures
- 4 Important Information

#### INTRODUCTION

- 7 Letter from our CEOs
- 8 Our Sustainability Report
- 8 Sustainability Mission

#### DESCRIPTION OF BUSINESS & CLIENT BASE

9 Why Sustainability Matters

#### SUSTAINABILITY GOVERNANCE & RESOURCES

- 10 Governance Overview
- II SDG Alignment
- II TCFD Support and Alignment
- 12 Environmental Policies and Guidelines
- 13 Sustainability Risk Management
- 14 Sustainability Due Diligence
- 15 Debt Sustainability Due Diligence
- 16 Environmental Risk Management
- 16 Climate Risk Metrics

#### SUSTAINABILITY PHILOSOPHY & INVESTMENT APPROACH

- 17 Responsible Investing
- 17 Affordable Housing
- 18 Sustainability in Agriculture
- 19 Sustainability in Real Estate Debt
- 20 Firm-level Net Zero Commitment

#### **ACTIVE OWNERSHIP**

- 23 Tenant Engagement
- 23 UK Stewardship Code

#### METRICS FOR EQUITY INVESTMENT ASSETS

- 24 Sustainability Performance
- 26 Awards and Recognition
- 27 Environmental Performance
- 28 Global and Regional Performance Metrics 2017–2023
- 32 Methodology
- 34 Green Building Certifications
- 36 Green Building Ratings

#### **OUR PEOPLE & CULTURE**

- 38 Workforce Diversity
- 39 Community Involvement
- 40 Our Inclusion Mission Statement
- 40 Diversity, Equity and Inclusion at PGIM Real Estate
- 41 Social Policies and Guidelines

#### REPORTING & DISCLOSURES

- 42 Reporting Practices
- 42 Contact
- 43 Task Force on Climate-Related Financial Disclosures Index
- 44 Global Reporting Initiative

# INTRODUCTION

### **Letter from our CEOs**

As we reflect on the past year, we are proud to share the progress PGIM Real Estate has made in advancing our sustainability initiatives. With a 54-year history of investing in commercial real estate and a more than 140-year lending heritage, PGIM Real Estate has consistently demonstrated its commitment to responsible investing and sustainable growth. We believe that doing the right thing for our people, the environment and our communities leads to better results for all our stakeholders.

Our dedication to integrating sustainability best practices throughout our real estate investment, financing, asset management, risk management, and talent management processes has yielded significant achievements in 2023 and 2024, reinforcing our commitment to being a leading global real estate platform.

### **Key Highlights:**

- **GRESB Submission:** This year, we submitted 28 funds, surpassing last year's submission of 26 funds. This increase highlights our ongoing focus on transparency and excellence in sustainability performance.
- PRI 2023 Results and 2024 Submission: Our performance in the 2023 PRI assessment and our 2024 submission for the 10th consecutive year\* was a significant accomplishment, demonstrating our ongoing commitment to responsible investment principles and practices.
- UK Stewardship Code Reapplication: In 2023, we reaffirmed our dedication to responsible stewardship by reapplying for the UK Stewardship Code and were approved by the Financial Reporting Council (FRC) to retain our UK Stewardship Code signatory, showcasing our adherence to best practices in governance and investment management. We have submitted our re-application for 2024 and are currently awaiting the outcome.

- Fitwel Best in Building Award & Champion: We were honored to receive the Fitwel 2024 Best in Building Health Award, and we continue to be recognized as a Fitwel Champion, underscoring our efforts to promote health and wellness in the built environment for the benefit of our tenants and employees.
- **EDGE Certification:** In 2023, we achieved our first EDGE certification, a testament to our commitment to making buildings more resource-efficient.
- Green Lease Leaders Silver: We were awarded the Green Lease Leaders Silver designation in 2023, reflecting our efforts to implement green lease standards, including those that promote environmental efficiency.
- **ESG Primer:** Completed in 2023, the ESG Primer is an on-demand, e-learning employee training program that covers all topics related to sustainability.

Together, these milestones represent the evolution of our sustainability program and our proactive approach to addressing the challenges of today's environment while bolstering the resiliency of our investments. As we look ahead, we remain focused on driving meaningful change, fostering resilient communities and delivering long-term value for our stakeholders.

Thank you for your continued support and partnership in our journey towards a more sustainable future.

Sincerely,



Cathy Marcus
CO-CEO OF PGIM REAL ESTATE



Raimondo Amabile
CO-CEO OF PGIM REAL ESTATE

\*In 2022, the PRI took a hiatus on annual reporting and PGIM Real Estate did not report.

## **Our Sustainability Report**

PGIM Real Estate is proud to present our 2023–24 Sustainability Annual Report. Since 2008, PGIM Real Estate has published an annual sustainability report to summarize the progress and commitments we have made toward our sustainability objectives. At PGIM Real Estate, we are committed to upholding a framework of policies and procedures that ensure corporate responsibility, accountability, ethics, integrity and transparency in our stakeholder relationships.

The current report describes the sustainability initiatives, practices and achievements of PFI's wholly owned subsidiary, PGIM Real Estate. The entities covered by the report are real estate investment trusts (REITs), nonlisted debt and equity real estate investment funds, single-client accounts and real estate securities. The material included in the report relates to PGIM Real Estate's nonfinancial performance on sustainability issues. This report reflects our commitment to expand upon sustainability and material issues as our stakeholders have identified. Economic performance is reported through communications with investors; information on economic performance is not made public.

The 2023–24 Sustainability Annual Report was prepared by PGIM Real Estate's sustainability team and Verdani Partners, a sustainability consultant we began working with in 2019. The quantitative data referenced in this report reflects the 2023 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 2024 may be referenced and will be expanded on in subsequent reports.

All references and data in the report involve PGIM Real Estate globally, unless otherwise noted. Financial data is shown in USD unless otherwise noted. References within the report at the broader subsidiary PGIM level are indicated by the term PGIM; references to our parent company, Prudential Financial, Inc., have been made and are indicated by either the abbreviation PFI or the expression our parent company.

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

### **Julie Townsend, Kathryn Thurston**

Co-Head, Global Sustainability and Strategy Implementation

pgim.real.estate.esg@pgim.com

## **Sustainability Mission**



PGIM Real Estate knows that doing the right things for our people, the environment and our communities leads to better results for our stakeholders. We strive to embed sustainability best practices throughout our real estate investment, asset management, risk management and talent management processes.

Through our commitments to responsible and sustainable real estate investing and management, we seek to deliver enhanced risk-adjusted returns for our investors, become a landlord and lender of choice, and maintain our position as a practitioner of good global citizenship to all our stakeholders: investors, partners, borrowers, employees and the communities we reside and invest in.

> To learn more about our Sustainability Program, visit www.pgimrealestate.com/esg

# **DESCRIPTION OF BUSINESS & CLIENT BASE**

## **Why Sustainability Matters**

AS OF DECEMBER 31, 2023, UNLESS OTHERWISE NOTED. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE PERFORMANCE.

1970

Year established

\$210 BILLION

**AUM/assets under administration (AUA)**<sup>1</sup>

6,400+

Owned and financed properties<sup>2</sup>

1,200+

**Professionals** 

35

Cities worldwide

54 YEARS

Real estate investment experience

**Net Zero** 

By 20503

\$21 BILLION

Transactions, full-year 2023

\$83 BILLION

Real estate equity AUM gross asset value (GAV)

21

Countries with equity and debt investments

Top 5

Commercial real estate lender4

Top 3

Real estate manager worldwide<sup>5</sup>

1,499

Owned properties tracked in our environmental dashboard, an increase from 1,477 in 2022<sup>7</sup>

**321.8** MILLION

Square feet of floor area of owned properties tracked in our environmental dashboard

\$69.7 BILLION

In GRESB assessed equity AUM

<sup>4</sup>PGIM Real Estate is the fifth largest commercial real estate lender (out of I29 firms surveyed) in terms of production based on the 2023 Mortgage Bankers Association Annual U.S. Origination Rankings published in March 2024. This ranking represents originations production volume from January I, 2023 to December 3I, 2023. Participation in the ranking is voluntary and no compensation is required to participate in the ranking.

<sup>5</sup> PGIM Real Estate is the third largest real estate investment manager (out of 72 firms surveyed) in terms of global real estate assets under management based on Pensions & Investments

"The Largest Real Estate Investment Managers" list

published October 2024. This ranking represents global real estate assets under management by PGIM Real Estate as of June 30, 2024. Participation in the ranking is voluntary and no compensation is required to participate in the ranking.

<sup>7</sup>One of the goals of the Sustainability Program is to increase 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.

<sup>&#</sup>x27;Gross AUM; net AUM is \$59B

<sup>&</sup>lt;sup>2</sup>Does not include properties where we service a loan only.

<sup>&</sup>lt;sup>3</sup> PGIM Real Estate is committed to the Urban Land Institute's® (ULI) Greenprint Center for Building Performance Net Zero Carbon Goal to become net zero by 2050 for our global portfolio of managed properties.

# SUSTAINABILITY GOVERNANCE & RESOURCES

At PGIM Real Estate, we operate within a framework of policies, procedures, principles and practices established by our parent company to help ensure corporate responsibility, accountability, ethics, integrity and transparency in stakeholder relationships. We carefully consider sustainability issues as part of our rigorous investment analysis and due diligence processes and are committed to accountability and integrity by voluntarily reporting.



