

## **PGIM Real Estate (UK) Limited**

### **Section 172(1) Statement for the Year Ended 31 December 2021**

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

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

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

As the financial impact of COVID-19 on the Company has not been not material, the Directors have been able to pursue their longer term strategy of aligning the Company's activity to that of the PGIM Real Estate Division with the PGIM Real Estate launches of the UK Affordable Housing Fund during 2021 and the PRECap VII final close in early 2022 for which the Company acts as asset manager.

The Directors consider the potential impact of COVID-19 and regulatory change, for example the impact of the new UK Investment Firms Prudential Regime, on the performance, cash flows and capital of the Company when assessing whether the Company has sufficient liquidity and capital adequacy to make dividend payments and to meet its obligations as they fall due. No interim nor dividend payment was proposed during 2021 (2020: interim £5.0m).

The Directors are mindful of the economic and social impact of the long term decisions made within the Company and to support the management of the Company with its Environmental and Social Governance, a Group Global Head of ESG was appointed during the year, based in the London offices.

#### **(b) The interests of the Company's employees**

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

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

The Company works to foster positive business relationships with suppliers, customers and other stakeholders. Relationships with customers are governed by written contracts to ensure transparency and clarity of expectation of performance. The Company has established good working relationships with its suppliers and seeks to ensure a responsible payment culture, with the publishing for the Group of its Business Payment practices and Performance reporting on the Companies House website. As part of their engagement with stakeholders, the Directors review and challenge the Business Payment practices and Performance reporting to ensure that suppliers are paid within agreed terms.

Following a review of the Modern Slavery Act, the Company has engaged with its suppliers to ensure mutual compliance. The Company seeks to establish positive relationships with the local regulatory authorities.

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

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

The Group seeks where possible to minimise its impact on the environment and has developed in-house initiatives, such as an internal recycling scheme and the provision of employee cycle racks, to support this aim. The Group has set a quantitative and qualitative target for its business, aimed at reducing its overall environmental impact of its operations.

During the year the group refurbished the offices at Grand Buildings. As a part of the project the Group donated a large quantity of old furniture to the charity Youth Build, an organisation that works with under privileged teenagers teaching them building skills. As a result of the Groups donation the charity was able to fit out two of their London sites.

The Company's Grand Building offices uses 100% renewable energy for its electricity supply.

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

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

**(f) The need to act fairly as between members of the Company**

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