## Governance Overview

### **Corporate Governance**

Strong governance is founded on exceptional risk management. PGIM Real Estate's rigorous risk management, seamless execution and extensive industry insights are backed by a 54-year legacy of investing in commercial real estate. We continue to build upon our long-standing principles, policies and procedures to solidify PGIM Real Estate as a global leader in corporate governance and sustainability.

PGIM Real Estate's sustainability protocol is implemented worldwide through global leadership and regional support teams as follows.

#### **GLOBAL**

The Global Sustainability Council consults on vision, strategy and policies across the firm and develops long-term targets. The co-heads of global sustainability and strategy implementation oversee overall sustainability implementation across the platform and at the regional and organizational levels. The global director of sustainability implements the

global Sustainability Program by guiding strategy with a view to accelerate reduction of our worldwide environmental footprint and increase the impact of our social initiatives.

#### **REGIONAL**

Regional sustainability councils identify regional opportunities, promote tools for implementation and measure and report on regional progress. The director of sustainability, Americas (United States and Latin America), and director of sustainability, Europe/Asia Pacific, are responsible for program implementation at their respective regional levels. The Debt Council, established in 2020, further integrates sustainability processes into PGIM Real Estate's Debt businesses and consults on debt-specific goals, targets and policies.

Senior leadership focuses its governance efforts in three distinct areas: structure, infrastructure and talent and culture. Those efforts are overseen by the Global Management Council.



<sup>\*</sup>Inclusive of equity and debt.

## **SDG** Alignment

PGIM Real Estate's Sustainability Program aligns with all 17 of the Sustainable Development Goals (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 seeks to address climate change and preserve oceans and forests while improving health and education, reducing inequities, spurring economic growth and ending poverty.

By aligning their goals and targets with SDGs, real estate investors can contribute to a more sustainable and inclusive future while also recognizing the potential financial benefits of sustainable investments. It helps drive positive change and addresses the growing demand for environmentally and socially responsible investment opportunities.

## **TCFD Support and Alignment**

The Task Force on Climate-Related Financial Disclosures (TCFD) is a global, market-driven initiative with the goal of increasing transparency around climate-related risks and opportunities. TCFD offers voluntary recommendations to guide companies' disclosures on financially material climate-related risks and opportunities, focusing specifically on how those risks and opportunities are identified, managed, reported on, overseen and integrated into company strategy. TCFD recommendations ask companies to organize their disclosures around four categories: governance, strategy, risk management and metrics and targets.

In June 2021, PGIM Real Estate became an official public supporter of TCFD, thereby demonstrating our alignment to the TCFD reporting framework and its value in facilitating transparency on climate-related risks and opportunities across the global economy. In 2022, the sustainability team started developing climate-related financial disclosures based on TCFD recommendations, and we piloted TCFD Alignment Reports from GRESB to provide fund-level evaluations of preparedness and alignment with TCFD reporting.\* The reports provided a valuable peer comparison, gap analysis and insight into improving upon governance and risk management indicators in GRESB and TCFD reporting.

We maintain that as more companies align with TCFD by disclosing their climate-related risks and opportunities in

a routine, accurate and standardized manner, investors can make more-informed decisions, thereby leading to more-efficient capital allocation and a more sustainable financial system. Based on that premise, PGIM Real Estate aims to leverage TCFD alignment as a tool that will create more sophisticated risk identification and management processes, thereby strengthening our business strategy and increasing benefits to stakeholders. Please review our TCFD Index in the Reporting and Disclosure section of this report.

Our team has been monitoring developments with global reporting initiatives, and we are prepared for IFRS Foundation's International Sustainability Standards Board assuming responsibility for monitoring TCFD disclosure compliance beginning in 2024.

<sup>\*</sup>Available to entities reporting to the GRESB Assessment, the TCFD Alignment Report is created with the data already provided through the GRESB Assessments. By way of background, the TCFD was created in 2017 to improve and increase reporting of climate-related financial information. Firmwide, PGIM Real Estate is a supporter of TCFD, which is a nonbinding commitment for the organization, and PGIM Real Estate voluntarily uses the TCFD framework to disclose climate risks. There is no cost involved. For more information, please visit https://www.fsb-tcfd.org/.



## **Environmental Policies and Guidelines**

Portfolio managers, asset managers and other employees are trained on policies and guidelines to advance our Sustainability Program and consider environmental criteria for investment management.

### **Environmental Section of Our Global Sustainability Policy**

#### 2018

Includes sustainability guidance for:

#### **EQUITY**

- Reduction of energy use, water use, waste production and carbon dioxide (CO<sub>2</sub>) 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
- Consideration of both physical and transition climate risks

#### DEBT

- Assessment of ESG risks involved in prospective investments
- Integration of physical climate risk analysis
- Investment applicability assessment to regulations, local laws and energy performance standards
- Data tracking of sustainability metrics, including green building certifications, presence of fossil fuels and waste sorting capability
- In-house loan servicing team assesses sustainability risks throughout the life of the loan

#### **SECURITIES**

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



> To learn more about our Sustainability Policy, visit www.pgim.com/real-estate/article/sustainability-policy

### **Sustainable Standard Operating Guidelines**

#### 2009

Includes sustainability guidance for:

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





## **Sustainability Risk Management**

In partnership with other teams at PGIM Real Estate, risk management teams, including Investment Management Risk and Operational Risk perform the following responsibilities:

- Oversee the firm's compliance with sustainability policies, regulatory requirements and client obligations.
- Communicate their developed policies and procedures across the company to ensure proper implementation and execution of controls that both appropriately manage the business and fulfill fiduciary duties to our clients.
- Evaluate the company's risk profile and balance risks and resources to meet our long-term goals throughout investments' life cycles.

PGIM Real Estate's rigorous investment analyses and due diligence processes involve careful consideration of sustainability issues as they apply to the evaluation of new acquisitions and to the assessment of existing assets for

identification of areas for improvement. We also developed a Sustainability Loan Assessment model to identify risks and opportunities prior to financing.

We have implemented Sustainable Standard Operating Guidelines to reduce energy consumption; we continue to benchmark our properties' energy use; and we are completing assessments to determine best strategies for improving property performance. We also screen partners and vendors for potential conflicts of interest, and we strive to have our asset management protocols and regulatory reviews maximize value for our investors. Note: screening for vendors is covered under PGIM Real Estate's Responsible Contractor Policy and overseen by third-party risk management.

Lastly, we have implemented resilience assessment criteria to review, assess and incorporate effective disaster preparedness and climate change mitigation and adaptation strategies into asset plans and operations.

### **Corporate Governance Policies and Guidelines**

Portfolio managers, asset managers and other employees are trained on policies and guidelines to advance our Sustainability Program and consider governance criteria for investment management, including but not limited to the following topics:



**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

## Sustainability Due Diligence

FOR NEW INVESTMENTS, STANDING ASSETS AND NEW DEVELOPMENTS

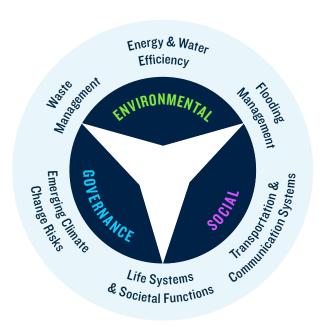
PGIM Real Estate's risk assessment framework includes comprehensive criteria that enable us to better understand the optimal performance and associated risks of our assets. By using the framework to form more accurate evaluations of potential capital investments, we improve asset performance and marketability.

### **Equity Sustainability Due Diligence**

	NEW ACQUISITIONS	STANDING ASSETS	NEW DEVELOPMENTS
STRATEGY	Prioritize sustainability considerations in the acquisition process	Prioritize building improvement and upgrades where needed to meet our sustainability goals, targets and regulatory requirements.	Prioritize green building and sustainable construction practices
APPROACH	Supplement existing property condition assessments with sustainability assessments for new acquisitions	Perform periodic environmental and social due diligence	Conduct sustainability assessments for new developments
Minimize risk and maximize value for investors and tenants  OUTCOME Positively affect our capital investment decisions  Meet regulatory requirements			

### Key sustainability outcomes covered by this framework

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



## **Debt Sustainability Due Diligence**

#### **FOR NEW LOANS**

PGIM Real Estate's loan originations teams apply a proprietary loan assessment on all new loans during due diligence; the assessment was rolled out globally in 2021. In spring 2023, the sustainability team launched an updated version of the loan assessment, replacing the prior version with various enhancements and additional functionalities to wholly capture risks outlined in our sustainability policy. The new assessment offers specific regional and property type functionality to best capture sustainability risks and upsides in the global markets that PGIM Real Estate transacts in, alongside a modernized set of questions to evaluate property-level physical resilience and environmental risk parameters. The Sustainability Loan Assessment asks sponsor-related sustainability engagement questions, as well as a set of questions directly linked to data collection efforts for the annual reporting for SFDR. The loan assessment also directly uploads into PGIM Real Estate's software data platform for easy access by deal teams.

The loan assessment's global rollout was accompanied by an update to the standard diligence material forms (i.e., engineering reports from our third-party consultants), as well as a host of trainings for various teams across PGIM Real Estate.

### The Sustainability Loan Assessment:

- Evaluates and scores more than 30 sustainability attributes, resulting in a 0 to 100 score
  - Governance attributes and risks, including borrower's sustainability commitments
  - Environmental risks, opportunities and physical attributes that support environmental stability
  - Social attributes and risks that affect the living and social experiences at a property
- Includes resilience assessments that evaluate climate-related physical risks
- Is integrated into the Investment Committee's approval process

### Information for the loan assessment is sourced from a wide variety of sources such as the following:

- Borrower questionnaire
- Building, mechanical, electrical and environmental/sustainability reports
- Moody's Climate on Demand



## **Environmental Risk Management**

### **Resilience Program Topics**





## **Climate Risk Metrics**

Based on Moody's analytics, our climate risk metrics include equity assets owned at any time during 2023. The gross market value (GMV) is as of December 31, 2023, or asset disposition date. Risk levels in order of risk are No Risk, Low Risk, Medium Risk, High Risk and Red Flag. In our metrics, High Risk indicates assets at High Risk or above.

METRIC	GLO	BAL	UNITED	STATES	LATIN A	MERICA	EUR	OPE	ASIA P	ACIFIC
High Risk of	% of GMV Exposed	% of Floor Area Exposed	% of GMV Exposed	% of Floor Area Exposed	% of GMV Exposed	% of Floor Area Exposed	% of GMV Exposed	% of Floor Area Exposed	% of GMV Exposed	% of Floor Area Exposed
Any Type	80%	76%	81%	76%	87%	89%	51%	44%	81%	78%
Heat Stress	2%	1%	0%	0%	0%	1%	1%	3%	32%	18%
Water Stress	32%	33%	33%	27%	62%	63%	3%	6%	0%	0%
Sea Level Rise	5%	3%	5%	3%	0%	0%	4%	6%	0%	0%
Hurricanes and Typhoons	8%	7%	6%	7%	0%	0%	0%	0%	29%	11%
Floods	36%	34%	38%	35%	26%	28%	46%	33%	11%	33%
Earthquakes	19%	11%	21%	14%	1%	1%	0%	1%	24%	19%
Wildfires	51%	46%	56%	47%	67%	71%	1%	3%	20%	18%

# SUSTAINABILITY PHILOSOPHY & INVESTMENT APPROACH



## **Responsible Investing**

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

### **Sustainable Investing**

# \$6 BILLION

Of equity invested in assets with impact characteristics, including affordable housing and transformative development 22,785

Affordable housing units have been created or preserved since 2010

Increased from 22,367 in 2022

# \$1.8 BILLION

Of PGIM Real Estate capital since 2010 were for projects located in lowto-moderate income census tracts



## Affordable Housing

From 2010 to 2023, PGIM Real Estate committed to a combined \$25.51 billion in investments with affordability components. The investments represent three primary groups as shown in the chart below.



- **PGIM Real Estate Equity**
- Impact and Responsible Investing General Account portfolio1
- PGIM Real Estate Agency Financing

- PGIM Real Estate has more than 20+ years of agency lending experience in the affordable housing sector<sup>2</sup>
- Top 10 Affordable Multifamily Lender<sup>3</sup>
- 250,000+ units and \$22 billion PGIM Real Estate Agency Financing through Fannie Mae®, Freddie Mac® and Federal Housing Administration affordable-housing lending programs<sup>4</sup>
  - Part of PGIM Real Estate as of December 2021; \$318 Million invested into projects that increased the supply of affordable housing.
  - <sup>2</sup> June 2000 inception of lending in the affordable housing sector, when PGIM Real Estate's lending business acquired WMF Washington Mortgage Corp.
  - <sup>3</sup> PGIM Real Estate is the tenth largest affordable multifamily real estate lender (out of I29 firms surveyed) in terms of production based on the 2023 Mortgage Bankers Association Annual U.S. Origination Rankings published in March 2024. This ranking represents originations production volume from January I, 2023 to December 3I, 2023. Participation in the ranking is voluntary and no compensation is required to participate in the ranking.
  - From June 2000. An affordable financing project is a project that is encumbered by a regulatory agreement, land use restriction agreement, extended use agreement, project-based rental subsidy contract or similar restriction that limits rents that can be charged to tenants and/or imposes income limits on tenants. Includes all affordable lending since 2001, and mission-driven lending since 2020.

## 💹 Sustainability in Agriculture

### **Agriculture Equity**

As part of our commitment to sustainability, we have developed internal tools for evaluating sustainability both at acquisition and for tracking progress through ongoing asset management. Our sustainability acquisition checklist includes key analysis of climate risk from our Moody climate reports, as well as any groundwater sustainability programs within the states where we actively invest. The sustainability checklist gathers information on a myriad of different sustainability factors, including soil quality, water efficiency and quality, the use of renewable energy, waste management practices, and consideration for special sites, the local community and indigenous peoples. The checklist is dynamic and carries into ongoing management use, with expansion for measuring and tracking energy, chemical input and water use, and quantifying other management practices.

In addition, we have developed a process to evaluate threatened, at risk and endangered species for each property, which serves as a reference and informational tool for our internal team, farm managers and on-site property managers.

### **Agriculture Debt**

PGIM Real Estate's sustainability team collaborated with the Agriculture Debt team in 2023 to create a proprietary Agriculture Loan Assessment for all new agriculture loans. The scoring tool was built on the same architecture as the Sustainability Loan Assessment, and assesses key risk related to agriculture industry standards. The assessment evaluates property-level physical climate risk, environmental risk factors (water, waste regulation and management, soil, decarbonization), and scores a set of governance-related questions for loan sponsors. The assessment was designed in line with Leading Harvest® agricultural standards, and synthesizes information from standard agriculture loan diligence, including a borrower questionnaire, environmental questionnaire and a property condition consultant questionnaire. The assessment was designed in fall 2023 and was rolled into production in the first quarter of 2024.

Leading Harvest is a nonprofit organization at the vanguard of advancing sustainable agriculture, utilizing assurance programs comprised of standards, audit procedures, training, education and reporting. In 2017, PGIM Agricultural Investments (PAI) became a member of the Sustainable Agriculture Working Group of agriculture industry participants who worked together to develop the Leading Harvest Standard. The Standard is comprised of objectives intended to promote sustainability and sustainability considerations within agricultural management, including topics such as soil health, protection of water resources, energy use, conservation of biodiversity, waste management, local communities and labor. The annual audit process requires our team's continued focus on ensuring our properties meet the Standard, and making improvements on a year-over-year basis.

PAI enrolled all remaining properties under management in the Central and Southeastern regions of the U.S. into the Leading Harvest Standard in January 2023, with the audit during summer of 2024. All properties were successfully certified by third-party audit. The audit results included zero non-conformances, three areas for improvement and ten notable practices.

100%

Of owned agriculture acres audited by Leading Harvest were successfully certified by the Leading Harvest Standard in 2023

## **Sustainability in Real Estate Debt**

### **Debt Capabilities**

Top 5

Commercial real estate lender

**Capital** raised for debt strategies<sup>2</sup>

Loan transactions<sup>3</sup>

Loan transactions<sup>3</sup>

The firm's wide focus on collaboration across regions and strategies enables the firm to optimize the ways it serves investors and borrowers to create value on their behalf.

Globally, PGIM Real Estate offers debt capabilities ranging from commercial real estate financing to agricultural financing.

U.S. Agency Green Program production totaled \$128 million under designated programs such as Fannie Mae Green Rewards, Fannie Mae Green Building Certification and Freddie Mac Green Up.

In addition, \$1.36 billion of sustainable forest financing was implemented, as evidenced by the Sustainable Forestry Initiative® certification or Forest Stewardship Council® certificates.

PGIM Real Estate is the fifth largest commercial real estate lender (out of I29 firms surveyed) in terms of production based on the 2023 Mortgage Bankers Association Annual U.S. Origination Rankings published in March 2024. This ranking represents originations production volume from January I, 2023 to December 31, 2023. Participation in the ranking is voluntary and no compensation is required to

participate in the ranking.

<sup>2</sup>PGIM Real Estate is ranked second out of 50 firms published in PERE's Real Estate Debt 50 third-party capital raised survey published in May 2024. This ranking represents third-party capital raised for real estate debt strategies from January I, 2019 to December 3I, 2023. Participation in the ranking is voluntary and no compensation is required to participate in the ranking.

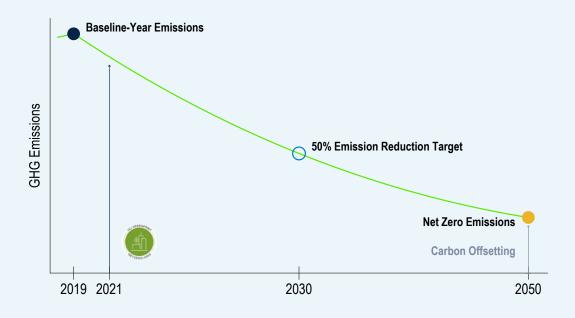
### Debt Highlights 2023

- The Debt business received a 4-star rating on the fixed income module for PRI. Scoring became more stringent for PRI in 2023, with the Debt business scoring at or above five of eight indicators in the debt module.
- New commercial loan diligence launched in 2023—in spring 2023, the sustainability team launched an updated version of the Sustainability Loan Assessment, replacing the prior version with various enhancements and additional functionalities to wholly capture risks outlined in our sustainability policy.
- Regionally specific trainings were provided, designed
- as an evolution of topics introduced in 2022, and often accompanied relevant process changes, diligence updates or industry news that required notice for the Debt business. Common topics included preparation for reporting of SFDR, energy transition risk/regional energy ordinances and trainings related to the implementation of the updated loan assessment.
- Members of the Debt Council and the sustainability team engaged with industry associations to positively impact sustainability initiatives of the commercial mortgage industry.

<sup>3</sup> Represents 2023 full year transaction volume.

## **Firm-level Net Zero Commitment**

PGIM Real Estate has committed to net zero operational carbon emissions by 2050.



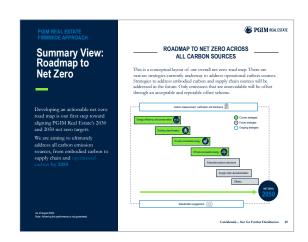
Our goal is to achieve net zero operational carbon emissions by 2050 across all managed assets.

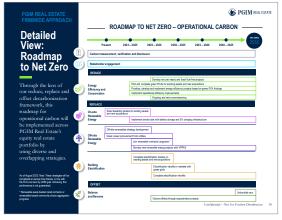
Our ULI Greenprint-aligned commitment requires setting a 2050 target across 100% of PGIM Real Estate's AUM under operational control (became signatory in May 2021). Our interim target is 50% emissions reduction for 50% of PGIM Real Estate AUM by 2030.

Our targets are aligned with the Intergovernmental Panel on Climate Change's 1.5°C decarbonization pathway, consistent with limiting the global temperature increase to 1.5°C.

#### **EMISSION SCOPES COVERED:**

- Scope 1 and 2 emissions
- Scope 3 emissions, although not covered currently, will be tracked, quantified, mitigated and reported to the extent feasible and material





### **Net Zero Pathway Strategies**

To achieve our 2030 and 2050 targets, we intend to implement a variety of asset- and portfolio-level decarbonization strategies. The strategies will vary by region (i.e., United States, Europe, Asia Pacific, Latin America) and will be prioritized based on an avoid, reduce, replace and offset hierarchy.



Carbon measurement and verification



On-site renewable energy



**Energy efficiency and conservation** 



Off-site renewable energy



**Building electrification** 



Balance and remove



Stakeholder engagement



#### **CASE STUDY**

### **Embodied Carbon Study for a Logistics Redevelopment in Singapore**

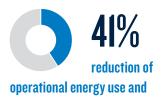
Asia Pacific Core promotes environmental characteristics at the asset and fund levels and aims to continuously improve its sustainability results. The fund promotes energy efficiency and decarbonization through green building certifications or prospective green building certifications.

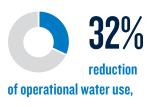
The fund acquired Pokka Logistics in Singapore in the first quarter of 2022, an inefficient, 33-year-old single story warehouse, for redevelopment. The fund was committed to spur its sustainability ambition by achieving Green Mark Certification Platinum Rating, which signifies implementation of holistic sustainable design for both active and passive design.

Aligned to the Green Mark requirement and PGIM's effort to enhance embodied carbon reporting, the project team engaged with key stakeholders, including the main contractor and carbon consultant, to understand the methodology to quantify embodied carbon and operational carbon under the EN 15978 standard. The project assessed the embodied carbon of construction materials, including concrete, glass and steel, for superstructure and substructure and annual operational energy and water use, over a reference study period of 50 years.

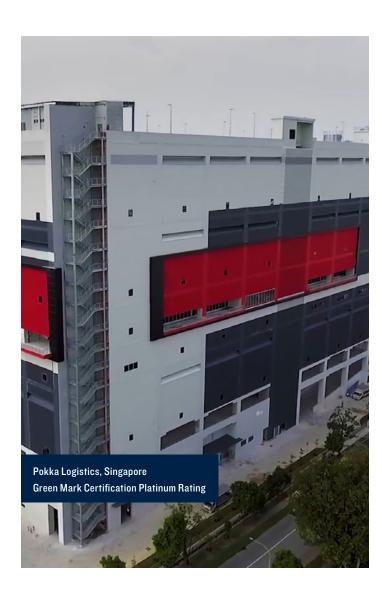
Apart from proper segregation and recycling of demolition waste, the building design also minimizes carbon emission with post tension concrete slab, requiring less concrete and steel compared to standard reinforced slabs, to reduce the overall carbon footprint of manufacturing and transporting the materials. To further reduce annual operational energy and water consumption, highly efficient energy systems and water fixtures were also incorporated into the building design.

#### As a result, the project achieved





which is equivalent to  $605 \ tCO_{2}$ e per year.





# **ACTIVE OWNERSHIP**

## **Tenant Engagement**

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

### **Become a Landlord and 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.

### Align Our Values with Our Stakeholders

#### TENANT SATISFACTION SURVEYS

To ensure we meet or exceed our tenants' expectations, every two years 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 our portfolio with views to improving performance, increasing retention, maximizing portfolio value and achieving operational excellence.

#### **ANNUAL PROPERTY MANAGER SURVEY**

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

#### SUSTAINABILITY ATTRIBUTES SURVEY

Our Sustainability Attributes Survey queries property managers with regard to 60 sustainability attribute indicators, including such categories as lighting, roof efficiency, water efficiency, energy efficiency, waste management, transportation and refrigerants. The results provide a snapshot of global, regional and fund-level sustainability performance from which key recommendations in each category can be made.



# METRICS FOR EQUITY INVESTMENT ASSETS

## **Sustainability Performance**

PLEASE SEE ADDITIONAL IMPORTANT INFORMATION ON PRI AND GRESB ON PAGE 2 OF THIS REPORT.

Annually reporting to third-party organizations demonstrates PGIM Real Estate's commitment to accountability and integrity and raises awareness with stakeholders about our comprehensive sustainability initiatives and progress toward our goals. PGIM Real Estate provides our investors with increased transparency by our voluntary reporting of our sustainability progress to GRESB.

#### 2023 PRI Performance

#### MOST RECENT PERFORMANCE AVAILABLE AS OF DECEMBER 2023

Since 2009, PGIM Real Estate has been a signatory of PRI. We complete the PRI reporting every year to evaluate our companywide sustainability efforts. Our exemplary performance showcases our ongoing commitment to deliver the highest possible value for our investors as we improve our global sustainability programs. In 2024, the PRI made the reporting voluntary for all investor signatories that reported in 2023, and for those in their grace period. PGIM Real Estate completed the voluntary reporting in 2024 to continue reporting consistency and progress tracking. Here are the most recent rankings published in November 2024, reflecting the 2023 calendar year. PGIM Real Estate improved on all three modules and maintained 100% for the Confidence Building Measure Module. Additionally, PGIM Real Estate maintained module gradings higher than the PRI median for all modules.

4 Star Policy, Governance and Strategy

4 Star

**Real Estate** 

4 Star

Fixed Income (Debt)

**Confidence Building Measures** 

#### 2024 GRESB Performance

The GRESB Assessment is a global real estate sustainability benchmark that assesses the sustainability performance of selected PGIM Real Estate funds and benchmarks the results compared with funds in peer groups. Since the first GRESB survey in 2010, we have increased the number of participating global funds to 28, and we continue to see improvement in our GRESB scores year after year. The following figures are firmwide scores from the 2024 GRESB Management and Performance and Management and Development Benchmarks using performance data from the previous calendar year to calculate fund scores and ratings.

Please see additional important information on GRESB on page 2 of this report.

**PGIM Real Estate funds/properties** submitted for 2024 GRESB Assessment

A 7.7% increase from 26 funds submitted in 2023

**GAV** was evaluated

Of global AUM was evaluated

### **GRESB Sector Leader Designations**

**ELEVEN SECTOR LEADER DESIGNATIONS FOR SIX FUNDS** 

## U.S. Core

**Management and Development Regional Non-Listed Sector Leader** and Regional Sector Leader

Americas-Diversified

## **U.S. Core Plus**

**Management and Development Regional Non-Listed Sector Leader** Americas-Diversified

## **Mexico Industrial REIT**

**Management and Development Regional Listed Sector Leader** 

Americas-Industrial

## **Asia Pacific Core**

**Management and Performance Regional Non-Listed Sector Leader** and Regional Sector Leader Asia-Diversified

## U.S. Value-Add Impact

**Management and Development Regional Non-Listed Sector** Leader, Regional Sector Leader and Global Non-Listed Sector Leader

Americas-Residential

## **Asia Pacific Separate** Account

Japan, Australia and Singapore Investments

**Management and Performance Regional Non-Listed Sector Leader** and Regional Sector Leader

Asia-Diversified-Office/Industrial

### **GRESB Management and Performance**

#### 5-Star funds

Asia Pacific Separate Account-Japan, Australia and Singapore Investments, Asia Pacific Separate, Account II-Japan Investments, Asia Pacific Separate Account-Singapore Investment, Asia Pacific Core, European Core, European Core/Core Plus-Austria Investment, Berlin SCA, U.S. Separate Account-New York City Investment

#### 4-Star funds

Asia Pacific Value-Add, European Value-Add II, U.S. Core, U.S. Core Plus 17 of 22

**Returning funds increased or** maintained their 2023 scores 6 of 22

Returning funds increased their star rating over 2023 ratings

### **GRESB Management and Development**

#### 5-Star fund

U.S. Value-Add Impact

#### 4-Star funds

Asia Pacific Value-Add, U.S. Core, Mexico Industrial REIT

7 nf 12

**Returning funds increased or** maintained their 2023 scores 2 of 12

Returning funds increased their star rating over 2023 ratings

# **Awards and Recognition**

### **Across PGIM Real Estate** and Our Parent Company, PFI

PFI's commitment to doing business the right way, strengthening communities, and providing an inclusive work environment are reflected in the numerous awards and recognitions we have received both nationally and globally, such as being recognized as one of the World's Most Admired Companies<sup>™</sup> in 2023 according to Fortune.

### **FITWEL Champion and Best** in Building Health Recognition

PGIM Real Estate has been a Fitwel Champion since 2020 and received the 2024 Best in Building Health Award. Through Fitwel certification, our properties integrate strategies that optimize health and wellness, with the aim of mitigating health and safety risks, improving tenant satisfaction, and enabling us to track and continuously improve our social metrics.

> To learn more about PFI's awards and recognition, visit www.prudential. com/links/about/awards-accolades.

#### **Green Lease Leaders**

In March 2023, PGIM Real Estate received confirmation from the IMT that our Green Lease Leader application was approved for Silver recognition. Additionally, the sustainability team supported Mexico Industrial REIT's separate application so that the public industrial REIT would also benefit from the Silver recognition. The IMT Green Lease Leaders recognition program sets the standard for green, high-performance, and energy-aligned leases. As 2023 Green Lease Leaders, PGIM Real Estate and Mexico Industrial REIT were publicly distinguished at the Better Buildings Summit in Washington D.C. on April 13, 2023. PFI has already been recognized for its achievements as a Green Lease Leader.

### Socially Responsible Company Award

To PGIM Real Estate in Mexico by Empresas con Distintivo ESR 12th year in a row

Please see additional important information on Empresas Con Distintivo ESR: LATAM on page 3 of this report.



## **Environmental Performance**



### **Goals and Targets**

Our efficiency targets and 2027 performance goals for our equity investments align with the U.S. Department of Energy's Better Buildings Challenge federal goals, which aim to improve building portfolio efficiency by at least 20% in 10 years. Aiming for ambitious goals helps companies reduce both operational costs and their environmental footprints, enhance resilience, take advantage of new energy-saving technologies, expand networks and collaborations, and share strategies and results annually.



### Global Environmental Performance Metrics 2017-2023

#### EQUITY INVESTMENTS ONLY (BY BOTH PGIM REAL ESTATE AND PFI)

Progress toward the IO-year goal is measured using the cumulative percent change in intensities based on the sum of yearover-year changes as calculated from a like-for-like data set. Negative values represent year-over-year reductions.

**Energy use intensity** 

From 2017 to 2023

-1.6%

**Energy use intensity** 

Year-over-year % change 2023 versus 2022



Water use intensity

From 2017 to 2023

Water use intensity

Year-over-year % change 2023 versus 2022

**-9.8%** 

**Total GHG emissions intensity** 

From 2017 to 2023

**Total GHG emissions intensity** 

Year-over-year % change 2023 versus 2022

**2.9%** 

**Landfill waste intensity** 

From 2017 to 2023

**Landfill waste intensity** 

Year-over-year % change 2023 versus 2022

Floor area data coverage for year-over-year change, 2023 versus 2022: Energy use intensity 38.9%, Water use intensity 34.2%, Total GHG emissions intensity 38.9%, Landfill waste intensity 12.5%. Refer to Global and Regional Performance Metrics 2017–2023 section for data coverage representing cumulative metrics.

**EQUITY PROPERTIES ONLY** 

Progress toward the IO-year goal is measured using the cumulative percent change in intensities based on the sum of yearover-year changes as calculated from a like-for-like data set. Negative values represent year-over-year reductions.



## 2,530,057

### 2023 consumption (MWh)

Floor area data coverage 80.9%\* Based on the absolute data set: properties that were owned and operational at any time in 2023.

## 12.7

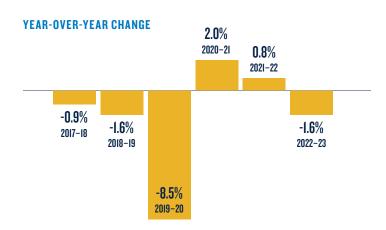
#### 2023 intensity (kWh/sqft)

Floor area data coverage 63.3%\* Based on the absolute data set with 12 months of data: properties that were owned, operational and had I2 months of data in 2023.

-9.8%

#### Cumulative change 2017–2023

Cumulative change may not sum up due to rounding.



Floor Area Data Coverage (%)\*\*

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
22.3%	39.4%	38.1%	47.2%	33.1%	38.9%

Year-over-year percent change is based on the like-for-like data set: properties that were owned, operational and had data recorded for all 24 months in 2022-23.

### Water

## 3.515

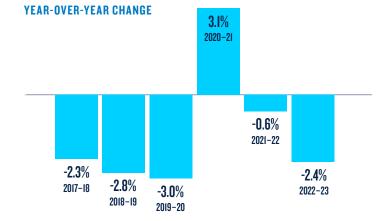
#### 2023 consumption (million U.S. gal)

Floor area data coverage 76.0%\* Based on the absolute data set: properties that were owned and operational at any time in 2023.

## -8.0%

#### Cumulative change 2017-2023

Cumulative change may not sum up due to rounding.



Floor Area Data Coverage (%)\*\*

2017-18 2018-19 2019-20 2020-21 2021-22 2022-23	16.6%	28.2%	22.0%	34.2%	28.4%	34.2%
	2017-18	2018-19		711711-71	71171-77	2022-23

Year-over-year percent change is based on the like-for-like data set: properties that were owned, operational and had data recorded for all 24 months in 2022-23.

2023 intensity

(U.S. gal/sqft)

of data in 2023.

Floor area data coverage 65.0%\*

Based on the absolute data

set with I2 months of data:

properties that were owned,

operational and had 12 months

Beginning with the 2022 data, we applied a more stringent definition of data coverage: I. We used a stricter determination of building spaces with data. 2. For like-for-like data coverage prior to 2022, the denominator is the total building GFA of properties owned and operational for the full 24-month period under comparison; for 2022, the denominator is the total building GFA of properties owned and operational at any time in 2022.

total floor area of building spaces with data

<sup>\*</sup>Floor Area Data Covered % Absolute = total building GFA of properties owned and operational at any time in 2023

<sup>\*\*</sup>Floor Area Data Covered % Like-for-like = total floor area of building spaces with data for properties with 24 months of data total building GFA of properties owned and account in the space of the s

**EQUITY PROPERTIES ONLY** 

Progress toward the IO-year goal is measured using the cumulative percent change in intensities based on the sum of yearover-year changes as calculated from a like-for-like data set. Negative values represent year-over-year reductions.

YEAR-OVER-YEAR CHANGE

#### **Total GHG Emissions**

765,893

2023 consumption (MTCO<sub>e</sub>)

Floor area data coverage 80.6%\* Based on the absolute data set: properties that were owned and operational at any time in 2023.

-9.8%

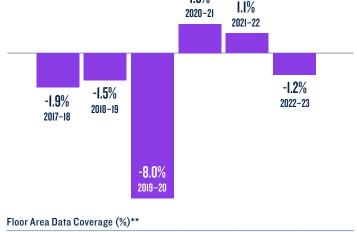
Cumulative change 2017-2023

Cumulative change may not sum up due to rounding.

## 0.00386

2023 intensity (MTCO<sub>a</sub>e/sqft)

Floor area data coverage 63.0%\* Based on the absolute data set with I2 months of data: properties that were owned. operational and had I2 months of data in 2023.



1.6%

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
25.0%	39.4%	38.4%	46.0%	32.8%	38.9%

Year-over-year percent change is based on the like-for-like data set: properties that were owned, operational and had data recorded for all 24 months in 2022-23.

### **Scope I GHG Emissions**

84.004

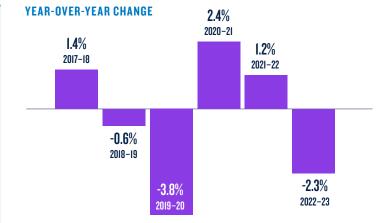
2023 consumption (MTCO,e)

Floor area data coverage 33.9%\* Based on the absolute data set: properties that were owned and operational at any time in 2023.

-1.7%

Cumulative change 2017-2023

Cumulative change may not sum up due to rounding.



Floor Area Data Coverage (%)\*\*

	8.4%	16.4%	4.5%	5.4%	11.4%	12.7%
Ī	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23

Year-over-year percent change is based on the like-for-like data set: properties that were owned, operational and had data recorded for all 24 months in 2022-23.

UUUUU

2023 intensity

(MTCO<sub>s</sub>e/sqft)

of data in 2023.

Floor area data coverage 27.2%\*

Based on the absolute data

set with I2 months of data:

properties that were owned,

operational and had 12 months

Beginning with the 2022 data, we applied a more stringent definition of data coverage: I. We used a stricter determination of building spaces with data. 2. For like-for-like data coverage prior to 2022, the denominator is the total building GFA of properties owned and operational for the full 24-month period under comparison; for 2022, the denominator is the total building GFA of properties owned and operational at any time in 2022.

total floor area of building spaces with data \*Floor Area Data Covered % Absolute = total building GFA of properties owned and operational at any time in 2023

<sup>\*\*</sup>Floor Area Data Covered % Like-for-like = total floor area of building spaces with data for properties with 24 months of data total building GFA of properties owned and approximately

**EQUITY PROPERTIES ONLY** 

Progress toward the IO-year goal is measured using the cumulative percent change in intensities based on the sum of yearover-year changes as calculated from a like-for-like data set. Negative values represent year-over-year reductions.

### **Scope 2 GHG Emissions**

## 362,911

### 2023 consumption (MTCO<sub>e</sub>)

Floor area data coverage 61.9%\* Based on the absolute data set: properties that were owned and operational at any time in 2023.

## **-20.1**%

Cumulative change 2017-2023

Cumulative change may not sum up due to rounding.

## 0.00218

### 2023 intensity (MTCO<sub>a</sub>e/sqft)

0.00619

2023 intensity

(MTCO<sub>s</sub>e/sqft)

of data in 2023.

Floor area data coverage 16.9%\*

Based on the absolute data

set with I2 months of data:

properties that were owned, operational and had 12 months

Floor area data coverage 51.0%\* Based on the absolute data set with I2 months of data: properties that were owned. operational and had I2 months of data in 2023.

**Scope 3 GHG Emissions** 

## 318.978

### 2023 consumption (MTCO<sub>e</sub>)

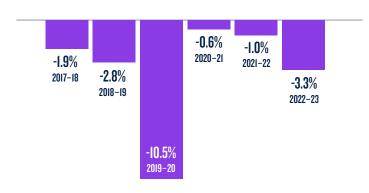
Floor area data coverage 21.0%\* Based on the absolute data set: properties that were owned and operational at any time in 2023.

## 18.3%

#### Cumulative change 2020-2023

Cumulative change may not sum up due to rounding.

#### YEAR-OVER-YEAR CHANGE

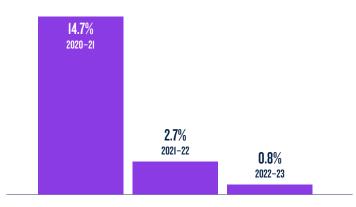


#### Floor Area Data Coverage (%)\*\*

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
25.0%	42.9%	17.8%	43.3%	30.4%	32.5%

Year-over-year percent change is based on the like-for-like data set: properties that were owned, operational and had data recorded for all 24 months in 2022-23.

#### YEAR-OVER-YEAR CHANGE



#### Floor Area Data Coverage (%)\*\*

	<u>′</u>	
2020-21	2021-22	2022-23
6.8%	4.8%	8.1%

Year-over-year percent change is based on the like-for-like data set: properties that were owned, operational and had data recorded for all 24 months in 2022-23.

\*Floor Area Data Covered % Absolute = total building GFA of properties owned and operational at any time in 2023

\*\*Floor Area Data Covered % Like-for-like = total floor area of building spaces with data for properties with 24 months of data total building GFA of properties owned and account in the space of the s

Beginning with the 2022 data, we applied a more stringent definition of data coverage: I. We used a stricter determination of building spaces with data. 2. For like-for-like data coverage prior to 2022, the denominator is the total building GFA of properties owned and operational for the full 24-month period under comparison; for 2022, the denominator is the total building GFA of properties owned and operational at any time in 2022.

total floor area of building spaces with data

**EQUITY PROPERTIES ONLY** 

A positive increase in renewable energy highlights progress towards sustainability through the increased use of renewable energy.



32,715

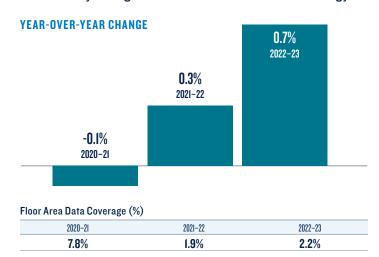
2023 energy supplied by renewables (MWh)

Floor area data coverage 4.9% Based on properties that were owned, operational and had energy data recorded at any time in 2023.

**1.3**%

2023 percent of energy supplied by renewables

Floor area data coverage 4.9% Based on properties that were owned, operational and had energy data recorded at any time in 2023.

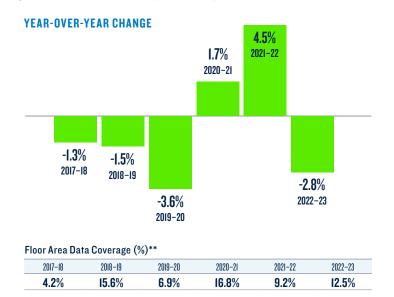


Year-over-year change is based on properties that were owned, operational and had energy data recorded for all 24 months in 2022–2023. Renewable energy reported includes renewable energy for which renewable energy attributes are retained by PGIM Real Estate or its partners.

For renewable energy, floor area coverage % is based on the total building gross floor area (GFA) of properties with renewable energy, rather than building areas with data.

Progress toward the IO-year goal is measured using the cumulative percent change in intensities based on the sum of yearover-year changes as calculated from a like-for-like data set. Negative values represent year-over-year reductions.

#### **Landfill Waste Intensity** 37,130 0.00055 **2023** waste (U.S. ton) 2023 intensity (U.S. ton/sqft) Floor area data coverage 25.8%\* Based on the absolute data set: Floor area data coverage 22.2%\* properties that were owned and Based on the absolute data operational at any time in 2023. set with I2 months of data: properties that were owned, operational and had 12 months of data in 2023. -2.9% Cumulative change 2017-2023 Cumulative change may not sum up due to rounding.



Year-over-year percent change is based on the like-for-like data set: properties that were owned, operational and had data recorded for all 24 months in 2022-23.

Beginning with the 2022 data, we applied a more stringent definition of data coverage: I. We used a stricter determination of building spaces with data. 2. For like-for-like data coverage prior to 2022, the denominator is the total building GFA of properties owned and operational for the full 24-month period under comparison; for 2022, the denominator is the total building GFA of properties owned and operational at any time in 2022.

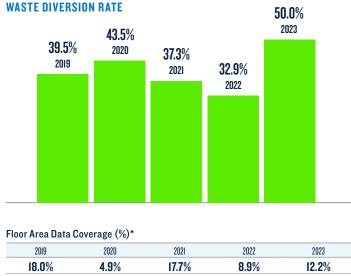
total floor area of building spaces with data \*Floor Area Data Covered % Absolute = total building GFA of properties owned and operational at any time in 2023

<sup>\*\*</sup>Floor Area Data Covered % Like-for-like = total floor area of building spaces with data for properties with 24 months of data total building GFA of properties caused and a second sec

**EQUITY PROPERTIES ONLY** 

Waste diversion rate is the percentage of waste generated by the portfolio that is being directed away from landfills through methods such as recycling, composting or reuse, resulting in more efficient waste management.





\*Floor Area Data Covered % Like-for-like total floor area of building spaces with data for properties with 24 months of data total building GFA of properties owned and operational at any time in 2023

Beginning with the 2022 data, we applied a more stringent definition of data coverage: I. We used a stricter determination of building spaces with data. 2. For like-for-like data coverage prior to 2022, the denominator is the total building GFA of properties owned and operational for the full 24-month period under comparison; for 2022, the denominator is the total building GFA of properties owned and operational at any time in 2022.

## **Methodology**

Performance metrics are presented in two ways: absolute metrics to represent 2023 values and like-for-like metrics to represent the year-over-year change from 2022 to 2023. The absolute data set comprises all properties that were owned and operational for at least part of 2023. The like-for-like data set comprises properties that were owned and operational and had data recorded for all 24 months in 2022-23. Some data points identified as uncertain were excluded from analysis in the case that the property team could not verify or correct the data within time constraints. Specifically, properties with

intensity values for a given metric that exceeded ten times the relevant GRESB threshold were excluded from the absolute and like-for-like data sets for that metric. For the purpose of a meaningful year-over-year comparison—and to account for uncertainties in the raw data provided by properties properties with greater than 25% year-over-year variations in a given metric were excluded from the like-for-like data set for that metric. The metrics are not normalized by occupancy. For properties with exterior consumption, the building's GFA was used to calculate intensity and data coverage.

Because the parameters used to determine the dataset boundaries and data quality exclusions vary by metric, each metric comprises a separate dataset. As a result, scopes 1, 2, and 3 GHG emissions do not necessarily sum to total GHG emissions.

### **Data Tracking Improvements**

PGIM Real Estate continues to enhance data management and coverage by means of increased engagement with property management teams and tenants. Every year since 2020, we have increased the number of funds subject to 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 that data is typically not available to us. In an effort to improve data coverage, we are increasing the implementation of green leases, which leads to better sharing of environmental performance data between tenants and landlords. We continue to explore and employ alternative means of sourcing utility data.

### **Progress Toward 10-Year Targets**

Most of our 10-year targets are goals to reduce energy, emissions, water and waste intensities by a given percentage during the span of 2017 to 2027. Progress is measured using the cumulative percent change in intensities based on the sum of year-over-year changes as calculated from a like-forlike data set.

It is important to consider that data is recorded in our data platform by property managers, with limitations in the quality checks performed by PGIM Real Estate and its third-party data assurance provider. Additionally, there are limitations with data collection and observed patterns of imperfection in recording data that cause a false positive bias in the yearover-year change in intensity. This is particularly impactful for waste data. Additionally, our data coverage for waste tends to be significantly lower than for energy or water. Considering both of these factors, there is relatively lower confidence in the waste diversion rate and landfill waste metrics.

To drive progress toward our 10-year targets, we evaluate our global portfolio of equity properties and seek opportunities for improvements in energy, water, waste and GHG emissions performance as part of a globally coordinated plan. The plans are reevaluated and updated annually and incorporated into asset-level budgets.

#### **Data Assurance**

Every year since 2020, we have increased the amount of data submitted to GRESB that was subject to independent third-party verification. The objective of the process is to verify the following (for energy, water, waste and GHG emissions data):

- Conformance with applicable verification criteria including the principles and requirements of relevant standards or GHG programs—within the scope of the verification of the organization's GHG emissions inventory
- The organization's environmental information systems and controls
- The environmental claims and assertions made by the organization

#### OUTCOMES

The third-party data assurance of GRESB data in 2024 revealed no evidence that the environmental claims and assertions listed are not materially correct; are not a fair representation of environmental data and information; and have not been prepared in accordance with the calculation method referenced. We are committed to ongoing efforts to increase the integrity and reliability of our environmental data and relevant internal controls to enhance decision making and transparency.

> To request a copy of the Third-Party Data Assurance letter, please contact us at pgim.real.estate.esg@pgim.com.

# **Green Building Certifications**

#### PLEASE SEE ADDITIONAL IMPORTANT INFORMATION ON GREEN BUILDING AND CERTIFICATIONS ON PAGE 2 OF THIS REPORT.

Green and healthy building certifications of our global equity investments are important indicators of high building performance. Global building certifications are important proxies for building performance. Around the world in 2023, PGIM Real Estate continued to earn certifications on our equity investments, increasing our performance in number, area and value.

Includes Arc and NABERS certifications. A property is considered by GRESB to have an Arc or NABERS certification when the property has three qualifying Arc or NABERS ratings, respectively.

**584** 

#### **Grand total certifications**

Internationally recognized green building certification, were active at any time during 2023 for properties owned at any time in 2023.

An increase from 463 total certifications in 2022.

Total internationally recognized green building certified properties

129.5 million square feet, \$39.8B GAV

143 **LEED** certified properties (34 properties certified in 2023) 8.9 million square feet, \$20.7B GAV

45 **Fitwel certified properties** (23 properties certified in 2023) 22 million square feet, \$9.8B GAV

**BREEAM** certified properties (43 properties certified in 2023) 23.5 million square feet, \$4.2M GAV

55 **WiredScore certified properties** (33 properties certified in 2023) 24.0 million sq ft, \$10.4B GMV,



#### **GREEN BUILDING CERTIFIED PROPERTIES 2009–23**

Total number of properties with internationally recognized green building certifications. Includes properties with Arc and NABERS certifications. A property is considered by GRESB to have an Arc or NABERS certification when the property has three qualifying Arc or NABERS ratings, respectively. Please see additional important information on green building certifications on page 2 of this report.



### **Total Green Building Certifications in 2023**

Certifications that were active at any time during 2023 for properties owned at any time in 2023.

Region/Certification Scheme	Number of Certifications Active in 2023
United States	403
Bicycle Friendly Business	1
BOMA	4
BOMA Seattle—Waste	2
BREEAM	29
CALGreen	34
Fitwel	43
GBAC	3
IREM	26
LEED	163
NGBS	30
TOBY	4
WELL	8
WiredScore	56
Latin America	51
Arc*	32
EDGE	ı
LEED	18

Region/Certification Scheme	Number of Certifications Active in 2023
Europe/UK	78
BREEAM	52
DGNB	9
Fitwel	1
HQE	3
LEED	6
WiredScore	7
Asia Pacific	52
BCA Green Mark	6
BREEAM	3
CASBEE	5
China Green Warehouses	3
DBJ	II
Fitwel	4
Green Star	14
LEED	2
NABERS**	2
Water Efficient Building	1
WiredScore	1

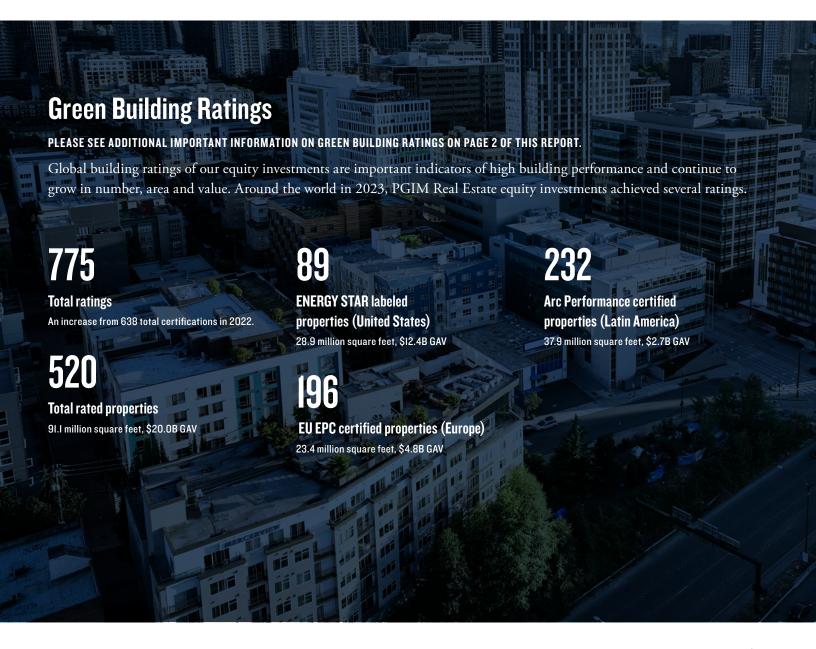
<sup>\*</sup>A property is considered by GRESB to have an Arc certification when the property has three qualifying Arc ratings.

<sup>\*\*</sup>A property is considered by GRESB to have a NABERS certification when the property has three qualifying NABERS ratings.

### **Total Green Building Certified Properties Per Region in 2023**

Properties owned at any time in 2023 with certifications that were active at any time during 2023. Includes Arc and NABERS certifications, in alignment with GRESB. Grand totals may not sum up due to rounding. Please see additional important information on green building certifications on page 2 of this report.

Region	Number of Properties with Any Type of Certification	Certified Floor Area (millions of sqft)	GAV (USD billions)
United States	220	89.6	31.0
Latin America	51	13.3	0.8
Europe/UK	54	13.9	3.2
Asia Pacific	46	12.6	4.7
Grand Total	371	129.5	39.8



### **Total Energy Ratings in 2023**

Energy ratings that were active at any time during 2023 for properties owned at any time in 2023.

Region/Rating Scheme	Number of Ratings Active in 2023
United States	93
ENERGY STAR Label	93
Latin America	474
Arc	474
Europe/UK	203
Effinergie	1
EU EPC	202
Asia Pacific	5
BELS	2
NABERS	3

## **Total Energy-Related Properties Per Region in 2023**

Properties owned at any time in 2023 with energy ratings that were active at any time during 2023. Grand totals may not sum up due to rounding.

Region	Number of Properties with Any Type of Rating	Rated Floor Area (millions of sqft)	GAV (USD billions)
United States	89	29.0	12.4
Latin America	232	37.9	2.7
Europe/UK	196	23.9	4.8
Asia Pacific	3	0.3	0.2
Grand Total	520	91.1	20.0



# **OUR PEOPLE & CULTURE**



## **Workforce Diversity**

#### AS OF DECEMBER 31, 2023, FOR PGIM REAL ESTATE EMPLOYEES GLOBALLY, UNLESS OTHERWISE NOTED.

At the core of our values is the belief that the diverse perspectives and experiences of 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 and Leadership Network (ILN) help PGIM Real Estate cultivate an inclusive organizational culture that promotes the career development of diverse talent. Our annual programming supports professional development, cultural change, talent attraction and retention, and equal access for professionals in our office locations worldwide.

### **Board and Management Diversity**

36%

Women in investment roles Globally



Women in investment



35%

Women in investment roles in Latin America



**Women in investment** roles in Asia Pacific



roles in the United States



Women in investment roles in Europe



30%

Women on Global **Management Council** 



**56**%

Women on U.S. **Management Council** 



**Women on Europe Management Council** 



**Women on Asia Pacific Management Council** 



**Women on Latin America Management Council** 



Women on U.S. Debt **Executive Council** 



**Women in Senior Positions VP** or Higher Globally

#### % Who are Women



46% Globally



45%
In the United States



48% In Europe



56% In Latin America



**51**% In Asia Pacific

### **Company Diversity**



31% People of color

All levels, all functions, United States only



# **Community Involvement**

PGIM Real Estate's ongoing partnerships with community-based organizations in 2023.











## **Our Inclusion Mission Statement**

### **PGIM's** approach is grounded in the following beliefs:

- Diverse talent exists across every layer of our business, and our clients deserve brilliance in every interaction with our organization.
- Nurturing excellence through inclusive leadership and a culture of respect, teamwork and trust is crucial to harnessing, evolving and retaining talent.
- Alternative views encourage alternative and innovative outcomes. When we crowd out non-consensus opinions, we make ourselves vulnerable to groupthink and sub-optimal solutions.
- Outperformance for clients is our guiding principle. Inclusion monetizes the voices around the table. Our goal is to create an environment in which our people thrive to succeed in delivering alpha over the long-term.



## Diversity, Equity and Inclusion at PGIM Real Estate

Our commitment to advancing diversity, equity and inclusion (DEI) is rooted in the belief that diversity of experience, backgrounds and perspectives leads to better outcomes for our clients, employees and communities.

### **5 Key Areas of Impact**

1

#### **CULTURE:**

Foundational to ensure long-term sustainability and success, we harness our differences to create an equitable and inclusive workplace where all talent thrives.

2

#### TALENT:

We seek to attract, retain and develop talent, and promote an inclusive company culture that respects and celebrates diversity of all kinds.

3

#### **INVESTING:**

We embrace a mindset that varied experience, backgrounds and perspectives make us better investors and lenders, while upholding our fiduciary responsibilities.

4

#### **REAL ESTATE INDUSTRY:**

Within the real estate industry, we leverage our global scale and footprint to influence meaningful change around diversity and inclusion practices.

5

#### **COMMUNITY ENGAGEMENT:**

We partner with our wider community by playing an active role in nonprofit and charitable organizations.

<sup>&</sup>gt; To learn more about our 5 key areas of impact, view our DEI Fact Sheet.

### **Notable Accomplishments**

#### IN 2023 AND EARLY 2024

- We foster and maintain strategic relationships with diverse partnership organizations such as Girls Who Invest<sup>®</sup>, Sponsors for Educational Opportunity<sup>®</sup>, Management Leadership for Tomorrow<sup>®</sup>, Black Capital Management and Modern Guild<sup>®</sup> as part of our Early Talent Acquisition strategy.
- Remained committed to the ILN, which represents a global cross section of professionals who work together to build an
  equitable and inclusive workplace for all.
- Conviction around inclusive behavior accountability through a mandatory DEI objective for every employee.
- Annually facilitate a MD Leadership Assessment for the most senior leaders in the organization focused on key leadership competencies, which includes behaviors that support and foster inclusive leadership.
- Introduced the PGIM Inclusive Leadership Program, a multi-year organizational culture change strategy aimed at
  infusing a greater sense of belonging for all people across the firm and developing more inclusive behaviors among
  colleagues—and particularly leaders of people.
- Focused on building deeper partnerships with community-based organizations (e.g., YouthBuild®, KIPP®, Project Destined®, Entryway™, CARE Singapore and Joblinge).
- Continue to participate in PFI's Supplier Diversity Program.

## **Social Policies and Guidelines**

Portfolio managers, asset managers and other employees are trained on policies and guidelines to advance our Sustainability Program and consider social criteria with regard to investment management, including but not limited to the following topics:



**Workforce Diversity and Equal Opportunity** 



Employee Satisfaction



Forced or Compulsory Labor



Workers' Rights



Health and Occupational Safety (for Employees)



**Human Rights** 



**Asset-level Safety (for Tenants)** 



**Social Resilience** 



Labor-Workforce-Management Relationships



**Indoor Environmental Quality** 



**Employee Performance and Career Development** 



Stakeholder Engagement Across All Sustainability Areas

# **REPORTING & DISCLOSURES**

PGIM Real Estate reports annually to our investors on our sustainability 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 sustainability 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 sustainability 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 sustainability 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, 2023

Date of most recent report: November 2023

Reporting cycle: Year 2023

Restatement of information: None

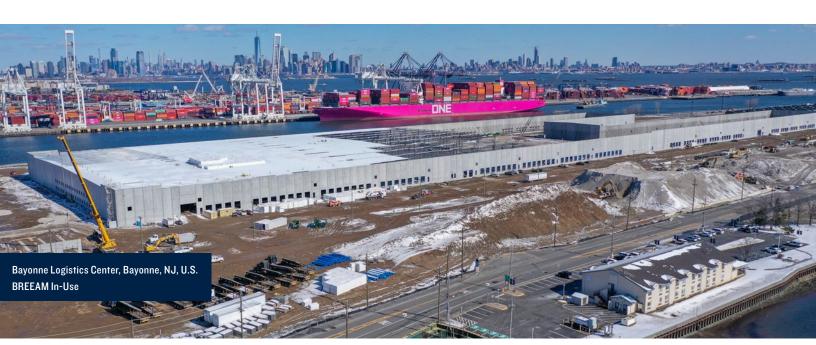
## **Contact**

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

#### SHUBHA MAHESHWARI

Global Director of Sustainability pgim.real.estate.esg@pgim.com

> To learn more about our Sustainability Program, visit www.pgimrealestate.com/esg.



## **Task Force on Climate-Related Financial Disclosures Index**

Refer to TCFD Support and Alignment on page II.

SECTION	DISCLOSURE	PGIM REAL ESTATE'S RESPONSE
la. Governance	Describe the board's oversight of climate-related risks and opportunities.	Through our Resilience Program, climate-related risks and opportunities are overseen by our Global Management Council, PGIM Real Estate's most senior governing body, with additional oversight and support from our Global ESG Council, senior management team, Investment Risk group and Sustainability Program team.
lb. Governance	Describe management's role in assessing and managing climate-related risks and opportunities.	Our Sustainability Program team is directly responsible for managing our climate-related risks and opportunities via the PGIM Real Estate Resilience Program; the team is led by our global director of sustainability, Shubha Maheshwari, with support from our sustainability program manager, regional sustainability councils and global sustainability consultant, Verdani Partners. Management of climate-related risks and opportunities by the Sustainability Program team is overseen by our global head of sustainability and reviewed annually by our Global Management Council.
2a. Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Using a variety of tools and risk assessments across all assets, we have identified both physical and transition climate-related risks over the short, medium and long term. Physical risks include acute and chronic impacts such as heat stress, water stress, sea level rise, flooding, hurricanes and wildfires. Transition risks include policy and legal, technology, market and reputation. Climate-related opportunities identified include market differentiation, increased investor confidence and tenant attraction and retention.
2b. Strategy	Describe the impact of climate- related risks and opportunities on the organization's business, strategy and financial planning.	Both risk assessment strategy and capital allocation strategy have been impacted by our climate-related risk and opportunity identification process. Specific strategy impacts include allocating budgets for asset-level physical climate risk on-site assessments; tracking asset- and portfolio-level physical value at risk; monitoring global decarbonization regulations; calculating cost exposure to achieve our net zero carbon emissions by 2050 target; investing in physical mitigation strategies to harden assets; educating stakeholders on emergency preparedness; and conducting resilience retrofits.
2c. Strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our company strategy is made resilient by assessing climate-related risks and opportunities through the lens of multiple tools and climate change scenarios. We screen assets using a Moody's physical climate risk assessment with the "business as usual" Representative Concentration Pathway model (RCP 8.5). We identify sea level risk at 1 foot, 2 feet, 3 feet, 10 feet scenarios for equity properties. We hedge against transition risk by working toward our Paris Agreement-aligned 2050 net zero target.

## **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 Standards 2021 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 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.

GRI STANDARD	DISCLOSURE	LOCATION	
	2-I Organizational details	1, 4, 8, 9, 42, 46	
	2-3 Reporting period, frequency and contact point	8, 42	
	2-5 External assurance	33	
	2-6 Activities, value chain and other business relationships	9	
	2-7 Employees	9, 38, 39	
	2-9 Governance structure and composition	10	
	2-II Chair of the highest governance body	10	
	2-12 Role of the highest governance body in overseeing the management of impacts	8, 10, 13	
DIO O ID: I 0001	2-13 Delegation of responsibility for managing impacts	10	
RI 2: General Disclosures 2021	2-15 Conflicts of interest	13	
	2-19 Remuneration policies	Click here to open policy document	
	2-22 Statement on sustainable development strategy	7	
	2-23 Policy commitments	8, 12-15, 41	
	2-24 Embedding policy commitments	10, 13, 41	
	2-25 Processes to remediate negative impacts	13	
	2-26 Mechanisms for seeking advice and raising concerns	13	
	2-28 Membership associations	7, 26, 39, 40, 41	
	2-29 Approach to stakeholder engagement	8, 21, 23, 24, 40, 41,	
DIO M IT	3-2 List of material topics	Click here to open policy document	
RI 3: Material Topics 2021	3-3 Management of material topics		
RI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	8, 11-17, 43	
RI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	13	

GRI STANDARD	DISCLOSURE	LOCATION	
	302-I Energy consumption within the organization	27, 28	
GRI 302: Energy 2016	302-3 Energy intensity	27, 28	
	302-4 Reduction of energy consumption	27, 28, 31	
GRI 303: Water and Effluents 2018	303-5 Water consumption	27, 28	
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	18	
	305-I Direct (Scope I) GHG emissions	29	
	305-2 Energy indirect (Scope 2) GHG emissions	30	
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	30	
	305-4 GHG emissions intensity	27, 29, 30	
	305-5 Reduction of GHG emissions	27, 29, 30	
ODI 000 W 0000	306-3 Waste generated	27, 31	
GRI 306: Waste 2020	306-4 Waste diverted from disposal	27, 32	
2010	40I-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Click here to open policy document	
GRI 401: Employment 2016	40I-3 Parental leave		
	403-4 Worker participation, consultation, and communication on occupational health and safety	41	
	403-5 Worker training on occupational health and safety	41	
	403-6 Promotion of worker health	41	
	404-2 Programs for upgrading employee skills and transition assistance programs	7, 12, 15, 19, 41 Click here to open policy document	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	38, 39	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	39-41	

